

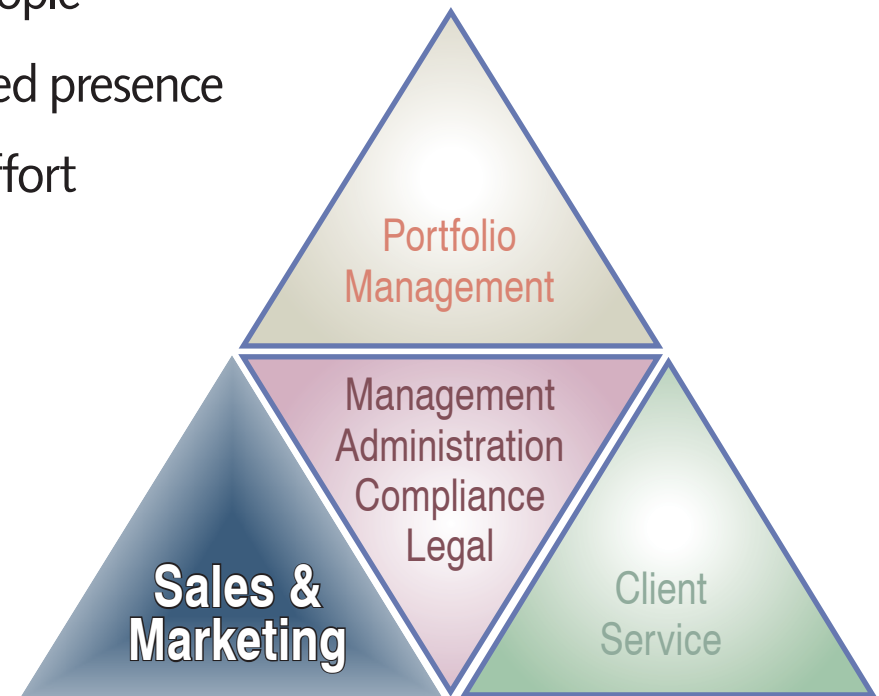


## Third Party Marketing

A proven, cost-effective  
sales & marketing strategy  
successfully used by investment managers

# Reasons to hire a third party marketer

- Alternative to hiring internal sales people
- Grow established product with limited presence
- Transition from portfolio manager effort
- Expand into new market segment
- Seed start-up with critical assets
- Fix ineffective distribution effort
- Launch new product



"Insanity: doing the same thing over and over again and expecting different results."

....Albert Einstein

# Our credentials

## Third Party Marketing Experience

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- ▶ Founded in 1995, independently owned
- ▶ Two experienced sales professionals
- ▶ \$2 billion raised by Arrow, \$7+ billion raised during principals careers
- ▶ Active relationships with large US financial intermediaries & investors
- ▶ Securities distributed by Arrow Investments, Inc., Member FINRA, SIPC

## Industry Leadership

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- ▶ Founding member of Third Party Marketing Association ([www.3pm.org](http://www.3pm.org))
- ▶ **Third Party Marketer of the Year:** Emerging Manager's Summit, May 2007
- ▶ Articles published in: MFA Reporter, Emerging Manager Monthly, Emerging Manager Focus, Third Party Marketing Association website
- ▶ Quoted in: Money Management Letter, Forbes, Investment Management Weekly, InvestmentNews, Pensions and Investments and FundFire

# What we bring to your asset gathering effort

- Fixed budget with incentive-based compensation
- Targeted institutional and wealth management coverage
  - ◆ Develop and design institutional quality presentation materials
  - ◆ More than ten years of proprietary sales meeting notes
  - ◆ Qualified distribution to 2000+ institutional investors and RIAs
  - ◆ Participation at industry conferences
- Comprehensive sales & marketing support
  - ◆ Database population and maintenance
  - ◆ RFP production and questionnaire completion
  - ◆ Holdings and returns-based attribution
- Clearly defined sales expectations with full accountability
- Better leverage of investment professionals' time

*"Hope is not a strategy."*

*....Anonymous*

# Sales support and business infrastructure

Sales support	Firm	
Materials, RFPs & questionnaires	DG Analytics	5 years
Materials, RFPs & questionnaires	Compass Institutional	1 year
Database population	ASAP Advisors	9 years
Returns & peer group analysis	PSN Informa	6 years
Holdings based attribution	StokTrib	6 years

## Publications and subscriptions

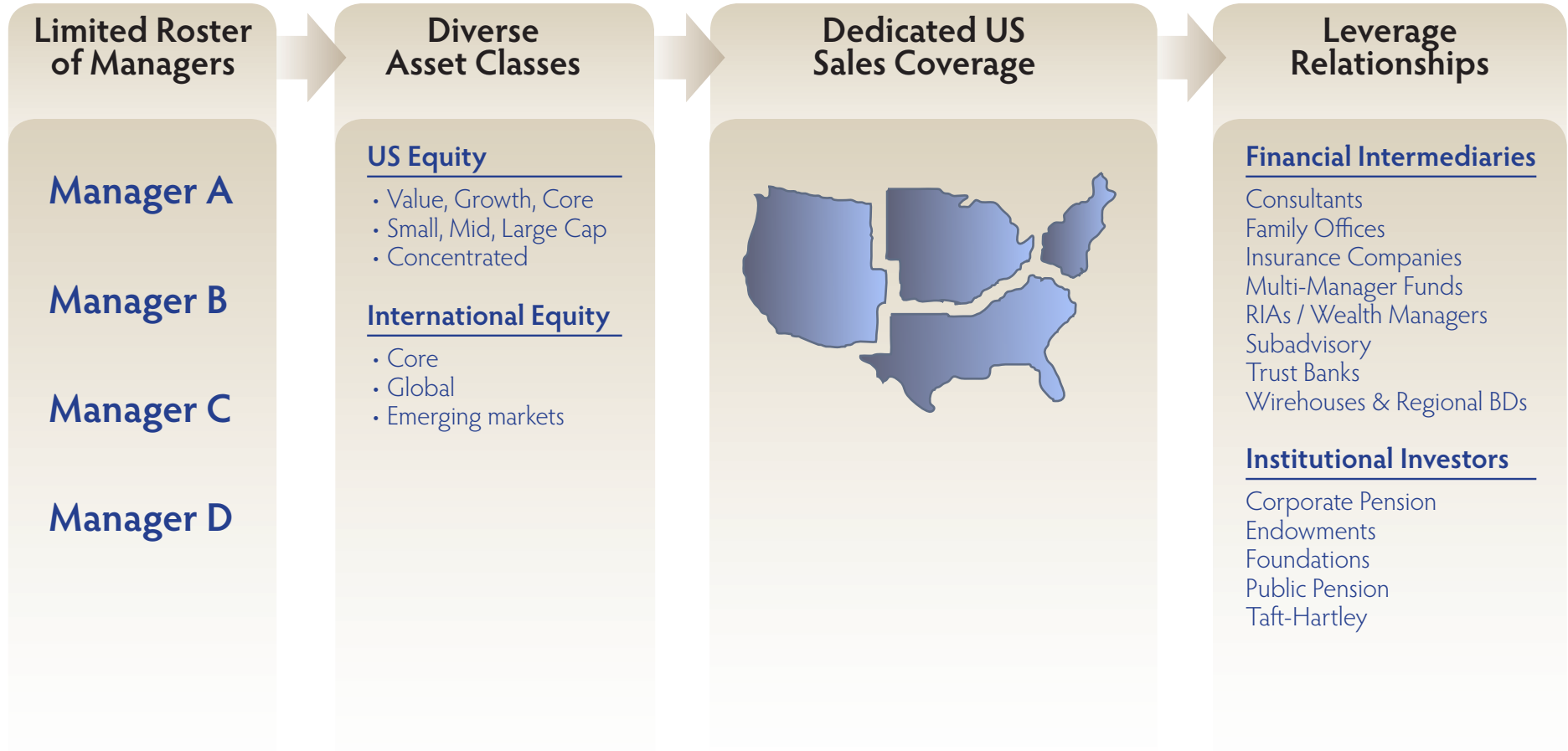
Institutional Investor	Fundfire.com
Pensions & Investments	Infovest 21
Investment News	Non Profit News
Plan Sponsor	Fin Searches
Emerging Manager Monthly	On Wall Street
Money Market Directories	Financial Advisor
Nelson's Directories	Investment Management Weekly
Investment Advisor	Financial Planning
Bank Investment Consultant	Registered Rep

Business Infrastructure	Firm	
Accounting	Withum Smith + Brown	11 years
Legal	Finn Dixon & Herling	12 years
Information Technology	Another 9	8 years
Broker-Dealer compliance	Securities Consulting Group	12 years
Financial & operations principal	FINOP Services	12 years

## Mutual goal

To meet specific asset targets  
and “close” the product to new assets  
during the next three to five years.

# Distribution model



# Working together

## Phase One Objective

**Establish the foundation to "win" during the first 90 days**

- Develop the institutional 'story'
- Solidify roles and responsibilities
- Confirm tactical approach

## Phase Two Objective

**Initiate marketing plan in the next 180 days**

- Populate databases
- Schedule initial meetings
- Fine tune story

## Phase Three Objective

**Cultivate opportunities to win assets after 270 days**

- Gain consultant confidence
- Get onto 'short lists'
- Win new business

### Arrow responsibilities

Prepare strategy and marketing materials

- Develop an institutional presentation, create product snapshot
- Build library of RFP responses, select databases to populate
- Provide attribution analysis, evaluate peer group data
- Create specific contact plan, establish distribution list

Get onto prospect 'radar screens'

- Populate database information, distribute quarterly performance mailings
- Contact target prospects, set up initial meetings
- Complete RFI's and RFP responses

Manage prospect pipeline

- Maintain distribution list, continue prospect meetings and direct prospect follow-up
- Schedule visits at manager's offices and participate in final presentations

### Manager responsibilities

Transfer information and data from manager

- Information and data transfer: qualitative, quantitative, compliance disclosures
- Review, input and final approval of sales and marketing materials

Assist in market positioning

- Broad meeting participation
- Timely response to information requests

Participate in targeted meetings and client service

- Search participation
- Targeted meetings
- Client service

# Success stories — growth managers

	Washington Capital Management	Windham Capital Management
Asset Class	<ul style="list-style-type: none"> <li>• Small Cap Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Large Cap Growth</li> <li>• Concentrated Growth</li> </ul>
Relationship Dates	<ul style="list-style-type: none"> <li>• 2003-2005</li> </ul>	<ul style="list-style-type: none"> <li>• 1998-2001</li> </ul>
Firm Profile (pre Arrow)	<ul style="list-style-type: none"> <li>• 25 year history; \$1.5 billion firm</li> <li>• 10 year record; \$80 million product</li> <li>• Northwest, Taft-Hartley focus</li> <li>• No national recognition</li> <li>• Not AIMR verified</li> </ul>	<ul style="list-style-type: none"> <li>• 10 year record</li> <li>• 2 investment professionals</li> <li>• \$300 million</li> <li>• Small institutional clients</li> <li>• Limited sales effort</li> </ul>
Arrow Contribution	<ul style="list-style-type: none"> <li>• Populated institutional databases</li> <li>• <b>\$800+ million</b> incremental assets</li> <li>• 25+ new institutional clients</li> <li>• <b>Product closed to new investors</b></li> </ul>	<ul style="list-style-type: none"> <li>• Top 10 managed account platform</li> <li>• 150+ financial planners</li> <li>• 800+ accounts</li> <li>• <b>\$150+ million</b> incremental assets</li> </ul>

# Success stories — value managers

	Schneider Capital Management	Matrix Asset Advisors
Asset Class	<ul style="list-style-type: none"> <li>• All Cap Value</li> <li>• Mid Cap Value</li> </ul>	<ul style="list-style-type: none"> <li>• Large Cap Value</li> </ul>
Relationship Dates	<ul style="list-style-type: none"> <li>• 1999-2000</li> <li>• 2004-2005</li> </ul>	<ul style="list-style-type: none"> <li>• 1996-1998</li> <li>• 2001-2003</li> </ul>
Firm Profile (pre Arrow)	<ul style="list-style-type: none"> <li>• 2 year old lift out</li> <li>• 6 investment professionals</li> <li>• \$600 million</li> <li>• 1 large public fund client</li> <li>• Regional marketing focus</li> </ul>	<ul style="list-style-type: none"> <li>• 10 year record</li> <li>• 5 investment professionals</li> <li>• \$400 million</li> <li>• HNW focus</li> <li>• Limited institutional coverage</li> </ul>
Arrow Contribution	<ul style="list-style-type: none"> <li>• Three large institutional clients</li> <li>• Sub-advisory mandate</li> <li>• <b>\$500+ million</b> incremental assets</li> <li>• <b>Products closed to new investors</b></li> </ul>	<ul style="list-style-type: none"> <li>• First two sub-advisory accounts</li> <li>• <b>\$425+ million</b> incremental assets</li> </ul>

# Success stories — current managers

	AH Lisanti Capital Growth	Bedlam Asset Management	Neumeier Poma
Asset Class	<ul style="list-style-type: none"> <li>• Small Cap Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Global Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Small Cap Value</li> </ul>
Relationship	<ul style="list-style-type: none"> <li>• 2006-Present</li> </ul>	<ul style="list-style-type: none"> <li>• 2007-Present</li> </ul>	<ul style="list-style-type: none"> <li>• 2010-Present</li> </ul>
Firm Profile (pre Arrow)	<ul style="list-style-type: none"> <li>• 18 month track record</li> <li>• \$20 million</li> <li>• 3 full-time employees</li> <li>• High profile portfolio manager</li> <li>• “Undiscovered” manager</li> </ul>	<ul style="list-style-type: none"> <li>• 4 year record</li> <li>• \$300+ million firm assets</li> <li>• Not GIPS verified</li> <li>• Investors in pooled vehicles</li> <li>• No US clients or distribution</li> </ul>	<ul style="list-style-type: none"> <li>• 24 year track record</li> <li>• \$200+ million firm assets</li> <li>• 4 institutional separate accounts</li> <li>• Team in place for growth</li> <li>• Lack of market visibility</li> </ul>
Arrow Contribution	<ul style="list-style-type: none"> <li>• <b>\$130+ million</b> incremental assets</li> <li>• <b>15 new institutional clients</b></li> <li>• Clients / 6 emerging manager programs</li> <li>• Approved at 5+ consulting firms</li> </ul>	<ul style="list-style-type: none"> <li>• <b>4 new institutional clients</b></li> <li>• <b>Multi-billion \$</b> new business pipeline</li> <li>• Developed US institutional presence</li> <li>• Launched institutional website</li> </ul>	<ul style="list-style-type: none"> <li>• Create institutional marketing materials &amp; website</li> <li>• Update and populate institutional databases</li> <li>• Initiate GIPS verification</li> <li>• Target large institutional relationships</li> </ul>

# Testimonials \*

"Arrow Partners' institutional marketing expertise was key to WCM meeting its small cap growth and client diversification goals."

**Linda Selegue – Washington Capital Management**

"Arrow is dedicated 24/7 on increasing our assets under management. Their well designed sales and marketing strategy has put us in a position to compete for new accounts and meet our growth goals."

**Mary Lisanti – AH Lisanti Capital Growth LLC**

"Arrow has delivered large institutional relationships at important stages in our firm's growth."

**Arnie Schneider – Schneider Capital Management**

"Arrow helped develop institutional quality materials that have positioned our firm to grow to the next level."

**Jan Terbrueggen – Apex Capital Management**

"Arrow successfully introduced us to a broad array of opportunities, and put us on the map in the sub-advisory business."

**David Katz – Matrix Asset Advisors**

"Arrow has taken a leadership position in our industry. Their proven track record and dedicated sales experience sets them apart."

**Bob King – King Associates (Past President - Third Party Marketing Association)**

\* Testimonials should not be considered representative of the experience of other managers or clients and are no guarantee of the future performance or success of manager, clients or investor contact.

# Agreement terms

- Multi-year exclusive commitment
- Quarterly retainer includes:
  - ◆ Travel expenses
  - ◆ Presentation, database, RFP & questionnaire creation
  - ◆ Holdings and returns-based attribution analysis including peer group comparisons
- Percentage of management fees for length of manager-investor relationship
- Protection on prospect “pipeline” at end of agreement
- Minimum asset capacity

“Do you know the difference between education and experience?  
Education is when you read the fine print; experience is what you get when you don’t.”

....Pete Seeger

# Principals' experience

## Steven G. Rubenstein (47)

- 25 years industry experience
- Founded Arrow in 1995
- Lehigh University - BS in Finance 1984
- Securities licenses: 24, 7, 63
- Past President, Third Party Marketing Association

Steve has been a pioneer in the third party marketing business and has helped Arrow become one of the industry's leading firms.

Prior to forming Arrow in 1995, Steve was Vice President, Bankers Trust, Global Investment Management Group. While at BT, he established several private label and sub-advisory relationships with outside financial intermediaries to leverage external distribution networks for the bank. He also successfully sold the full spectrum of BT-managed products.

From 1986 to 1988 he marketed independent research to US-based institutional investors for Institutional Research Services. Steve began his career in 1984 at Drexel Burnham Lambert, where he sold independent research products and services to financial institutions.

**steve @ arrowpartners.com**  
(914) 251-1084 ext. 12

## Kenneth G. Rogers (46)

- 24 years industry experience
- Joined Arrow in 1998
- Muhlenberg College - BA in Communications 1985
- Securities licenses: 24, 7, 63

During the past nine years, Ken has helped build Arrow Partners, Inc. into one of the industry's leading third party marketing firms.

Prior to joining Arrow, Ken had several sales and management roles in the investment industry and has a proven track record successfully selling a broad range of investment products and services to institutional investors and financial intermediaries.

From 1988 to 1997 he was a Principal and Managing Director at RogersCasey. While there, he led the marketing and sales effort and served on the firm's Executive Management Committee. Prior to RogersCasey, Ken spent four years at Metropolitan Life Insurance Company as an account executive, managing an institutional sales and client service team.

**ken @ arrowpartners.com**  
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