

BRIGHTON HOUSE

a s s o c i a t e s

Corporate Overview

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Client Presentation

BHA: The Company

- BHA is a research company that gathers data on alternative investors and their associated mandates.
- BHA determines, through one-on-one phone interviews, “*where the money is and where investors are looking to allocate.*” BHA collects this information in the form of an Investor Mandate Profile. BHA updates Investor Mandate Profiles every 90 days.
- BHA’s clients use profiles to source investors that are a precise fit for their products. Profiles are considered vetted, qualified investor leads.
- BHA has a Web-based platform called SalesDesk from which clients can search investor mandate information collected by BHA analysts.
- SalesDesk is equipped with matching technology, which assists clients by finding investors whose mandates are the best fit for their products.

BHA: Changing the Marketing Paradigm

BHA Changed the Third-Party Marketing Paradigm

First, we made our model investor-focused instead of manager-focused. Before BHA, third-party marketing firms procured a stable of managers and then pitched them to any investor that had money regardless of fit. BHA approaches investors as a neutral, unbiased party, with the goal of understanding them, their mandates, and the criteria they seek in fund managers.

Second, we changed the business model for fund managers from long-term contracts coupled with exorbitant success fees to a cost-effective annual subscription model. BHA's secret weapon is the fact that our analysts talk with investors every 90 days to update their Investor Mandate Profiles.

BHA's Value to Alternative Investors Is a *Free Service*

By spending 15-30 minutes on the phone with a BHA analyst, investors can use BHA to help find funds and managers who are an exact fit for their mandates. BHA helps investors filter out "the noise" in the marketplace for free.

BHA's profiling software cross-references investors' profiles with profile characteristics of our fund manager clients to determine precise matches for our clients.

When we have a match, we forward a fresh, accurate, in-depth investor profile, which has been updated in the previous 24-48 hours, to our fund manager clients. This is considered a qualified lead.

Market Size and Product Pricing: Alternative Fund Managers and Investors

BHA's geographic market is 40% North America, 40% Europe, and 20% the rest of the world.

BHA analysts have compiled data based on BHA's own internal database statistics. BHA believes we have identified 80-85% of the entire alternative investor market. BHA estimates the market size is about 70,000 firms; therefore, an estimated 250,000 people could be users of BHA's product:

- 20,000 Fund Manager Firms: Hedge Funds and Funds of Funds (10,000), Private Equity Funds (5,000), Venture Capital Funds (3,000), and Real Estate Funds (2,000).
- 50,000 Alternative Investor Firms, divided into 17 categories: Consultants, Corporate Pensions, Endowments, Family Offices, non-U.S. Funds of Funds, Foreign Pension Funds, Foundations, U.S. Funds of Funds, Government Pensions, Healthcare Plans, Insurance Companies, non-U.S. Wealth Advisors, Private Banks, Tax Exempt Institutions, Union Plans, and U.S. Wealth Advisors.

BHA has an annual subscription fee business model for fund managers the service is free for investors; the subscription fee is \$37,500 per year. BHA offers up a 12 week trial program for \$10,000.

Target Market: Fund Managers Who Understand that Raising Allocations Is a Selling Exercise!

BHA sells to alternative fund managers and their associated investor relations staff. We augment and complement in-house marketers by offering cost-effective sales and marketing support for lead generation, road shows, and potential investor identification. Our typical client profiles are as follows:

- Hedge Funds and Funds of Funds with AUM of \$200 million+, and with full-time marketing and sales personnel who can sell.
- Private Equity, Real Estate, and Venture Capital funds with AUM equal to or greater than \$100 million, and which are establishing their second, third, or fourth fund. Unlike hedge funds, partners in these funds actively “sell” and they readily understand our “qualified lead” business model.
- Some of the largest and most respected firms in the world have the BHA service. They *all* get that BHA accelerates in-house capital raising by providing qualified leads from BHA’s Internet service through managers’ browsers. The *immediacy* and *accuracy* of BHA’s mandate profiles are the chief benefit for clients. They are able to uncover fresh, timely, accurate investor information.

Raising Assets: Traditional Options

- Friends and family
 - Outdated internal contact databases
 - Seminars and industry events
 - Referrals
 - Third-party services
1. *Finding investors who want to talk to you!* They just have trouble finding the right manager. Investors decide where their allocation dollars are going and what kind of managers and associated products they seek. Once they have a mandate they seek a manager that fits it.
 2. *Investors that you know are a fit and you need to find.* A conundrum for many marketers, categorize existing investors, find look-a-likes, connect-the-dots.
 3. *Using a service that complements your in-house marketing and sales team.* Senior partners are the ones who need to be involved in the later stages of the allocation cycle; the beginning and middle stages should be handled by the in-house team with the right tools.

Competition: Third-Party Marketers, Placement Agents, and Outsourced Consultants

The opportunity for BHA, and why BHA came into existence, is that it is extremely difficult within the alternative investment arena for fund managers to source investors and for investors to source managers. The fact of the matter is that after managers try to raise money through their own personal contacts (friends, family, and professional relationships), they are forced to deal with third parties. The efficacy of third-party marketers, placement agents, and consultants is being hotly debated today. Many think their business models are broken!

- Contracts that force a long-term commitment
- High success fees
- Investor relationships held by a third party when they should be managed in-house
- Road shows and associated investor introductions that are not always a good fit and can be exceedingly time consuming; managers left wondering if meetings were set up for their benefit or the benefit of their placement agent
- Little control over marketers or consultants
- The managers that are the easiest to “sell” get a majority of the resources; it’s often a popularity contest

BHA offers a cost-effective and efficient means to source investors, which translates into better use of managers’ resources and more allocations closed.

The Investor Landscape Is Changing

- Timeline for allocations is 6-9 months, due diligence - strategy and operational capabilities, third-party relationships, profile of executive team, vetting process has undergone major change.
- Transparency is more important for investors than ever. Particularly in these markets, investors want comfort and reasoning in investment strategy.
- Communication with investors is extremely important. Managers must keep investors updated with their thoughts on current market conditions via conference calls, podcasts, fact sheets, and newsletters. They must develop their own personalized vehicle to keep investors engaged and aware.
- BHA has observed that if investors understand what managers are doing, they are far less likely to redeem.
- Investors want direct relationships with fund managers. Funds should have an internal marketing individual/team to service not only existing clients but potential investors. Investor relations is *not* a part-time job if you are serious about raising money.

The Dynamics of Finding Investors

- The ultimate selling strategy is targeting investors that want to hear about a specific product, from a specific type of firm, and the executive team that runs it. Investors know what they want; the issue is filtering all the managers coming at them.
- Selling is a numbers game. Constant effort and momentum needs to be maintained. Continuity and commitment are paramount for success.
- In today's market, finding investors is expensive and resource intensive. Managing Partners are a key part of the allocation cycle. Sales and marketing cannot be done as an afterthought!
- Staffing internally means a significant long-term commitment of a firm's marketing and sales investment.

BHA's Market Advantage for Client Fund Raising in 2009

The new financial landscape has opened up some dramatic opportunities for both alternative investors and fund managers:

- Investors have made large redemptions and are reevaluating where to allocate their funds.
- The new investor strategy is to diversify past positions and change the old portfolio in favor of new positions, which means taking a look at new managers and new strategies.

These changes provide a dramatic opening for market savvy fund managers to get in front of investors that were previously out of reach. They may not start allocating again until Q1/Q2 of 2009, but they certainly are vetting their new strategies in the meantime.

Traditionally, a lot of investor time was spent minding their current investments. Now, since they have redeemed, there is more time available to peruse other avenues of investments.

This dynamic affords a great opportunity for fund managers.

The question today is, What is the best way for alternative investors and fund managers to take advantage of these market opportunities?

Fund Managers First Step in the Allocation Process: A Marketing Campaign

First things first. The database.

- Databases typically come in two states: out of date and *very* out of date.
- In order to find investors, marketers have to create or clean up their in-house investor databases so they are as *current* as possible.
- The choices are to either scrap the in-house database and start from scratch by purchasing a new one (typically only a little more current than the in-house one), or take the time to clean the existing database. Both options, however, are costly endeavors in terms of resources. The issue is that marketers can't get started until they deal with the data issue.
- Next, after the database is in order, marketers must create campaigns, which means identifying and targeting some likely investor candidates. Typically this is accomplished via a phone or email canvassing exercise, which again takes a lot of resources to do the vetting and follow-up.

The question that always arises from anyone that actually has to go through this process is: *Isn't there an easier, cheaper, cost-effective way to do what needs to get done?*

Generic Contact Database vs. BHA Mandate Database

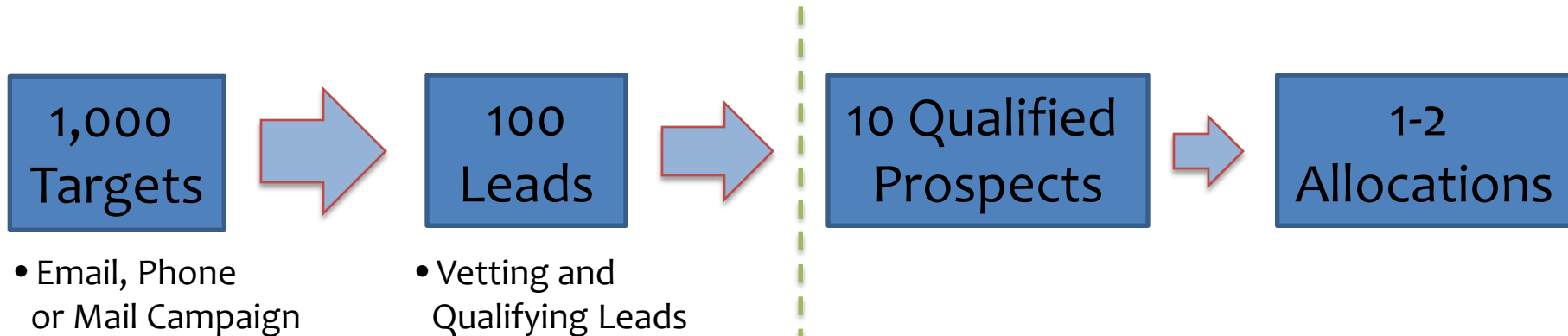
For a fund manager, the main difference between a contact database and the BHA mandate database is the difference between a generic list to vet and a list of qualified leads.

The difference between an investor contact database and an investor mandate database is dramatic! Most fund managers are not schooled in the nuances of list management, data, profiles, and the associated information that is inherent in each.

A *contact database* is essentially a generic information snapshot of a company and is, by its general nature, very cursory information. Name, address, phone numbers, key contacts in the firm, organization chart, and so on. As stated before, contact databases come in two states: out of date and *very* out of date!

A *mandate database* is a different database concept. Although it has the typical contact information associated with a contact database, the main difference between the two is that a mandate database is specific. It is a database of mandates that have been uncovered through extensive research into investment firms. The primary contact who owns the mandate and the associated allocation has been found, has acquiesced to being interviewed, and has approved the information that is in the specific mandate profile.

Typical Fund Sales Process: 6-12 Months



BHA Business Model Starts at This Point

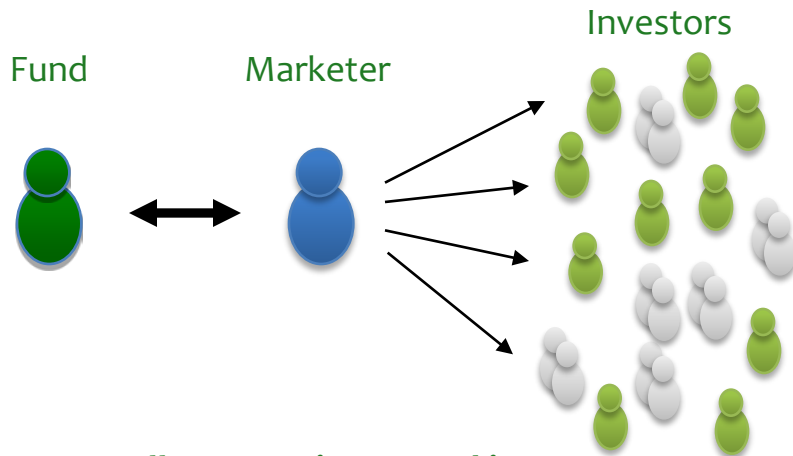
- Our in-house analysts do the vetting of the targets and leads.
- In a 12-week trial, a fund manager's analyst will make 600-800 calls going after predetermined targets.
- Analyst will deliver to the fund manager 2+ personalized lead profiles per week.
- BHA's value is delivering to a fund manager 25 qualified leads so they don't have to make the 600-800 calls.

BHA Clients Enter at This Point

- Clients create interactive dialog with investors that fit their strategy.
- Information is exchanged between clients and investors to deepen the relationship.
- Meetings and conference calls are set up to help qualify the manager.
- Due diligence is performed.
- Allocation is made.

“Old” Fund Marketing Model

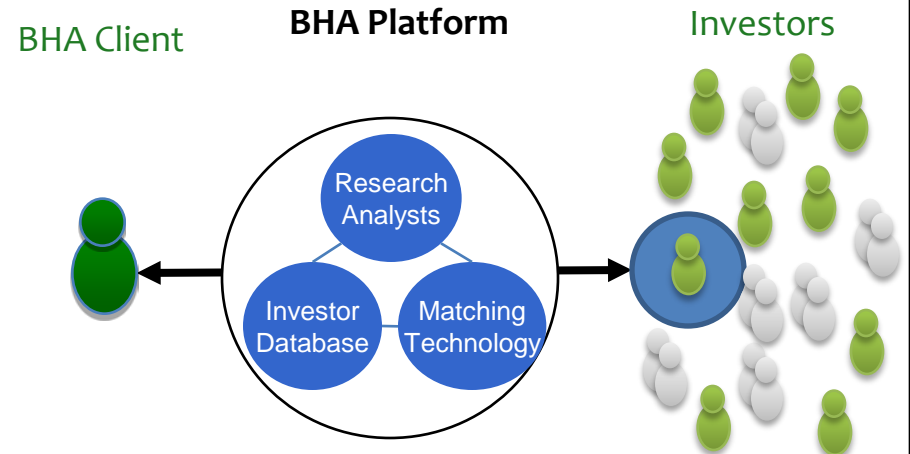
One or Two Marketers Cold Calling Investors
Using a “Shotgun” approach



- 100 calls to get 1 interested investor
- Then no way of really knowing investor interest
- Competing against all other funds for investor’s attention

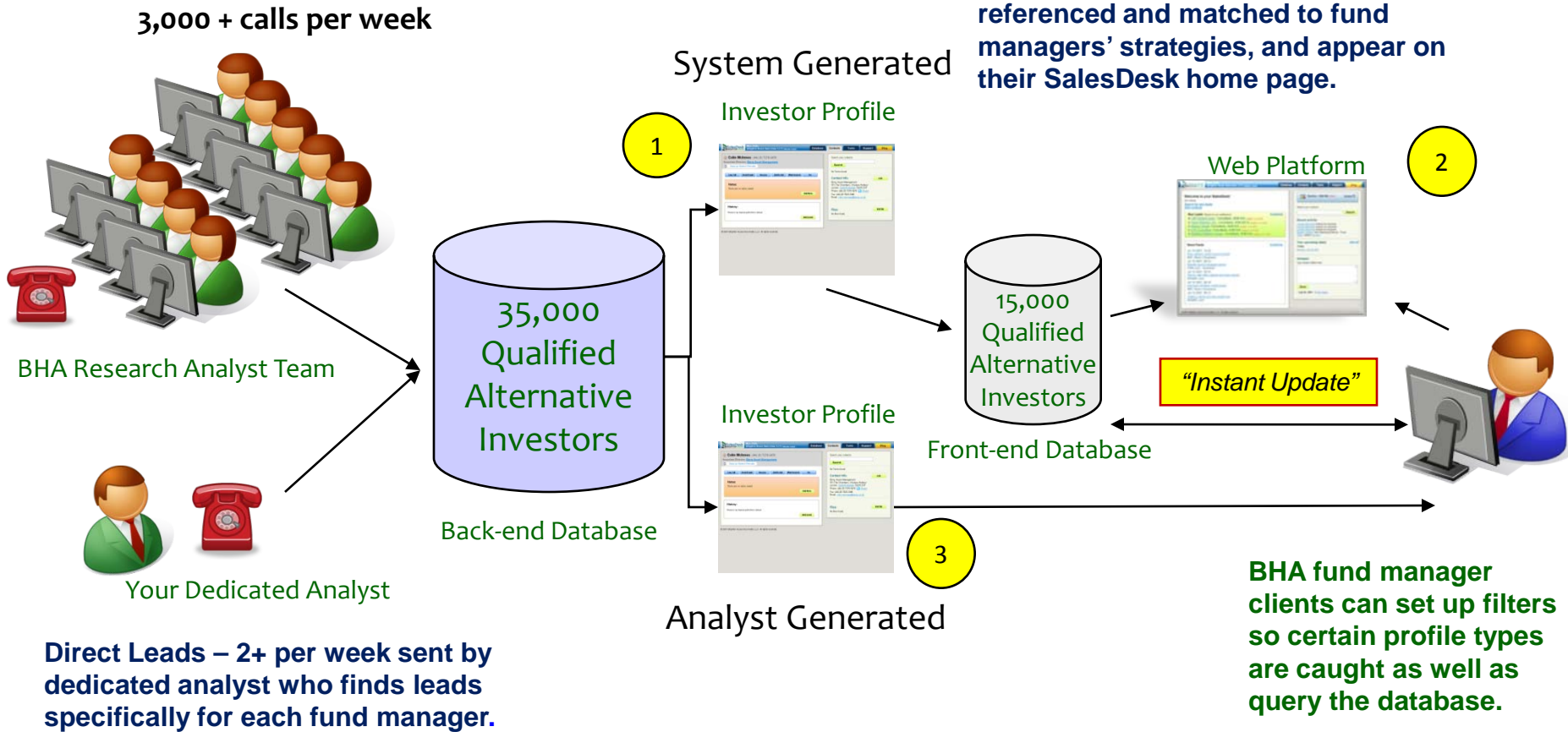
Brighton House Model

Large Team of Analysts Collecting Investor
Data and Matching Up BHA Clients



- BHA provides research data on alternative investor mandates to fund managers
- BHA does the hard job of *finding the correct fit*
- BHA uses its matching technology to save time and provide fresh accurate investor mandates

BHA Service: 3 Ways to Get Leads



RESEARCH ANALYST SUPPORT

Custom Lead Generation

- Each fund manager's assigned, dedicated analyst delivers 2+ highly targeted leads per week

Marketing and Travel Support

- Analyst identifies prospective investor targets for sales meetings and road shows

Prospect List Screening

- Analyst scrubs and qualifies conference attendee lists and proprietary databases to identify prospective investors

What We Don't Do

- Design marketing documents
- Advise clients on how to pitch their fund
- Give legal advice

- Introduce clients to investors
- Provide investment advice
- Mention clients' names to investors
- Charge Success Fees

- **80%-85%** coverage of the global investor in alternatives
- **35,000** alternative investors
- Investors have a minimum of **\$25M** invested in alternatives

Sources of Investor Data
Paid Subscriptions to Online Databases
Conference Attendee Lists
Traded databases with over 30 third-party marketers
Access to niche industry websites

Brighton House Instant Update

1. Client can upload internal database of contacts to BHA platform
2. With a click of a button, the BHA system cross-references client's database with BHA's live database of investor mandates
3. System will show results of how many investors in client's database are contained in BHA's database
4. With a second click, client can instantly update their internal database by adding the fresh contact and mandate information from BHA's database to their database

Leads/Mandates by Location of Investor

Region	Percentage
North America	50.0%
Europe	42.0%
Asia	3.0%
South/Central America	2.0%
Oceania	1.5%
Africa	1.0%
Middle East	0.5%

Investor Categories

Category	% of Live Database
Fund of Funds	17%
Corporations	15%
Wealth Advisors	14%
Family Offices	8%
Foundations	8%
Endowments	7%
Governments	7%
Healthcare	6%
Consultants	5%
Private Banks	5%
Tax Exempt	4%
Union	3%
Insurance	1%

In Summary

BHA is a data research company that helps fund managers with investor lead generation.

BHA changed the third-party marketing paradigm:

- BHA approaches investors as a neutral party. No bias, no spin. We have just one goal of understanding investors, their mandates, and the criteria they seek in a manager.
- The value proposition our analysts make to investors is: Give us your profile/mandate information and we will help you source funds and managers who are a fit for those mandates; allow BHA to help you filter out the noise in the marketplace for free.
- BHA does not introduce, represent, or recommend funds.
- BHA's profiling software cross-references investors' profiles in order to find the best fits for our fund manager clients.
- BHA offers an annual subscription fee; clients renew annually if they choose.
- There is no long-term contract with associated success fees.

When we have a match, the investor profile is forwarded to our client as a fresh, accurate, in-depth investor profile that has been updated within the last 24 hours.

If fund managers are proactive and promptly make contact with investors, there is an excellent chance the investors will remember their conversation with a BHA analyst and make the connection that the fund managers calling are most likely a good fit for their mandate.