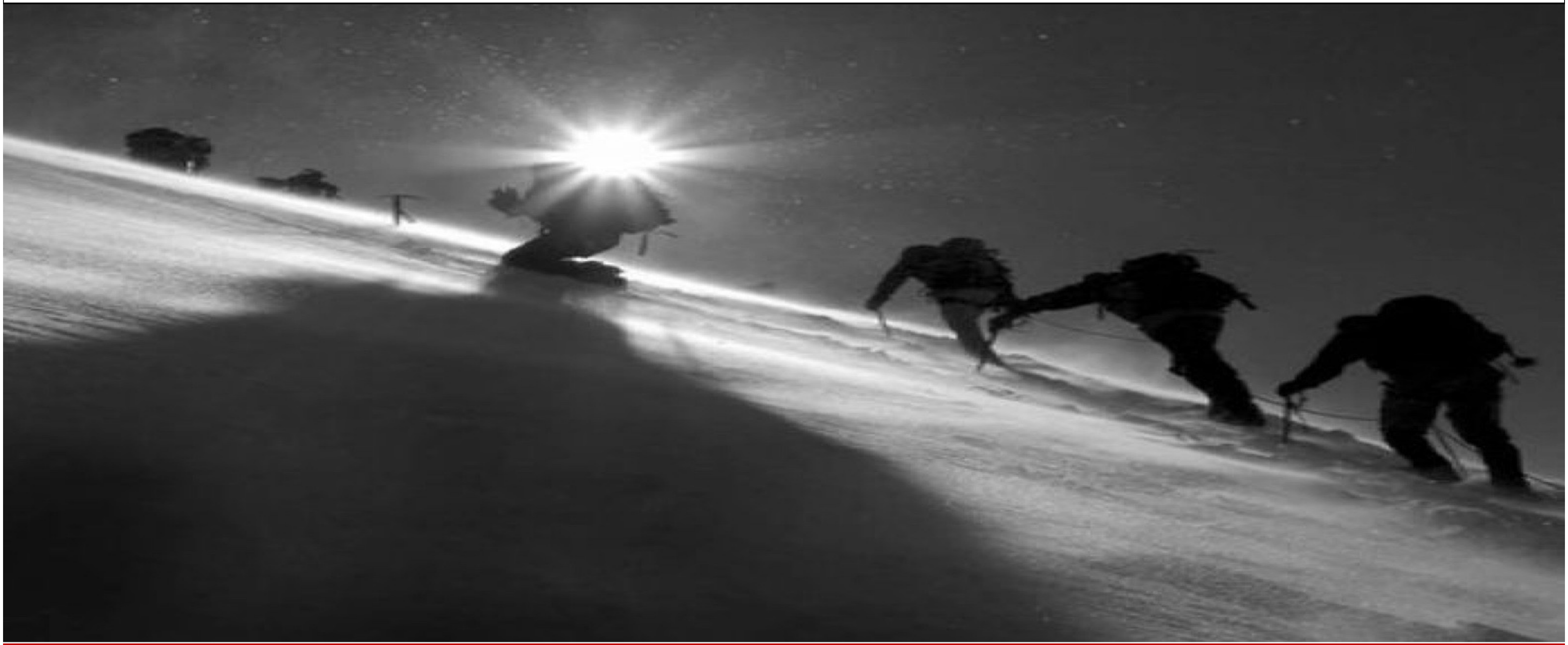
Johnson & Company

SINCE 2011, THE ONLY MARKETING & FUNDRAISING SPECIALIST FIRM EXCLUSIVELY FOR "SUB-INSTITUTIONAL" ALTERNATIVE ASSET MANAGERS, FROM START-UP TO $100 MILLION AUM, WITHIN VENTURE CAPITAL, PRIVATE EQUITY, PRIVATE CREDIT and HEDGE FUNDS.

NO BS ◆ NO PROPAGANDA ◆ NO HYPE

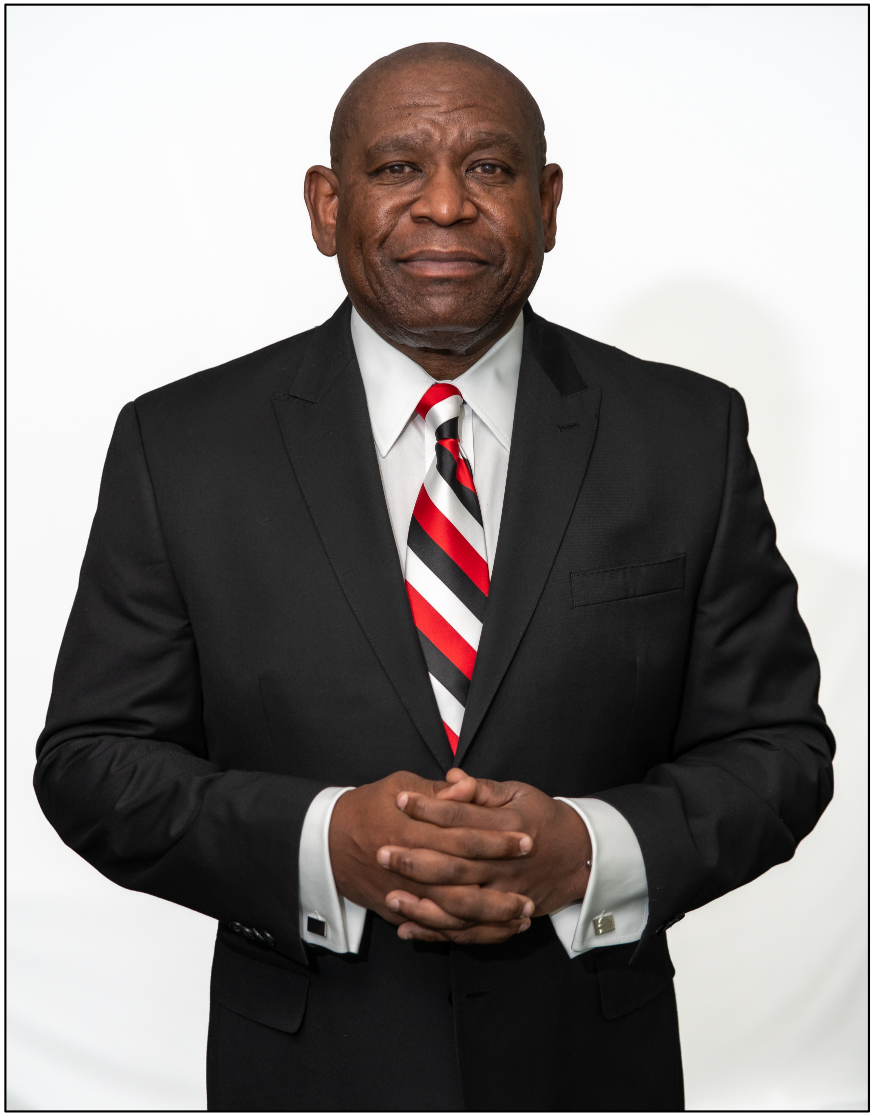
"MARKETING ALPHA"



INFORMATION ◆ INSIGHT ◆ INTELLIGENCE ◆ INSTRUCTION ◆ EXECUTION

JOHNSON & COMPANY

Since 2011, Johnson & Company has been the ONLY firm solely dedicated as a specialist for the unique marketing and fundraising process execution required by sub-institutional alternative asset managers within venture capital, private equity, private credit and hedge funds from start-up to less than $100 million AUM.



Bryan K. Johnson - Managing Partner

- 30+ years experience in the alternative asset class.
- Personally raised $3+ billion across venture, private equity & hedge funds.
- Principal of $100 million private fund.
- Global Head of Business Development for the Alternative Funds Group (AFG) with Moody's Investors Service in New York City.
  - Senior Relationship Officer (SRO) actively called on investment executives and board members at endowments, foundations, Taft-Hartley plans, single and multi-family offices, public pensions, broker-dealers, RIAs and institutional consultants.
  - Led deployment of Operational Quality (OQ) ratings for hedge funds, credit ratings for alternative investment securitizations, Collateralized Fund Obligations (CFOs) and debt obligations of alternative asset managers. Clients: Citadel, Fortress, King Street, Marathon, SAC, Millennium, Brevan Howard & Marshall Wace.
- Served as chief lead expert witness and consultant and for The Texas Office of The Attorney General and The State of Texas in the evaluation of hedge funds and private equity firms involving disposition of the generation assets of Texas Genco and the multi-billion dollar true-up of Centerpoint Energy (CNP:NYSE).
- CEO/Founder of Gotham Bay Partners, an alternative investment firm which developed investment policy and asset allocation strategies for 60+ private wealth investors and family offices as well as evaluated single manager and pooled private equity and hedge funds.
- B.A. - Washington and Lee University (Lexington, VA) 1986.

Johnson & Company ©

OUR FIVE (5) CORE PRINCIPLES

1.

“EDUCATION BEFORE EXECUTION”

2,

“PRESCRIPTION BEFORE DIAGNOSIS IS MALPRACTICE”

3.

“SEEK TO UNDERSTAND BEFORE SEEKING TO BE UNDERSTOOD”

4.

“NEVER SELL BUT ALWAYS BE OF SERVICE”

5.

“COMPLEXITY DEMANDS COLLABORATION”

“Performance is of secondary importance to perceived safety and a reduction of headline risk. As such, a high-quality product and strong historical returns are not enough for small managers to attract assets. They need an effective sales and marketing strategy. Managers must realize that high-quality marketing is a critical element of a hedge fund's survival and success”.

Don Steinbrugge
Founder and CEO of Agecroft Partners

13 consecutive years as Hedge Fund Marketing Firm of the Year by Hedgeweek/HFM

Johnson & Company ©

For new and smaller managers, especially those with less than $100 million AUM, raising assets + growing AUM are top priorities.

Most new, first-time and smaller managers FAIL raising assets.

The solid belief by almost every new and smaller manager: "Performance will bring new AUM".

However, many new and smaller managers "outperform" but fail raising assets and growing AUM.

In fact, even with "exceptional outperformance", most first-time, new and smaller managers rarely get AUM beyond personal capital and minimal investments from family, friends, former professional colleagues and/or social relationships.

As a result of failing to raise assets, +50% of new and smaller managers close within 3 years of launch.
(Source: Goldman Sachs Prime Services)

A structured, disciplined and focused well-executed marketing process is MANDATORY for new and smaller managers to succeed raising assets and growing AUM, but.....

"81% OF SMALLER MANAGERS DO NOT HAVE A MARKETING PROCESS".
Source: Alternative Investment Management Association (AIMA)

"Firms lacking a high-quality sales and marketing strategy may struggle to attract assets and face a higher probability of shutting down".
Source: Agecroft Partners - Top hedge fund industry trends for 2024

THE SUB-INSTITUTIONAL "MARKETING ALPHA PROCESS" is NOT a "course", "boot-camp", "masterclass", "seminar", "workshop", "conference" or "event".

There is too much BS, hype and absolutely wrong information available about starting a fund + marketing & fundraising for new and smaller sub-institutional managers.

Most of the BS, hype and absolutely wrong information is delivered via social media channels, boot-camps, classes, seminars, workshops, conferences, podcasts and "events", that offer lots of "sizzle" i.e. a "secret" that unlocks millions in AUM, "a hack or shortcut" to raise millions fast" or the promise to meet "lots of family offices". Additionally, these "events" bring in "motivational speakers" to get the capital raising manager in the "right" mindset. Also, these events tend to be filled with people and firms looking to "sell products and services" rather than REAL investors.

The "party and entertainment" atmosphere at these events do not get a new or smaller manager 'optimally prepared' to raise assets. In fact, they lead to improvisational, inappropriate, inconsistent and ineffective marketing and fundraising execution, which ends with failure raising assets + wasted time and money. Further they do not provide an acute understanding of the "real-world" multi-factor qualitative and quantitative requirements for a first-time, new or smaller manager to raise assets for fund. Instead, they promote unrealistic expectations of what can be achieved when first-time, new and smaller managers attempt to start a fund and raise assets.

Most importantly, these events lack the critical ingredients for success starting a fund, launching a manager and raising assets:

A structured, disciplined and focused PROCESS using independent high-integrity data and research, experienced individual guidance and acute personal attention with the candor and accountability that provides the information, insight, instruction and intelligence necessary for consistent marketing process execution at the level that gets results raising assets and growing AUM in a hyper-competitive and crowded fundraising climate filled with stringently selective, "low-trust", risk-averse and idiosyncratically demanding individuals, family offices, institutions, advisors, gatekeepers & allocators.

FUNDRAISING SUCCESS DEMANDS A MARKETING PROCESS:

THAT REQUIRES EXPERIENCE, EDUCATION AND CONSISTENT EXECUTION NOT A PARTY OR ENTERTAINMENT.

IMPORTANT NOTE: Most institutions, allocators and family offices rarely attend "conferences & events". Research clearly shows investors have "established networks" to identify managers. In fact, the data confirms that "personal networks of investors" are the primary and most powerful source to raise assets and identify managers. Moreover, most Institutions, allocators and family offices are extremely selective in the gatherings they do attend, this is particularly true for family offices and private wealth that place high value on anonymity, confidentiality, security and privacy.

FACT: Raising assets isn't easy and doesn't happen quickly from institutions, family offices and intermediaries.

Raising, retaining and expanding AUM is a triathlon. The swim, bike and run are marketing, capital raising and investor relations! It takes PROCESS, patience, discipline, money (it takes money to raise money!) and skill to WIN! Whether a manager is new, smaller or large, inexperienced or seasoned-institutional level, raising assets and growing AUM rarely happens with the speed, velocity and consistency expected (even when exceptional outperformance is present!).

THE REALITY OF MARKETING & FACTS OF CAPITAL RAISING FOR NEW AND SUB-$100 MILLION AUM ALTERNATIVE ASSET MANAGERS

Most new, first-time and smaller managers firmly believe raising assets will result from investment performance.

As a result, "marketing" becomes "pitching and posting performance" to databases, platforms and social media as well as attending conferences to distribute "performance sheets and decks" to anyone they think has money.

Filled with the conviction that past and future investment performance will quickly attract all the assets wanted, the manager has an expectation to surpass the "credibility threshold" of $100 million AUM with little difficulty, leap to $250-$300 million AUM the "minimum critical mass" for institutional assets, and very shortly find themselves solidly in the "global institutional fundraising sweet spot" between $400 million - $2 billion AUM. At such point, they will be large enough to optimize fundraising due to the ability to attract assets from all investor segments but also remain small enough to be "nimble" and avoid the "dis-economies of scale" associated with large AUM that characterizes the fund/firm as an "asset gatherer" devoid of the desire and capability of delivering actual performance to investors.

The belief that raising assets will be somewhat fast due to exceptional investment performance begins to fade reality as the anticipated growth of AUM fails to meet expectations.

Investors, intermediaries and allocators are highly-skeptical, stringent and selective in allocating to alternative managers, especially those that are new or smaller. The decision to invest in a new or smaller manager encompasses a multi-factor manager evaluation process comprised of idiosyncratic qualitative/quantitative aspects that go beyond investment performance as THE only metric in the allocation/investment decision. With more stringent and broader investor requirements of managers and funds, "pitching performance" as well as "posting performance" to raise assets are a waste of time, even with the presence of exceptional performance on a risk-adjusted, relative benchmark, peer or absolute return basis. Moreover, a climate of persistent crisis, global geopolitical instability, rising rates and higher volatility along with social conflict impacts the financial markets on a daily basis, which exacerbates the difficulty, complexity, operational requirements, time and expense of marketing, making capital raising a greater challenge for new and smaller managers, especially those with AUM less than $100 million.

Three (3) points illustrate the necessity of a marketing process for new and smaller managers raising assets:

1. **Of 468 U.S. hedge fund clients +50% were closed within 3 years. Source: Goldman Sachs Prime Services**
2. **Q1/2023: 4000+ private equity firms actively fundraising seeking $1.1 trillion USD. Source: Private Equity International**
3. **Q1/2023 - 18,000+ active hedge funds in U.S. Source: Preqin**

WHY "MARKETING ALPHA" IS VITAL FOR NEW + SMALLER MANAGERS

27%
PERCENTAGE OF SUB-$100 MILLION MANAGERS THAT DO NOT INVEST IN MARKETING.
Source: AIMA

→

81%
PERCENTAGE OF SMALLER MANAGERS WITHOUT A MARKETING PROCESS.
Source: AIMA

→

76.4%
PERCENTAGE OF HEDGE FUNDS THAT 'TAP OUT' THEIR INVESTOR NETWORK WITHIN ONE (1) YEAR.
Source: KPMG

→

89%
PERCENTAGE OF HEDGE FUNDS THAT DO NOT REACH $100 MILLION AUM.
Source: The Performance of Emerging Hedge Fund Managers (SSRN)

→

+50%
PERCENTAGE OF HEDGE FUNDS CLOSED WITHIN 3 YEARS OF LAUNCH.
SOURCE: GOLDMAN SACHS

Globally, there are 30,000+ hedge funds, 4,000+ private equity firms 40,000+ institutional allocators globally and 55,000+ individuals and families of private wealth with assets exceeding $30 million in the U.S. alone.

The requirements and demands of institutional and private wealth investors are dynamic, stringent and idiosyncratic.

MARKETING requires knowing who to speak to, when to speak to them, and how to speak them to build a "relationship" that achieves TRUST i.e. "ACTIONABLE CONVICTION" to invest. Most "sub-institutional" managers do not have an acute grasp of the fundraising challenges on a "manager-specific" basis. The lack of information, insight and intelligence into investors and the capital raising climate as it pertains specifically to the manager/fund means most fail raising assets.

Marketing and fundraising for sub-institutional managers are completely different than for more-operationally seasoned institutional managers and firms with larger AUM. Failure to completely understand critical distinctions of the marketing process between sub-institutional and institutional managers along with limited experience with the numerous qualitative and quantitative requirements, nuances and complexities of marketing and fundraising on a "manager-specific" basis leads to mistakes that can be expensive and fatal. As a result, most new and smaller managers, especially those with AUM less than $100 million, chronically fail raising assets.

Most new, first-time and smaller managers as well as those envisioning starting a fund are often highly-skilled in research, trading or some form of investing but do not have the necessary experience, expertise, skills and deep investor relationships for marketing and fundraising. As a result, they lack critical facts about the demands, requirements, nuances and complexities of the marketing process along with a solid grasp of the communication, presentation and engagement skills mandatory to be consistently successful raising assets.

Marketing and fundraising comprise a dynamic, complex and complicated puzzle. The marketing process requirements to succeed raising assets are often grossly under-estimated and completely mis-understood by most first-time, new and smaller managers and as a result marketing execution is poor, which leads to chronic struggle and failure raising assets.

Marketing and Fundraising: Distinctly separate processes but critically complementary.

”MARKETING ALPHA”: CANDOR ◆ ACCOUNTABILITY ◆ ASSISTED EXECUTION

Lack of candor is a killer to success. No business should operate without it. Operating with candor and high-integrity independent research sets realistic expectations and eliminates the delusions and magical thinking many new and smaller managers have about the ability to raise assets, the length of time it takes to raise assets and the real costs involved marketing and raising assets.

Candor brings accountability, the life-blood of high-performance and crucial for continuous improvement. Where candor and accountability are lacking, success and results are never achieved. To that end, a key aspect of the process are 1-on-1 recorded and archived “accountability calls” that enable the level of candor to maintain marketing execution discipline, quality and consistency. The focus of ”accountability calls” is shaped by the specific needs of the manager (prospect engagement, presentation skill development, etc”). The archiving of accountability calls serves as a "manager-specific" reference point for process execution and support.

“MARKETING ALPHA”

1. **Delivers the facts about what it really takes for a new and sub-$50 million AUM manager as well as those contemplating launching a fund to raise assets by elimination of the hype, noise, completely wrong information, along with the myths and fiction about marketing and raising assets specifically for sub-institutional managers with accurate information, clear objective insight, independent research, experienced intelligence and personalized instruction.**

2. **Details the complete marketing process A-Z for sub-institutional managers. All the qualitative and quantitative requirements of the marketing process are detailed and thoroughly discussed with consultative candor. In this way, the manager firmly understands the REAL marketing and capital raising options specific to themselves, their fund and business.**

3. **Enables informed data-driven marketing process decisions that validate and support "appropriate” “investor-centric” and “prospect-specific” engagement in tandem with consistent execution of the "right" manager-specific marketing actions.**

4. **Instills the confidence for the manager to make the 24/7/365 holistic (personal and financial) commitment to the marketing process by knowing the '"right" decisions are being made, the necessary skills are firmly in place, fatal mistakes are being avoided and time, effort and money are not wasted.**

“MARKETING ALPHA”

- Prepares a new or smaller manager to raise assets for a first fund or raising institutional capital by deciphering the "manager-specific" complexities and nuances of raising assets from marketing and fundraising information, insights, intelligence and experienced instruction.
- Catalyzes data-driven execution of the marketing and fundraising processes from high-integrity independent data and research that enables "assisted step-by-step execution" of the "manager-specific" marketing process at the level required to optimally-position, prepare and equip the manager to raise, retain and expand AUM consistently, faster, easier and less expensively.
- Professionalizes the marketing process with the skills, structure, discipline and focus crucial for the commitment, discipline, candor and accountability essential to fundraising success within private wealth and institutional segments.
- Optimally positions a new or smaller manager with the “manager-specific step-by-step marketing process execution" that drives high-impact "investor-centric/prospect-specific" engagement that creates the “actionable conviction” mandatory to raise assets + grow AUM efficiently, economically and expediently.
- Accelerates fundraising by a “marketing process” that enhances visibility, awareness and relationship-building within the manager’s geographic and relational footprint.
- Organically builds and maintains a qualitatively and quantitative investor pipeline comprised of the most suitable prospects given the manager profile and the geographic/relational footprint + opportunity set to then appropriately engage the pipeline in an "investor-centric/prospect-specific" manner.
- Eliminates the BS, hype, propaganda and wrong information about marketing and raising assets that leads a manager to delusional/magical thinking about the ability to raise assets as well as the requirements, time and expense of the marketing process address all the strategic, tactical, operational and financial issues of marketing and raising assets on a "manager-specific" basis.
- Stops the chronic struggle, frustration and failure raising assets and growing AUM.

Johnson & Company

"MARKETING ALPHA"

THE <u>ONLY</u> MARKETING & FUNDRAISING SPECIALIST FIRM FOR "SUB-INSTITUTIONAL" ALTERNATIVE ASSET MANAGERS, FROM START-UP TO $100 MILLION AUM, WITHIN VENTURE CAPITAL, PRIVATE EQUITY, PRIVATE CREDIT and HEDGE FUNDS.

INFORMATION ◆ INSIGHT ◆ INTELLIGENCE ◆ INSTRUCTION ◆ EXECUTION

NO BS ◆ NO PROPAGANDA ◆ NO HYPE

AN EXPERIENCED, HIGHLY-SKILLED PARTNER + A PROVEN PROCESS. = RESULTS.

FOR A CANDID CONVERSATION ABOUT MARKETING + FUNDRAISING, CONTACT:

Bryan K. Johnson, Managing Partner
bryan@johnsn.com

THIS PRESENTATION IN ITS ENTIRETY IS CONSIDERED INTELLECTUAL PROPERTY OF JOHNSON & COMPANY. ALL CONTENT VERBAL , WRITTEN, ELECTRONIC AND DIGITAL HEREIN ARE INTELLECTUAL PROPERTY OF JOHNSON & COMPANY AND PROVIDED CONFIDENTIALLY SOLELY FOR USE BY THE INTENDED CLIENT RECIPIENT. THESE MATERIALS MAY NOT BE REPRODUCED IN ANY FORM OR DISTRIBUTED BY ANY MEANS IN WHOLE OR IN PART WITHOUT WRITTEN CONSENT OF JOHNSON & COMPANY.

www.Johnsn.com