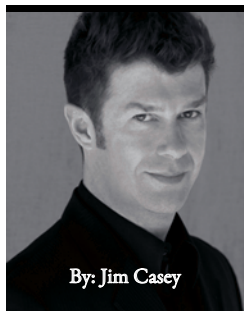


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For Your Consideration...



By: Jim Casey

With the Golden Globes and Screen Actors Guild awards having been given out, the annual speculation as to who will receive Academy Awards will soon dominate the entertainment news.

If you were a voting member of the Academy of Motion Picture Arts and Sciences, you would already have been subject to quite a marketing campaign leading up to the nominations that will be announced next week. Copies of movies would have stuffed your mailbox and you would have seen ad after ad in the trade press highlighting a studio's most promising candidates, each presented with three words across the top, "For Your Consideration."

It is a quaint ritual to have such banners, but the stakes are huge for the studios, since Oscars can lead to another bout of strong attendance for blockbusters and the chance for some measure of financial success for more obscure films.

This time of year is high season for investment marketers as well. Firms are eager to highlight the "winners" in their lineups (while hoping that you don't notice the "dogs" that failed the market test). 2009 was a particularly interesting year, in that the first couple of months went to the risk managers, but the rest of the year went to the risk takers.

The challenge for investors year after year is to avoid a narrow view of performance (for any time period) that lacks an understanding of the environment within which it was produced. To further pursue the cinematic analogy, think of some of your favorite movie performances. What made them great? Each is a combination of technical skill and emotional resonance from the actor, but there's much more to it than that. The cast and crew provide invaluable support, a compelling story is a must, and the role itself may be perfectly suited to tap into an important concern, whether societal or personal.

All of those factors may be absent when you sit in a theatre seat to watch the very same actor in a new role, and you might walk away thinking, "What a clunker."

Similarly, those investment products that "worked" may provide a great marketing opportunity for the firms that manage them, but they may be fleeting in their greatness for some investors. Circumstances change constantly in the markets, and without careful scrutiny of the confluence of elements that led to investment success, it is "risky business" to simply buy the award winners. You may end up admiring the work of someone who just had their once-in-a-lifetime opportunity.

It is always easy to market stars, whether in the movie business or the investment business. As the consumers of those products, we must resist the temptation to fall in love with the image on the silver screen and to instead seek out the performances that are likely to stand the test of time.