

# Next-Generation First Responders: The Evolution of INVESTOR RELATIONS AND MARKETING

## The Evolving Landscape

The roles of Investor Relations (“IR”) and Marketing professionals have drastically evolved from being focused solely on investment fundraising, communication and reporting—they are now first responders, leading the frontlines of today’s hedge funds by managing fundraising, investor onboarding and maintenance.

This piece discusses the current scope of the role, how it has progressed and tools, tips and tricks to prepare for the future.

### Where are They Now? New Scope of the Role:

IR and Marketing professionals now play a broader role that strategically unites and collaborates across business units while bearing the headline risk of the firm. They:

- **Act as an Extension of the Investment Team:** They allow the manager to focus on portfolio and risk management.
- **Pioneer New Modes of Engagement:** They serve as the cornerstone for creativity, pioneering new modes of engagement with current and prospective investors. This can lead to new product offerings, strategies and business lines.
- **Retain Capital:** In times of acute stress, they prioritize drawdown management and capital retention while simultaneously driving the business forward.
- **Educate the market:** They educate investors on everything from stock-specific notes to key themes and industry buzzwords.
- **Serve as the Voice of the Firm:** They handle communication, brand recognition and protection by way of media and public relations interactions.

### The Search for ~~Yield~~ Talent

Exceptional talent is always in style and forever in high demand.

Identifying, hiring and retaining superior talent for IR and Marketing roles is of the utmost importance to shape a firm’s culture and **ensure a consistent investor experience.**

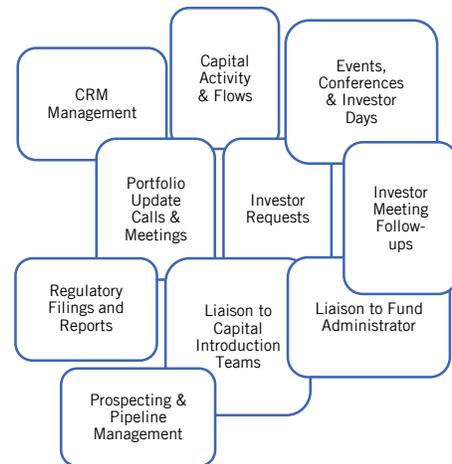
Excellent Investor Relations and Marketing candidates exhibit:

1. Impeccable time management and multi-tasking skills
2. Strong communication, organizational and analytical skills
3. The ability to strategically work across internal departments and prioritize investor requests
4. A blend of sales and operational expertise

### Piecing the Puzzle Together: IR and Marketing Professionals in Context

When it comes to structuring an Investor Relations and Marketing team, there is no observable industry standard and even now, firms are making this function their own. Investor Relations and Marketing teams typically report into the COO and vary significantly between firms. Some firms choose to separate the IR and Marketing function, while others view IR and Marketing as a **hybrid** role.

In all cases, the role strengthens communication and relationship building with **current and prospective investors, external service providers and internal investment, accounting and compliance teams.**



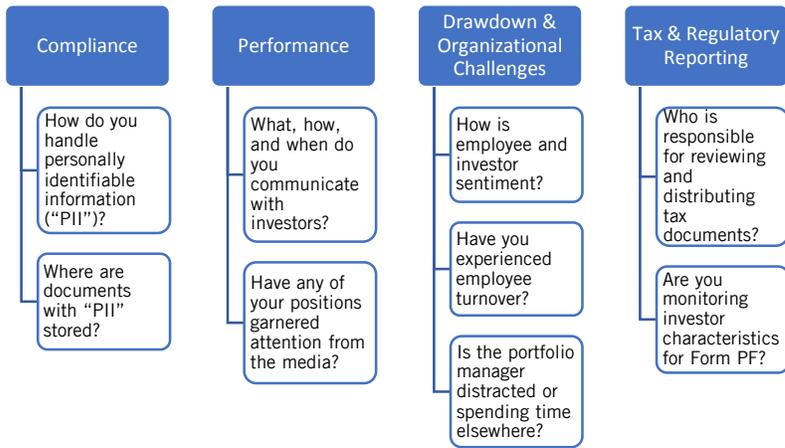
**Optimal team structure** can be determined by several factors. First and foremost, the firm’s stance on building a recognizable brand versus the decision to fly under the radar. Additional key drivers include strategy, number of products, whether actively raising capital, maturity of the firm and preferred specialization of the professional.

## The Tools of the Titans

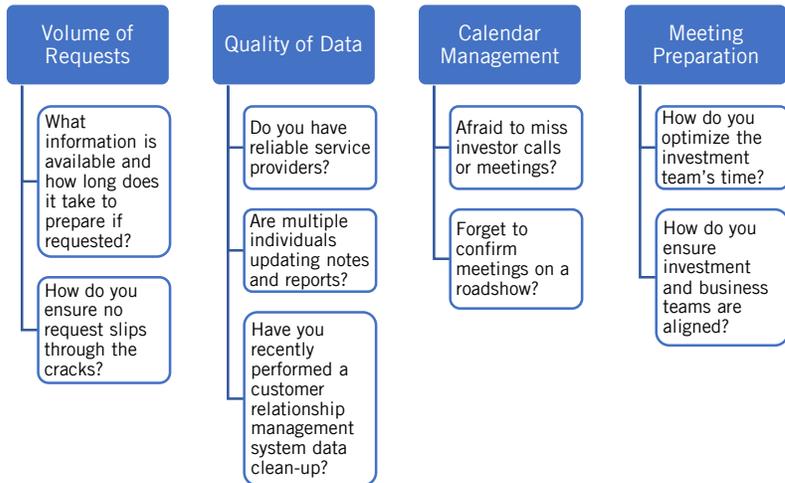
Investor Relations and Marketing teams encounter a variety of investor requests for which **customization is the new normal**. While performance is out of the control of non-investment professionals, identifying workplace challenges, **managing the message** internally and externally and finding unique opportunities for proactive client engagement can benefit strategic firm initiatives.

**Customization** in today's market extends beyond investor requests to a wide range of customized product offerings, share classes and more. Demand for customization is increasing across separately managed accounts, funds of one and co-investments as both hedge fund managers, investors, and service providers gain comfort with additional operational complexities.

### Strategic Challenges



### Administrative Challenges



Of course, for each of these challenges and questions there are a number of solutions and answers, and our team is happy to speak further on any one if you are interested in more information.

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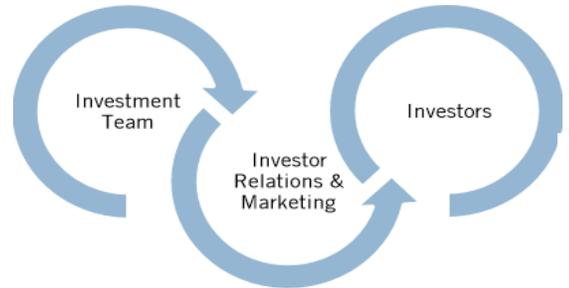
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## Managing the Message

Investor Relations and Marketing professionals are routinely tasked with relaying the good, the bad and the ugly. A streamlined message internally and externally, awareness of investor sentiment and focused business direction are critical irrespective of performance :

- **Build the framework.** For effective communication, transparency, and managing investor expectations, develop a framework at launch detailing what level of transparency you are willing to provide and stick with it.
- **Inconsistencies matter.** It is worth your time to monitor inconsistencies in investor communication, reporting styles / distribution frequency of performance estimates and quarterly letters, or sudden willingness to create new products and strategies.
- **Don't speak in absolutes,** whether discussing the status of the funds, plans to hire additional personnel or other specific business initiatives.
- **Foster client engagement.** You can do this by **exploring thought leadership opportunities**, collaborating with investors to **innovate** your business offering, **offering expertise**, and simply **freeing your schedule** to keep in touch with investors.



## Master the Calendar

Investor Relations and Marketing roles are guided by both the monthly calendar and monthly NAV process, but can be regularly disrupted by market or portfolio events. As such, planning and communication is critical. It is important to establish NAV finalization timelines, processes and checks between your fund administrator, compliance and accounting.

### Week 1: Take a Pulse on the Portfolio

- What drove performance last month?
- Send performance estimate
- Account for capital activity

### Week 2: Admin, Admin, Admin

- Finalize the NAV package
- Approve new investors in your administrator's monitor
- Circulate inflows and outflows estimate to traders and portfolio managers
- Confirm status of investments by providing tear sheets, investor statements and trade confirmations

### Week 3 & 4: Investor Updates & Reporting

- Arm investors with portfolio data and reporting
- Update materials and analytical reports:
  - Investor breakdowns
  - Risk reports
  - Exposure and attribution reports
  - Monthly flows and liquidity analysis
  - Investor presentation
- Issue and review trade confirmations for prior month end redemptions
- Circulate final gross and net inflows and outflows to traders and portfolio managers
- Notify compliance of ERISA thresholds
- Upload investor NAVs to CRM

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