



**Marketing To Sophisticated Investors column**  
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## **Cap Intro Presentations: How the audience sees you**

If you run a hedge fund, at some point you may have the opportunity to explain what you do to an audience of prospective investors at a Capital Introduction event. Even if your investment product is not a hedge fund, you may find yourself at an event for prospective investors where you are one of many money managers speaking that day.

How effective would you be in selling an audience like this on investing with you? To give you some food for thought, consider what I saw at one of the many Cap Intro events that I attended along with family office, Fund of Funds and High Net Worth investors.

Here was the setup. Five hedge funds were presenting at this Cap Intro event. Each manager had 15 minutes to speak at the podium and show his or her accompanying slides. They were being videotaped so that video of each hedge fund presentation could be posted at a password protected website where investors who could not attend the event would have the opportunity to see the managers tell their stories 'live'. After all five presentations were made the managers were stationed at separate tables so audience members could stop by to meet and question them, and pick up their marketing collateral to take away with them. The participating hedge funds knew how the Cap Intro event was to be run, and each paid to be able to present.

So how did this look from sitting in the audience? I'll just give you some highlights.

First up was a hedge fund manager from Europe. She read each slide, said not a word more and then sat down. What did she present? This is our company. These are our people. Here are some performance charts. Can I recall what they did? No.

Second up was a fund manager in from California. And he was someone I spoke with before he presented. He claimed he ran a multi-strategy fund and described that they did "Thing A". He said the same basic thing from the podium. So after all presenters finished I went up to this fellow and commented that because of the "Thing A" that he said his firm did they might be of interest to a wealth management firm client of mine who works with High Net Worth individuals. The manager looked at me and said, "Oh, we don't do Thing A, we do Thing B!" Now, I'd heard this guy twice within 90 minutes. If I'm getting his firm's story that wrong (because he changed it), just think about how much more confusing it is to people not in the business.

A two-man "tag team" from a European firm was up next, presenting about emerging markets investing. They wanted my money to invest in places such as the Bosnian and Nigerian markets, and they thought they could be good at going long on the Ruble, too.

They said they had a “proven risk management framework”. They displayed some slides that didn’t prove this at all. So, instead, their point became very suspect. A presentation is supposed to instill comfort factor in the audience; not raise red flags and cause doubt and disbelief.

A manager with an event driven strategy began his narration and his slide show. Each slide had about seven bullet points. There was a lot of copy. Dense copy. For fun, I did a little word counting. This fellow was displaying a bunch of slides containing around 150 words each. And remember, this is being videotaped: the video, showing him at the podium with the screen behind him, will be shrunk down to a few inches in size to appear like a pop-up window on a web page. Now who is going read that? I was getting eye strain just trying to absorb all that copy on a ten-foot-wide screen.

The only presenter who came across well began with a brief apology about the slides he brought not being all to the point, and spoke with rarely a click from one slide to another. And the audience forgave that because what he said was interesting. He told an engaging story about energy-related investing. He told the audience about the various areas where he saw opportunity. He talked about where other, younger money managers were investing in the sector, and why he thought that their focus was misguided. He gave examples of what he’s seen over the years that supported his opinion of what is the ‘right way’ and what is the riskier ‘wrong way’ [those are my words, not his] of hedge fund investing in this sector.

So there you have it, a good reflection of how emerging managers attempt to sell in a group environment.

There are three insights for the marketer to glean from the stories about this Cap Intro event:

**1. A lack of a clear and interesting story is all too common.**

Most money managers leave no more than a “So what” impression upon their prospects. Has your firm taken the time and effort to overcome the “So what” factor?

**2. The over-reliance on PowerPoint presentations as a crutch, and the lack of verbal presentation practicing, is endemic.**

Money managers who give an “I have to read my slides” presentation leave their audiences with the (correct) perception that they lack certainty about their own investment process. How comfortable would you be entrusting your money to someone like that?

**3. Most money managers, and many Third-Party Marketers, have not shown that they can distinguish between Bullet Point copy and long copy being shoe-horned into a Bullet Point format.**

This reduces the effectiveness of many a slide show presentation and flip chart pitchbook.

Of course, how effective you are in a Cap Intro-type of presentation is only one selling challenge you face as a money management firm owner. How you plan to handle your firm's one-on-one sales effort is another. And that is the first communications and sales marketing challenge your firm needs to work to meet.

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### About the author

**Bruce Frumerman** is founder and CEO of Frumerman & Nemeth Inc., a 31-year-old financial communications and sales marketing consultancy that helps financial services firms create brand identities for their organizations and develop and implement effective new marketing strategies and programs. Frumerman & Nemeth's work has helped money management firm clients attract over \$7 billion in new assets, yet they are not third-party marketers.

Frumerman & Nemeth is internationally recognized for its work in crafting for clients the beyond-the-numbers *story of how they invest* — content that investment committees actually discuss, debate and vote on behind closed doors when considering firms on a short list for potential investment. Importantly, this is required due diligence content that cannot be communicated in pitchbook format.

Frumerman & Nemeth's work also includes providing strategic consulting on product and strategy-specific branding, crafting the required strategy-specific content detail and designing and producing the marketing tools needed to make it through the two-month to two-year institutional selling cycle. Clients also employ Frumerman & Nemeth to help promote the intellectual acumen of management — helping them get speaking opportunities, write and give speeches as panelists or stand-alone speakers at industry conferences, and through media relations marketing services.

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