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THE ALTS 50

2021

How the world's 50 leading alternative investment managers perform across their integrated marketing communications

Foreword

While 2020's rising tide may have lifted many boats in terms of assets under management, it's clear that only a handful of alternative investment managers are managing to capitalize on this in regards to their brands.

In fact, despite a strong year overall for alternatives performance, two thirds of the managers we assessed have declining Brand Awareness, a startling figure.

This study shows that when it comes to the sophistication and effectiveness of their marketing efforts, few Alts firms are competing at the very highest level. And very few compete on level terms with their larger long-only cousins.

With that said, there is a core cohort of Alts managers whose marketing effectiveness is able, not only to compete, but in some cases to outperform their larger rivals. In this report we shine a light on those managers whose efforts show genuine ingenuity, creativity and impact.

Marketing for Alts managers is not a trivial matter. Brand matters. As our research over the last few years has shown consistently, managers with stronger brands and more effective marketing are more likely to grow assets over the longer term.

As the larger traditionally long-only asset managers increasingly grow their Alts capabilities, it will be more and more important that Alts managers are able to articulate their unique propositions, tell those stories engagingly and build brands that are resilient to a fast-changing asset management landscape.

It is our hope that this inaugural Alts 50 report will help provide a roadmap for higher impact marketing in the Alts industry, showcase how firms can take their brands to the next level and stay competitive in an increasingly contested industry.

Anthony Payne
Chief Executive,
Peregrine Communications

Executive Summary

Peregrine's inaugural edition of the Alts report provides a quantitative and qualitative window into how well the world's 50 leading alternative investment management firms, measured by assets under management (AUM), perform in their integrated marketing and communications (IMC) activities.

Collating over 6,000 data points across firms' core IMC activities, we weighed, scored and ranked each firm against their industry peers. We constantly assess and re-evaluate which IMC metrics to include and test them through our applied research.

These 10 key metrics are:

- Brand Awareness
- Brand Momentum
- Share of Voice
- Media Sentiment
- Google Page 1
- Social Media
- Search Engine Optimization (SEO)
- Paid Search
- Paid Media
- Website Effectiveness

The purpose of this report is to help firms map and benchmark their marketing and communications performance vis a vis their peer group and competitors and to also provide a window into the alternative investment management industry's trends, most useful case studies and emerging best practices.

Key Findings

66%

of firms saw declining Brand Awareness over time, the same trend appearing in last year's Global 100.

56%

scored highly for Website Effectiveness (6 or higher), comparative to the Global 100 cohort (53%).

42%

of managers employed a Paid Media strategy, compared to 76% in the Global 100.

Oaktree Capital was the only alternative credit firm in the top ten.

34%

managers scored an 8 or higher for Search Engine Optimization (SEO), demonstrating that several managers are driving healthy traffic volumes to their sites from non-branded search terms.

The proportion of Global 100 managers with an 8 or above was 33%.

78%

of firms scoring an 8 or higher for Share of Voice had a below average Media Sentiment, highlighting the significant inverse correlation between the two metrics.

66%

of managers scored a 5 or below for Social Media, with 56% of firms missing one or more Social Media channels.

In comparison, the top 20 Global 100 firms averaged a score of 8.

Blackstone was by far the highest scoring firm in the study, followed by Citadel and Man Group, with Advent International and KKR making up the top five.

10%

of managers employed a Paid Search strategy, which can help direct users to the content managers want them to see, whereas 54% of the Global 100 did.

Exhibit 1

Average IMC Score

This chart shows the average total IMC score for each asset class for the 10 metrics assessed in the study, compared with the top 20 firms in 2020.

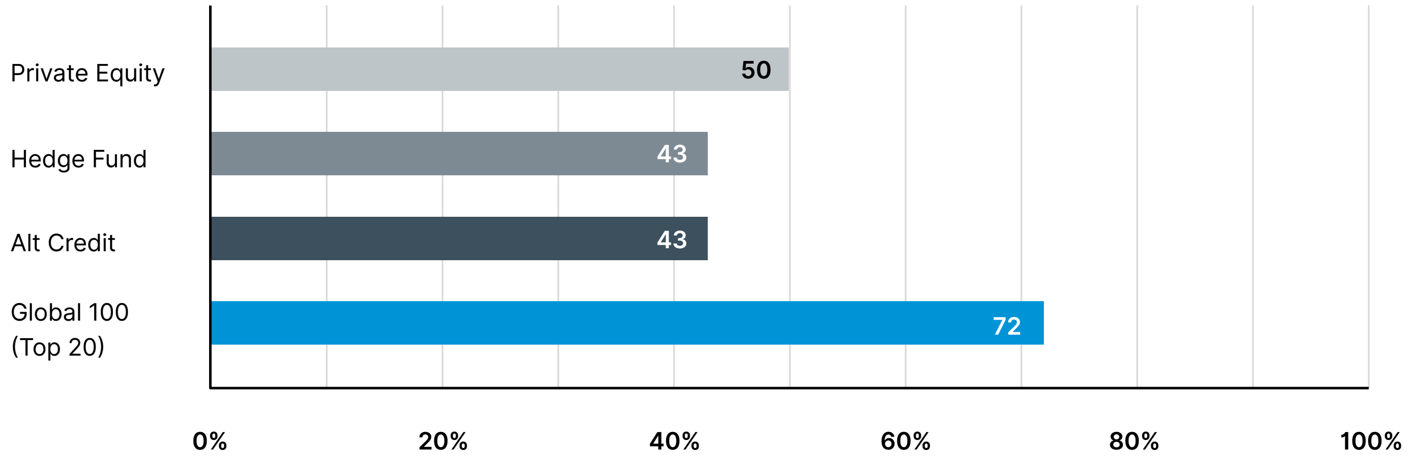
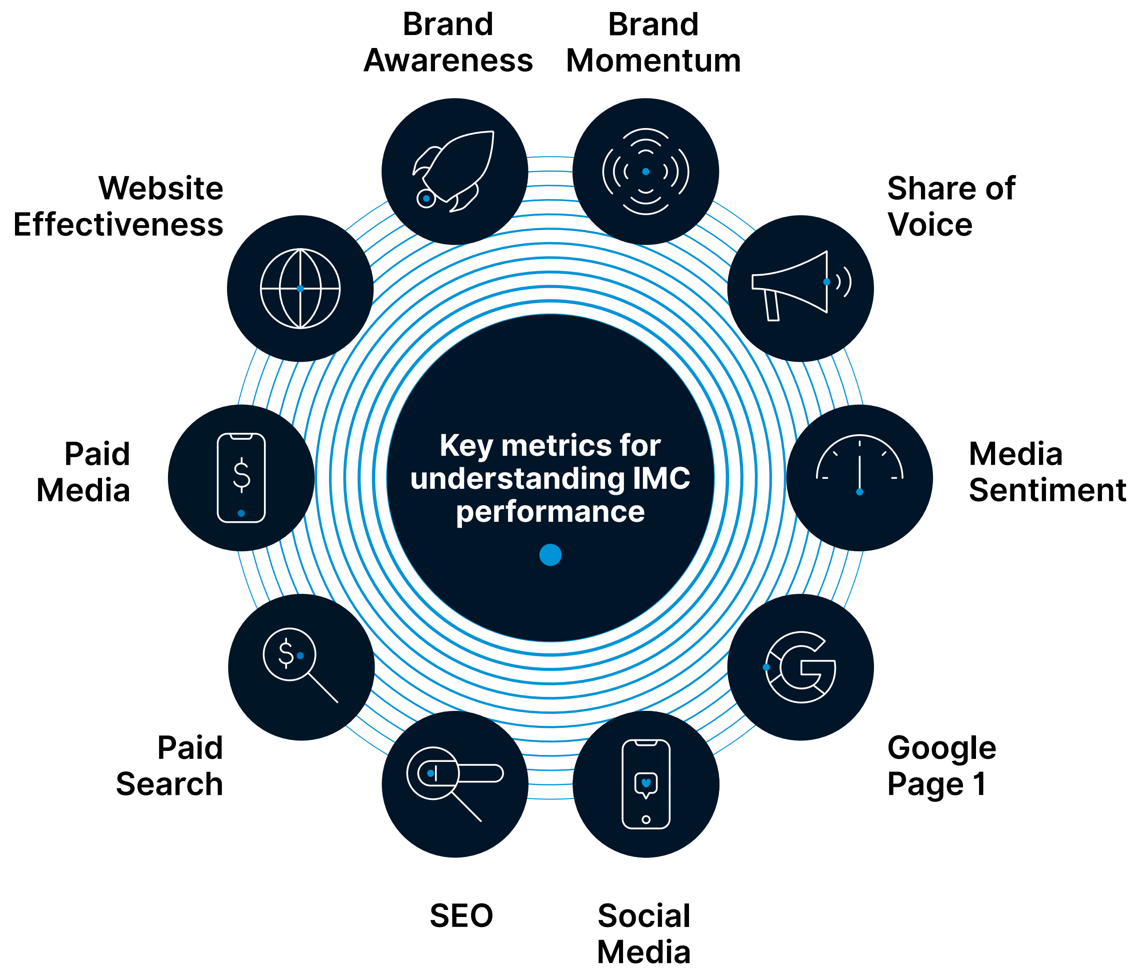


Exhibit 2

Diagnostic Metrics for this Study



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1. Introduction

Alts 50

How the world's **50 leading alternative investment managers** perform across their integrated marketing communications.

The various alternative investment asset classes experienced 2020 and the COVID-19 pandemic in very different ways. For hedge funds, there were clear winners and losers in terms of those firms that put a decade of low returns and investment outflows behind them, delivering record breaking years. Performance has been so good, that across the industry, 1,144 hedge funds have stopped accepting new money according to Bloomberg.

For private equity (PE), the pandemic put a temporary halt on its astronomic rise, as deal flow plunged due to the restriction of movement across the globe. However, this was short lived, as the asset class saw a resurgence which has carried through to the first half of 2021, where PE deal volume increased by **21.9%** compared with the same period last year. PwC argues that this is being driven by a combination of Special Purpose Acquisition Companies (SPACs), a commitment to purpose and talent (with ESG becoming further interwoven with PE), and an emphasis on value creation.

Alternative credit, meanwhile, proved to be 2020's most resilient asset class in private markets in terms of fundraising. According to a report by McKinsey, growth in private debt continues to be fueled by long-term secular trends. In particular, the disintermediation of bank lending channels due to regulatory developments in the wake of the global financial crisis, as well as sustained low interest rates on traditional fixed-income securities due to accommodating monetary policy.

Alternative investments may have traditionally represented a fraction of institutional investors' portfolios, but the tide is beginning to turn. The corollary is that as Alts managers compete more directly with larger asset managers for greater allocations, they must also catch up with regards to their integrated marketing communications ("IMC"), practiced by leading traditional asset managers.

In this report we have analyzed and benchmarked the marketing and communications sophistication of the top 50 Alts managers and investigate their readiness to compete with leading traditional managers.

> **"Alts firms competing for allocations must catch up with the far better mastery of integrated marketing and communications ('IMC') by leading mainstream managers.**

We address several important questions facing alternative investment management marketers including:

What marketing and communications patterns emerge from looking at IMC performance across the Alts space?

Which areas of their marketing are Alts managers currently struggling with the most?

Which communications strategies generate observable, tangible results for managers?

How are managers utilizing their digital channels in 2021?

What are the areas where managers have the opportunity to make the largest marginal gains in their IMC performance?

To what extent is a managers' Brand Awareness dependent on its size, scale and heritage?

How can managers learn from the best practice case studies of those firms which truly outperform?

Research Parameters

Our research analyzes the IMC performance of the world's 20 largest PE and HF managers, and 10 largest Alternative Credit firms, according to AUM. These firms were selected using the following criteria:

1. **Firms with a heritage in long-only were screened out to only include asset managers whose primary focus or legacy offering is in the alternatives space**

2. **Appearing in IPE's 2021 Top 500 Asset Managers Survey (All)**
   a. **Appearing in HFM's Top 100 Hedge Funds 2021 (HF and Alt Credit)**
   b. **Appearing in Private Equity International's PEI 300 (PE)**

Given the Global 100 is based on size (AUM), there is a small degree of crossover between the two studies, most notably Blackstone.

The study focuses on **Peregrine's 10 key metrics** (as outlined in the Executive Summary) for understanding a firm's IMC performance, which are each scored out of 10, combining to give an overall IMC score out of 100.

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2. Results

Results

In this section, the marketing performance of the 20 largest **Private Equity (PE)**, 20 largest **Hedge Fund (HF) managers** and 10 largest **Alternative Credit Managers (ACM)** is assessed right across the marketing spectrum.

This ranges from Brand Awareness and momentum, through to effectiveness across owned assets, such as websites or social platforms, as well as the impact of media coverage, both paid and earned.

As managers move into the 2022 planning season, this analysis is intended to provide a solid foundation for CMOs, Heads of Content, Communications Directors and other senior marketing leaders to build their strategies.

The results are analyzed here by each individual metric, meaning asset managers can assess their own, and their competitors', scores both overall and across each metric at peregrinecommunications.com/alts-50-report-2021.

Brand Awareness & Momentum

The cornerstone of Peregrine's diagnostic process, Brand Awareness, measures the extent of each firm's engaged audience. This report looks at each firm's search volume for its brand name, comparing, weighting and scoring this against the rest of the asset managers in the study.

Brand Awareness provides an accurate indication of how well firms' marketing activities have generated an engaged audience through their past marketing efforts. In particular, it is essential for managers to be able to gauge where they are starting from in relation to their peers and close competitors when building their marketing strategies.

Exhibit 3

AUM vs Brand Awareness

Exhibit 3 shows the correlation between size (measured by Assets under Management) and Brand Awareness.

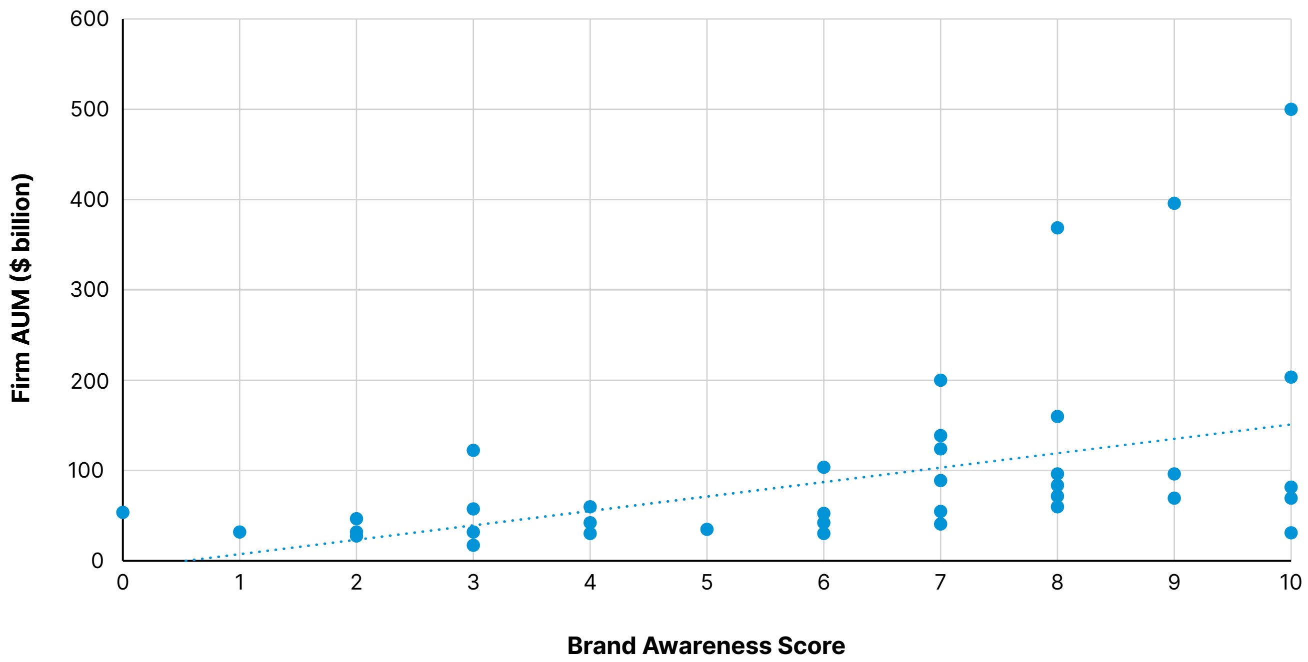
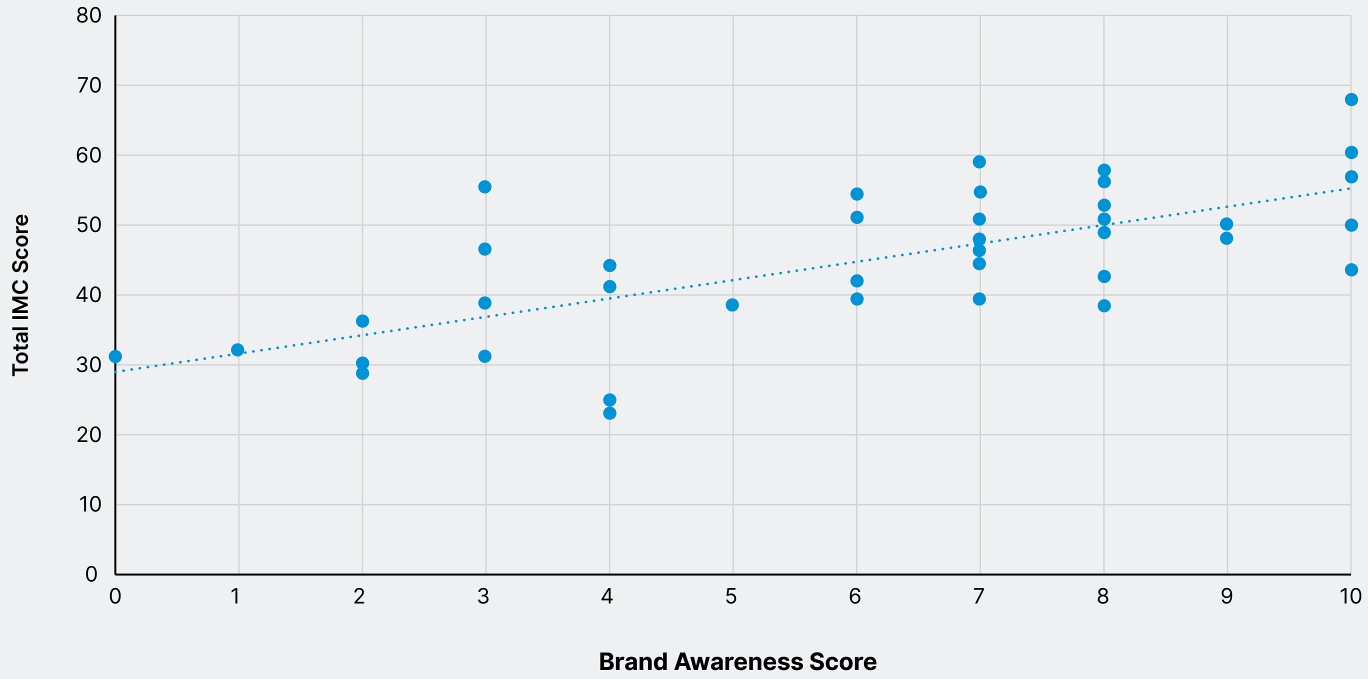


Exhibit 4

Total IMC Score vs Brand Awareness

Exhibit 4 shows the correlation between Total IMC score and Brand Awareness.



Brand Momentum, on the other hand, assesses how well firms are able to generate "communications alpha". It tracks how well each brand is managing to grow its Brand Awareness over time. Of all the metrics included in this study, Brand Momentum is most closely aligned with "moving the needle" and provides an exceptionally useful window into how well a firm's messaging, content and distribution are resonating with real-world audiences.

As with last year's Global 100 report, the intuitive understanding that size and heritage is what matters most in gauging Brand Awareness is proven to be untrue. Our research found that the correlation between Brand Awareness is stronger between overall IMC score than it is with size (measured by AUM).

There are once again a number of outperformers who, despite their much smaller size, have Brand Awareness scores comparable to the best-known firms in the Global 100 including: Citadel, Renaissance Technologies, Warburg Pincus, General Atlantic, EQT and TPG. While this is unlike the Global 100 outperformers, this is less unexpected due to the fact that alternatives firms (particularly hedge funds) are smaller by design. Secondly, their activities often pique the media's interest, whether it's because of their aim to deliver alpha, or being led by well known "investment celebrities" with high profiles.

> **Our research found that the correlation between Brand Awareness is stronger between overall IMC score than it is with size (measured by AUM).**

Despite the high median Brand Awareness score in this study (7/10), when we turn our attention to Brand Awareness over the last 12 months, the results paint a bleak picture.

With a median score of 3/10 and only **34%** of managers receiving a positive score, it is clear that alternatives are experiencing the same widespread decline in Brand Awareness that we charted among the Global 100. Whether this is a temporary setback from the COVID-19 pandemic, where buyout activity dropped sharply in the PE industry for example, remains to be seen.

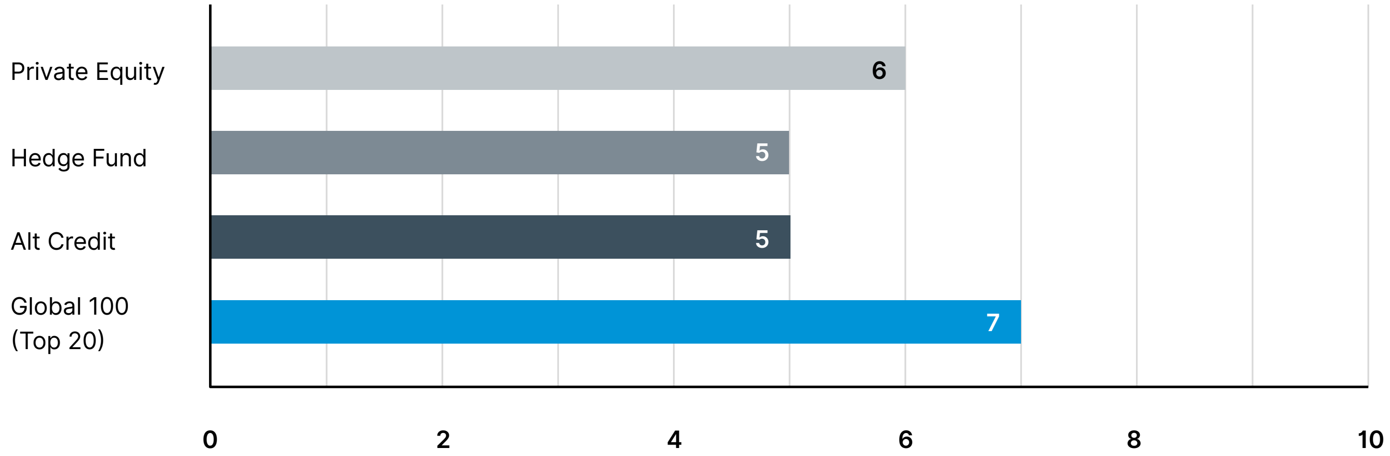
Overall, the highest performing managers in terms of brand were Blackstone, who have a considerable lead, followed by GoldenTree Asset Management, Fortress Investment Group, Thoma Bravo and Citadel.

> **Alts managers are experiencing the same widespread decline in Brand Awareness across the industry.**

Exhibit 5

Average Brand Score

Exhibit 5 shows the average Brand score for the different asset classes, taking an average between Brand Awareness and Brand Momentum, compared with the top 20 Global 100 firms from 2020.



Earned – Media Sentiment & Share of Voice

Earned media in our analysis covers **two crucial elements** of a firm's overall IMC activities.

Media Sentiment

The first is **Media Sentiment,** which assesses the proportion of a firm's mentions in the media that are positive and negative.

Share of Voice

The second, **Share of Voice,** provides useful context into how well each firm is able to build its profile in global tier 1 media. It is also indicative of how well a firm's campaigns resonate throughout the year and how much interest they generate from journalists.

Measuring these two elements with respect to each other is important. Typically, measurement of a firm's media presence has been limited to quantity of coverage. However, this fails to capture the enduring impact of prevailing negative sentiment, particularly if a very negative article persistently shows up on Google Page 1 search results.

This analysis found a significantly inverse correlation between Share of Voice and Media Sentiment. On the other hand, when we look at the relationship between Share of Voice and Brand Awareness, we see an altogether different story.

Herein lies a tradeoff.

Clearly having more media coverage is likely to lead to an increase in overall Brand Awareness by virtue of stronger potential reach. Managers that can build their Share of Voice will almost certainly reap the benefits of wider brand recognition, and this is not simply reserved to managers of great size either. In the Alts space, we find hedge funds with AUMs totaling a fraction of the Global 100 yet having comparative Share of Voice and Brand Awareness scores (see Star Power Operates as Leverage, P.32). This is underlined quantitatively as we see a far stronger positive correlation between Share of Voice and Brand Awareness than we do with Share of Voice and size (as measured by AUM).

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> Some hedge funds with a fraction of the size of Global 100 firms have comparable Share of Voice and Brand Awareness.

However, as indicated by the inverse correlation of earned media metrics, a manager attempting to raise their media profile could risk a decline in positive Media Sentiment. This raises an important distinction between the right and wrong way to utilize media relations to gain brand recognition; it is a mistake that we see time and time again.

Previous research by Peregrine discovered that the most effective firms focus more of their media engagement on developing higher quality opportunities such as data-driven industry insight or corporate profile pieces. In contrast, firms that overly rely on reactive media commentary are much less likely to score well for Media Sentiment. Of the firms in this study scoring an 8/10 or above for Share of Voice, **78%** of those scored below average in Media Sentiment.

A cursory glance at the media coverage of these firms shows an over-reliance on mentions related to buy-outs, performance and expert commentary. While not all managers are keen to be spread across the media, this type of interaction fails to bring out a firm's brand differentiation or narrative in quite the same way as selective corporate profiling can.

Of the firms in this study scoring an 8/10 or above for Share of Voice,

78%

of those scored below average in Media Sentiment.

This type of strategy remains an area with abundant opportunity for managers to develop bespoke narratives about their firm's capabilities, thus conferring an advantage over their peers. As much of the last decade of unfavorable market conditions taught us, Alts managers cannot rely on performance alone to attract and retain investors, or indeed talent. Moreover, with the proliferation in demand for sustainable products, and with a higher degree of scrutiny from investors focused on culture, values and purpose, managers will need to become increasingly proficient and capable at "3D brand communications".

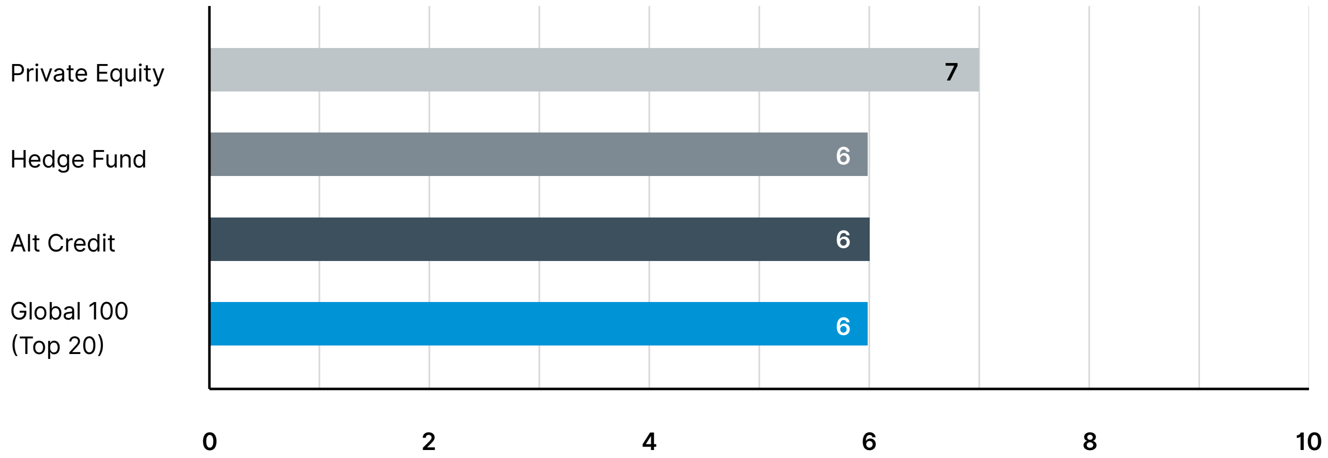
Overall, the highest performing managers in terms of Earned channels were KKR, Hillhouse Capital, TPG, Tiger Global Management, and Vista Equity Partners.

> Managers will need to become increasingly proficient and capable at "3D brand communications".

Exhibit 6

Average Earned Score

Exhibit 6 shows the average Earned score for the different asset classes, taking an average between Media Sentiment and Share of Voice, compared with the top 20 Global 100 firms from 2020.



Social Media

The use of Social Media as a communications asset came sharply into focus at the beginning of 2020.

Yet what we saw in our Global 100 report is that many firms dialed back their Social Media activity, despite the apparent need to move communications online.

In this study, we notice a similarly worrying trend with

66%

of managers having a Social Media score below 5, which measures reach, engagement, and content quality across LinkedIn, Twitter and YouTube channels.

It is clear that digital is still not considered a priority among the majority of alternative investment firms. Over a quarter,

28%

didn't utilize one of the Social Media channels, with a further 28% having only one channel, or none at all.

Even large firms such as Apollo Global Management, Ares Management and Brookfield Asset Management scored relatively poorly, which goes against the prevailing drive towards digitization. For example, all of these firms have a large presence on LinkedIn, but also have Twitter accounts they have failed to cultivate. In 2021 and beyond, Alts managers need a presence on multiple platforms including Instagram and YouTube – if not for the multitude of benefits Social Media can provide, then in order to "own" more content on Google, providing some protection against negative coverage making its way onto their Google Page 1.

The managers who achieved high scores have embraced this multi-platform approach for reaching their audience, with innovative content formats to keep investors engaged, especially when they are unable to meet in person. This includes video, podcasts, webinars, virtual events, and animated banners, moving away from expert comments and large text blocks.

Shifting Digital Communications – Mission, Vision, and Values

We have also seen key players shift their digital communications to focus on their mission, vision and values.

A manager's purpose is now a major consideration when it comes to allocating capital. Blackstone is a prime example of a firm that does this well. It releases video content in which President and COO, Jon Gray, describes Blackstone as "mission-driven investors" and explains how the firm seeks to make an impact.

High scoring managers were also seen announcing their commitment to diversity & inclusion on Social Media. Support was shown for female leadership, Black and Asian communities and LGBTQ+. Indeed, several managers also announced Head of Diversity hires.

One of the primary drivers of this shift from a business perspective is the need to attract talent. LinkedIn has always been a key tool for recruitment, but with 'LinkedIn Life' pages, it is becoming ubiquitous with managers that use Social Media as a primary tool for recruitment. The best firms are tapping into the fact that millennial workers want to work for firms that align with their values. Firms such as Citadel use Social Media to proactively attract the best people via engaging video content. Increasingly, both existing and prospective investors and candidates look to Social Media for an inside view at how firms operate and leading firms, such as Blackstone, have responded with content that opens the door to them – their 'Mondays at Blackstone' video campaign is a strong example of this.

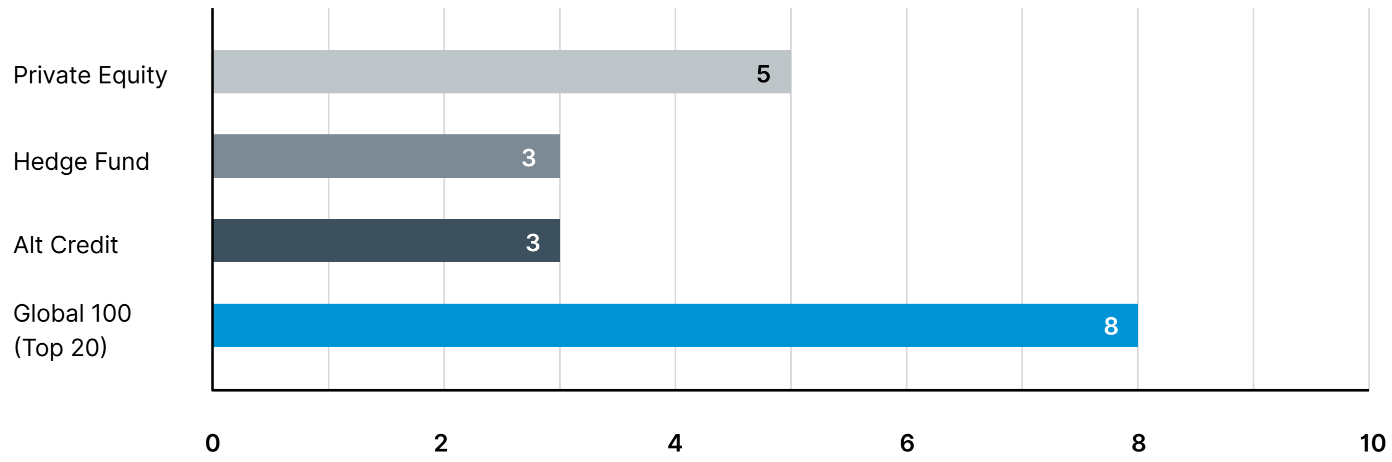
Finally, the best firms use a key leader (CIO or Chairman) as a way to drive engagement on Social Media and to add a human face to their organisation. Our research shows that Social Media users respond well to content from leaders, vitally important with so many in-person social restrictions still in place due to the COVID-19 pandemic. Oaktree's use of their Chairman, Howard Marks, is a good example of this; he has a podcast which allows him to speak directly to investors about market conditions.

Overall, the highest performing managers in terms of Shared channels were Blackstone, Oaktree Capital, Citadel, The Carlyle Group, and KKR.

Exhibit 7

Average Shared Score

Exhibit 7 shows the average Shared score for the different asset classes, measured using Social Media, compared with the top 20 Global 100 firms from 2020.



Case Study

Blackstone

Blackstone

The manager that demonstrates best practice in Social Media is Blackstone.

Firstly, they embraced a multiple platform model – YouTube, Facebook, Twitter, LinkedIn and Instagram – and offer tailored content for each platform. **50%** of their recent content is video or animated. It frequently leverages senior spokespeople to explain the investment process to existing and prospective investors, leading to very high engagement rates.

By describing themselves as "mission-driven investors" and backing this claim up with examples of how they make a lasting impression through their "impact beyond returns" campaign, Blackstone has successfully portrayed themselves as future thinking and aligned with changing investor priorities.

Their use of video case studies makes audiences feel connected to what Blackstone does – unlike many Alts managers, who have traditionally been reluctant to communicate how they operate.

Increasingly, both investors and potential recruits are taking to Social Media for an inside look at how managers operate. Leading firms such as Blackstone have responded with content which opens the door to them, most notably their "Mondays at Blackstone" video campaign.

They have also demonstrated support for diversity and inclusion (D&I) with the hire of Devin Glenn as their Head of Diversity, Equality and Inclusion, and announced various D&I initiatives for building the next generation of leaders.

Overall, there is a great mixture of winning content that broadly falls into three categories:

1. Investment Expertise
(aimed at educating investors)

2. Company Culture
(aimed at attracting investors / talent)

3. Purpose – Mission, Vision & Values
(aimed at attracting investors / talent)

"

In 2021 and beyond, Alts managers need a presence on multiple platforms including Instagram and YouTube – if not for the multitude benefits Social Media can provide, then to "own" more content on Google, providing some protection against negative coverage making its way onto their Google Page 1.

Owned – Website Effectiveness, Google Page 1 & SEO

Peregrine's proprietary diagnostic includes three metrics used to measure an asset manager's owned channels. These are **Website Effectiveness, Google Page 1, and Search Engine Optimization (SEO).**

Website Effectiveness

Peregrine's **Website Effectiveness** metric looks at time spent on site, the average number of page views and the bounce rate of each firm in the study.

A high performing website with a well thought out interface is a powerful asset, not least because a lot of managers do not have one. Best practice shows that it is an essential asset in providing a repository of their human and intellectual capital and serves as a powerful tool for driving brand perception.

In this study, over half (**56%**) of firms scored a 6 or higher for Website Effectiveness, with seven firms scoring an 8 or higher, including Millennium, Ardian and Brookfield Asset Management. All of these firms have struck a fine balance between having attractive visuals and being robust functionally.

Each website homepage lays out critical touch points laid out in a simple structure, including an elevator pitch, "About us" page, investment strategies, as well as a careers section. The best of these, Millennium, also hosts a corporate video – "This is Millennium" – aimed at engaging both investors and potential employees with a powerful snapshot of what makes Millennium unique. The homepages are supported by an effective sitemap, with a navigation tool in the form of a control panel, directing traffic to more detailed sections of the site.

Just over half of firms,

56%

scored highly for Website Effectiveness

A strong result in comparison to the average of the Global 100 managers

53%

Google Page 1

This measures the amount of owned and positive third-party content that appears about a firm on the first page of Google when its brand name is searched.

It also looks at website page segmentation, whether it has the correct knowledge panel on the right-hand side, the appearance of owned social channels, and crucially, whether there is any negative media coverage.

As we have advocated for some time, firms need a **Google Page 1** strategy to combat "sticky" negative stories. This includes ensuring you have active Social Media profiles and a positive flow of strategic media coverage throughout the year, as well as optimizing your sitemap for a full website breakdown and registering as a business to gain a side panel.

SEO

Search Engine Optimization (SEO) shows how well asset managers are able to drive a healthy amount of traffic to their sites from non-branded search terms, notably from high quality and insightful content, well optimized to address their clients' core concerns.

The SEO metric is also useful because it shines a light on firms which may be smaller than their peers, but which enjoy a clearly defined focus and have real differentiation. Many metrics naturally favor the larger managers, those with bigger budgets and longer heritage. However, SEO is an area that can reward focus, agility and a tightly defined core proposition. It thus offers smaller managers an opportunity in their specialist strategy area.

In this study, the average score for SEO was 6/10, with 17 managers scoring 8/10 or higher. It demonstrates that several managers are driving a healthy amount of traffic to their sites from non-branded search terms.

> "A manager's purpose is now a major consideration when it comes to allocating capital.

Case Study

Millennium

millennium

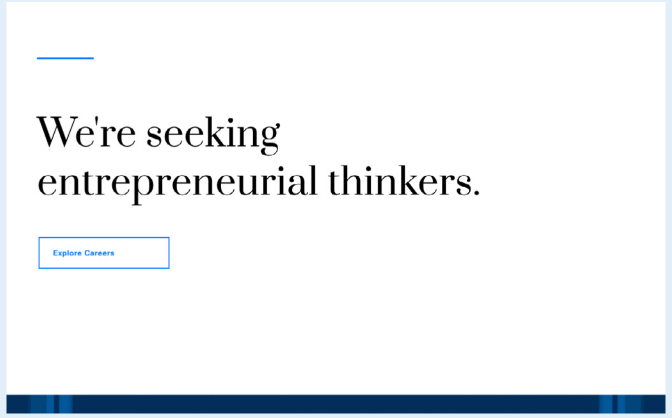
Millennium received one of the highest scores for Website Effectiveness in the study, demonstrating a number of key best practices in its website by combining functionality with powerful design.

The home page is visually compelling, with an institutional color pallette that balances strong shades of blue with well-positioned areas of white to draw attention to the simple message outlining the DNA of the firm and their audience's hot buttons.

Millennium has planned and developed a clearly thought out "user journey". It begins with a chronological flow from elevator pitch to the "About" section, followed by the unique investment opportunity and Millennium's offering. This is rounded off with a clear call to action for recruits: "We're seeking entrepreneurial thinkers". An engaging corporate video outlining Millennium's edge is also used.

From the home page, the user journey is set up in a way that lets investors or potential employees navigate to the various sections with ease. Also included is a website navigation on the left side, as well as a banner at the bottom of each page with all relevant links provided.

Attractive visual design proceeds from the homepage through each subsequent page showing consistent branding, easy-to-read text, and photography and videos situated where they serve a specific purpose. It is no surprise then that the manager comfortably had the highest time spent on each page and a very low bounce rate.



Overall, the highest performing managers in terms of Owned channels were Millennium Management, Advent International, Ardian, Vista Equity Partners, and Cerberus Capital Management.

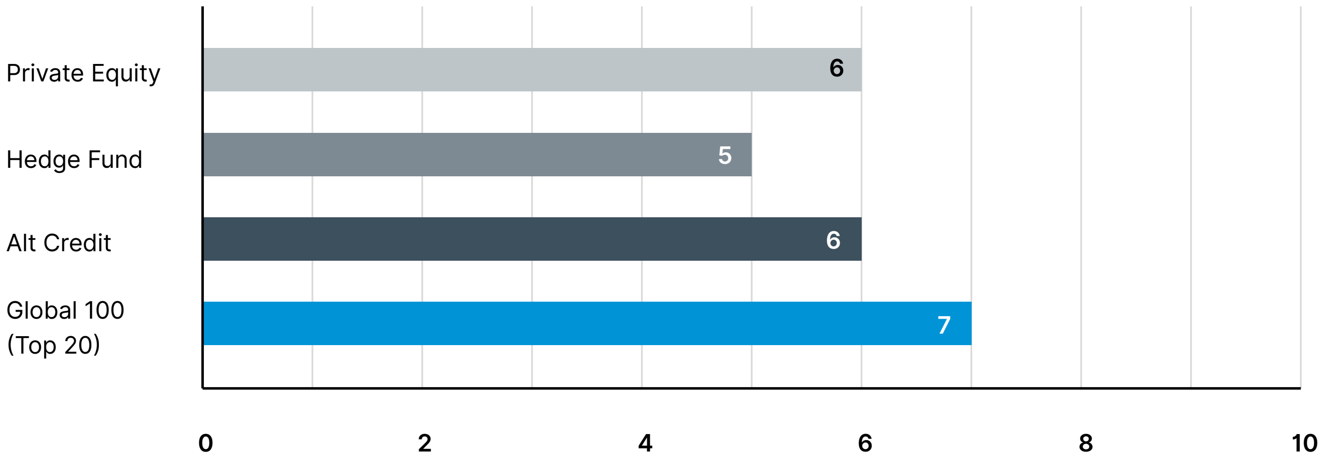
> "Firms need a Google Page 1 strategy to combat "sticky" negative stories.

> 17 managers scored 8/10 or higher. It demonstrates that several managers are driving a healthy amount of traffic to their sites from non-branded search terms.

Exhibit 8

Average Owned Score

Exhibit 8 shows the average Owned score for the different asset classes, taking an average between Website Effectiveness, Google Page 1, and SEO, compared with the top 20 Global 100 firms from 2020.



Paid Search & Media

Paid Search

Paid Search scores firms based on the amount of estimated traffic generated through their Paid Search campaign. These estimated Paid Search volumes were then compared against the rest of the research group and assigned a score relative to their performance. A number of firms had no evident paid strategy, and their scores reflect that fact.

Paid Media

The **Paid Media** metric was created to analyze the extent to which firms were deploying a paid advertising strategy. The results were generated from data collected into each firm's volume of recent digital Paid Media (gathered using Peregrine's ad-tracking tool) as well as tracking "LinkedIn Sponsored Ads". Firms with paid advertising were scored on a sliding scale dependent on the click-through of those ads, with additional points being awarded for those with a LinkedIn ads campaign to create a score out of 10.

Paid Search and Paid Media were included in the Global 100 after we discovered a digital arms race among the most effective asset managers, of which both Paid Search and media played a key part. Paid Search scores are based on the amount of estimated traffic generated through a particular campaign. Paid Media analyzes the extent to which firms are deploying a paid advertising strategy.

However, when we turned our attention to this group, we found that alternative investment managers again trailed traditional asset management firms. In sum, only **10%** of firms employed a Paid Search strategy to help direct users to content the managers want them to see.

> It is unsurprising that the firms who do employ them have a higher average AUM ($120bn) than those who don't ($70bn).

Only 10% of Alts managers employed a Paid Search strategy.

Paid Media, which when thoughtfully deployed can be a useful instrument for boosting Brand Awareness, was used more frequently, with **42%** of managers employing some form of strategy. However, of these, **82%** used sponsored LinkedIn campaigns.

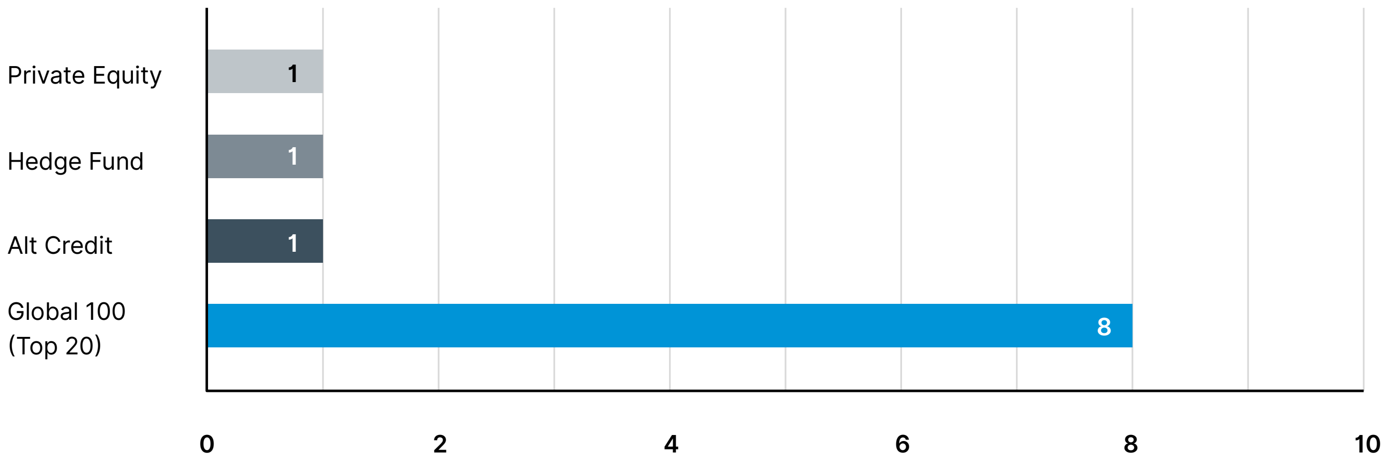
Overall, the two leading firms were Two Sigma Investments and Blackstone, with Bridgewater Associates, Citadel and DE Shaw Group making up the top five.

Since the use of these two IMC tools depends on an overall marketing budget, it is unsurprising that the firms who do employ them have a higher average AUM ($120bn) than those who don't ($70bn). We think it is the area where alternative investment managers will channel more resources – in line with the best Global 100 firms – as they seek to build bigger businesses.

Exhibit 9

Average Paid Score

Exhibit 9 shows the average Paid score for the different asset classes, taking an average between Paid Search and Paid Media, compared with the top 20 Global 100 firms from 2020.



3. Best Practice – Brand Building

Clash of the Titans – PE firms need IMC to compete with new rivals

The two largest asset managers in this year's study, **Blackstone** and **Brookfield,** are bellwethers for the alternative investment management industry.

With a combined AUM of over $900bn, they are at the heart of the rapid growth fueled by institutional investors seeking diversification and higher uncorrelated returns.

What makes the two behemoths quite different is their contrasting approaches.

Blackstone

Blackstone is considered to have a unique ability to assess business trends before its competitors and reap the rewards through outsized returns.

Brookfield

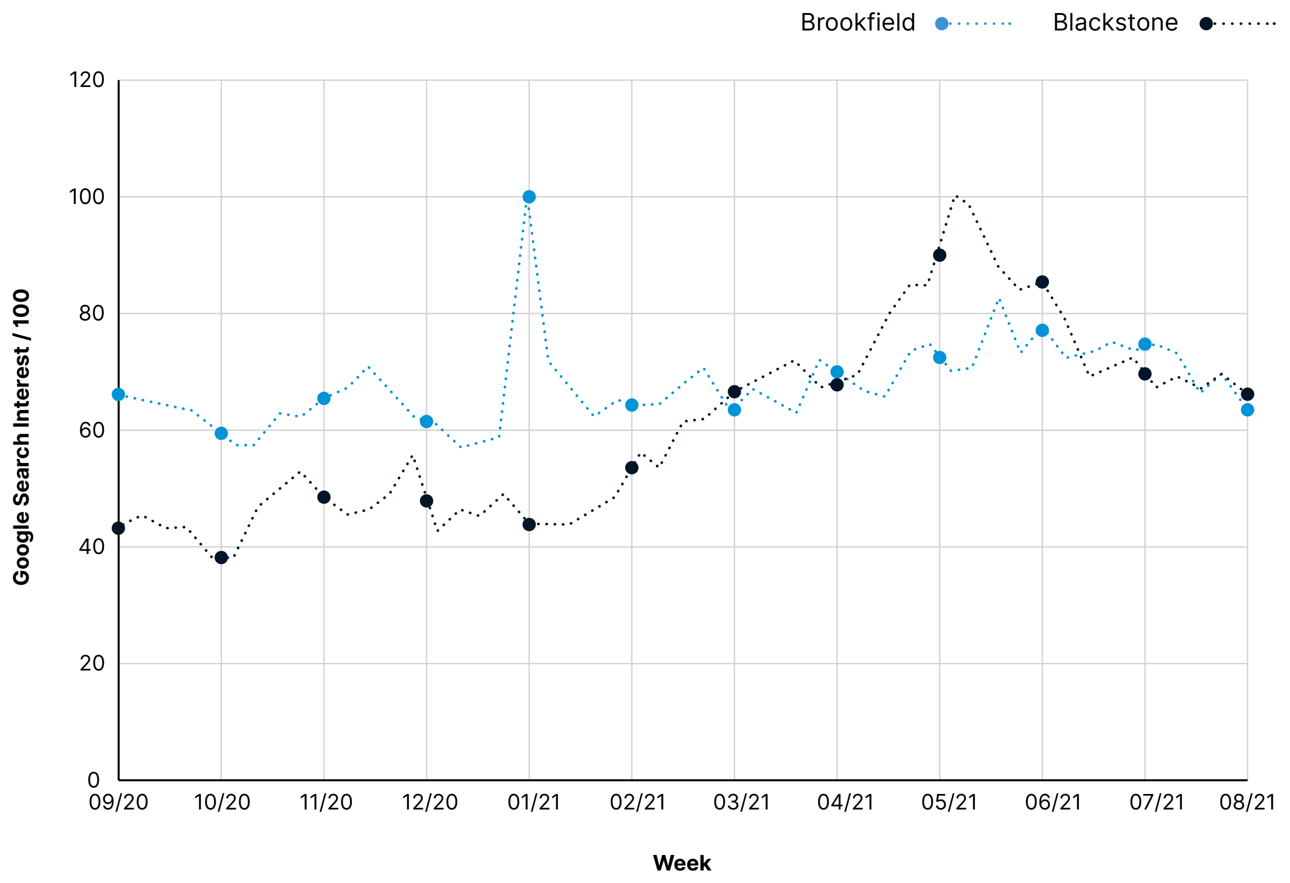
Brookfield's strength, on the other hand, lies in its operations, renowned for taking an underperforming business and restoring it to profitability, or even building new firms from the ground up.

Given their size and prominence, both firms scored highly for Brand Awareness. Yet when looking at Brand Awareness over time, we start to see a trend emerging. Brookfield saw a major spike in interest following their announcement reported in Bloomberg of plans to raise north of $7.5bn for a new climate-focused fund devoted to a "net zero" shift. Meanwhile, Blackstone saw a spike in June following a series of deal announcements, most notably its plans to invest in office developer Soho China. But the positive Media Sentiment that both announcements drummed up has reversed. Mark Carney, Brookfield's Head of Impact Investing, stumbled over the accounting methods used to define of "net zero", while Blackstone experienced a burst of negative coverage after its plan to purchase Soho China collapsed.

Exhibit 10

Brand Interest Over Time

Exhibit 10 shows brand interest for Brookfield and Blackstone over the last 12 months, measured by Google Search traffic. The two spikes in traffic indicate a potential over-reliance on deal flow / fund announcements by the two PE firms, which both turned negative in the following months.



This demonstrates the volatile nature of more traditional Alts communications. Both firms score highly for Share of Voice given the interest in their deals and investments, but both have – at best – mixed sentiment scores (both 5). This is very low by the standards of the top 20 Global 100 firms in 2020 (8).

One way Blackstone has attempted to combat brand volatility is by using its leaders to communicate the firm's investment opportunity and edge. This is something Peregrine's research has identified as a highly effective tool in building a more balanced program that truly "moves the branding needle". Two recent positive examples of this include a profile of Jonathan Gray in the Wall Street Journal and when Brookfield's CEO, Bruce Flatt, outlined Brookfield's position as a firm that is ripe for growth in Bloomberg.

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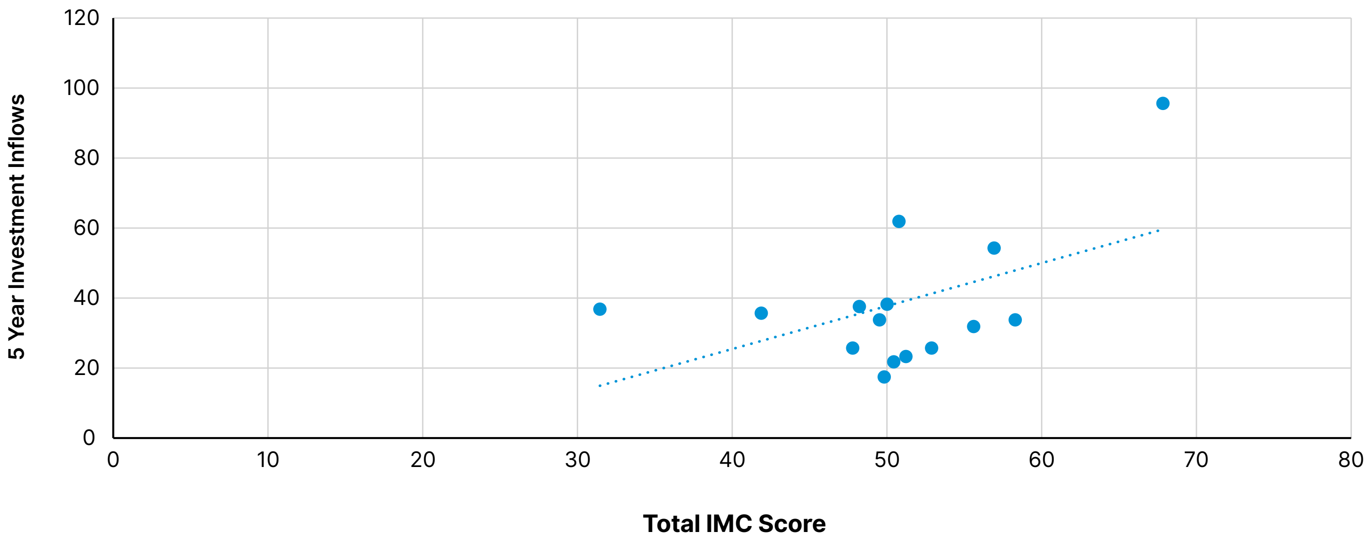
But where the two firm's scores diverge is in their respective usage of the more novel tools in the IMC arsenal. Blackstone's multi-platform approach to Social Media, using a blend of content around investment expertise, culture and its purpose is highly effective in communicating its brand differentiation. It is delivered through an impressive variety of mediums and supported by both Paid Search and Paid Media strategies to maximize audience reach and engagement. Brookfield, on the other hand, limits itself to content focused on investment opportunity and commentary, without truly identifying the firm's drivers beyond maximizing returns for its shareholders.

Overall, in this clash of the titans, Blackstone's sophisticated IMC approach is both superior to Brookfield's and the entire alternative investment management sector. They are an outlier among alternative managers, who as a group have yet to utilize the true power of an integrated approach to marketing and communications. It is therefore unsurprising that Blackstone also lead investment inflows in the last five years, with $95.9bn compared to Brookfield's $21.7bn according to Visual Capitalist.

Exhibit 11

5 Year Investment Inflows (PE) vs Total IMC Score

Exhibit 11 shows the correlation between investment inflows in the last five years and total IMC score for the study. The firms included are: Blackstone, The Carlyle Group, KKR, TPG, Warburg Pincus, NB Private Equity Partners, CVC Capital Partners, EQT, Advent International, Vista Equity Partners, Bain Capital, Thoma Bravo, General Atlantic, Brookfield, and Partners Group (source: visualcapitalist.com).



A new turf war beckons in private equity

Built upon the growing support from governments, most recently that of the UK encouraging buy-outs, as well as the potential for private equity to tap into private wealth valued in the tens of trillions, both these firms believe that the alternative investment industry has a long runway to grow.

As the two most dominant players, it would appear a safe bet that their leadership would extend to greater democratization of the asset classes.

But this rise brought a whole new wave of players into the fray. Goldman Sachs is a growing alternative investments player, while the passive giants, BlackRock and Vanguard, have launched private equity funds that are targeted at both institutions and high net worth clients (BlackRock in particular has already seen the 17th largest inflows in PE over the last five years, source: visualcapitalist.com).

Increasingly in the spotlight, private equity must rethink how it approaches marketing and communications activities. Up against a new breed of competitor with a better mastery of IMC, relying on traditional communications will be insufficient to stand out against firms with a more globally renowned brand. More than ever, private equity firms need to begin utilizing their outbound communications to inform and educate investors. Providing insights into their firms, where they see opportunities and the purpose of their firms beyond long term returns is crucial. And this must be delivered in innovative, engaging ways, utilizing the full spectrum of IMC tools at their disposal.

It's time for PE to reach its full potential.

“

In this clash of the titans, Blackstone's sophisticated IMC approach is both superior to Brookfield's and the entire PE field in the study.

Star Power Operates as Leverage – Leadership Communications

In the popular TV show "Billions", maverick hedge fund CEO, Bobby Axelrod utilizes his celebrity status gained from generating outsized investment performance to entice assets from some of the world's largest investors. Although this is a fictional TV show, it no doubt draws its inspiration from a few real life hedge fund manager stars.

Nowhere is this more pronounced than with the leaders of Bridgewater Associates and Citadel, two of the three highest scoring hedge funds in this study. Our two protagonists in this particular story have remarkably similar humble beginnings yet diverge in their approach to communications.

Ken Griffin, as a 19 year-old student at Harvard University, began trading from his dorm room with a fax machine, personal computer and telephone and later went on to found Citadel. Meanwhile, Ray Dalio started Bridgewater out of his two-bedroom apartment in New York in 1975. Both have led their firms since inception to become two of the world's most renowned hedge funds. The returns over the years speak for themselves. However, these two founders are not just investment specialists but offer valuable case studies in how investment managers can leverage leadership communications to bolster their brands.

Exhibit 12

"Billions" hedge fund CEO, Bobby Axelrod

Source: tradingview.com

> **Peregrine advises asset managers to focus on outlining their mission, vision and values. This is also an increasingly important area of scrutiny for investors.**

Both Bridgewater Associates (8/10) and Citadel (7/10) had outperforming Share of Voice scores in comparison to their relative sizes. Of Bridgewater's tier-1 media coverage over the last 12 months, Ray Dalio is either the subject of, or mentioned in **54%** of articles. Meanwhile, Ken Griffin makes up **27%** of total coverage about Citadel. Both are highly significant proportions. More significant still, when filtering for coverage where the article's focus is solely on the firms, Dalio features significantly in 150 pieces of media coverage, compared to 60 for Griffin.

Filtering our research to just two to three major financial publications in the US, Europe and Asia, Dalio makes up **55%** of his firm's coverage and is the subject of 40 articles, while Griffin makes up **35%** of his firm's coverage and is the subject of 20 articles.

In the media, Ken Griffin conveys extreme confidence about his firm's ability to make money. A recent profile in the Financial Times repeats his 2015 comment that "Citadel manufactures money like an automaker manufactures cars". Another article "How Ken Griffin rebuilt Citadel's ramparts" sees him use the interview to convey important messages about the firm's culture and its relentless push to improve its predictive capacity.

Exhibit 13

Ray Dalio

Ray Dalio's personal brand awareness score is a 6, higher than

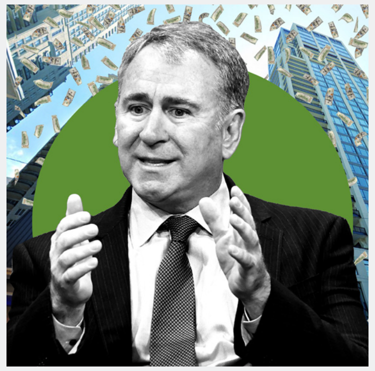
45%

of last year's Global 100 firms.

Source: techcrunch.com

Exhibit 14

Ken Griffin



Source: therealdeal.com

But this also shows the potential pitfalls of leveraging a CEO too much. Griffin's external persona heavily influences perceptions of the firm itself. This was most notable in the speculation and news reporting surrounding GameStop, where Citadel's investments in key stakeholders were called into question. Griffin's unapologetic style is clearly synonymous with his firm's DNA. But whether or not Griffin cares about how he is perceived, it is clear that he wields his celebrity status as a tool for the firm's overall Brand Awareness. He collects a personal score of 4, higher than **31%** of the firms in last year's Global 100 study.

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> In an increasingly challenging period for asset managers, where Brand Awareness is in decline, these two remain way above the parapet, emboldened by their audacious leaders.

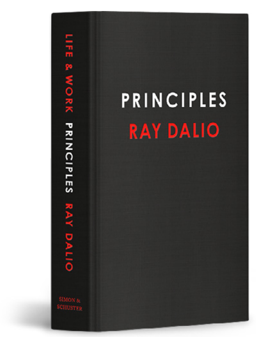
Ray Dalio on the other hand, approaches his communications quite differently. He expresses disdain for the press. Quoted in "Lunch with the FT" Dalio says in response to criticism of Bridgewater's culture "anybody who doesn't think that accuracy is a problem in the media is blind".

Dalio sought to transform this image by publishing a book called "Principles: Life & Work" where he used his own experiences to provide practical advice on the most effective ways for individuals and organizations to make decisions, approach challenges, and build strong teams. Like Griffin, Dalio uses the interview with the FT to outline his position on the firm's culture, noting: "to be successful in the markets you have to be an independent thinker because the consensus is in the price, and if you're betting against the consensus, there is a high probability that you are wrong."

This emphasis on culture is likely to intensify as a new wave of employees demand more from their employers than just high salaries. To this end, Peregrine advises asset managers to focus on outlining their mission, vision and values. This is also an increasingly important area of scrutiny for investors.

Exhibit 15

"Principles: Life & Work", Ray Dalio



Source: principles.com

Dalio's approach is arguably best practice. He more effectively controls the narrative by using Social Media as his primary tool to reach investors, employees and outside stakeholders. On these platforms the majority of his content is focused on his work on principles. He cuts an altogether different persona to Griffin, who chooses to be more outspoken in his media interviews. The former has re-positioned his own personal brand as a thought leader and inspirational speaker – without a single mention of his investment philosophy on his Twitter page in recent months. It also highlights the need for differentiated communications when facing a run of poor returns, such as in the case of Bridgewater's 2020.

While we cannot judge whether their different personalities and communications approaches impact investment returns, we can assess how much of an impact leadership communications and celebrity status has on the firm's wider Brand Awareness.Similarly, to Ken Griffin, Ray Dalio's personal Brand Awareness score is a 6, higher than **45%** of last year's Global 100 firms and double that of the asset management industry's largest firm's CEO, Larry Fink (3).

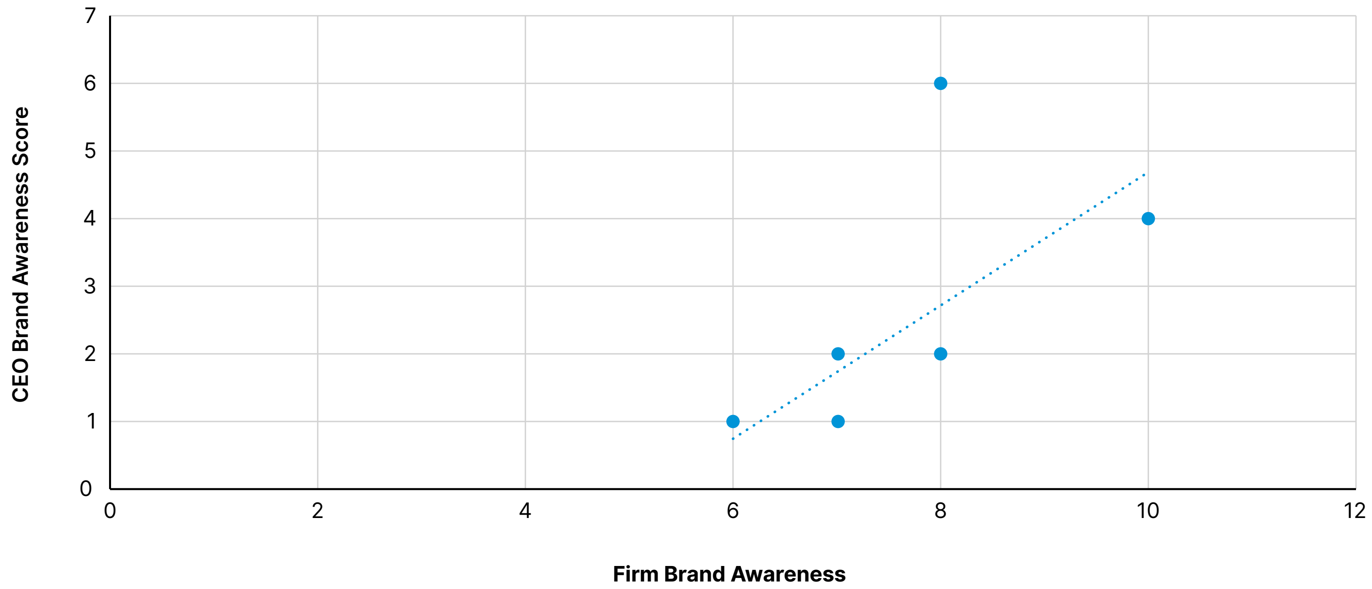
Whether or not these two founders and CEOs have a positive or negative impact on their firm's perception, it can at least be said that their star power is used to its maximum advantage for the purposes of brand building.

Exhibit 16

CEO Brand Awareness

Exhibit 16 shows the correlation between the personal Brand Awareness of the CEO and the firm's overall Brand Awareness.

The CEOs of the 10 most well-known firms (measured by Brand Awareness) assessed are **Ray Dalio** (Bridgewater Associates), Ken Griffin (Citadel), **Peter Brown** (Renaissance Technologies), **Luke Ellis** (Man Group), **Steven Tananbaum** (GoldenTree Asset Management), **Clifford Asness** (AQR Capital Management), **Chase Coleman** (Tiger Global Management), **Paul Singer** (Elliott Management), **Israel Englander** (Millennium Management), and **Zhang Lei** (Hillhouse Capital).



4. Conclusion

The asset management industry has historically been very **light on data points that offer any real insight or guidance** into how firms in the industry are performing in terms of brand, marketing and communications activity.

The inaugural Alts report into the marketing practices of the world's largest alternative investment managers expands the scope of Peregrine's work. Our goal is to provide CMOs, Heads of Content, Communications Directors and other marketing leaders with the critical information needed to benchmark performance with other managers, particularly critical during the 2022 budgeting and planning season.

In 2019's Global 100, we also debuted an online competitor comparison tool allowing managers to directly compare themselves with their peers across each metric in the report. The popularity of this tool is such that in the last year we have received over 1000 uses of this tool from a wide variety of managers.

Research and data are more critical than ever. With asset managers approaching a planning season where the economy is beginning to return to relative normality, it is our hope that this report will be of real value to help firms navigate what looks set to be a year full of opportunity.

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This year's Alts Report allows marketers to benchmark their performance with other managers, particularly critical during the 2022 budgeting and planning season.

5. Appendices

Top 50 Alternative Investment Managers IMC Ranking

Rank	Name	Total /100
1	Blackstone	**68**
2	Citadel	**60**
3	Man Group	**59**
4	Advent International	**58**
5	KKR	**57**
6	Bridgewater Associates	**56**
=	Vista Equity Partners	**56**
8	Two Sigma Investments	**55**
=	Oaktree Capital	**55**
10	Millennium Management	**54**
11	Thoma Bravo	**53**
12	Apollo Global Management	**52**
13	Ardian	**51**
=	General Atlantic	**51**
=	Tikehau Capital	**51**
=	The Carlyle Group	**51**
=	Brookfield Asset Management	**51**
18	TPG	**50**
=	Partners Group	**50**
=	EQT	**50**
21	Warburg Pincus	**48**
=	Ares Management	**48**
=	Bain Capital	**48**
24	DE Shaw Group	**47**
=	GoldenTree Asset Management	**47**
26	Fortress Investment Group	**46**
=	AQR Capital Management	**46**
28	Cerberus Capital Management	**45**
=	Apax Partners	**45**
30	Tiger Global Management	**44**
=	HarbourVest Partners	**44**
=	Silver Lake	**44**
33	Hillhouse Capital	**43**
34	Angelo Gordon	**42**
=	CVC Capital Partners	**42**
36	Oak Hill Advisors	**41**
=	Sculptor Capital Management	**41**
38	Marshall Wace	**40**
=	Elliott Management	**40**
40	Hayfin Capital Management	**39**
41	Davidson Kempner	**38**
=	Renaissance Technologies	**38**
43	Farallon Capital Management	**36**
44	Adage Capital Management	**32**
45	Alcentra	**31**
=	NB Private Equity Partners	**31**
47	TCI Fund Management	**30**
48	EIG Global Energy Partners	**29**
49	Viking Global Investors	**25**
50	Baupost Group	**23**

Methodology

This report focuses on a research group made up of the largest **global investment management firms** as ranked by AUM.

Our research analyzes the IMC performance of the 20 largest PE and HF managers, and 10 largest Alternative Credit firms in the world, according to AUM. These firms were selected using the following criteria:

1. **Firms with a heritage in long-only were screened out to only include asset managers whose primary focus or legacy offering is in the alternatives space**
2. **Appearing in IPE's 2021 Top 500 Asset Managers Survey (All)**
   a. **Appearing in HFM's Top 100 Hedge Funds 2021 (HF and Alt Credit)**
   b. **Appearing in Private Equity International's PEI 300 (PE)**

Brand Awareness

To formulate our **Brand Awareness** score we utilized the average monthly search volume of each brand. Each firm's score was then weighted against all the other firms analyzed in the study. Firms were evaluated against the most natural, frequently used search terms that their users choose to find them. Care had to be taken in order to differentiate between already large brands and their investment and asset management arms. Although some of these firms may receive additional in-bound search interest through their parent brands, a decision was made to focus purely on the direct search volumes for the specific asset management brand.

Brand Momentum

Brand Momentum (formerly known as Messaging Effectiveness) as a metric is intended to show how well each firm is "cutting through" – i.e. increasing the amount of engaged interest it receives over time. While Brand Awareness looks at the absolute volume of Google search for each brand, Brand Momentum assesses the change in search volumes and its increase or decrease over the study period in question. These results are then weighted against all the other scores in the "index" to ensure a meaningful benchmark. Safeguards were also put in place to ensure that no firm would achieve a high score for increasing its Google search volumes as a result of negative news-flow, e.g. a major scandal, sacking of a CEO or financial malfeasance.

Share of Voice

Share of Voice ranks firms by how much Tier 1 media coverage they achieved relative to their peers in the rest of the industry over the last twelve months. To avoid skewed results from the inclusion of low value and 'clickbait' media coverage, only Tier 1 coverage was measured, taken from a proprietary global Tier 1 investment, business and national media list produced by Peregrine Communications.

Media Sentiment

Peregrine's **Media Sentiment** metric assesses the ratio of positive to negative sentiment achieved by each firm in its media coverage. To ensure robustness of results – given the idiosyncrasies of sentiment analysis tools – multiple sentiment tools were used, and scores aggregated. As with other metrics in this study, each firm's ratio of positive to negative Media Sentiment was weighted against the rest of the group and scored accordingly.

Google Page 1

Our **Google Page 1** ranking was scored against a number of criteria designed to indicate how well a firm "owned" the first page of a Google search for its brand search term. This score assesses how well each firm has succeeded in generating positive news stories, an optimized website breakdown, multi-platform Social Media profiles and a side panel further detailing the firm and its history. Firms were penalized significantly for the presence of any negative media or news stories on their Google Page 1s.

Social Media

To tabulate each firm's **Social Media** score across each of the key platforms – LinkedIn, Twitter and YouTube – our framework was created to consider individual core aspects of each firm's performance for reach, engagement, frequency of posting and quality of content. The metric was designed to take into account both firms' output as well as their outcomes. The most successful firms had engaging, thoughtful and educational posts that were shared regularly to a large, responsive audience.

Bands were created to award points based on the number of followers, subscribers, average views and average engagements to award a score for each platform – before combining these and awarding a final additional score for presence on all three Social Media outlets.

Search Engine Optimisation

Our **SEO** score was awarded through banding scores based on the percentage of "non-branded" search traffic directed to firms' domain sites. A higher percentage was rewarded with a higher score to reflect a larger proportion of unbranded keyword searches leading to hits on the firm's site. Firms with a greater degree of sophistication in their SEO campaigns were awarded with a higher score due to their ability to attract investors who do not directly reference their brand when searching for them – indicative of a well thought out keyword search strategy and with content that engages well with target audiences.

Paid Search

Paid Search scores firms based on the amount of estimated traffic generated through their Paid Search campaign. These estimated Paid Search volumes were then compared against the rest of the research group and assigned a score relative to their performance. A number of firms had no evident paid strategy and their scores reflect that fact.

Paid Media

The **Paid Media** metric was created to analyze the extent to which firms were deploying a paid advertising strategy. The results were generated from data collected into each firm's volume of recent digital Paid Media (gathered using Peregrine's ad-tracking tool) as well as tracking "LinkedIn Sponsored Ads". Firms with paid advertising were scored on a sliding scale dependent on the click-through of those ads, with additional points being awarded for those with a LinkedIn ads campaign to create a score out of 10.

Website Effectiveness

Website Effectiveness is a composite score assessing a firm's website and its ability to retain viewers and successfully direct investors to areas of interest specific to them. Points were awarded for average page views, average time spent on site and the "bounce rate" at which viewers navigate away from the site having viewed only one page. Points in these three categories were then combined for an overall Website Effectiveness score out of 10.

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