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Online Content Marketing Compliance Planning Tips For Money Managers



Online content marketing has become a key tool for money management firms of all types to use to develop a brand identity based on how they invest. Becoming recognized for how you invest — your key differentiating factor — is critical when marketing to sophisticated institutional investors. Most money management firms are known only for the pigeonhole category into which their strategy falls and their most recent performance. Such portfolio managers are perceived to be replaceable commodities rather than brands. Their fortunes tend to be closely tied to their short-term performance. You don't want your firm to be seen as one of them.

My 31-year old financial communications and sales marketing consulting firm regularly helps money management firm owners with what to say, how to say it, and where and how to disseminate their beyond-the-numbers content, relating to how they run their strategies and how they view the marketplace. We are not lawyers, yet nearly all of that communications marketing work entails crafting legally compliant content to run by our clients' in-house or outsourced compliance or legal departments to get approved for marketing use.

A little strategic planning for how to employ online content marketing in a compliant manner can go a long way toward extending your firm's marketing and branding efforts, and improving the efficiency of the back office operations steps required before posting online.

While this article is not to be construed as offering legal counsel, do consider the observations and recommendations shared here as potential points of discussion to have with your compliance team members for improving how you create and use legally compliant online content marketing in support of your direct sales marketing efforts to grow and retain sticky assets.

Tip 1: You will benefit from creating a compliance-related game plan for how you will disseminate your marketing content online. Think about what the workflow will be: who is to have what authority and responsibilities for deciding what to write about and in what document type(s) to have that specific content; who has compliance review and signoff authority; and who will place, publish or otherwise disseminate the content.

Among other things, this will help avoid sloppy, bad habit behavior that compliance folks have shared with me that they see too often. Here is the most frequent complaint: the money management firm first disseminates marketing content and shows it to the compliance person after the fact, with compliance finding problems with the language in what was already disseminated.

Tip 2: Draft a communications policy statement with your compliance/legal counsel. Spell out what kinds of content can run where. Keep in mind that there is a difference between posting content at a website in front of a firewall versus behind a firewall. (You may find it helpful to write down your ‘content exclusion’ check list of what is not permissible in front of the firewall, rather than list everything else that would be permissible.) Also, spell out what language and phrases not to use in any marketing content your firm might disseminate, whether to current investors or prospects, and whether in front of or behind a firewall.

Tip 3: Wear two hats if you are a hedge fund. This is particularly important for hedge funds as they have greater communications related compliance requirements and restrictions. For behind the firewall content, write under the name of your product/fund. Content here can include performance and holdings related information. For in front of the firewall content, which is accessible to anyone, write under the name of your money management firm. Content here should focus on offering opinions and insights. Importantly, this is the main beyond-the-numbers type of content that sophisticated institutional investors are most interested in receiving when conducting their due diligence.

Tip 4: Prepare separate, appropriate boilerplate disclaimer copy blocks for each different type of content you may post, and standardize their use. For instance, there is a difference between releasing marketing collateral in the name of the fund that mentions performance and holdings and a piece written in the name of the investment firm that makes no mention of a product, its holdings or performance.

Take these ideas to your firm’s compliance or legal counsel, and customize and apply them for your firm’s use.

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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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