

## PERSPECTIVES

# Inside the Mind of the Advisor

## Top 5 Strategies To Get Your Fund in Front of an RIA



**Lisa Lewin**  
Business Development  
Prime Services

We understand that our hedge fund clients face challenges when marketing to the RIA community. Providing a look inside the mind of the advisor is just one of the ways the Prime Services team at BNY Mellon's Pershing can help fund managers build strategies to help grow their businesses.

I recently had the pleasure of moderating a panel discussion at Pershing's Alternative Investment Forum, which highlighted the potential benefits of alternative strategies. The event brought together registered investment advisors (RIAs) who were interested in learning more about alternative strategies and alternative investment managers who were looking to expand their presence with this investor base. The multi-panel event featured industry experts who shared their insights on several pertinent topics including the benefits of including alternative strategies in one's asset allocation, how advisors can access alternative products and how managers can best connect with the advisory community.

The genesis of this event was to help bridge the gap between alternative managers and RIAs. This has been an important area of focus for Pershing as we have seen increased interest from our clients to learn more about this topic. Our hedge fund clients are interested in learning about how they can market their products to interested RIAs, which can be a challenging endeavor as the advisory community is very different than the institutional space. Our advisor clients are interested in learning more about best practices for sourcing managers and different ways to access these strategies. One of the main challenges for both managers and advisors has been the general lack of information and education around these topics. We at Pershing are hoping to fill that void through these types of events and similar thought leadership initiatives.

So what does it take to get your alternative investment fund noticed by RIAs, family offices and other professionals in the wealth management space? Below are a few strategies provided by the experts on our panel, which included alternative investment professionals who work closely with RIAs to help them incorporate alternative products into their offering, as well as a partner at a large, multi-family office that allocates to alternative managers.

### 1 CLARITY IS KEY.

Managers need to be able to clearly articulate their strategy and how it fits into an overall asset allocation. Not only does the advisor have to understand it, but they need to understand it well enough to explain it to their clients and in some situations, their firm's investment committee. We have seen advisors pass on strategies because they cannot explain it to their clients or internal partners.



## 2 DIFFERENTIATE YOURSELF BY TELLING YOUR STORY.

More and more advisors are doing their own research on asset managers, and we have seen managers gain traction based on their websites. Your website could be the first place an advisor begins to research if your fund would be a good fit so make sure it relays your pedigree, investment philosophy, and any other important differentiating factors.

## 3 BE READY AND WILLING TO SHARE INFORMATION.

RIAs who are interested in alternatives are also likely to be interested in the same research that hedge funds use to make investment decisions. Transparency can be a benefit—make sure the advisor has access to the investment team if needed.

## 4 HAVING THE RIGHT PARTNER IS IMPORTANT.

Hedge fund managers should consider partnering with a firm who already has penetration in the RIA space before they undergo a large—or expensive—undertaking to handle it internally.

## 5 BE CREATIVE WITH RESPECT TO FEES AND BE ABLE TO DEMONSTRATE PERFORMANCE.

Creativity around fee structures can be a differentiator, especially if you are trying to raise capital. If a manager has incredible pedigree and an excellent track record, they can command high fees. In the absence of these factors, it can be more challenging. Separately, be able to show performance – both in good market conditions as well as more challenging market environments.

---

### CLOSING THOUGHTS

Our goal when working with clients and hosting events like these is consistent: we want our audience to walk away with valuable insights and tools they can use immediately to help tackle the challenges around their businesses. The Prime Services team is committed to education and access around alternatives.

### Putting Insights Into Action

Meet with your relationship manager to discuss the questions most important to you and craft a strategic plan to propel your firm forward.



One Pershing Plaza, Jersey City, NJ 07399

---

©2019 Pershing LLC. Pershing LLC, member FINRA, NYSE, SIPC, is a subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). Pershing does not provide investment advice. Professionally managed investment advisory services, if offered, are provided by Lockwood Advisors, Inc. (Lockwood), a Pershing affiliate and an investment adviser registered in the United States under the Investment Advisers Act of 1940. For professional use only. Not intended for use by the general public. Trademark(s) belong to their respective owners.

PPS\_0719\_4702\_Perspectives\_Inside the Mind of the Advisor