THE MISSING LEVER
A BLUE PRINT BEYOND BUYBACKS

The Missing Lever: Expert Panel Q&A

Panel Overview

A panel discussion featuring industry experts James Carthew (Moderator), Rita Dhut (FTSE 250 Chair and Non-Executive Director), Joe Winkley (head of investment trusts at Winterflood Securities), Lucy Walker (chair of Aurora UK Alpha), and Simon Crinage (head of Investment Trusts at JP Morgan Asset Management) on effective marketing and PR communications for investment trusts in today's challenging environment.

Q: What do effective marketing and PR communications look like for investment trusts today?

Rita Dhut: The key is being "always on" with consistency. Marketing should be something you can turn up and down, but it needs continuous presence. Everyone in the organization should be engaged - our portfolio managers actively help us think about hooks for stories. The consistency builds trust through regular messaging that educates and informs potential investors.

Joe Winkley: We're in a highly competitive landscape competing not just with other investment trusts, but with ETFs, crypto, individual stocks, and S&P 500 trackers. The absolute key is making your sales message clear and simple, then repeating it consistently. Your USP must come through very clearly across all channels.

Q: How do you maintain marketing during periods of poor performance?

Lucy Walker: Ideally, you'd start before poor performance by helping investors understand when the strategy performs well and badly. During tough periods, continue communicating transparently - maybe even more so. The worst thing is reducing communication when performance struggles. Own mistakes and be really open about them.

Q: What lessons can we learn from other industries' approach to retail marketing?

Rita Dhut: I'm a big believer in stealing good ideas. Look at the National Trust - they've attracted younger members through consistent branding, connection to something bigger than the product itself, and family/friend referrals. Revolut excels at customer acquisition through data mining, referral marketing, user-generated content, and influencers. We can learn from various industries without reinventing the wheel.

Simon Crinage: Real-life case studies work well - showing how people have used investment trusts for education savings, house deposits, or retirement over the long term. Using actual examples through press and communications brings the benefits to life.

Q: Is there a case for more collective action in addressing sector challenges?

Joe Winkley: Absolutely. With huge buybacks and sector consolidation, we need to stimulate demand collectively. Vanguard's success with TV and social media marketing, including influencer partnerships, shows what's possible. We have a great product that stacks up well against open-ended funds - we shouldn't be defensive about it.

Lucy Walker: It's tricky because bigger firms would benefit most from collective action. Investment should be scaled based on who benefits most. But there needs to be clarity on what we're trying to achieve - generic "look at investment trusts" messaging doesn't work. It's about storytelling and explaining what we're actually investing in.

Q: Should we be concerned about LTAFs (Long Term Asset Funds) as competition?

Joe Winkley: I don't see LTAFs as a direct threat. They have liquidity mismatches like open-ended property funds, require larger minimum investments, longer commitment periods, and are only suitable for sophisticated investors. Investment trusts offer daily pricing and no notice periods. Rather than being defensive, we should back our superior product.

Q: Is the term "investment trust" too confusing for retail investors?

Simon Crinage: Many benefits we see in investment trusts aren't understood by buyers - gearing, discounts, the whole concept itself. We need to simplify our messages. At JPMorgan, we've actually dropped "investment trust" from many names - they're now just "Growth and Income" for example. It comes back to explaining benefits clearly and simply.

Q: Why aren't investment trusts using social media channels like Facebook and TikTok?

Lucy Walker: The average investor age has changed - we should probably be on Facebook now. We need to meet retail investors where they are, not just in financial press. Though I think we should walk before we run - there are steps before TikTok where we can improve.

Joe Winkley: I searched for "investment trust" on TikTok and found nothing relevant - just inheritance tax trusts. We're way behind others in social media adoption, though we're seeing more YouTube and podcast activity.

Industry Response: Some trusts are already active on TikTok, Instagram, and using targeted TV advertising and influencers effectively.

Q: How do we reach investors through IFAs and wealth managers?

Joe Winkley: It's challenging, especially at the larger wealth manager level. The IFA space is interesting but underexplored collectively. Platform support remains a barrier, and this may be more in the AIC's domain to address.

Rita Dhut: Most advisors now outsource investment decisions, significantly reducing those available to invest directly in trusts.

Industry Perspective: Cost pressures from regulation make it difficult - losing pitches over four or five basis points is common, limiting investment flexibility.

Q: How do we address the "city boys' club" perception, especially for younger investors?

Lucy Walker: It's similar to social media challenges - there's always more that can be done, but we must balance attracting new investors without alienating existing ones. Changes need to be thoughtful, avoiding the Jaguar rebrand disaster.

Q: How do you measure marketing effectiveness?

Rita Dhut: We measure effectiveness, though it's still more art than science. Google's cookie changes have made tracking trickier, but we're using AI to better analyse data and engagement. There's opportunity for collaboration on understanding effectiveness, and we're also looking at how to target chatbots scraping internet content.