

## FROM OUR BLOG

# If financial advisors are confused about alternatives...imagine their clients.

## *Advisors report what they value in alternative education*

Liquid alternatives are an enormous current opportunity in today's market. Citigroup's Prime Finance Unit projects that the total global market for liquid-alt funds will reach \$1.3 trillion by 2017, and that more than 70 percent of this amount will be retail, i.e., driven by individual advisors.

Yet recent surveys have documented that advisors' lack of knowledge about alternative investments is an obstacle to buying. The explosion of information and "liquid alternative" choices is confusing advisors and investors alike.

Advisor education can be a big differentiator and value-add in this climate. It demonstrates your long-term commitment to the market and your focus on portfolio planning, and it ties advisors to your firm by enabling them to confidently communicate to clients what your managers do and why your funds make sense.

## **Advisors' request: keep it simple.**

Making sense of these complex investments is not easy, however, and it's no secret that advisors will not sell what they do not believe in. To ensure that advisors develop the necessary conviction about alternatives, they must first understand the why, what and how of these investments. Specifically, advisors told us that they need to know:

### **Why alternatives?**

Illustrate, with facts and figures, how alternatives help manage a portfolio's volatility, including the importance of correlation. Include objective information from academics with "plain English" interpretations.

### **What are alternatives?**

Define the various strategies, from global macro to relative value, and the role they play in a portfolio.

### **How do I use alternatives?**

Illustrate how to "mix in" alternatives beside traditional holdings in a portfolio, including hypothetical "before" and "after" examples and a comparison of risk and return statistics.

Additionally, advisors asked for:

- “client ready” materials that help them make a solid case for alternatives, using “plain English” terminology.
- best practices of other advisors using alternatives to address client needs.
- CE credits for participation in any kind of educational webinar or event.

## **Education program = lead generation.**

By leading with education, asset managers can open a dialogue with an advisor that can serve as a gateway to learning more about his practice. This information can help you qualify the advisor and generate a valuable lead. If the advisor finds your education program valuable, he is likely to “opt in” to receive new messaging from you. Throughout his participation in your education program, he will tell you exactly what he wants to learn about alternatives so that your messaging becomes relevant and motivating.

Ulicny has hands-on experience in designing and delivering alternative-education programs for advisors, including simple ideas they can remember and communicate. We can also help you coordinate a comprehensive educational program that aligns with your marketing strategy and directs the production of effective communications for advisors *and* their clients.

We are fluent in delivering education in a variety of media—including train-the-trainer, self-study, CE seminars, webinars, conference calls and interactive websites—and can tailor a program to your specific budget.