



# **IPRO 303**

## **Digital Technology Strategies for an Investment Manager**

**sponsored by  
Calamos Investments**

**Friday, December 2<sup>nd</sup>, 2005**



# Calamos Investments



- 1977: John P. Calamos, Sr. created an Investment Advisory firm.
  - 1983: Nick Calamos, nephew of John Calamos joined the company.
- Calamos:
- Manages different mutual and close-end funds
  - Offers different investment strategies to private clients and institutional Investors.



# Calamos Investments

- Revenues over \$300 million in 2004
- Manages assets \$40 of billion.
- Fall 2004 Initial Public Offering
- Traded on the Nasdaq National Market with company symbol CLMS.
- Calamos Growth Fund-Top Performing for the last 3 years- Forbes



# Calamos Problem and IPRO Team Objective

## The Calamos Problem:

Difficulty exists in developing a sense of intimacy between John & Nick Calamos and an increasing number of investors.

## IPRO Team Objective:

Research how digital communication technologies can leverage the marketing efforts of John and Nick Calamos and pilot the most promising ideas.



# Team Structure:

## **Digital Technology Analysis Subteam:**

- Provide a digital communication technologies evaluation and forecast

## **Competitor Analysis Subteam:**

- Evaluate client communication strategies of competitors

## **Website Analysis Subteam:**

- Evaluate the websites of Calamos and its competitors as well as Webawards winners- suggest improvements for Calamos' website.

## **Customer Analysis Subteam:**

- Determine customer profile for HNWI - private investors

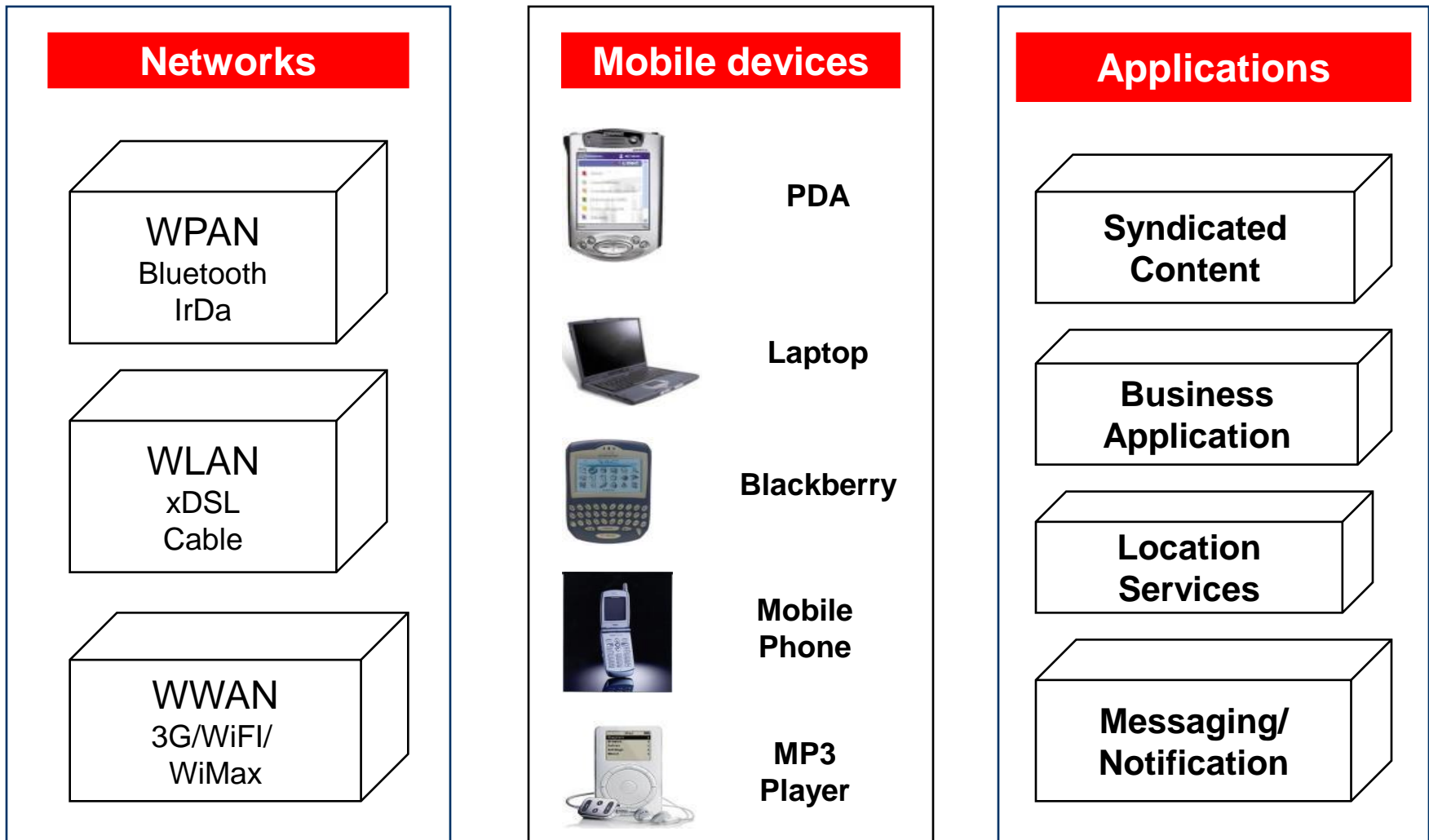


# Calamos goals for Digital Communications Analysis

- Provide more effective communications with High Net Worth individuals and private investors
- Offer a sense of personal contact with John and Nick Calamos for HNW individuals
- Make more extensive use of the Calamos TV studio



# Digital Technology domains





# Wireless environment overview

## Wireless Personal Area Networks (PAN)

- Infrared
- Bluetooth
- ZigBee
- Ultrawideband



## Wireless Local Area Networks (LAN) WiFi



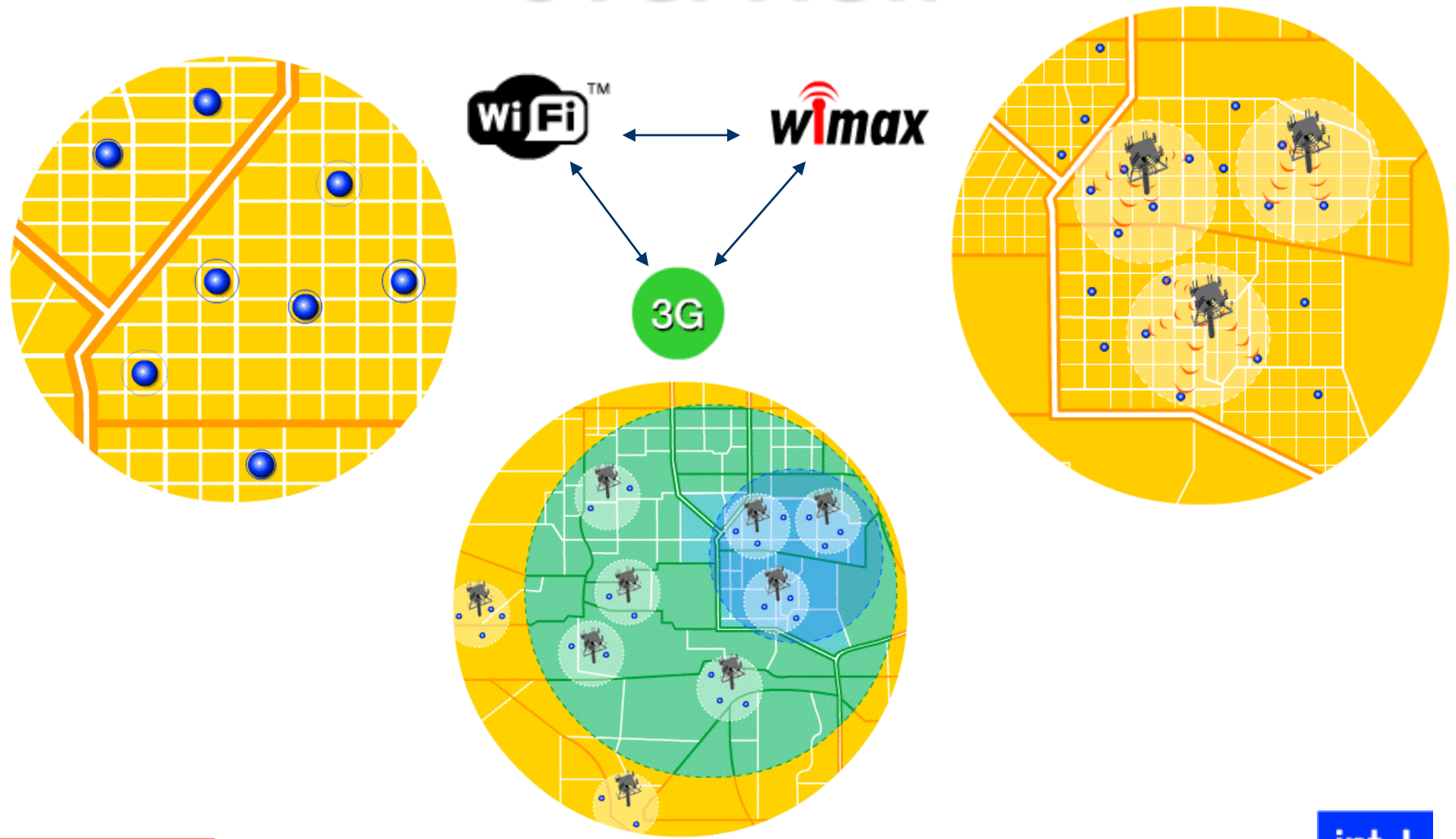
## Wireless Wide Area Networks (WAN)







# Wireless environment overview





# Convergence of Mobile Devices



Ericsson Mobile Multimedia White Paper



# Digital Technologies Conclusions for Calamos

- The deployment of wireless networking technologies will provide seamless broadband coverage virtually everywhere.
- The convergence of mobile devices will allow for internet access over differing networks and the use of a wide array of applications.
- Applications that utilize broadband technology and that can run over mobile devices using audio and video will provide an interactive and personal experience for users.



# Competitors Profiled in terms of Digital Technology use with customers

- **Gamco Investors, Inc.** (formerly Gabelli)
  - Webcasts, blogs
- **Pimco Bonds**
  - Market commentary, podcasts
- **Nuveen Investments**
  - Financial advisor's section, subscription to horseshmouth
- **Fisher Investments**
  - Highly personal
- **Fidelity Investments**
  - Podcasts, easily navigable website, financial advisors section



# Competitive Analysis Findings

Many Investment firms place voluminous content on website including:

- audio or video broadcasts
- written commentary to educate clients on investment strategy, outlook

Some companies provide

- personal home visits
- weekly phone calls

Many companies make the process of navigating and selecting mutual funds, type of account, extraordinarily simple online



# Website Analysis

Analysis of different websites to determine best practices.

We will see:

- Which sites we chose and why
- The Aspects evaluated
- Some examples



# Calamos' competitors

P I M C O 

**GAMCO**  
Investors, Inc.

  
**NUVEEN**  
*Investments*

**FISHER INVESTMENTS™**



# Webawards best fund managers websites

COHEN & STEERS

 Russell

WELLS  
FARGO

ADVANTAGE  
FUNDS



TAMARACK FUNDS™





# Aspects to be Evaluated

- **Design**
  - Graphical Layout
  - Overall Impression
- **Structure**
  - Content Layout & Navigation
- **Functionality**
  - Private Client Access
  - Multimedia Capabilities & new technologies



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Access Your PIMCO Account

- ▶ Products & Services
- ▶ Company Overview
- ▶ Press Center
- ▶ Bond Resources
- ▶ Career Information
- ▶ Content Archive
- ▶ PIMCO Foundation

Sunday, 11/6/2005, 11:14 PM

Market Update

Yield Curve US Treasury



Treasury Rates

Bond/Note	Change	Yield
Fed Fund	0.00	4.00%
▲ 30 Year	0.01	4.85%
▲ 10 Year	0.02	4.66%
▲ 5 Year	0.02	4.55%
▲ 2 Year	0.01	4.45%

Inflation Index Treasury Rates

Infl. Note	Change	Yield
▲ 30 Year Mat 4/15/2032	0.02	2.08%
▲ 10 Year Mat 7/15/2015	0.02	2.04%
▲ 5 Year Mat 4/15/2010	0.02	1.87%

U.S. Treasury Bills

Bills	Change	Yield
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Featured Market Commentary

Investment Outlook By Bill Gross, November 2005 **NEW**

"PIMCO doesn't have a foreign policy view. I do."

Fed Focus By Bill Miller and Paul McCulley, October 2005

"Hubris is a nasty disease, the mother's milk of bubbles in asset prices."

Emerging Markets Watch By Mohamed A. El-Erian, October 2005

"Thinking in terms of alignment/misalignment is useful in providing an answer to one of the most commonly asked questions in EM..."

Regional Market Commentary

European Perspectives By Andrew Bosomworth, October 2005

"The Sandwich Generations stand to face hefty tax increases and/or benefit cuts in coming years."

U.S. Credit Perspectives By Mark Kiesel, October 2005

"At some point over the next several years, recognition of the coming energy crisis will reach critical mass.."

Credit Research Perspectives By Charles Wyman, September 2005

"The question we want to ask is this--how should we be paid for credit risk?"

Viewpoints

Market Outlook: Fourth Quarter 2005

Slower growth with inflation pressure, but high uncertainty

Market Outlook: Third Quarter 2005

Tilt Toward Disinflation To Be Bullish for High Grade Bonds

Bond Basics: Everything You Need to Know About Bonds

Everything you wondered about bonds, and then some

Alpha-Beta: Separation, Transportation and Recombination

"Separating alpha from beta is a little like splitting the atom."

Mohamed El-Erian Discusses Changes in Latin America

Keynote address before the Latin American Borrowers and Investors Forum

In The News

Financial News: "Navigating a secular turn is a timely issue"

Mohamed El-Erian discusses investment strategies for today's economy



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On the Air

Paul McCulley on CNBC



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Spotlight On **NEW**

PIMCO's Emerging Markets Team

November 2005

Key members of PIMCO's Emerging Markets and Diversified Income Teams Discuss Mohamed El-Erian's Transition to Harvard

Product Focus **NEW**

PIMCO's Approach to Mortgage-Backed Securities

November 2005

PIMCO's Mortgage Strategy Emphasizes Value, Long-Term



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College



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#### MARKET UPDATE

DJIA	10,406.77	-33.30
NASDAQ	2,114.05	-6.25
S&P 500	1,202.76	-4.25

5:16 PM ET, 11/1/2005

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#### DAILY ADVANTAGE

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November 1, 2005

The major indexes treaded water in red territory just below the breakeven line for most of the session. When the Fed announced a widely expected, 25-basis point increase in interest rates, ...[MORE](#)

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# IPRO

It takes a team

## INTERPROFESSIONAL PROJECTS PROGRAM



# Main Results

- Almost every website tries to get more personal and close to the client using new technologies (Podcast, videos, blogs, etc.)
- That doesn't mean the design is good. Some companies seem to give much more importance to their web presence than other.



# HNW Investors fall under two different categories

## Older 55+ HNWI

- Communication by phone, mail, in person
- No digital devices to communicate with their investment company
- Advertising: word-of-mouth and investing company events

## Younger 25-55 HNWI

- Online services a lot
- Cutting edge technology devices
- More receptive to non-traditional ways of advertising



# “Old Money” US Investors Demographics

In 1,421,500 households:

- Net worth \$500,000-\$1 Million
- 2nd largest group of wealthy consumers in US
- Mean age:65 , 25% retired
- Honolulu, HI, San Francisco, Santa Barbara, CA
- 62% have never completed college

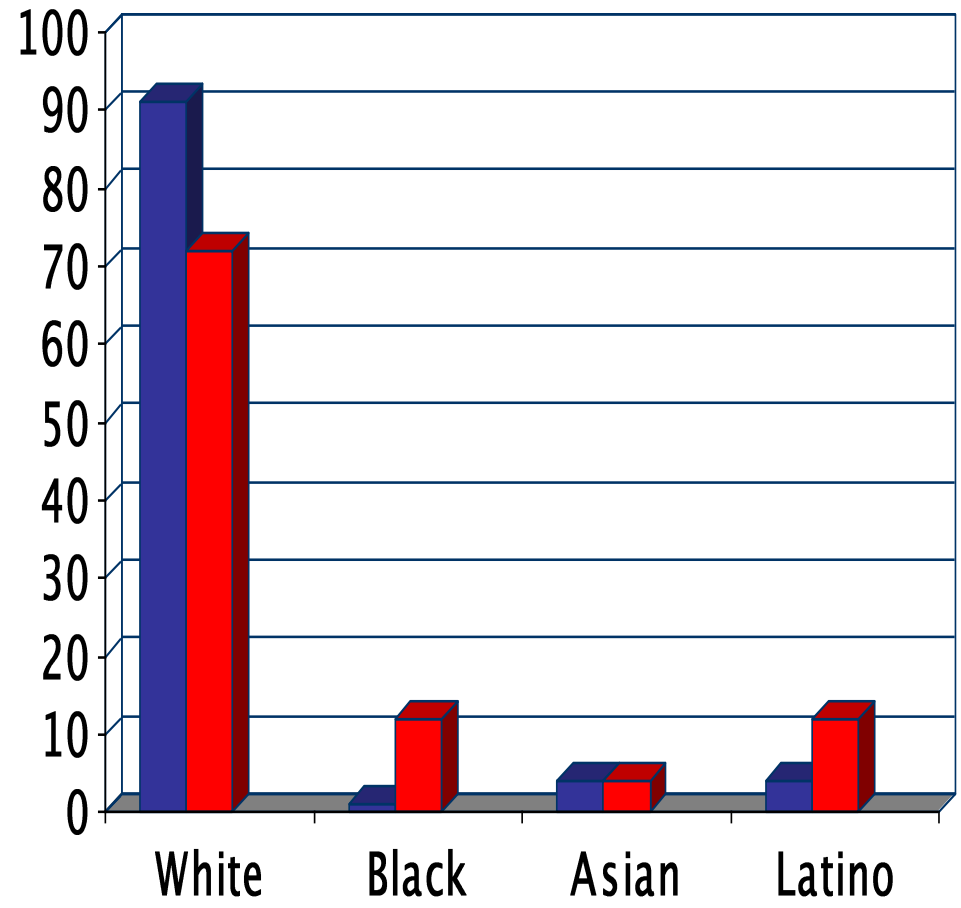
American Demographics-Acxiom Personix database



# “Upper Crust” US Investors Demographics

In 2,229,000 households:

- Largest group of wealthy individuals
- NW \$2 Million +
- Mean age:53
- Stamford, CT, San Jose, San Francisco, CA
- 36% college degree,
- 45% have a graduate degree





# Next Steps for the IPRO team...

- Survey the HNW customers of Calamos Investments.
- Benchmark competitors performance from using digital communications technologies.
- Make recommendations and share ideas with the Calamos Web development team.
- Pilot new technologies like Podcasting.





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*Senior Vice President Director of Human Resources  
Calamos Investments*
- Professor Daniel M. Ferguson  
*Team Faculty Advisor*



# Thank you for listening...

- Any questions?

