



Rainmaker
PODCAST

SEASON 5 EPISODE #6

MICHAEL SIDGMORE
BROADHAVEN VENTURES

Narrator: Welcome to The Rainmaker Podcast with your host, Gui Costin. The goal of this podcast is to give listeners a unique look into sales strategies from top industry executives. We introduce you to the heads of sales and heads of distribution, who will help you understand the inner workings of the successful sales organizations from philosophy to execution. This podcast is essential for sales professionals seeking wisdom from the best in the field. If you're not familiar with Dakota and their Dakota Rainmaker content, please check out dakota.com to learn more about their services.

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What is up, everybody? It's Gui Costin, founder and CEO of Dakota. Welcome to the latest episode of The Rainmaker Podcast. I'm so excited to be joined by Michael Sidgmore. Michael Sidgmore has spent the last 14 years as an investor and operator in financial services and financial technology, and principally private markets. He's a partner and co-founder of Broad Haven Ventures, an investment firm focused on financial services that invest principal capital into fintech companies, funds, and incubates asset management businesses, including Cantilever Group, a GP Stakes fund, in partnership with BTG, Pactual and Broadhaven Ventures. He's also the founder of private markets focused podcast and content platform Alts Goes Mainstream. Broadhaven Ventures is affiliated with Broadhaven Capital Partners, a leading financial services investment bank that has done over \$100 billion in M&A transaction volume. Prior to broadhaven Ventures, Michael was an early employee and helped build the sales team's pre-product at iCapital and Mosaic. He started his career at Goldman Sachs principal strategies investments. He was also a minority investor in Angel City FC. Michael holds a BC in international relations from the London School of Economics. Michael, welcome.

Michael Sidgmore: Gui, thanks for having me.

Gui Costin: This is awesome. So, I'm kind of at... why don't we just kick it off? Because I'm so excited about all the topics we're going to cover. I'd love just to hear the origin story, where you grew up, college, career, everything before we dig into the meat of the shark.

Michael Sidgmore: Yes. So I grew up right outside of DC in Maryland, ended up... was a soccer player, so ended up initially trying to go play soccer in the UK. I was ok. I ended up playing non-league for a little while, which was semi-pro, and then went to Middlebury after I had a few hip surgeries. Went to Middlebury, got injured again, realized that I should probably go to London School of Economics, and I actually studied international relations. But I wanted to learn about finance. So I ended up getting very lucky, and my next-door neighbor ran the world's largest student conference on hedge funds and private equity at LSE. And we were in the dorm together. And he's like, hey, come out and check out this team, what we're doing. So I did. I applied, got on the team, ended up getting the most sponsors and speakers, so ended up running the conference. This was 2009, 2010. So we were inviting people like David Rubenstein from Carlyle or Glenn Hutchins from Silver Lake to come and speak at this conference for students from all around the world, undergrad to PhD. That was actually really where I learned about private markets to start.

Gui Costin: My son went to a different version of LSE. He went to London School of Gin and Tonics a couple summers ago.

Michael Sidgmore: LSE also means, Let's See Europe, so that for a lot of the study abroad kids. But I loved it. It was great.

Gui Costin: That's amazing.

Michael Sidgmore: Fantastic perspective, and also just getting an international perspective on how the world works, and a different perspective from a schooling perspective was really interesting. It was also a really interesting time for private markets. 2010, 2011 was right after the financial crisis. If you listen to some of Mark Rowan's quotes about how much Apollo had grown from 2009, 2010, to 2025, he said this recently. The business has grown faster than Microsoft, faster than Apple.

Gui Costin: It's a joke.

Michael Sidgmore: AUM.

Gui Costin: And most people in the business today weren't in the private markets business pre-global financial crisis. They had no perspective. Then there's been, what, a 10, 12, 15x number of private equity, private credit firms formed since then. I mean, it's incredible, right?

Michael Sidgmore: It was not a small industry then. But compared to today, it's so much different. And I think to just to finish up on the background, I then went to Goldman in London on a global team. It was a balance sheet investing team called Principal Strategic investments. Now it's part of GS Growth. It was a team that was investing into capital markets infrastructure. So back then,

that was investing in exchanges, clearing houses, and then businesses that were trying to make capital markets more efficient and effective... so, Tradeweb, market, things like that... which was really the precursor and for me was the kind of foundational knowledge as we think about what private markets, market infrastructure is going through, this evolution from pre to post-investment where as you add new investors in or more investors in, like, in the wealth channel, you need to have a market infrastructure that works. So this was the team that now as GS growth has invested in iCapital. And I then went to Mosaic Solar Finance Business, where I was the first sales hire, helped build the sales team as a business backed by Warburg Pincus, a home seller loan origination business and then ended up joining iCapital. Lawrence gave me a call 2014, ended up joining iCapital as 1 of the early employee's pre-product to help build the sales team and build out the distribution efforts there. So that was we had a blank sheet of paper. What does the wealth channel look like. What is the RA channel, the wires, the family offices, and built that over. For me, I was there from end of from 2014 to the end of 2016 after BlackRock invested. And then I wanted to go and help early-stage companies again. So I met my business partner at Broadhaven. He had built and sold a derivatives broker with his banker, who was the head of financial services capital markets exchange M&A at Goldman. They started Broadhaven's advisory business. So it's a firm that's grown into about 65 people, mostly senior partners from the likes of Goldman or Morgan Stanley and Wall Street on the banking side. Done about 100 or so billion of M&A, announced M&A transaction volume. The co-founder, Greg Phillips and I, we started a principal investment business, which first meant investing into early stage fintech companies. We now spend a lot of our time and effort on this whole thesis of private markets becoming more mainstream, so investing in the market infrastructure from pre- to post-investment, to enable large asset managers to be more efficient about how they run their business, to work with the wealth channel, et cetera. We also invest in funds, again, off our balance sheet, and we'll help build asset management businesses. We're incubating a GP stakes business called Cantilever with a former Goldman Sachs partner who took Ares, Oaktree, and Fortress public, out of our office. We're minority owners of the GP Stakes business. We're LPs in it, and we think that that's also part of what's going on in the space where there's just so much business evolution in asset management. Certainly, the largest firms are evolving, their businesses, becoming bigger. Thinking about the wealth channel, as more capital comes into private markets, Cantilever is focused on the lower middle market. We think that there's going to also be an interesting business evolution with the smaller firms as they grow and scale their businesses in a slightly different way. So we're a part of that business. I'm helping to build that business. So I see through the lens of the distribution side of the business there in terms of working with the wealth channel. And then I started a content platform, a media business across podcasting, a newsletter, and actually just recently launched an events business, a community business, to help bring LPs and LPs together called Alt Goes Mainstream. So, started in '21 really by accident

just to kind of find a way to help the wealth channel better understand private markets and put the pieces of the puzzle together there. And then GPs understand how to work with the wealth channel, as well as all the tech companies in the middle as the connective tissue, helping them figure out how to work with both GPs and LPs. So, started podcasting in '21, have done 186 podcasts with many of the leaders in the asset management world as well as the wealth world, and then write a weekly newsletter on different topics in this space really just to try to piece the puzzle together for both sides, the GPs and the LPs, and not be the news but really just connect the dots and help educate with everything that's going on because there's a ton happening at this intersection of private markets and private wealth.

Gui Costin: Yeah, it's incredible. Congratulations and congrats on the podcast. It's so impressive and I love it. For me, it's like listening to work. So I really love it. You're the only guy that I've seen that has that depth of knowledge that have done the podcast that talks in such a germane way for how to distribute assets or invest strategies into the wealth channel, both REA and then, of course, the FA bank broker dealer. So let's just back up to the Alts Goes Mainstream because that's really what I want to talk about. I'm so impressed with what you've done. You touched on a little bit. What is the thesis and what are you trying... because we talked a lot about media and kind of the pre-discussion here. What is the ambition of the podcast, and what message are you trying to get out?

Michael Sidgmore: So the north star for AGM is to educate those who are in private markets and private wealth about this intersection between private markets and private wealth. The private wealth channel is increasingly, and certainly for the largest firms in the industry, large asset managers, becoming 1 of if not the most important initiative for these firms. So figuring out how to work with the wealth channel is critical to their businesses, but it's also evolving their businesses. They have to think about who they are, their DNA, their culture, their values, how that's reflected externally, so how they market, how they build their brand. And then on the other side, the wealth managers are really trying to piece together what we should do in private markets, who should we work with. But they have to learn and be educated about the firms in private markets and how to work with them. So I think marketing is 1 of the most important and certainly top of mind topics for many of these asset managers and also for wealth managers. So it's really how do you help them learn about each other in the right way and also build community in the right way too. I think the distribution really only works when you're educating. So I think education leads to allocation. It also has to be done in a way that makes sense for the advisors. As we both know, you've been doing this for a long time. The wealth channel is not monolithic, and there's different constituents in the wealth channel who have different ways in which they run their business, how they think about investing, how they think about working with managers. So figuring all of that out is not easy, and I think for both sides, finding ways to

help them meet in the middle... AGM is called AGM for a reason. Its Alt Goes Mainstream, but AGM also works. If you think about what an AGM is, it's a funds AGM. It's the intersection of content, community, and capital... content to educate their LPs if they're fun about what they did last year. Community... LPs meeting each other, not just the GP, but building that community. And capital... it's their way to help continue and further that relationship with those LPs. AGM is trying to be the meeting place for private markets both online and offline.

Gui Costin: I love it, and I could also say not only Alts Goes Mainstream, but distribution goes mainstream because you're seeing so many of these alts' managers build up very successful large wealth distribution teams.

Michael Sidgmore: It's an interesting question, though, of how many of those firms should do that.

Gui Costin: Yeah.

Michael Sidgmore: As we both know, distribution is really hard. It's really expensive. To do it right is really expensive. If you think about the wealth channel, 1, the wealth channel side, it's not monolithic. So you have to sell 2 different constituents within the wealth channel in different ways. On the GP side, there are only a certain set of firms that have the size and scale to spend the money to have both the boots on the ground, distribution. So that's kind of like, if you think about a war, you need boots on the ground, and you need to be able to cover enough people to be able to work with them and build and deepen those relationships and educate them. And then you need marketing. That's the aerial support to help the ground game. And I think there's only a certain number of firms that really have the ability to spend the money to really commit. Now, if you are going to work with the wealth channel, you should spend the money to commit. But how many firms have that size and scale to commit to marketing and to commit to distribution?

Gui Costin: Right. Since you brought it up, we talked about it earlier. How much do you believe that it comes down to the mental aspect of the leader around being public with your marketing? Because you see... you already brought up David Rubenstein. Like, you already... a lot of these guys are very out there. And then a lot of people aren't. They stay in the shadows.

Michael Sidgmore: So I think it's fitting that we're in the Dakota Studios, and I think you were very thoughtful about this. There are firms who've been very thoughtful about this very early on of having a studio. I liken this, and I wrote a piece on AGM a few months ago called "Own the Narrative." If you think about the trend in media, in part because of social media, that has created the need to humanize the executives. People need to be out there. They need to be authentic, and they need to reach the communities that they're trying to work

with and build a relationship. If you think about the wealth channel, the GPs need to find a way to humanize themselves to the wealth channel so people who they are. That ends up being a reflection of their culture, their DNA, their values. That all comes down to going direct. So if you think about where marketing is heading in this space, you need to be able to reach the customer or prospect directly. And the way to do that... you have social media. The way to do that is to have your own studio. And again, not every firm will have their own studio. I think firms that do invest in that type of thing are smart because they then can own the... they can own the narrative. They can be their own media, and they can be their own news. And if you think about that, not to say that the news doesn't serve a really important function. Absolutely does, and there's a place for that. But firms that can go direct... so let's take 1 example. Apollo's chief economist Torsten Slok sends the Daily Spark email in your inbox every day. Whether you read it or not right away or whether you read it or not every day, you probably see it in your inbox. And having the ability to... I think owning the email is also really valuable. That's why platforms like a Substack or a Beehive are valuable because you're getting directly into someone's inbox. Now, then the question becomes, how do you cut through the noise? But I think this ability to market directly to the end audience or end customer is really important... and firms that understand that think the BlackRock's, the Apollos, and many of their peers do understand they need to get directly to them... is critical because with something like LinkedIn, it's a great tool. But you don't own the algorithm. LinkedIn owns the algorithm.

Gui Costin: So since day 1, when we started our firm in '06, I had this philosophy is we take unknown brands and make them well-known brands in the Marketplace. And I reference it as the law of zero.

Michael Sidgmore: Ok.

Gui Costin: And so without sales and marketing and distribution, if you kind of wait for people to come to you or you're more institutional and you're not as out there, ok, I call it the law of zero. So, most investment firms, to manage \$100 million versus \$1 billion, another 0, versus \$10 billion, another 0, doesn't take that many more people. There's intense, intense leverage in an asset management firm's business. But a lot of times, someone's happy managing \$1 billion. But had they done a little extra sales, maybe some marketing, they could have \$3 billion. Now, if they did a lot more or just more efficient, they could have \$6 billion. But it almost hits a point where there's this law of 0, where there's this unknown. And if you look at the firms that, do it, they're the ones that have scaled massively. And we've done that for our firms. And so by not doing it, you don't what you're missing in terms of growth. And that could benefit your employees, so many other people. But without a sales process, The Dakota Way, our whole book... you know what I mean?

Michael Sidgmore: Well, I think you said something in there that hits on this point. You said the words I don't know or don't know. There was a Bain and Company study. 2022, they asked 420 something people in the wealth channel which firms do you know of that do private markets. Name your top 3. The number one answer was I don't know. Then it was large traditional asset managers like BlackRock, Fidelity. At that point in time, BlackRock had not acquired HSP or GIP. They had some private markets exposure but not the few hundred billion in private markets they have today through those acquisitions, and other initiatives they've done. But most people didn't know the names of the firms, and that gets to your point of brand and the importance of brand, building that brand through all different mediums. That could be through marketing. That could be through distribution. Blackstone has hired hundreds of people to be able to serve the wealth channel well and have boots on the ground. Their peers are starting to do that. And sure, I think once you get to the size and scale of being public, you can invest in those initiatives in ways that you can't or it's harder to when you're private. But I think you hit on the key thing there, which is to scale from 1 to 6 to 10 or beyond, figuring out how to think about brand building... and the same lessons apply, by the way, for the \$1 billion firm, the \$5 billion firm, \$10 billion firm, in terms of how to think about your brand as part of your sales efforts.

Gui Costin: Education... so basically, at the end of the day, you can call it education. You call it creating familiarity. You can call it never selling to the end buyer, or a lot of times, you're not. You're selling to someone else. So your story has to be tight. Wouldn't it make sense, then, if the whole game of raising money is an educational game of consultative sale that you, as any firm, would create a lot of content to better familiarize the potential investor with who you are and what you do?

Michael Sidgmore: So 1 of the other theses I had when starting and then certainly evolving AGM is content is at the core of capital raising. That is 1 of my main theses as it relates to building Alt Goes Mainstream. You need to have a content strategy as it relates to building your business and building your brand, whether it's within the wealth channel or institutional channel for that matter, too. There's a world where providing the right educational or high-quality content... institutional investors matters too. They want to be educated as well. So content, I think, has to be at the core of any firm's strategy today and today more than ever because you have social media. People can access information in all sorts of ways, whether it's short form or long form. But it gives firms a chance to stand out. So I think that's where AGM has been so instructive in kind of helping to see where, at least, help me put the pieces of the puzzle together of where the industry's going.

Gui Costin: Yeah.

Michael Sidgmore: Because if you look at who has been successful in the wealth channel, it's been firms that have really thought about content. And in some cases, that's been white papers. In other cases, that's been events. In other cases, that's been emails like what Apollo does with Torsten's Daily Spark email but figuring out how to create content and deliver that content in a way that, to your point, I think has to educate and it has to add value. If you think about what advisors are doing most of the day, it's probably not private markets. Most advisors have a 0% to 5% allocation to private markets. Sean Connor, the global head of private wealth at Blue Owl, said a great quote on 1 of my podcasts. He said most advisors have, at most, in many cases, a few percentage points of allocation to private markets. If that's the case, portfolio management and asset allocation is only a percentage of what they're spending their time on. So you're talking about a percent of a percent of a percent of their time and mindshare that's focused on private markets. You need to make what you're doing with the advisor incredibly valuable, whether that's meeting with them, whether that's providing information and content, whether that's having them in an event and helping them understand a space or a strategy. To me, what that means is you need to give something to advisors that they can then take back to their clients or help them in their business. And I think that's what you're starting to see with a lot of asset managers. They understand you need to add value, not just here's a product.

Gui Costin: And since there's a lot of boutique asset managers that are run by the CEO, if you... so first off, I just want to mention listening to content versus reading content. Everyone's trying to get their steps in. Everyone's exercising. Everyone's driving in a car, flying on an airplane. People flying on an airplane, you can read, but it's harder and harder to read. I'm not saying reading is bad, I'm just saying you need to be able to put it in a medium because now, you can listen to our newsletter. You can read our newsletter. You can also listen to it, and all the technology is right there. However, 1 big reason I think our industry has been still in the dark ages from a content perspective is because the underlying nature of a very successful portfolio manager is they're highly analytical. Very left brain, analytical, analyzing. As I said, a lot of times, when I talk to CEOs and portfolio managers about content, it's like they want to say, no. I need to know the grade I'm going to get on the test before I take it, right, which is impossible because I've seen on the other side of creating all this content, you don't know what resonates. You don't know what people are going to care about. Be authentic. Don't talk about your product. Add value. Provide insights. But you have to do it consistently all the time.

Michael Sidgmore: When those managers come on your podcast and you're able to bring those stories to life, maybe they're able to share analytical perspectives or examples that are grounded in analytics. Does that change the game for them?

Gui Costin: Absolutely. I mean, what changes the game is like Edgewood comes down into our studio. They were here this week. They spend 4 hours every quarter on the train from New York and shoot their quarterly webinar. Compliance officer sits right there, and they go through it. So do other managers. They're able to introduce other teammates, team members, have conversations. They're able to ham it up a little bit, show a personal side, have some fun. Hey, this is what we're seeing. This is what we love, this investment. This is what we're doing. It personalizes everything. I give them so much credit for putting it out there and taking risks.

Michael Sidgmore: You're hitting on a few really important themes that I think are driving success when it comes to marketing and brand building and education in the wealth channel. 1 is humanization. So take Blackstone's John Gray as an example. He is out there. He's doing running videos. I do think... and this is an important...

Gui Costin: Why, that's so important.

Michael Sidgmore: That is because you're connecting with people on a personal level. It's also short form, but he's also providing value to people. He's talking about the industry or a specific city or region or geography that he's in and what that means for their investment outlook or their thesis.

Gui Costin: So something that... do you know how special that is if you just kind of... you know what pops into my head right there when you said that? If you were walking with John Gray from 1 meeting to another in New York City and you're walking 4 blocks, anytime you're with someone in the car or whatever, they're like on their phone. They start just chatting and giving you insight. So if all of a sudden, he's doing that in a... you with me?

Michael Sidgmore: Yeah, I totally agree. And you feel like you know him. I think the caveat there, though, is once someone has done it, I think the followers trying to do it, it becomes much more challenging. So what this gets to is another really important point, which is originality and authenticity. So I think that if you pull back the curtain on that, I've written a bunch about what I call the DNA of an asset manager. Just because Blackstone and John Gray did it brilliant doesn't mean others can't do something of similar format. But they should think about who they are as a firm. What is their DNA? What makes them different? And then think about that in the context of content and say, ok, we are this firm. Here's what we stand for. Here's why we stand for it. Here's how we stand for it. What if we created some sort of interesting or unique content that's really engaging that reflects who we are as a firm? And if you reflect your DNA, we've talked about this a little bit, but I think that the culture, values and way that a firm operates the DNA reflects itself in the investment culture. So what do I mean by that? Let's just take Blackstone and Apollo. Blackstone has a very specific founding, founding history. Pete

Peterson, Steve Schwarzman started out as investment bankers. They built Blackstone. They obviously grew the firm very well. They've become a firm that... and Steve has said this a number of times... that scale is an advantage. Scale is our biggest advantage, right? So now they're doing things that are very aligned with that. So they're doing things like they just this week put out their 2026 investment perspectives. They have proprietary data from hundreds of portfolio companies, tens of thousands of real estate assets, thousands of other data points that they're getting from all around the world, from all their portfolio companies across all the different strategies they have. If you think about Blackstone in a sentence, scale is our biggest advantage. That's who we are. Apollo... purchase price matters. Well, if you go back to the history of Apollo, Drexel heritage... what was Drexel? Drexel was focused on distressed. So if you think about it... and Apollo is a purchase price matters organization. Not to say that Blackstone isn't, but when you think about the DNAs of these firms, when somebody is thinking about allocating to a specific firm, they can then say, oh, that's the investment culture that's being reflected. I know why I'm buying this product... because this is the DNA of the firm. So firms that are able to talk about their culture, their values, how that gets reflected in their investment culture, that, I think, helps people understand the why behind why they're working with that firm.

Gui Costin: Right, and then the top-down leverage. I'll give you a story. I was in Denver a couple months ago, and I was presenting to a client of ours, a customer of ours, presenting the sales team. One guy raises his hand. He goes, do you believe in podcast for portfolio managers? I'm like, well, we do 8 podcasts, and we've done them since 2018. I said, I think for Dakota Live, we're on episode 276. And he goes, I know, like, a podcast for the portfolio manager. So off the cuff, I look at him and say, look. Take out my phone, and I said, here's my recommendation. Take out your phone, and you look at your portfolio manager. And you say, tell me 3 questions I should ask you right now that are relevant right now. And of course, they all know them. Get down the 3 questions. You take out your phone. You press record, voice record, and you ask the 3 questions. And in 10 minutes, you have really deep, intense insights. And you do that once a month, and you post it to your whatever. You can post to your website. you can put it on Apple, Spotify, what have you. Now people can learn and get to the portfolio manager and the questions that he wants you asking him or her. So anyway, of course, they all froze, and they're like brand, they all... meaning the head froze. I could see it. I literally I saw it in motion. We came back to our studio. This was a quarter ago. Edward is in here. I saw the president, Alan Breed, and I said, Al, I've got an idea. I said, at the end of the webinar, Dan's going to... can you give Dan 3 questions to ask you your thoughts. Awesome. Because he's so innovative, he says, that's awesome. Because I have 3 right now. Al, and he does a little thing. So right after they do the 10 minutes, right, we record it. Now we have a really neat piece of content that can get compliance-approved that now getting insight... if we're in the education business, a get to your business, who are you on a

human level, what have you, now you're hearing each month some insights from Alan.

Michael Sidgmore: Well, where my mind goes when you say that is that's part of if not the first meeting.

Gui Costin: Right.

Michael Sidgmore: And then you can get to a second meeting in person if you're a manager with an LP because they've already heard the executive or the CIO talk about their perspectives, and maybe there was something in there that they liked. The question I have for you, though, on that point is how do you then cut through the noise because the reality is, there's now so much content. And if everybody's putting out content, what makes people be able to cut through the noise when it comes to the content?

Narrator: Dakota Marketplace provides the industry with the highest quality and most up to date GP, LP, private company, public company data, as well as performance benchmarking and a number of other different data sets that the investment industry is fueled by. We're excited to announce that all of that data is available now via our customizable and bespoke APIs. You can create an API that will plug into any CRM or use some of our pre-built APIs with Salesforce, Snowflake, and a number of other CRMs that you can find on our website. To learn more about Dakota's API offerings and create a custom package that best suits your business, go to Dakota.com.

Gui Costin: So what some people misunderstand, right, and then you have a sales team. Now the sales team has content to share in an email. Hey, I just met with this person a month ago. Hey, by the way, I don't know if you know this, but we do the 3 questions for 10 minutes insights from Allen and Edgewood. Here's... right, now all of a sudden, you have a piece of content that you can cut through the noise because now, your sales team, without even thinking, has a really great piece of content. And people... it's turned out we're doing that with every manager. We had 1 manager who told us too. He goes; I love this. By the time they finish the first 1, they had already mapped out 11 months. Each month... and they were bringing in. So it's a construction loan strategy, multifamily. They brought in their head of construction, who goes on site. They have 3 of them. He goes on site to the properties they loaned to literally to watch the drawdown. How's it going? They're checking. And so they brought him on to ask him 3 questions. So now you're getting to know... I didn't... On that point, I think you're hitting on another theme, which is, I think, increasingly important for the wealth channel. Something else I'm seeing is a number of firms really starting, asset managers, starting to think about how do they bring their portfolio companies to life because the portfolio companies reflect their investments. And it's something that's a tangible, real life example for the wealth managers to talk about with their clients. There's

obviously companies in the news. Think about the biggest tech companies. People probably ask their wealth managers about that. But what about an infrastructure asset, or what about a company in the mid-market private equity space? How do you bring those to life, and I think that's another theme that we're going to see more and more of because the reality is it helps people understand and bring to life what these companies are actually doing and why they're investing in these companies. So Roo Capital, Miami, New York, venture firm. Nate Lepore, he was on this podcast. Every 6 months, he's got his GTM or whatever. He's got his big annual meeting. But he does a 2-hour webinar where he comes on for 20 minutes, gives an overview, the whole thing. Stops with Q&A about what's going on. Then he brings on 3 CEOs of 3 portfolio companies on a Zoom. Very simple. Invites prospects, LPs. It is world class. It doesn't take a lot of production. He's got really nice graphics because everyone has the same graphics. It's really well-done. And he asks them. He interviews them. Just... I mean, how hard is that, right? You have 3 portfolio companies. You pick them. These are investments we made and why. And then he leads them down the road. He's got some planted questions. Some others, they're actually asking them. I was like, Nate, this is amazing. And I stayed engaged for the whole 2 hours. That's a lot of time. But it was really interesting. I was learning so much as I'm listening to these guys.

Michael Sidgmore: I think the other piece that you said there, which is also really important and instructive, is how do you make it interesting. But the next layer of that is how do you make it interesting for a very specific niche or person, category of investor or LP that would find this interesting. So I think another really interesting thing that I've seen, both in general in the industry but also with Alt Goes Mainstream, I focused on a very specific cohort of people and been very narrow or niche in what I'm trying to do. Everything that Alt Goes Mainstream is doing is at the intersection of private markets and private wealth. I think the same could be said for particularly smaller managers or specialist managers. They have a niche that they are really good at, that they are experts at. If they drill down on that, they will find the right audience. So as it relates to making sure you cut through the noise and keep someone engaged, I think a lot of it is actually, how do you find the right person to reach and make sure you're talking to the right person? And if you do that and do that really well, maybe you expand. Maybe you go more horizontal over time. Obviously, the biggest asset managers have done that, right? They might have started in a specific niche and then gone horizontal. But I think that's another element of all of this as it relates to, A, how do you build brand or market or educate well, but also, how do you actually build the right type of community? It comes down to making sure you're solving a problem for that specific customer or that specific niche and doing that extremely well.

Gui Costin: Yeah, and back to Nate, and like, the webinar doesn't need to be 2 hours, right? But like we do in our quarterly updates with Edgewood and

how we recommend everybody, you have to refresh everyone on the strategy in the beginning. It's your quarterly update. And then you go through results from the quarter. And then you highlight 1 or 2... in this case, we're public stocks. So you highlight 1 or 2 stocks, why you like them, maybe something that you added, and you're walking through the investment thesis and the whole thing. That completely humanizes the understanding of the investment strategy because you're always drawing it back to the strategy. And so what I don't understand... because I'm investing in a lot of private funds, and it's all shades of gray of how they communicate. You know what I mean? And some are unbelievable data rooms. Others are ok. Some do the quarterly webinars, some don't. Some kind of mess it up, or it's like they confuse fund 1 and fund 2 sometimes. They lump it all together, and you can't follow what's what. But any recommendations that you have? Because I'm really curious, and you've seen it all. If somebody is listening now and they're a boutique, where would someone start in terms of a media approach? So I think things like marketing and LinkedIn can be high leverage. So if you're a smaller firm, I think you can benefit from the fact that you have a large amplification tool on LinkedIn. You could even decide to create something like your own podcast or a newsletter that adds value. I think, again, it comes down to identifying who those 1,000 true fans are, and I say that a little bit tongue in cheek because if you think about it, even the largest firms, largest asset managers in the world, have 1,000, maybe a few thousand LP relationships. Now, those are often on the institutional side. The wealth channel will have more than a few thousand relationships because of the unit size of the investment. But if you think about the concept of Kevin Kelly's 1,000 true fans, it's if you can get 1,000 people to love what you're doing, pay for what you're doing, you probably have something there. If they're rabid fans, will go to bat for you, will, in the context of if you're a musician, like 1,000 fans will show up at your concert in Brooklyn, you have something because they'll pay. They'll travel all over the world. Maybe they'll go as far as... I've called this the tattoo test. Maybe they'll get a tattoo of you. I don't know if with asset managers, but I haven't seen any Apollo or Blackstone tattoos. But... Relative to the other industries, we're so far behind that raving fans. And it's because the wizard doesn't want to make her or him visible and out there. And so I'll give you 1 crazy anecdote. This guy calls me. He's a customer of ours who starts his own private credit shop. And he goes, you know I have a really good friend. He's the co-CEO of a very large private fund firm. And so I called him for some advice. And do you know what his advice story was? He goes, if you think you're in the performance game, the investment game, then you've lost your mind because you're in the sales and marketing game, buddy. And you think your performance is going to be that distinguishable? And if you think about some of the asset classes, I don't want to name names, but the dispersion...

Michael Sidgmore: Interquartile spread is extremely tight.

Gui Costin: For sure. But it's who do you feel more comfortable with. Who do they understand better?

Who do they relate to. Who are you sharing information? I always said our biggest job when we would get to finalize presentations is we would create such familiarity for that due diligence analyst, when they're presenting in front of their investment committee, who are they more familiar with? They're getting drilled on questions. But they know us better because we've educated them, hey, these are the 3 questions I guarantee you're getting asked about. This is how you answer it.

Michael Sidgmore: 100%. I distill that down to facts, figures, and a feeling. If you think about the investment business, right, facts and figures are extremely important, and people are going to decide based on performance. But it's also going to be a feeling. And why are people picking 1 firm over the other? So it comes down to making sure that people can trust who you are. I do think as it relates to smaller firms, 1 of the advantages they have is they can be more nimble. Maybe they don't have tons of people to have that they can platform and put out there. So maybe the CEO does have to go out there. Now, they may not want to or may not have as much time. So that's the challenge versus a larger firm that can put a number of different people out on TV or platform them and have their own podcast. But that's a really important piece. People want to hear from the person who's actually doing the work.

Gui Costin: I think it can start such smaller, simple. How are you sharing insights? And I might have told you this story when we first met, but during COVID, we were doing Dakota Live, and the market was going down so precipitously, I called it, couldn't ski that slope. It was so steep. And someone goes Q&A, Gui, we're going to not start marketing until the fall. This is March of 2020. And I said, but you do small value. No 1 wants small value. I said, your portfolio managers have incredible insight into the small value market and what's going on. And they're sitting in their house with 3 dogs and 3 kids. They want to get a phone call and run as fast as they can to take your call in the driveway. and have you just share insights. Hey, I thought you might find it fascinating. Just got off the phone with a portfolio manager, 3 things going on in small cap land. I know you love small cap. I'm going to walk you through it. Not selling a product at all... sharing insight.

Michael Sidgmore: I think that's the other critical thing is how do you add value to the end customer, whether or not they're a buyer, because if you're adding value to what they're doing, they're probably much more likely to, at the very least want to engage with you, listen to you, pick up your call, read your email because I think this will be one of the biggest challenges for many of these firms is there are now so many firms as it relates to the wealth channel in particular starting to work with the wealth channel. How do you actually differentiate and how will people know? So I think it comes down to, 1, providing insights. 2, you have to have a brand. So that means you have to

market. And 3, being authentic about what your brand is, and that can reflect itself both online. I think it can also reflect itself offline. I believe that as things go bigger, try to find ways to go smaller and do small events, gatherings. Get people in communities together so that they can benefit from working with each other too and learn from each other. And if you create a community, I actually think there's probably a lot that this whole industry can learn from being able to create community. There are other industries that have done amazing jobs at creating community, whether it's online or offline. Think about sports, sports teams. And now, obviously, asset managers are getting into that more. But I think the firms that have investments into teams in sports can learn a lot from sports teams and how they build community. Now, there's going to be some elements that will be hard to replicate. I mean, if you think about sports team, where you grew up often drives your affiliation or your fandom. But Apollo just invested in Wrexham. Take Wrexham as an example. And you could say this for probably any soccer team or football team in the US. There's rabid fans that you have for generation after generation. And whether they're winning or losing, those fans will still be there. So what did they do to make sure that they still have that fandom? Part of it is just location, for better or for worse. But another part of it is making sure they're connecting with the community. And sports teams that do a great job of connecting with the community, building community, standing for something, and people know who they are, there's often reasons why they are in football... and this cuts both way... European football. You have ultras. You have the fan groups, the rabid fans who will travel anywhere. Now, there's some over the top ultras, which has resulted in things outside of the stadium that are not necessarily good for those fans. But you have communities of fans that their life revolves around the club. If that can happen in asset management to the same degree, but I think there's a lot that firms can learn from building.

Gui Costin: Right, and so back to kind of the through line of Alts Goes Mainstream, when you look at what is the common thread of the firms that have been more successful in the wealth channel as this Alt Goes Mainstream, what are some of the characteristics that others can learn from? Because as we've said, asset managers have tended to hide in the shadows and say, if I just perform right, money will find me. And I just don't know if that is exactly the way the world's going to work because there's so much tight dispersion in performance. But more importantly, there's just so many more players. There's so much more competition. So what is it, in your opinion, that differentiates...

Michael Sidgmore: If I distill it down to a few sentences, I wrote this in a piece that I titled "The DNA and Why It Matters," but I think it all comes down to the DNA. Why? Firms that know who they are will know who to be. What do I mean by that? I mean that firms who have such a good understanding of who they are... the culture, their values, their DNA. And that can change and evolve over time. There's generational transition of leadership. But firms that

know exactly who they are... Blackstone is so comfortable with who they are. They are willing to do a holiday video that some people in the industry love, other people in the industry make fun of. But they're so willing to do that. It humanizes their executives. They also, if you look at their website, looks highly institutional. They're able to do both. But they have also made a commitment to say, this is who we are as a firm. We are going to treat the wealth channel as a huge strategic initiative, and we're going to go all in. We're not going to go halfway in. We're going to go all in. I think they're a firm that knows who they are. Again, I'm not speaking for Blackstone, and I'm sure they would say a number of different things, but scale is their greatest advantage or 1 of their greatest advantages. They would say they know who they are and they to be the business they want to be, scale is their greatest advantage. So they're going to do all the things that map against them on the investment side, outside of the investment side. So I think it really comes down to knowing who you are as a firm and being comfortable with that. I think I had Jim Strang, who ran Hamilton Lane in Europe. He's an advisor to Bain and Company. He's on the board of HG Trusts, the publicly traded vehicle for HG Capital and the UK investment trust. He works with a lot of firms now as an advisor to Bain just in his travels because he worked with a number of firms at Hamilton Lane. He had a great quote on our podcast on Alt Goes Mainstream. He said, it's kind of Knights of the Round Table. And it's like, firms are evolving from partnerships into businesses. So that's another transition and theme that we're talking about here is the transition from fund to firm. And how do these firms deal with that? I think they all have to get around the table and be comfortable with who they are today, understand who they are today, and that will then drive, once they come to an agreement as a group, as a partnership of who they want to be as a business or as a firm. And I think that's where success is going to come from, and success will look different. What Blackstone's doing isn't necessarily what a \$50 billion manager should do or what a \$5 billion manager should do. But if they know who they are and who they want to be, they will figure out how to best work with the wealth channel because the reality is, too, I think we're in a really interesting time in the wealth channel where this collision or intersection of private markets and private wealth, wealth management itself is evolving as a business. So the private equitization of wealth management is turning wealth managers into consolidators, into platforms. That, in many respects, is centralizing diligence. There's a KKR survey that actually showed that there's more and more increasing centralization amongst the investment function. And firms that have more centralized investment functions tend to do more private markets, which, not surprising. You have a CIO. It's a bit top down. But the wealth management business is changing as well, and what that means is that different firms just need to figure out how they want to organize their distribution and marketing efforts to cover different parts of the wealth channel. So as long as they know what success looks like, then I think they can understand how to best reflect that in terms of how they market, how they build their brand, how they showcase their brand, how they educate because

there's going to be a world where I think in the wealth channel, we're now seeing this balance between customization and scale. So as these wealth managers grow in size and scale, they need to be able to have scaled solutions with GPs. That probably boxes out smaller managers as the wealth managers get bigger because they can't necessarily get out of bed for a \$10 million check into a GP. They have to write a \$200 million check. But they still need to customize. So they're going to try to figure out how do they customize. And then the third leg of the stool is differentiation. How do they differentiate as a wealth management business versus others who can all now get access to private markets through a lot of the infrastructure that's been built, the iCapitals, the Cases of the world where all sorts of platforms and even big GPs are now enabling wealth managers to go direct. I think that that's creating an environment where now GPs need to say, ok, how am I differentiated? And maybe... I wrote about this a little while ago... said, don't get stuck in the middle. Maybe for some GPs, even ones who are relatively scaled, it's actually don't have an evergreen product. We're going to differentiate by only having drawdown product, and we're going to velvet rope ourselves. And we're going to only target a certain cohort within the wealth channel. Maybe it's the ultra-high net worth crowd because that fits better with a drawdown strategy. But that could be a way of differentiation or showcasing the brand as well. And I think firms will really try to think through how they want to balance who they want to be and also think about that in the context of the changing market structure and industry evolution in wealth management.

Gui Costin: Love it. All right, so as we close, sort of 1 or 2 lines, if you will, just on asset managers, private asset managers, creating content, but then just how important that is to building the brand, as you keep saying, educating on the strategies, humanizing the actual people making investment decisions.

Michael Sidgmore: You said it all. Humanizing, be authentic, and think about your DNA. If you know who you are, you'll know who to be.

Gui Costin: Michael, I can't tell how much I've enjoyed this. And really, from the bottom of my heart, thank you for all you're doing for the industry through the work with Alt Goes Mainstream. I mean, it really, if you're into intermediary wealth distribution, I mean, it is the go-to podcast. You have the best guests. You have great insights. So thanks so much, and thanks so much for being on Rainmaker.

Michael Sidgmore: No, likewise. The same could be said for you. So thanks so much.

Gui Costin: So great to have you here. All right, everyone, that is a wrap of another episode of The Rainmaker Podcast. Thanks so much for joining, and we can't wait to see you in the next episode of The Rainmaker Podcast.

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