Marketing in the Financial Industry

PABLO MESIAS

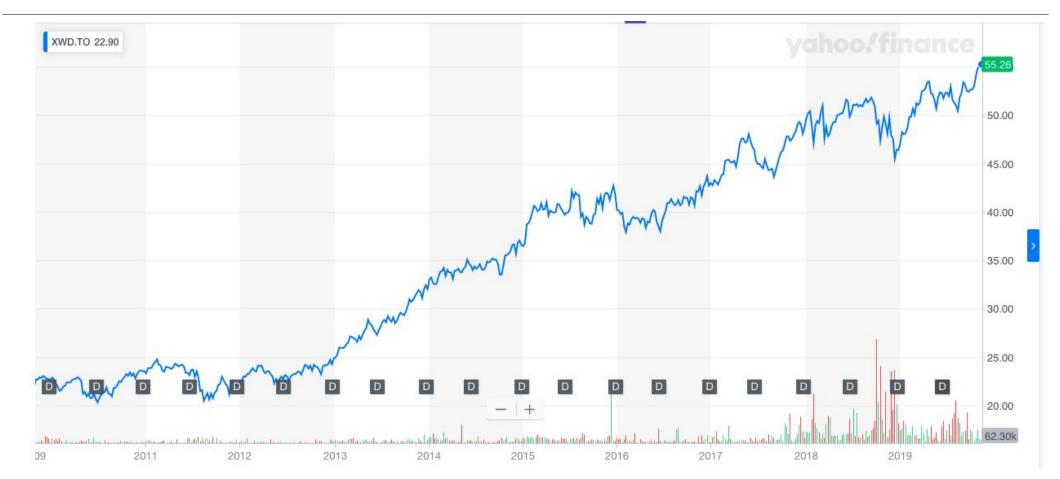
Agenda

How Financial Market Works

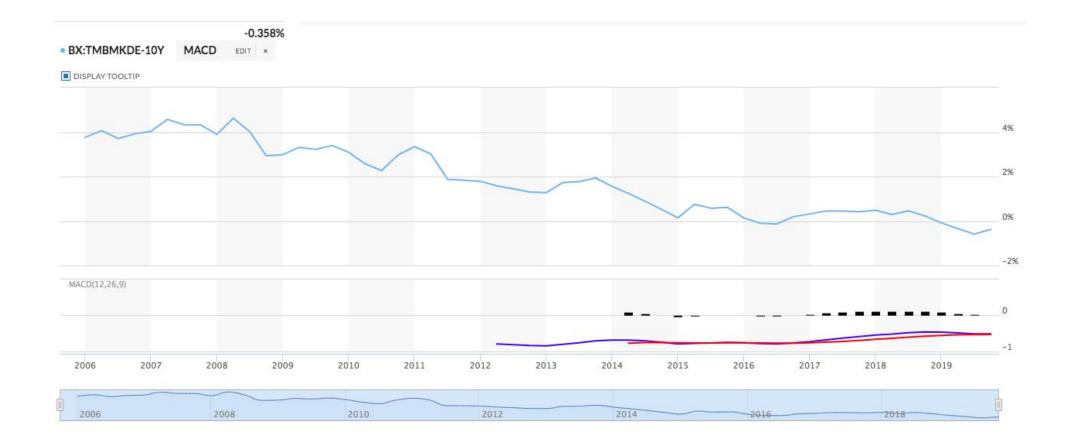
Customer Segmentation

Brand & Product Adaptation

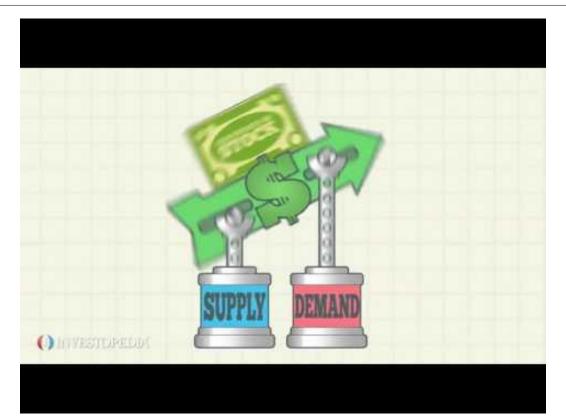
How Financial Market Works



How Financial Market Works



Financial Markets Video



https://www.youtube.com/watch?v=MpZ1YY4IvzA

The Financial Service Industry

Every day over \$ 5.3 trillion are exchanged in FM

NYSE trade daily \$200 billion

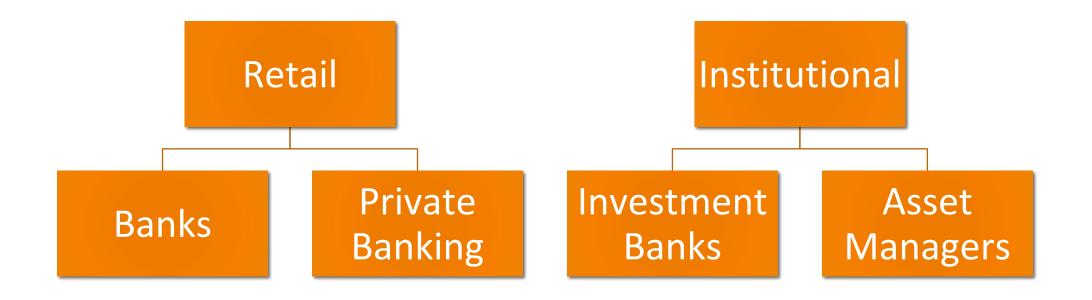
Globally every hour \$220 billion are traded

On the UK only employs directly over 1 million people

Over 3 million people employed in related services

Accounts for 6.8% of UK's GDP

Players in the FM



PESTEL Analysis of FM

123writing.com RBS PESTLE Analysis 2016-17				
POLITICAL FACTORS	ECONOMIC FACTORS			
 Brexit uncertainty. Regulatory pressure including new capital requirements. New 8% government surcharge on UK bank profits. 	 Brexit forced Bank of England to lower interest rates from 0.5% to an even lower 0.25%. A low interest rate environment hampers bank profitability. 			
SOCIAL FACTORS	TECHNOLOGICAL FACTORS			
 Ageing population in UK core market may mean a shift towards savings, investment and wealth management offers as a baseline service to meet needs of pension age customers. 	 Digital disruption including new blockchain technology, biometrics, robotic automation and rise of FinTechs present both opportunities and threats to RBS and other legacy banks. 			
ENVIRONMENTAL FACTORS	LEGAL FACTORS			
Transition to a low carbon and resource- efficient future is underway affecting RBS and other banking firms which are required to comply. 123Writing.com	 The mis-selling of toxic mortgage bonds prior to the 2008 financial crisis cost RBS \$4.5bn (£3.5bn) in litigation settlements with the US Federal Housing Finance Agency (FHFA). RBS further paid \$1.1bn in legal claims to the US National Credit Union Administration Board in 2016. 			

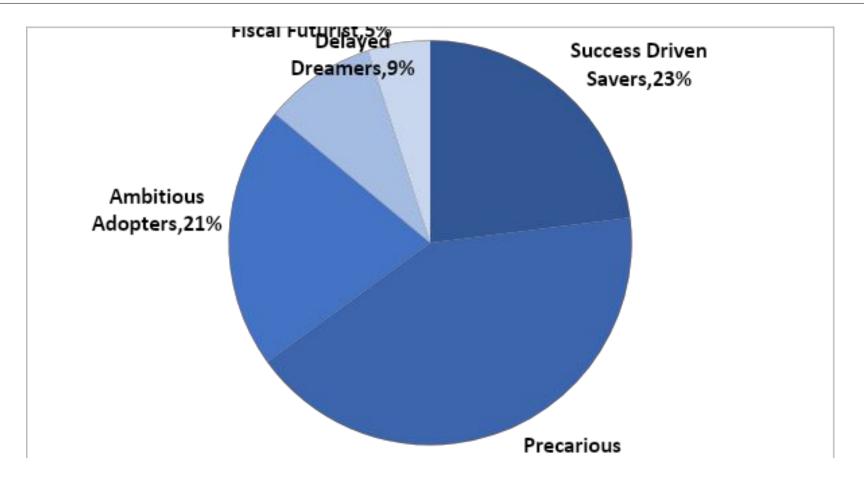
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How Financial Market Works

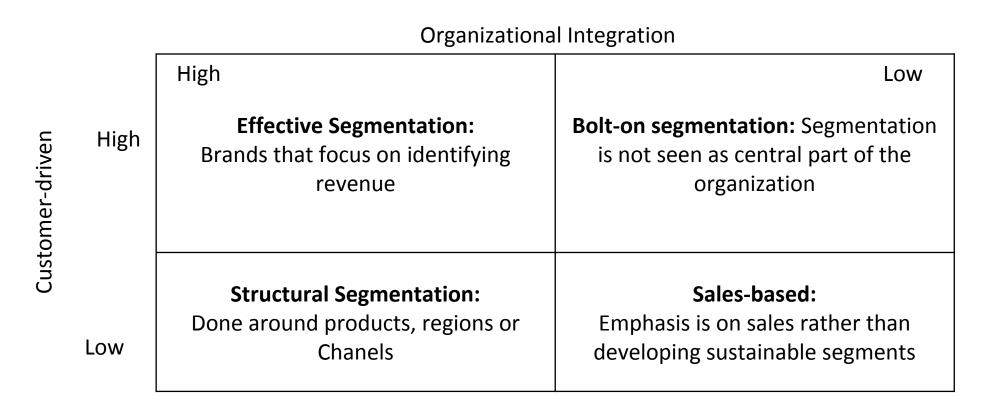
Customer Segmentation

Brand & Product Adaptation

Banking Client Segmentation



Customer Segmentation



Agenda

How Financial Market Works

Customer Segmentation

Brand & Product Adaptation

Mutual Funds Video



https://www.youtube.com/watch?v=-bLeRnOHq-8

What is Branding?

"Is the representation of a firm's culture through all forms of media"

Speeches

Social Media

PR

Marketing Collateral

Channels

Why is Branding so Important?

Norway's Sovereign Wealth Fund Hits \$1 Trillion

Largest sovereign wealth funds by assets under management in 2017*



@StatistaCharts Source: The Sovereign Wealth Fund Institute

Branding Asset Managers



PIMCO BERKSHIRE HATHAWAY INC.

Branding Asset Managers



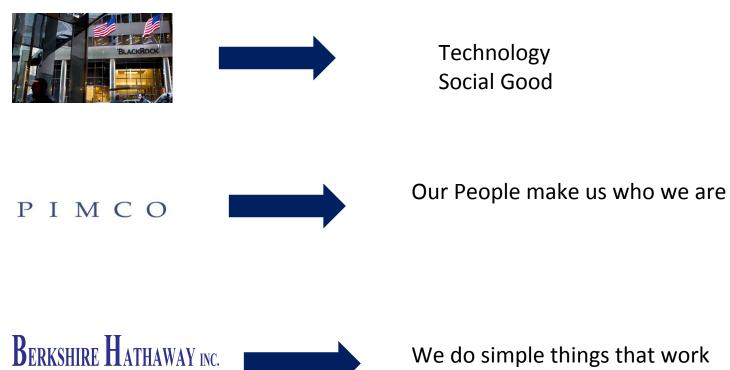
PIMCO BERKSHIRE HATHAWAY INC.







Branding Asset Managers



I have been doing for years

Challenges of Branding in Asset management

Products / Services that rely on markets

- Financial Markets are volatile
- Unpredictable
- Returns are not guaranteed

Asset Manager Operates with Peoples' money (savings)

Financial Crisis / Financial Corruption

Channels

Communication in the AM

MANAGEMENT

For professional and accredited investor use only. Not for further distribution. Wellington Asia Technology Fund

MARKET REVIEW

 Asia Pacific equity markets ended Agust lower as escalating US China trade tensions and increased concerns over the global economic outlook amid a till inglobal body yields hurt investor contidence. Investor sentiment deteriorated further when the US Treasury labeled China a currency manipulator after the yunshift to its lower level in 11 years.

MONTHLY FUND COMMENTARY | 31 AUGUST 2019

 Weblin Asia, Hong Kong was the energy energy energy of the back of excataling street protests and outbreaks of old unreak anderperformed as monthly economic indicators were broadly weaker. South Konzen equites excluded July's losses as a number of domestic sources in backwards and a community rest adjust with negligationing Japan impacted performance. Respite the negativity surrounding trade issues, Japan outperformed after postele economic data indicated the outprivy institution realismost the negativity surrounding trade issues. Japan outperformed after postele economic data indicated the country's institution realismost he negativity.

FUND PERFORMANCE AND ATTRIBUTION

The Fund outperformed the MSCI All Country Asia Pacific Information Technology Index1 in August.

- The top contributor to performance was Takanese integrated crout design house Media Tek. The company is seeing better traction for its SG system-on-a-thin (SGC) sublance designed to power the next generation of high-end SG smartphanes. We remain positive on the ability of MediaTek's SG SGC development to secure the first wave of SG smartphane demand in China and on its ability to sustain margin improvements across its mobile jultiom, making products (TV and WFD) and here segments (across and the Internet of Things).
- Japanese semiconductor explorant maker Lasertice was another top performer. We view Lasertice as a key beneficiary of the accelerating
 deployment of externer ultraviolet (UV) Ithography separation was chip production. We also can ASML in this theme (which has a mompoly in the
 manufacturing of UV) ithography systems) bit we believe Lasertice is another way to pixy this trend given its loading global position in controll
 soming laser microscopes. DVI ithography masks and marks bink impection systems.
 Japanese jamme groups Name was among the too detractors. Its hanses till or the back of weak future guidance for the Durgeon & Fahrer
- approve guinning company vectors as anongening operators is a same to one to do a vecus source pacamo on to surge one in register (OP) PC grame (the vector's notat spoular's assisted Multiply end of the field Psing Grame T and produces the field DSI's recent spoulates. In our view, the weak guidance does not spoular's assisted Multiply end vectors and the produce stretches and the produce the spoular produces that have been planned. The keys to can forward booking thesis on Nexion is the launch of Driff Mobile, which we believe should see successful unitate.

FUND POSITIONING AND OUTLOOK

- Using bottom-up research, we look for high-quality companies with sustainable returns. We invest with a long term view, focusing on companies
 where we see a securar growth opportunity or upside optionality that is not reflected in the current stock price. We are optimistic on the
 functionertial quality for the companies we hold.
- During the past year, macroeconomic and geopolitical factors as well as the traditional investory cycle in a number of technology subsectors have significantly increased uncertainty. The escalation initia trade dispute of historical geopolitical tensions between South Korea and Japan is among the more recent developments. In this uncertain environment, we are focusing on companies where we believe fundamentals have bottomid and
- should begin to improve as well as companies where secular tailwinds should support robust earnings growth.

 We remain positioned in hardware companies with technologies that span many global verticals, industries and markets, as well as local internet.
- companies adapting their business models to the tastes and preferences of domestic users.

 We are also invested in Japanese software and services companies, as we believe the shift to the internet, cloud and software as a service is
- gathering momentum and supporting consumer and enterprise spending in these segments.

PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND AN INVESTMENT CAN LOSE VALUE, | I Fund performance is based on the USD S Acc Unridg state class. Other state class returns may be lower. The views expressed are in the context of the investment objective of the fund only and should not be considered a recommendation or advice.

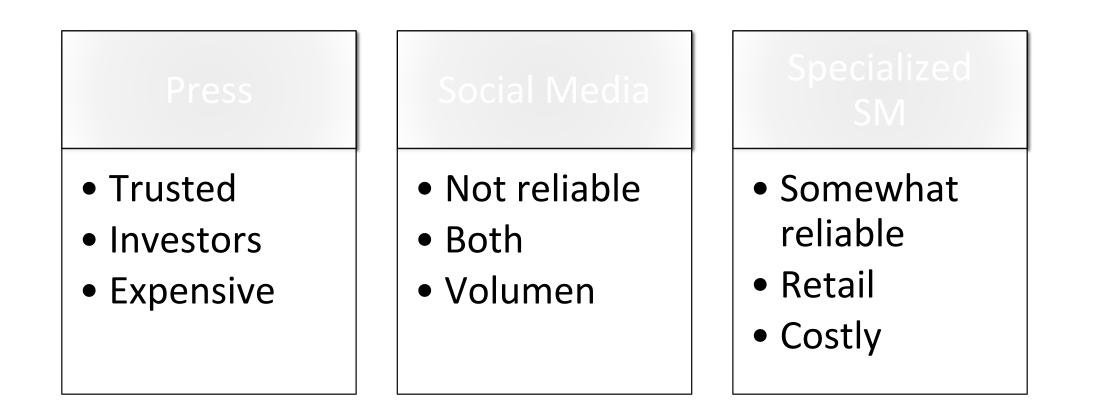
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Communication in the AM



https://www.youtube.com/watch?v=1_08_stjbVw

Channels in Branding



Why Branding is important

• It instills trust.

• It simplifies choice.

• It creates pricing power.

Agenda

How Financial Market Works

Customer Segmentation

Brand & Product Adaptation

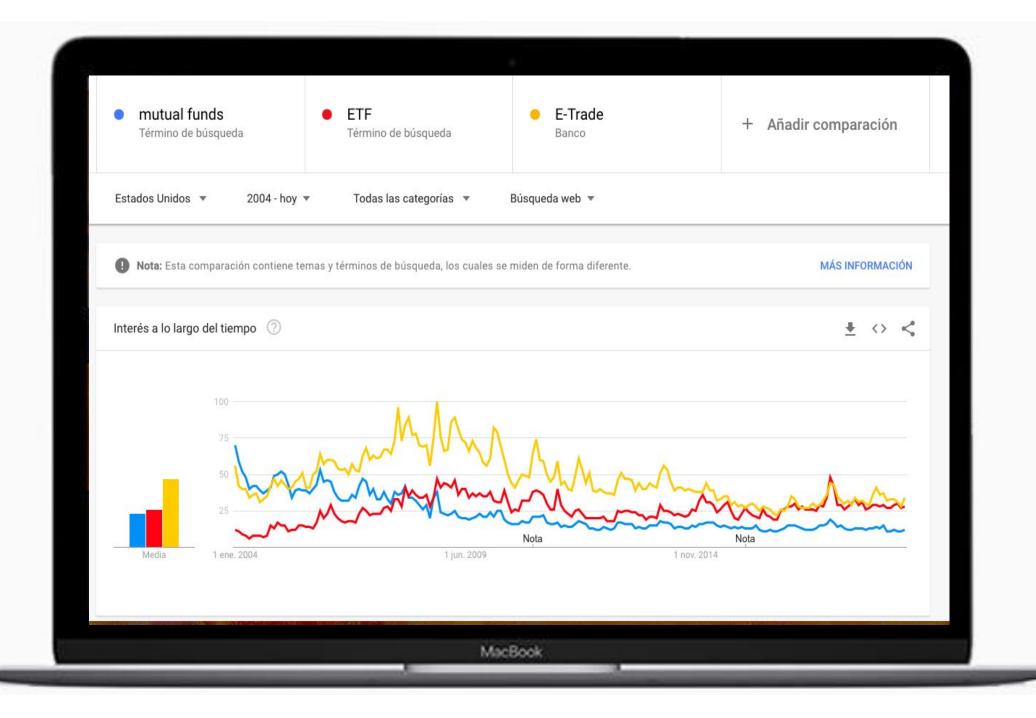
New Products require an increase in CAPEX

ETFs

New Regulations

Client seeking for solutions not products

AM are lagging in technology innovation



4% NNF Rate 100 3.5% Fees 3% 75 Organic Growth **Basis Points** 2% 50 1% 25 0.4% 0% 0% Pre-crisis Stagnation Recovery ('05 - '08) ('09 - '14) ('15 - '21)

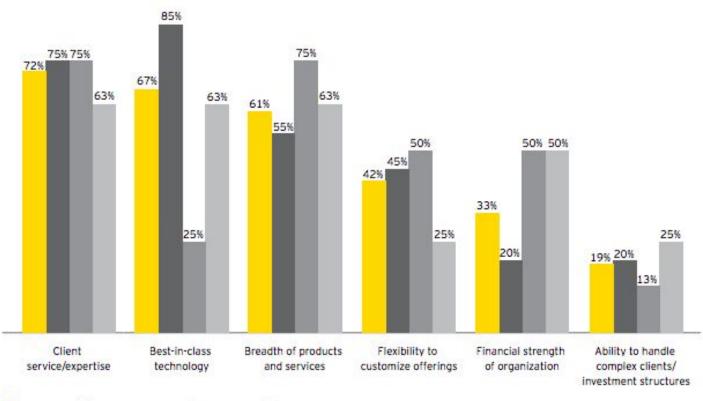
Net New Flows and Fees Global ex-China, Net Flows as % of BoP AUM



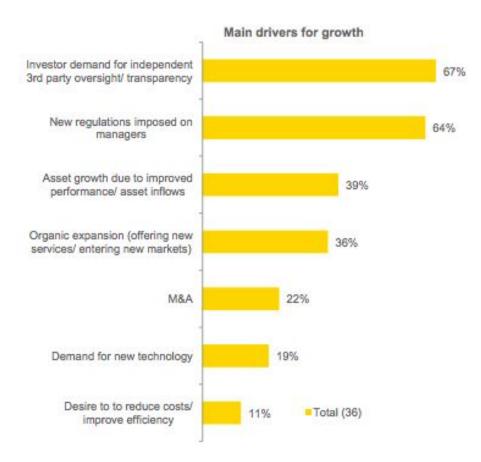


Source: Deloitte Skill through scale? The role of M&A in a consolidating industry Investment Management 2017 M&A Outlook

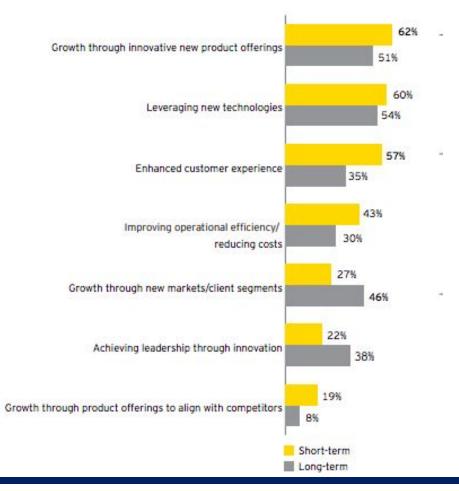
Methods to differentiate from competitors



Total (36) North America (21) Europe (8) APAC (7)



Source: EY New opportunities for asset servicing Global Asset Servicing Study



In order to be able to deliver more products at a competitive price AM need to merge with other asset managers:

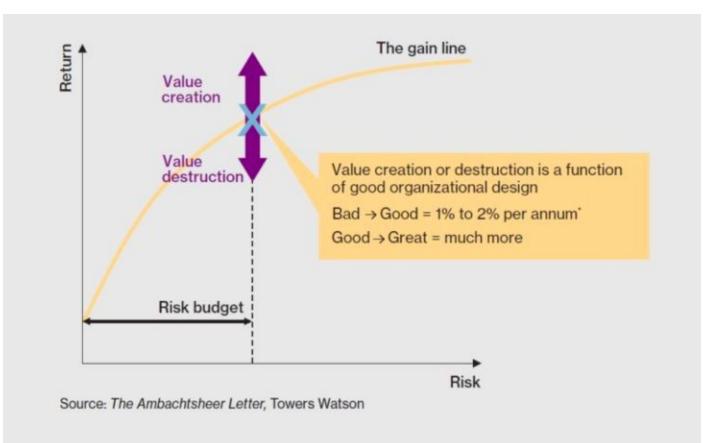
- Acquire other Companies and thus acquiring new capabilities
- During 2017 almost 257 firms merged globally

AM need to offer a wide range of products which sometimes can be limited due to lack of expertise, thus outsourcing is key.

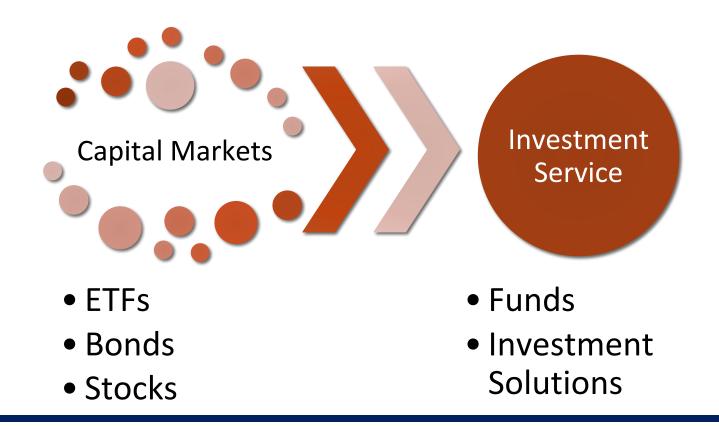
A&M

1980s - 1990s	Early 2000s - Present	2009 - Present	2015 - 2020+
Initial Founders' Exits	Capability-Drive Acquisitions	n Post-Crisis Buyouts	Industry Consolidation
Driver: asset management viewed as highly attractive business	Driver: asset managers seeking capability diversification	Driver: sellers (often banks) need to solidify balance sheets	Driver: declining economics and need for scale
Acquisition of boutiques, often by large financial services companies	Deals often resulted in bigger firms/brands and represent some of today's leaders	Strategic and financial buyers very active; led to some large deals	Never-before-seen broad driver of M&A will result in largest competitive re-alignment in industry's history

Delegate



From Product to Service



Thank you!