

# Establishing an Institutional Brand

## A Guide to Database Marketing



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## Summary

Cloud-based databases have become so comprehensive that investment consultants and asset owners now conduct manager research on an ongoing basis. Conducting complex screens well before any manager search or replacement is formally announced, these institutional allocators rely on databases to generate short lists of managers that meet their screening criteria. The industry media has dubbed this process “shadow searching,” and it has important implications for managers seeking to raise assets: Establishing a database presence and maintaining a comprehensive profile are precursors to the RFP.

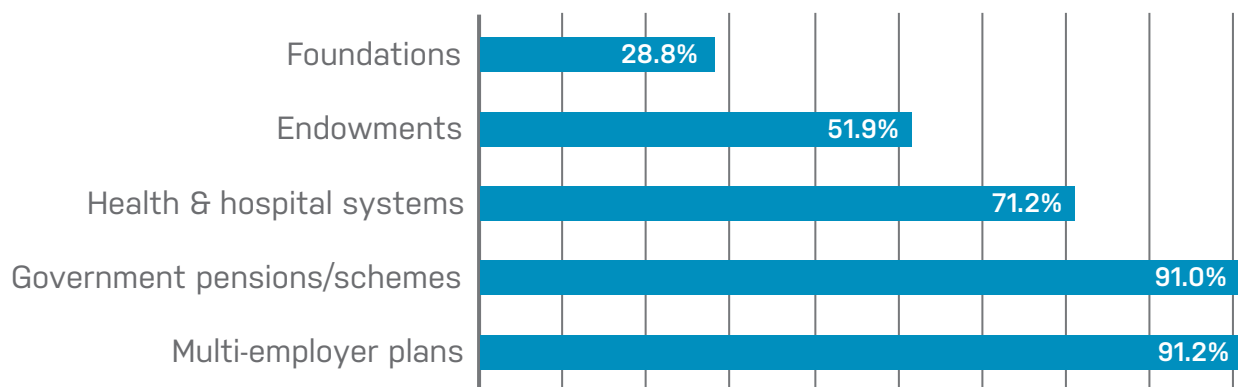
Since the advent of cloud-based platforms, investment consultants have embraced the efficiencies of databases over the onerous process of collecting data from individual managers. According to consultant Marquette Associates, many find shadow searches “so reliable that in some cases investment consultants are asked to source just two potential candidates to duel for a mandate” (Fundfire, “Databases Take the Spotlight in Searches as Automation Grows,” 2018). And as databases grow ever more robust, consultants rely on them for more than searches. Most consultants (95%) report that databases are also effective for learning about new managers and products (Cerulli, 2020).

*“Asset managers that commit resources to thoroughly updating and maintaining consultant databases will be able to introduce new products and capabilities to a wider array of investment consultants.”*

*The Cerulli Report: Investment Consultants 2020*

## Consultants: The Gateway to Reaching Institutional Asset Owners

% of Plans Using a Consultant (Asset Weighted)



*The Cerulli Report: Investment Consultants 2020*

## The digital transformation of manager research

Institutional asset owners also rely on databases as a key source of intelligence for learning about new products and preparing questions before they meet with managers.

As part of their fiduciary duty, many institutional asset owners maintain their own database subscriptions. For those who also have an advisory relationship with a consultant, this ensures that the asset owner has an independent source of data to complement their consultant's recommendations and the materials they receive in manager presentations.

These investors use databases in multiple ways, including:

1. Researching managers for new allocations or replacements
2. Monitoring existing managers to assess them versus other active peers, not just the benchmark
3. Learning about emerging managers and new products



***“[They] give us an easy way to watch managers and know key questions to ask ... They also help us do due diligence on managers, so we’re better prepared internally.”***

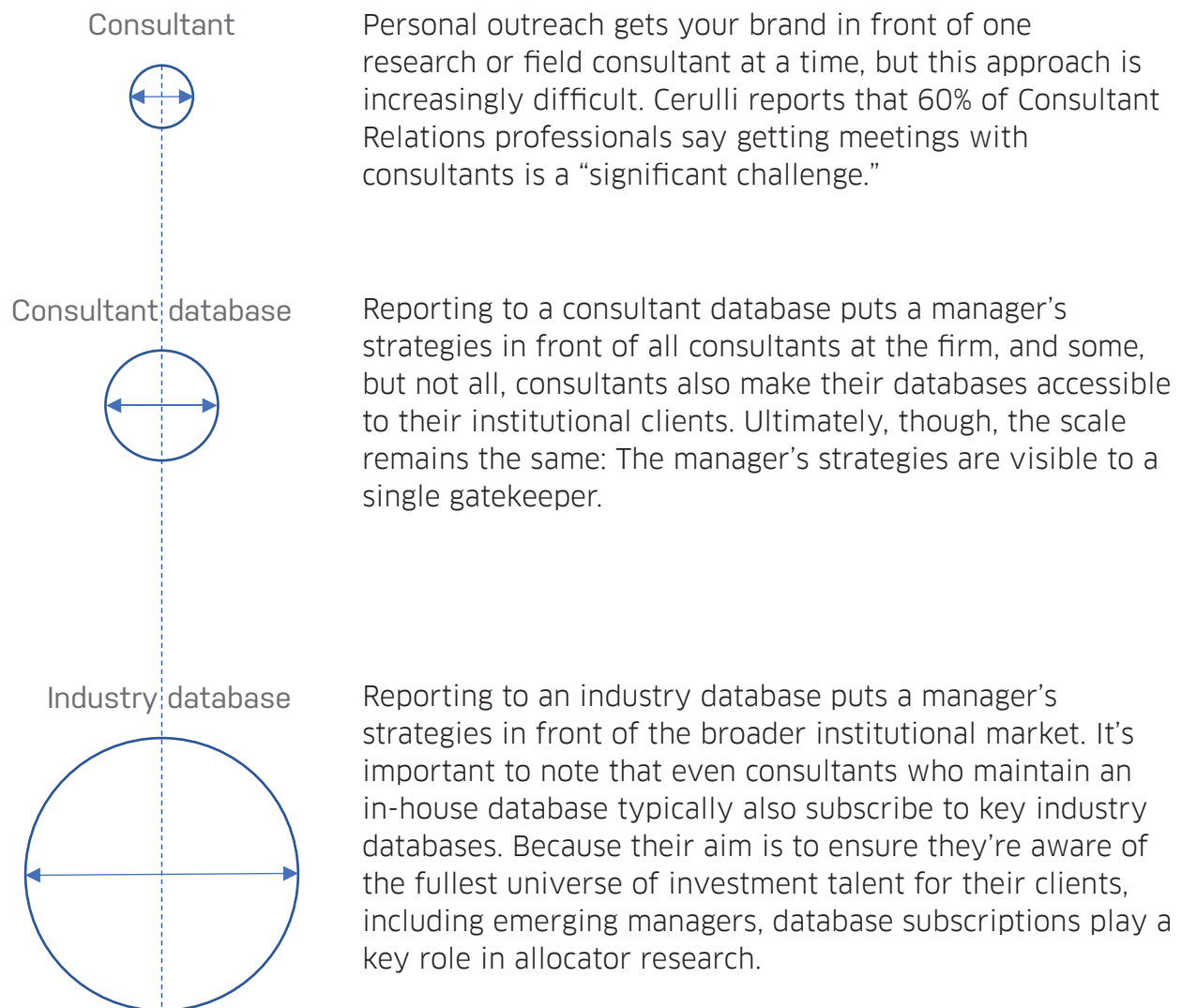
***Wealth manager Glenmeade Trust Company on databases***



### Summary

Database marketing is additive to personal outreach – it doesn't replace traditional efforts to connect with consultants or institutional investors directly. It does, however, magnify the impact of the entire distribution function – sales, marketing, RFPs and consultant relations – through scale. With a smart database strategy, even the smallest emerging manager has an opportunity to compete for institutional assets.

### Expanding the reach of your brand



### Summary

Establishing an institutional brand doesn't happen overnight. Most firms take a phased approach and focus first on achieving scale. The top priority should be getting your strategies in front of as many consultants and asset owners as possible, then refining your targeting over time, based on your unique product line-up and distribution strategy. The starting point is reporting to eVestment.

Building an institutional brand begins with reporting your data to eVestment, widely cited as the most influential institutional database globally. This first step ensures that you're establishing a global presence across as many consultants and asset owners as possible. *(Later, in Sections 4 and 5, we'll explain the broader database landscape and why managers also need to implement a targeting strategy, once their institutional visibility is anchored in eVestment.)*

### Industry databases ranked by RFP teams

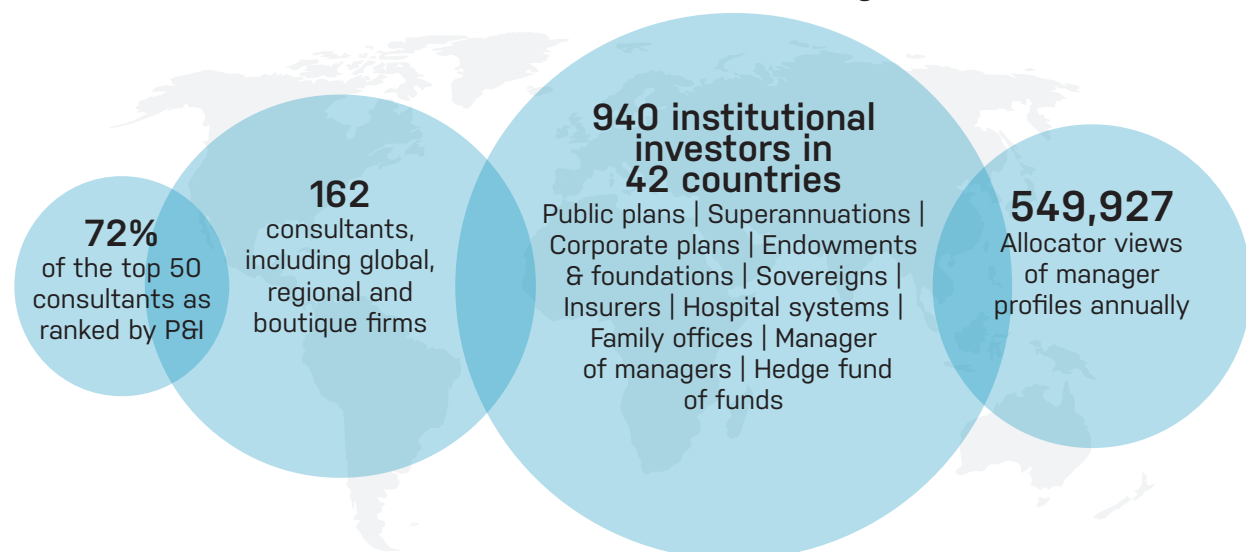
What are the critical databases for reaching institutional investors?

	% of Respondents
1. eVestment	100%
2. Morningstar	44%
3. PSN Informa	17%
4. CAMRADATA	11%

**Cerulli 2020**

### Branding reach through eVestment

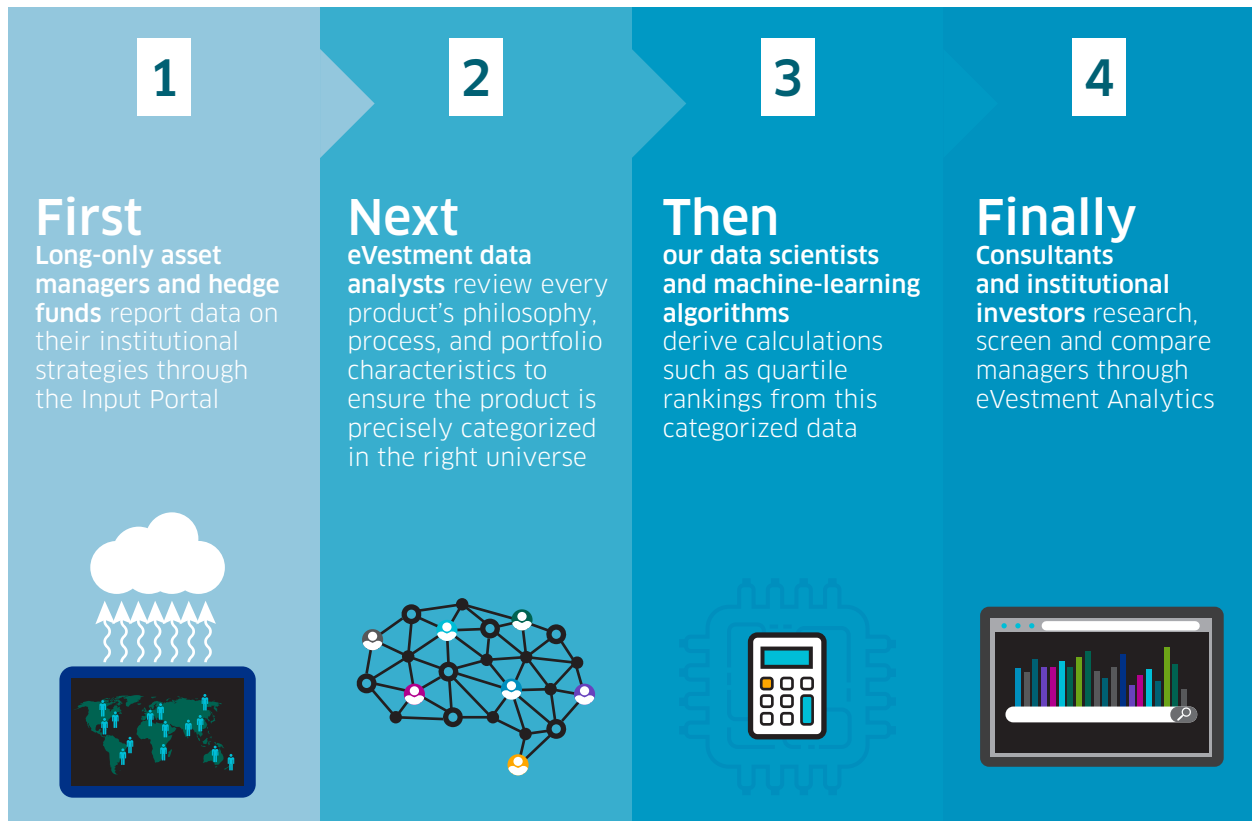
Consultants and institutional asset owners using eVestment



**Last updated 2021 October**



### How eVestment works



#### Data integrity

Reporting to eVestment is free for managers. There is no “pay-to-play” arrangement. eVestment does not rate managers, suggest products or manipulate screening results in any way; screening results are returned based solely on the criteria set by the consultant or investor user. When strategies are added to the database, their benchmark, portfolio characteristics, and equity holdings are reviewed by our data team. Only after this review are products classified by universe, ensuring that each product is compared to its closest peers. Technology-enabled protocols run every time products are updated in eVestment to flag outlier data and alert managers to potential errors in their input.

#### Accredited investors only

All investor subscribers of eVestment must certify that they are accredited investors before their subscription is activated. Manager data in eVestment is not accessible to retail investors or the general public.

#### Holdings data permissioned only to allocators

Holdings data reported by managers is only permissioned to investment consultants and institutional asset owners. It is not visible to other managers.

### Step 1: Set up firm and product profiles in eVestment



### 30-day plan

Setting up your firm and product profiles in eVestment is a one-time effort but an important one. After your profiles are set up, you'll also need to update data on a regular cadence (see below). Most managers create a 30-day plan to spread out this initial effort over time blocks of one or two hours.

Because the data requested in the profiles is organized into sections, you

can create a plan to fully populate one category at a time. The Input Portal shows completion percentages for each section and details how to improve your score. You'll need to allocate about 12 hours for your firm profile and about six hours for each product profile. Backfilling data is also recommended wherever possible. Performance is required since inception, and one to five years of history is recommended for key data categories.

#### Firm profile: Sections in priority order

SECTION	~HOURS	DESCRIPTION	POTENTIAL DATA SOURCES TO CONSULT
AUM and Accounts	2	Total firm and institutional AUM, broken down by investor type	Regulatory filings Operations documentation Financial reports Team bios
Account Turnover	1	Accounts lost and gained	
Personnel Info	1	Professional management team, comp structure, turnover	
Financial Info	.5	Income statement, balance sheet	
Firm Commentary	.5	Firm background, opportunity to describe what makes your firm unique	
Key Professionals	3	List of individuals, whom later you will associate with specific products	
GIPS Compliance	.5	Mostly yes/no questions	
Ownership	.5	Structure and equity ownership	
General Firm Info	.5	Offices and organizational chart	
Regulatory & ESG	1-3	Affiliations, engagement, staffing, philosophy, integration	
Operations Info	1-2	Controls and systems, disaster recovery	



### Product profiles: Traditional products

Prioritize key quantitative fields	Complete qualitative sections	Add remaining quantitative data
Performance & Disclosures	Commentary	Countries & Currencies
AUM & Accounts	Narratives	Account Turnover
Key Professionals	ESG	Platform AUM
Characteristics		
Holdings	Diversity & Inclusion	Fee Schedules

🌐 *Indicates data field is required to classify the product in a universe*

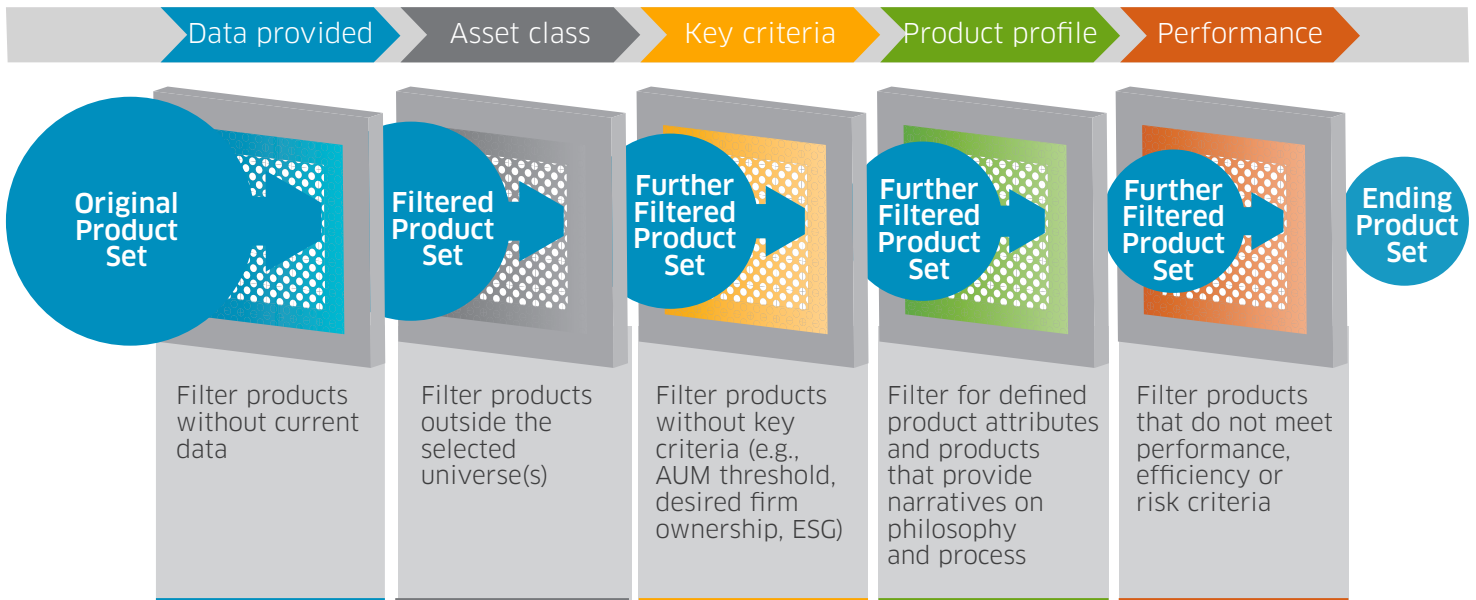
### You should know: The questionnaire evolves

eVestment's Input questions are developed in collaboration with leading consultants and asset owners. They're designed to collect the data institutional allocators need to make fact-based decisions, while minimizing wherever possible the reporting burden on managers. As the institutional market's need for data changes, the Input questions evolve. Recent examples include new questions about ESG and Diversity and Inclusion, because consultants and investors want to understand how each manager approaches these issues.

### Understanding how asset owners and consultants screen

Every year, institutional investors and allocators conduct millions of manager screens in eVestment. In aggregate, this data sheds light on the typical filtering process they use to generate a manageable list of managers that warrant deeper analysis. Understanding this screening process should help you minimize the number of screens your products are filtered out of because of missing data. It will also help you refine your database strategy over time, as you understand the data points being used to screen strategies like yours. It's important to note that screening criteria often differ widely from universe to universe.

### Typical screening process



At each step, products will fall out of the screen if

- ① *their data is missing or* ② *they do not meet the screening criteria.*

### Regular updates

Once your firm/product profiles are set up, you'll update the data on a regular cadence:

Monthly	Quarterly	Annually or as needed
Performance - by week 2	Countries & Currencies	Account Turnover
Holdings - by week 4	Characteristics	Narrative
	AUM & Accounts	Fee Schedules
	Personnel	Firm Profile
	Commentary	ESG
	Documentation	

**Note:** The Historical Data View side tab allows you to see what values have been input before.

### Get help

If you want to populate eVestment  
on your own

**[data@evestment.com](mailto:data@evestment.com)**

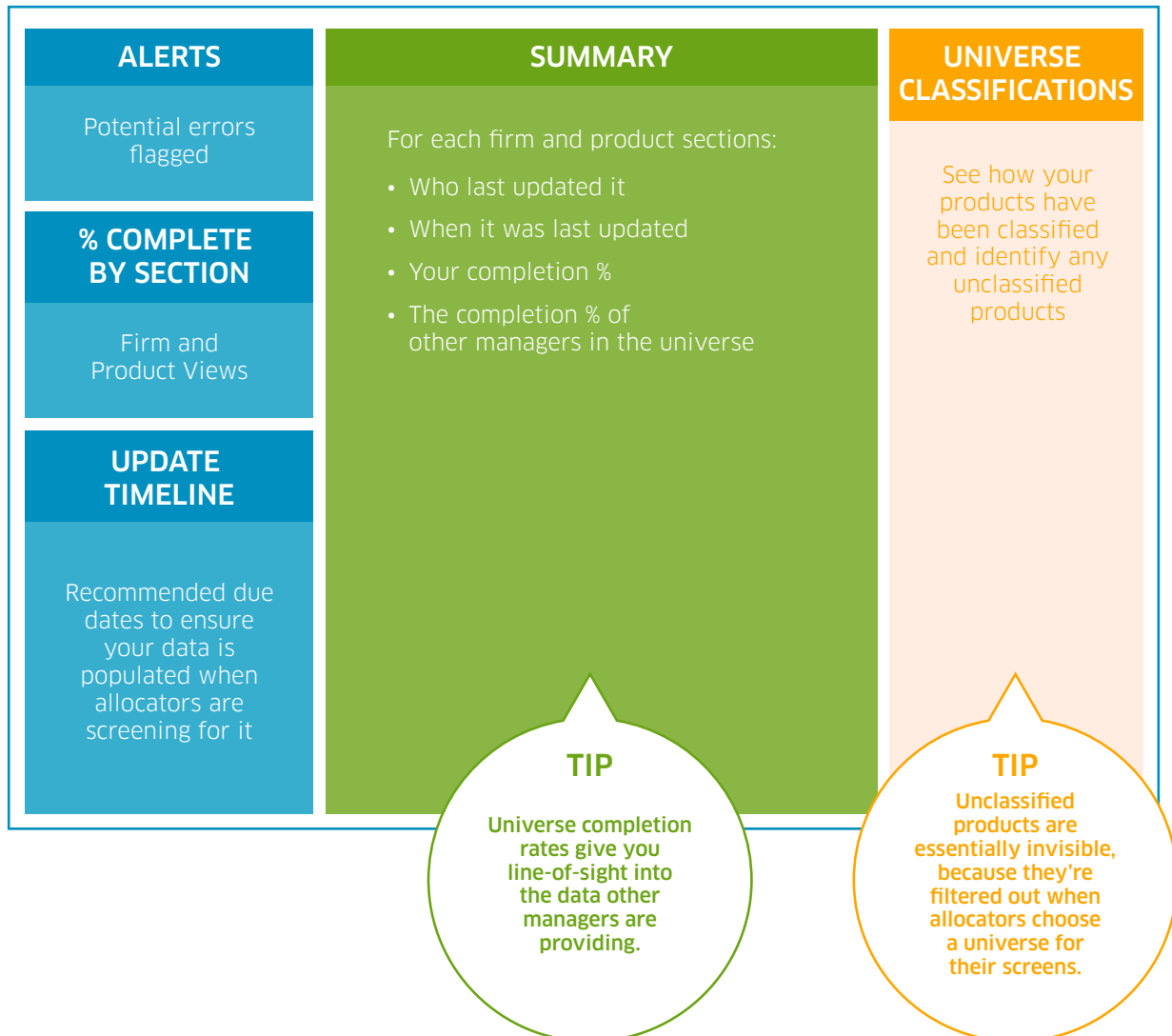
If you want help with your overall  
database marketing, including eVestment

**[solutions@evestment.com](mailto:solutions@evestment.com)**



### The Input dashboard

The input dashboard makes it easy to track your data population and validate that you're providing complete and timely data.



### Summary

eVestment provides an easy-to-implement foundation for institutional branding, but fully establishing an institutional brand means being visible in the platforms the consultants and asset owners you want to reach use for specialized research. There are dozens of databases in the institutional landscape, most with a defined focus – whether by asset class, geography or user base.

While eVestment is the institutional industry's most influential database across consultants and asset owners, there are dozens of other databases. Some are proprietary consultant databases, while others are industry databases focused on specific geographies or asset classes. Several are by-invitation only.

### Thinking globally

Manager screening, supported by dozens of databases, is not just an ongoing activity – it's increasingly global in scope. Asset owners are primarily looking for managers to meet their objectives, not just those who happen to be domiciled in their region. Despite the fact that not all managers actively market outside their regions, decision makers placing institutional assets are increasingly researching the entire world of investment talent. In fact, the *Financial Times* estimates that cross-regional investment will represent \$145.4T (USD) in new opportunities for institutional managers and hedge funds by 2025.

Leveraging this broader database landscape is essential for establishing a brand among the decision makers who place institutional assets.

At the same time, it's critical to understand the user base, geographical scope and asset class focus of each database to ensure you're not wasting effort populating databases that don't align with your distribution strategy.

Reporting to eVestment is the first step in establishing an institutional brand because it offers the broadest reach into the institutional market; however, a full database marketing strategy requires visibility in other databases used by the gatekeepers and prospects you want to know your brand.

### Detectable in the data

*Regionally-focused strategies attracting more assets from outside the region than inside*

**Case in point:** Japanese investors were the largest buyers of European Fixed Income in 2019.

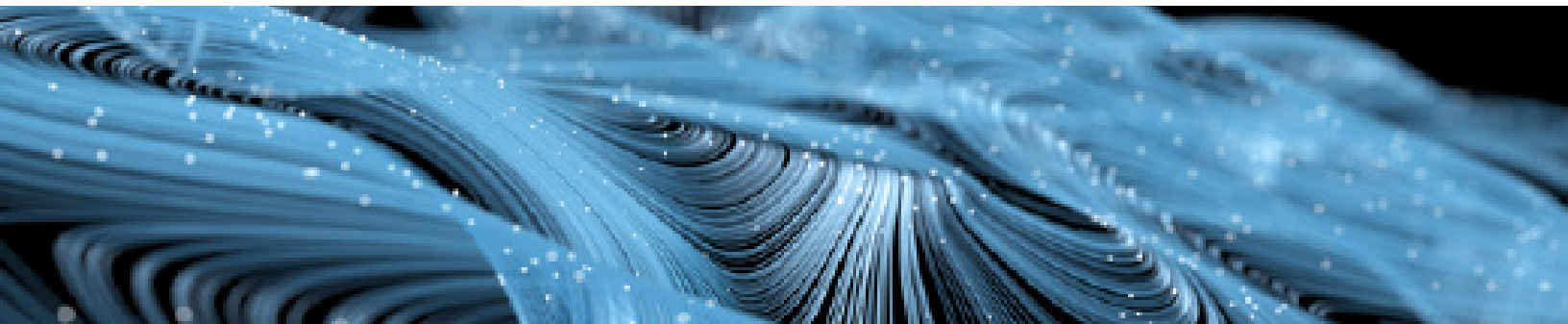
*Asset owners with more interest in global perspectives than regional products*

**Case in point:** Of the top 10 universes researched by UK investors in 2019, none were UK- or even Europe-focused.

**Source: eVestment Asset Flows, Advantage**

### Databases used by investment consultants and institutional asset owners

Albourne Partners Limited	Fund Evaluation Group	Mercer
Alpha Portfolio Advisors	Global Fund Search	Merrill Lynch
AON Hewitt	Global Manager Research (GMR)	MondoHedge (HedgeWeb)
BarclayHedge	Hedge Connection	Money Manager Review
Bloomberg	Hedge Fund Intelligence	Morningstar
Broadridge Web Survey	HedgeAct	NEPC
Callan Associates	HedgeCo.net	Pensions & Investments (P&I)
Cambridge Associates	Informa – Manager & MF Neighborhood INREV	Preqin
CAMRADATA	Invest Connect (Willis Towers Watson)	Prometia Advisor Sim
Cerulli	Investment Metrics Global Database	RockCreek
Complementa Investment	InvestorForce Collect	RV Kuhns RADAR
Controlling AG	Jeffrey Slocum & Associates Inc.	S&P MMD
Courtland Partners	JP Morgan	Stark & Co.
Creditflux	LCG (PDR CADR)	Summit Strategies
DeMarche Associates	Lipper / TASS	Townsend Group
Door Funds	Lonsec	Wells Fargo
ECOFIN	Marquette Associates	Wilshire
Envestnet	Meketa	Xponance
Eureka Hedge		Zenith
eVestment		
Financial Express		





### Summary

Effective database marketing is resource intensive. It requires ongoing time commitments as well as deep expertise in database technologies, which are ever-evolving. This is why many managers choose eVestment Omni as their database marketing partner.

### Marketing challenges

While database marketing is key to institutional branding, it's time intensive without technology enablement. This is why most managers – and even 85+% of large managers with bigger teams – use a technology solution to push their data to multiple databases simultaneously (Cerulli, 2018).

But database marketing entails more than just a time commitment. There is also a level of complexity that can't be solved by staff augmentation or technology alone because of the dynamic nature of the database landscape. As cloud-based platforms, databases can (and do) release new versions regularly. These often fix known bugs – a clear benefit – but just as often they change

formatting requirements or field definitions. The reality of rolling releases makes populating multiple databases all with different architectures an ongoing challenge.

### Manager-reported challenges in updating databases

■ Major challenge ■ Moderate challenge

Number of databases to update



Meeting update timelines



Providing complete data



*Cerulli 2018*

### How to develop a database marketing strategy

1. Define your marketing priorities. Some firms prioritize individual products in their line up. Others with fewer products typically market them all, targeting specific consultants or market segments.
2. Identify databases that support your marketing priorities – those with an asset class focus favorable to your product(s) and a user base of allocators you want to reach.
3. Populate those databases with complete and timely data.
4. Measure both the efficiency of your database population (completeness and timeliness relative to competitors) and its effectiveness – whether your products are getting more views and are included in more screens.
5. Develop a feedback loop to ensure that efficiency and effectiveness metrics are used to continuously improve your strategy.

### Partnering with eVestment Omni

Growing an institutional business requires singular focus. That's why 500+ managers across the world turn to eVestment Omni to establish and maintain their brand presence in institutional databases. Their partnership with Omni frees distribution executives and partners at these firms to focus on what they do best: Forging new relationships and pursuing specific opportunities to raise assets.

### Omni: Right-sized

#### **Omni Source**

A custom automation platform used by managers for data calculations and disseminating required quantitative data to multiple databases simultaneously.

#### **Omni Complete**

A full-service solution covering qualitative and quantitative data, new products and database registrations through ongoing data maintenance. Year-round support managed by our team of database experts.

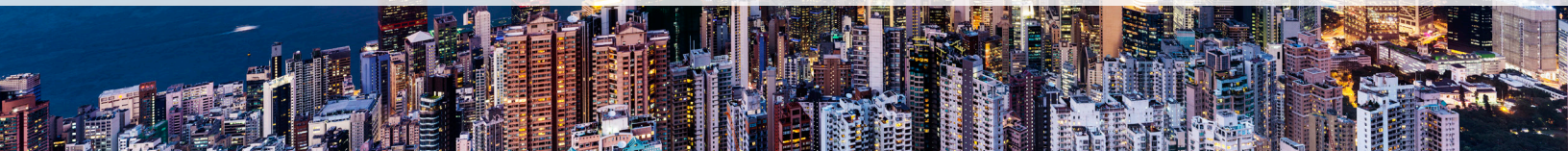
### Who chooses Omni?

#### **One solution, different objectives**

- Large managers with extensive product line ups who need to maintain dozens, even hundreds of product profiles
- Managers seeking to raise assets in markets outside of their geography
- Emerging managers just building consultant relationships
- Hedge funds looking for accelerated entry into the institutional space
- Boutiques seeking to leverage their uniqueness to grow

***“With eVestment Omni, we know our strategy is in the databases institutional allocators rely on to source managers. Before we engaged eVestment, we were a boutique manager, but now we are consistently among the top 10 most screened managers in the China Equity universe. This is a strong validation of our global brand visibility.”***

*Hong Kong-based equity manager and Omni client FountainCap*



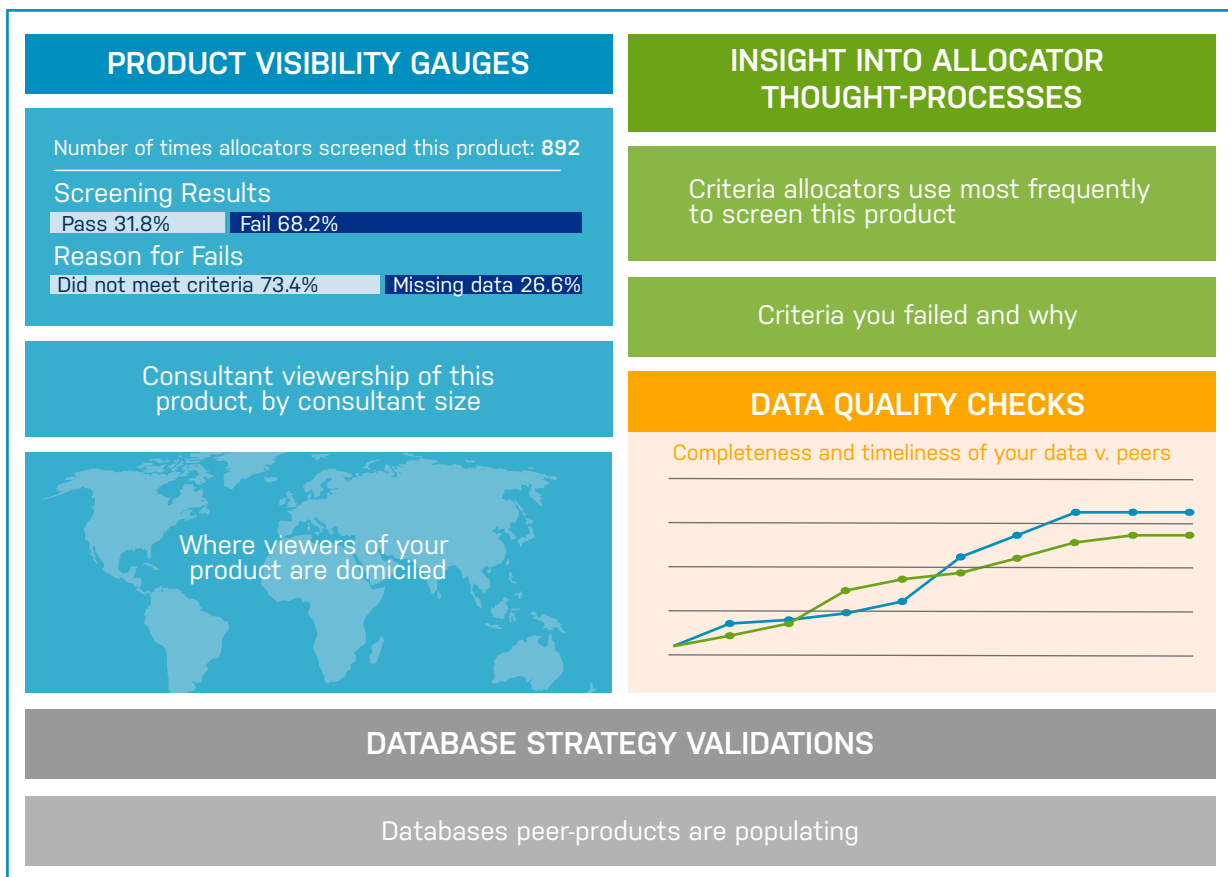
### The Omni difference: We know databases

Omni stands alone as a database marketing solution delivered by database experts. We've built our team around veterans with real-world experience in marketing at asset management firms, then coupled that with our deep expertise in database management and technology. After all, eVestment itself leads the way as the institutional market's most comprehensive database.

Our technology and industry knowledge are unparalleled, but it's our unique expertise in databases that particularly benefits Omni clients in key ways.

1. We often detect changes in databases before they're announced to reporting managers. Through quarterly briefings, we update our clients on these changes. In other words, we keep up so you don't have to.
2. We're able to leverage our own database for insights into how consultants and investors are conducting due diligence.
3. We're able to further leverage our database for line-of-sight into the effectiveness of each client's branding efforts through the Omni Intelligence Studio.

### Omni Intelligence Studio





### Conclusion

Establishing and maintaining a presence in the databases investment consultants and institutional investors rely on is the key to building an institutional brand. Reporting to eVestment anchors your brand in the most influential institutional database in the world, and partnering with eVestment Omni scales your brand across the databases that matter for your specific product line up and distribution priorities.

eVestment is a part of Nasdaq.

Request a tour: [\*\*solutions@evestment.com\*\*](mailto:solutions@evestment.com).