

the **EXCHANGE**

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Myth “Fund Distribution”

- Standard: Marketing-Mix
- Relationship management also possible from abroad
- Broad target group (“windfall profits”)
- Huge opportunity
- Quick and sustainable success
- Retail and institutional – similarity?
- Key player in domestic market – open entry in foreign markets?

Reality “Fund Distribution”

- Element length of time / point in time
- Know how about target group expandable
- Image problem: long term engagement?
- Performance issues
- Distribution channel structure “Germany” (fragmentation of target-group-structure)
- Quality of sales (qualification / reputation)
- Sales approach foreign asset managers vs. German investor mentality
- “Gatekeeper-issue” (Universal Investment etc.)

Market Entrance: Investment Boutique example

KLSS-approach (“Keep it simple, stupid”):

- Carmignac
- Specialisation
- Clear view on target group
- Product quality
- Pro: hiring local expertise (sales)
- Existing “flagship”

BUT:

Do foreign asset managers eager to enter Germany want to hear about such simple roadmaps?

Importance of Sales Quality

- Strategy (research, surveys, concepts)
- Sales (“Placement Agent” vs. own sales force)
- Products (manager selection)
- Marketing & Sales (“hands on”)
- Fragmented Value Chain
- New Job Descriptions
- Intermediary Business Development
- No hit-and-run approach

Is there a secret of success for the German market?

Indications, no recipe:

- Product performance “outstanding”
- Local expertise (internal or external)
- Language (company language “bad English”)
- Element: go the extra mile

KISS-Conclusion – success in Germany is possible:

1. Due diligence
2. Time horizon
3. Resources

Germany: Additional information

Articles/presentations (PDF) available per mail/webpage (download):

- 2010: The rise of UCITS III an fund boutiques in Germany
- 2009: Observation on market entry and manager selection
- Germany: Implementation of mutual funds in institutional business
- Germany: Fondboutiques and institutional business
- Germany: Ratings / rankings “mutual funds” (institutional business)
- Germany: Private Label Funds
- Germany: Myths & reality “Sales” (Letter from Germany)
- Germany: Trends “Products” (Letter from Germany)

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Profile Markus Hill



Since mid 2005 Markus Hill has been working as an independent asset management consultant. Before that he worked for SEB Bank and Credit Suisse Asset Management amongst others. His services for clients include marketing, sales and pr. In addition to that and due to his special area of interest in „investment boutiques / usage of mutual funds by institutional clients“ he is covering the topic „selection of target funds within multi manager concepts“. Because of his close cooperation with the leading provider of „PLF / Master KAG“ (Universal Investment GmbH, Frankfurt) combined with the „initiation“ of well known research studies (amongst others the first questionnaire in Germany amongst consultants in cooperation with Telos) he is a renowned industry expert. Individual publications in Germany and abroad underpin his „industry network“. (source: DPI-Gipfel, Montreux, 2006)

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