



TARGET MARKET AND YOU

Northern Lights Distributors, LLC (NLD) believes all impactful distribution plans begin with a target market assessment, to gather information about the wants and needs of its potential clients. Market research will enable a business to learn and identify who, among its potential clients, may access their investment strategies. This learning curve will allow investment managers to:

- 1 Develop tactical distribution plans
- 2 Create marketing campaigns
- 3 Develop qualified opportunities

UNDERSTANDING THE TARGET MARKET

The distribution landscape has changed significantly over the decades as the investment solutions have “evolved”. The age of the balanced investment strategies has moved from asset allocation funds to separately managed portfolios to model delivery solutions. Financial advisors more and more are transitioning from transactional value to advisory consultants and implementing professional buyer methods. Understanding the professional buyers and their engagement model is key to developing quality opportunities.

TARGET MARKET

NLD believes there are two channels for fund distribution: Institutional and Intermediary. The simplicity of the labels may be misleading as each have multiple entry points and distinct engagement processes.

INSTITUTIONAL

Large buyers and market movers:

- Third Party Consultants
- Subadvisors
- Defined Contributions
- Registered Investment Advisor

INTERMEDIARIES

Financial and or wealth managers who act as:

- Investment Consultants
- Portfolio Managers
- Financial Advisors
- Fiduciaries
- Turn-key Asset Management Portfolio (TAMPs)

Target market analysis is important to a marketing plan, allowing a business to:

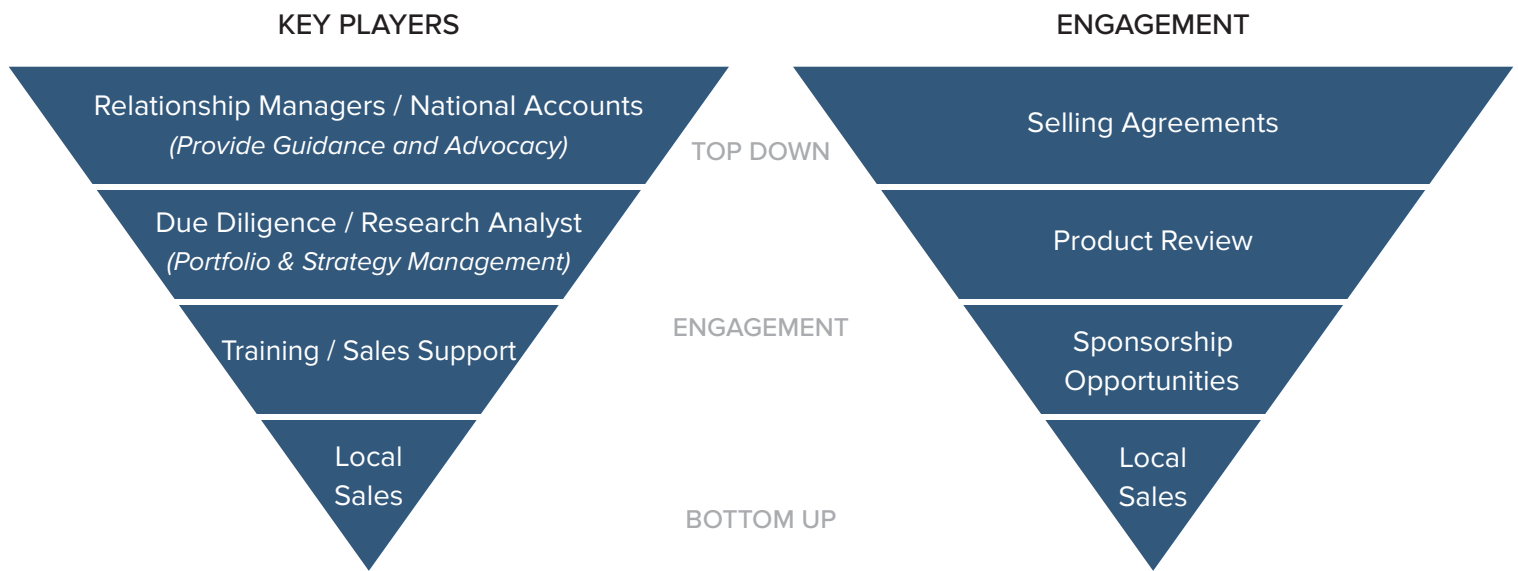
- Focus on the needs and wants of its target audience
- Plan what they want to accomplish and achieve in the future
- Crystalize the steps that are needed to deploy their sales and marketing plan
- Maximize the best opportunity for their products to those who are most likely to use them

Mutual Fund clients may be:

- Institutional Clients
- Registered Investment Advisors
- Financial Advisors
- Retail Investors

ENGAGEMENT

Each of the markets above have a variety of clients who will require tailored sales engagement and marketing support. Therefore, understanding the key players throughout the process from home office to the local sales contacts will allow for the mutual fund complex to have the best opportunity at a successful marketing campaign.







TOP DOWN DISTRIBUTION

The home office engagement is a top down corporate relationship between an institution or third party intermediary and the investment manager. Critical contacts at the institution or third party may include due diligence analyst and a national account manager. They may qualify and or determine new product approval, execute selling agreements and may offer national, regional and local sponsorship opportunities.

BOTTOM UP DISTRIBUTION

Bottom up distribution involves engaging with the financial advisors who can purchase mutual fund solutions for his/her clients. Working with local representatives such as branch managers, field coordinators, OSJs, and/or regional directors will allow you to align marketing campaigns to their local efforts and provide direct access to clients.

NEXT STEPS

-  **DISCOVER** – Identify your ideal client and seek to learn their preferred third party engagement service model
-  **PLAN** – Review current resources, processes, and messaging to support the engagement strategy
-  **PREPARE** – Develop an engagement strategy to move introductory conversations to deep rooted relationships
-  **ACT** – Deploy your distribution strategy from home office to field



NORTHERN LIGHTS
DISTRIBUTORS