

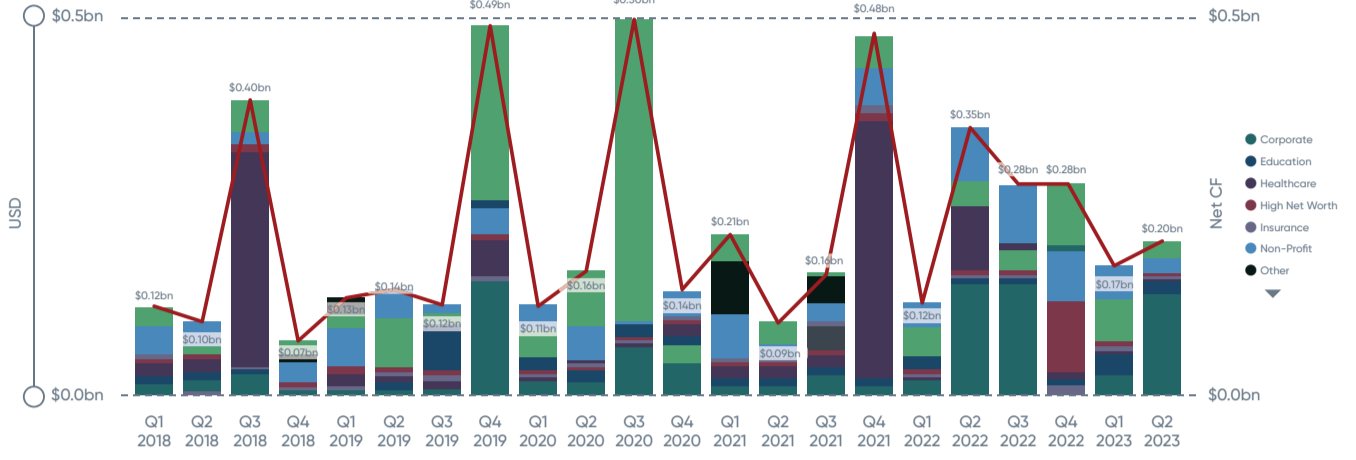
PRISM ANALYTICS: USE CASE FOR SMALL CAP GROWTH

3 questions to set your active US SCG distribution strategy

To maximize your team's selling efficiency, you need to know who your best buyers are and how to price your product. Ask yourself these 3 questions to ensure you're pursuing the most profitable opportunities for your US SCG fund and providing the most attractive solution.

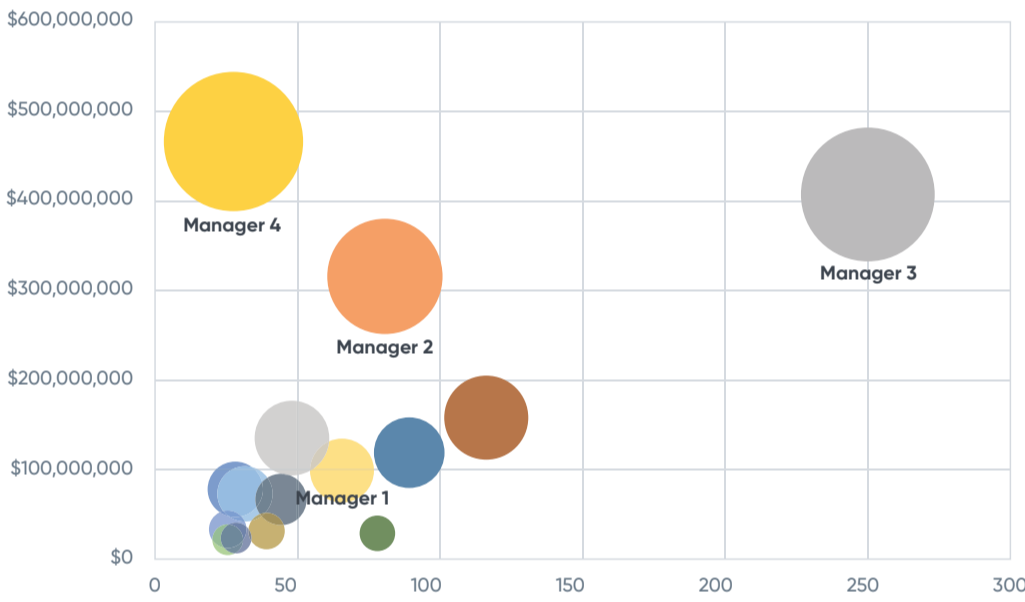
Question One: Which Money is Moving Towards You?

Asset Flows by Client Type



Here we see that new mandates awarded in actively managed US SCG equity are above 2018, 2019, 2020, and 2021 levels; mandates are on the move. And the buyers have changed – previously, it was Public DB plans; today, your best buyers are Taft-Hartley and Corporate DB

Question Two: Who is Winning Business?

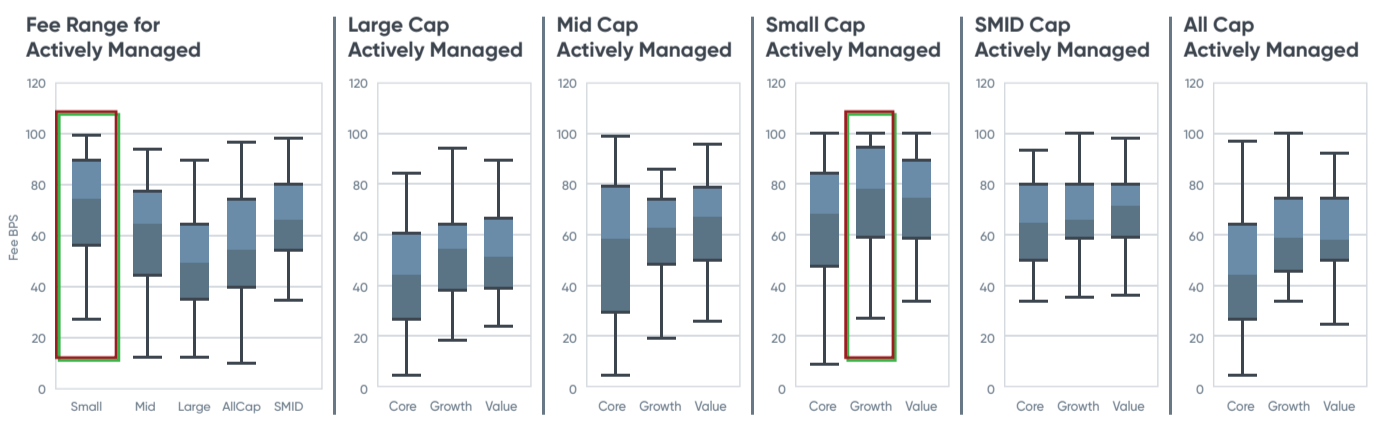


The US SCG space is typically led by managers outside of the major players. Over the past five years, Manager 3 (actual name shown when using Prism Analytics) is far in the lead for number of mandates won for US SCG, but Manager 4 has the largest gain in assets from won mandates trailed by Manager 3.

Use this information (and dig more deeply should you choose to) to refine your selling message to compete against your most likely competition.

Question Three: Who is Winning Business?

Fees for actively managed US Small Cap Growth (SCG) funds remain the highest among the various Style and Cap categories in the US equity market. Notably, within the small-cap segment, Growth funds have higher fees compared to both Core and Value funds, and small-cap funds, in general, have higher fees than other fund categories.



More specifically, the median observed post-negotiated fee for actively managed US SCG equity is 80bps. Knowing this, how will you price your fund?

Summary

US actively managed small cap growth equity is currently out of favor, yet there are pockets of buyers to attract assets. Distribution strategies targeted at the right buying clients at the right market price will yield positive results.



The above is just one example of how to use Prism Analytics to fine-tune your distribution strategy. Every Prism Analytics figure is bottom-up calculated from 10,000+ plans: no sampling, no extrapolation. Data can be refined to an exceptional level of granular breakout.

See what the Prism Analytics solution can do for you