



**ext.**

*Leading financial  
services marketing*

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# RAISING CAPITAL IN A COMPETITIVE ENVIRONMENT: THINKING BEYOND YOUR PITCHBOOK

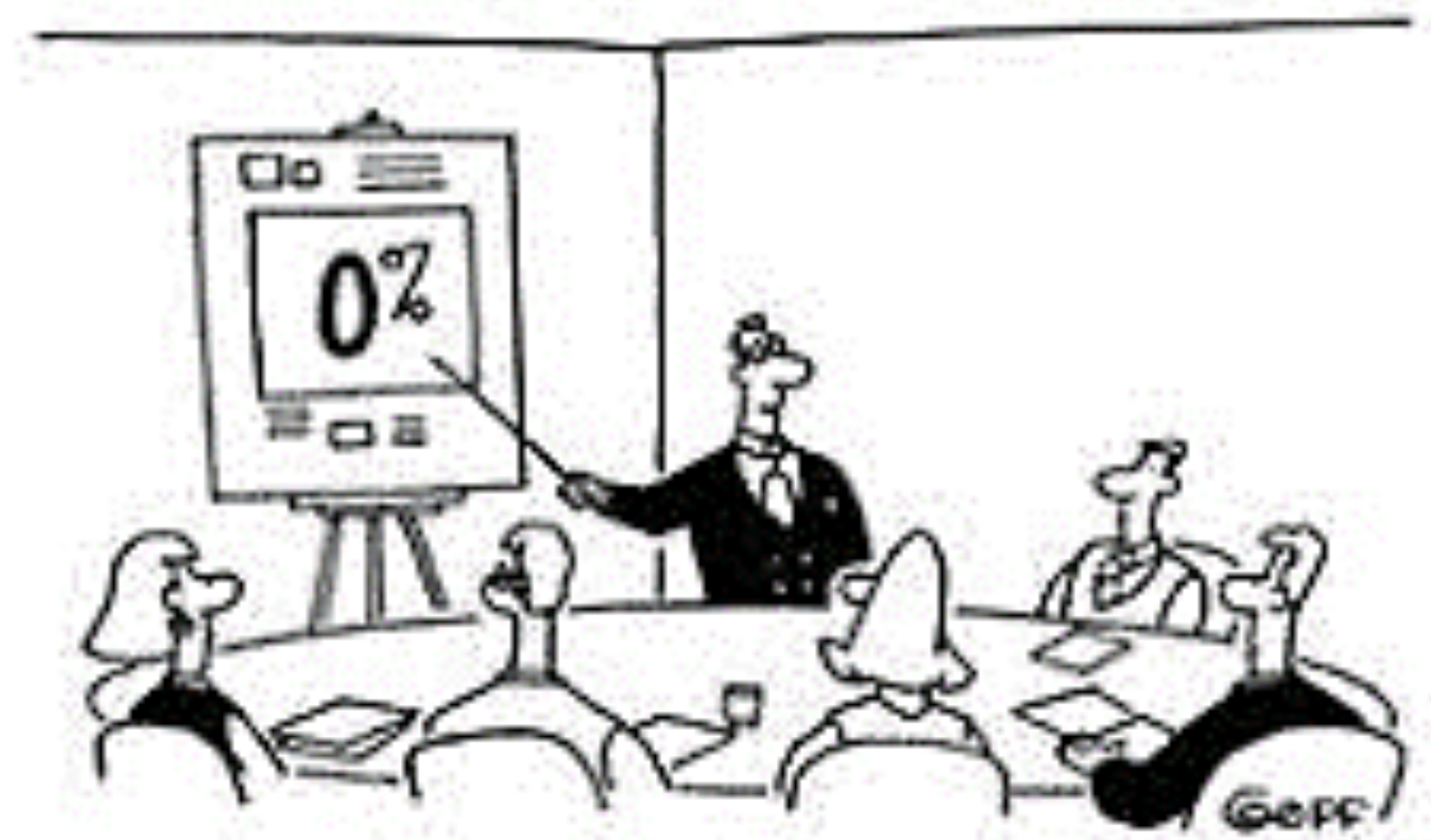
JANUARY 2020



# AGENDA

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1. About ext.
2. Why marketing matters
3. Crafting a compelling story
4. Going beyond your pitchbook
5. Q & A



“Our study concludes that this is the percentage of our customers who will buy from us without any effort whatsoever on our part”



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We named our firm “ext.” because we act as an ‘extension’ of your team.

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Ext. is an **owner-operated, full-service**, financial services marketing agency that brings together deep **industry knowledge** and a **leading communications** team to **drive results**.

OUR CLIENTS INCLUDE:

ASSET MANAGERS | HEDGE FUNDS | PE & VC FIRMS | INVESTMENT BANKS | REGISTERED INVESTMENT ADVISORS  
WEALTH ADVISORS | BROKER DEALERS | SERVICE PROVIDERS | INDUSTRY ASSOCIATIONS



# OUR COMPETITIVE ADVANTAGE

Ext. is a full-service agency that brings together the left and the right sides of the brain

## LEFT

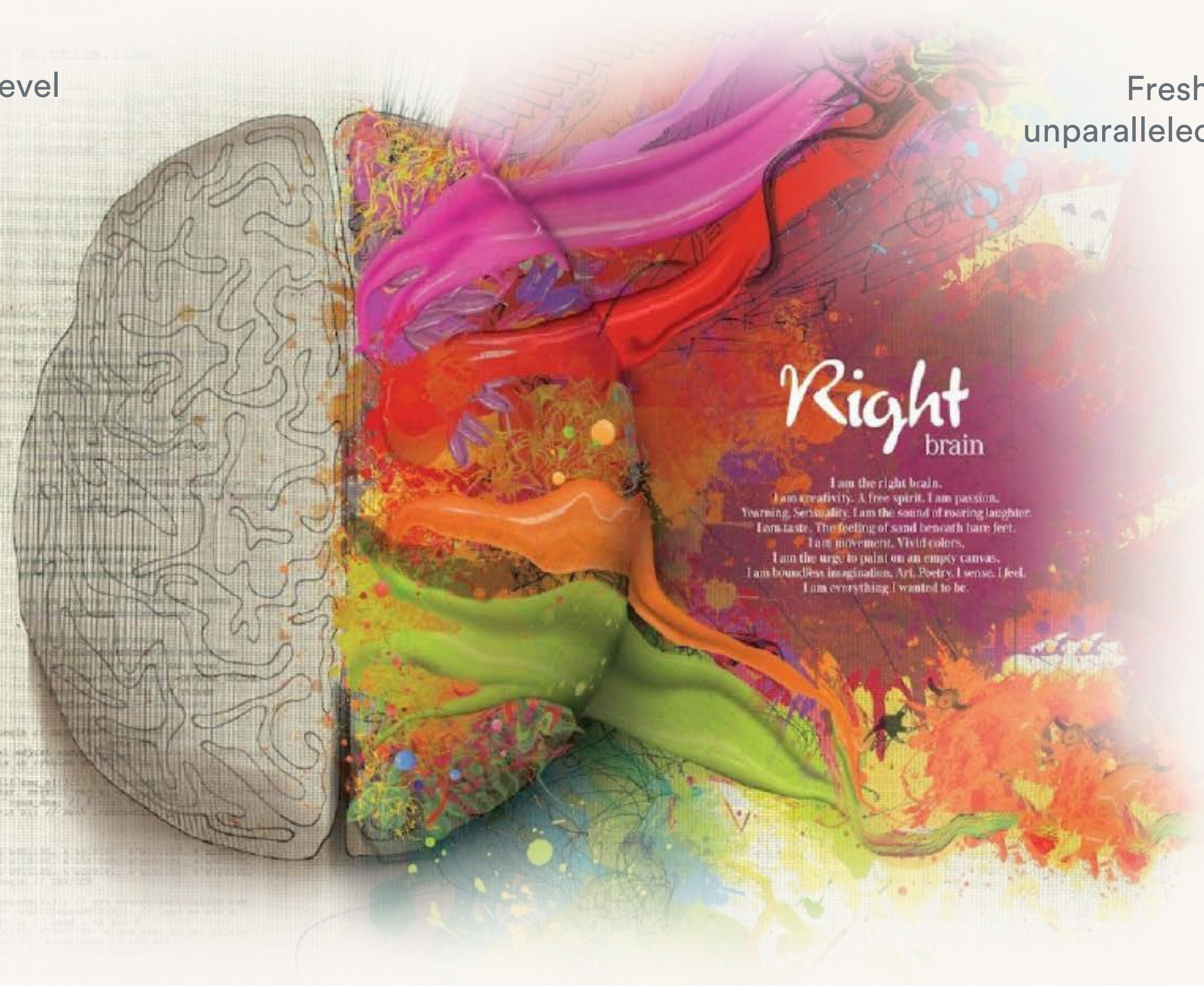
Highly skilled, CFA-level writers and analysts

## RIGHT

Fresh ideas and unparalleled creativity

**Left**  
brain

I am the left brain.  
I am a scientist. A mathematician.  
I love the familiar. I categorize. I am accurate. Linear.  
Analytical. Strategic. I am practical.  
Always in control. A master of words and language.  
Realistic. I calculate equations and play with numbers.  
I am order. I am logic.  
I knew exactly who I am.



**Right**  
brain

I am the right brain.  
I am creativity. A free spirit. I am passion.  
Yearning. Sensuality. I am the sound of roaring laughter.  
I am taste. The feeling of sand beneath bare feet.  
I am movement. Vivid colors.  
I am the urge to paint on an empty canvas.  
I am boundless imagination. Art. Poetry. I sense. I feel.  
I am everything I wanted to be.



# WE WORK WITH EMERGING & ESTABLISHED FUNDS

AT EVERY STAGE OF THEIR LIFECYCLE, REGARDLESS OF THEIR INVESTMENT STRATEGY

## Proven marketing track record

- Proven 12-year track record exclusively serving financial services industry
- Breadth of alternatives experience
- 100s of successful launches

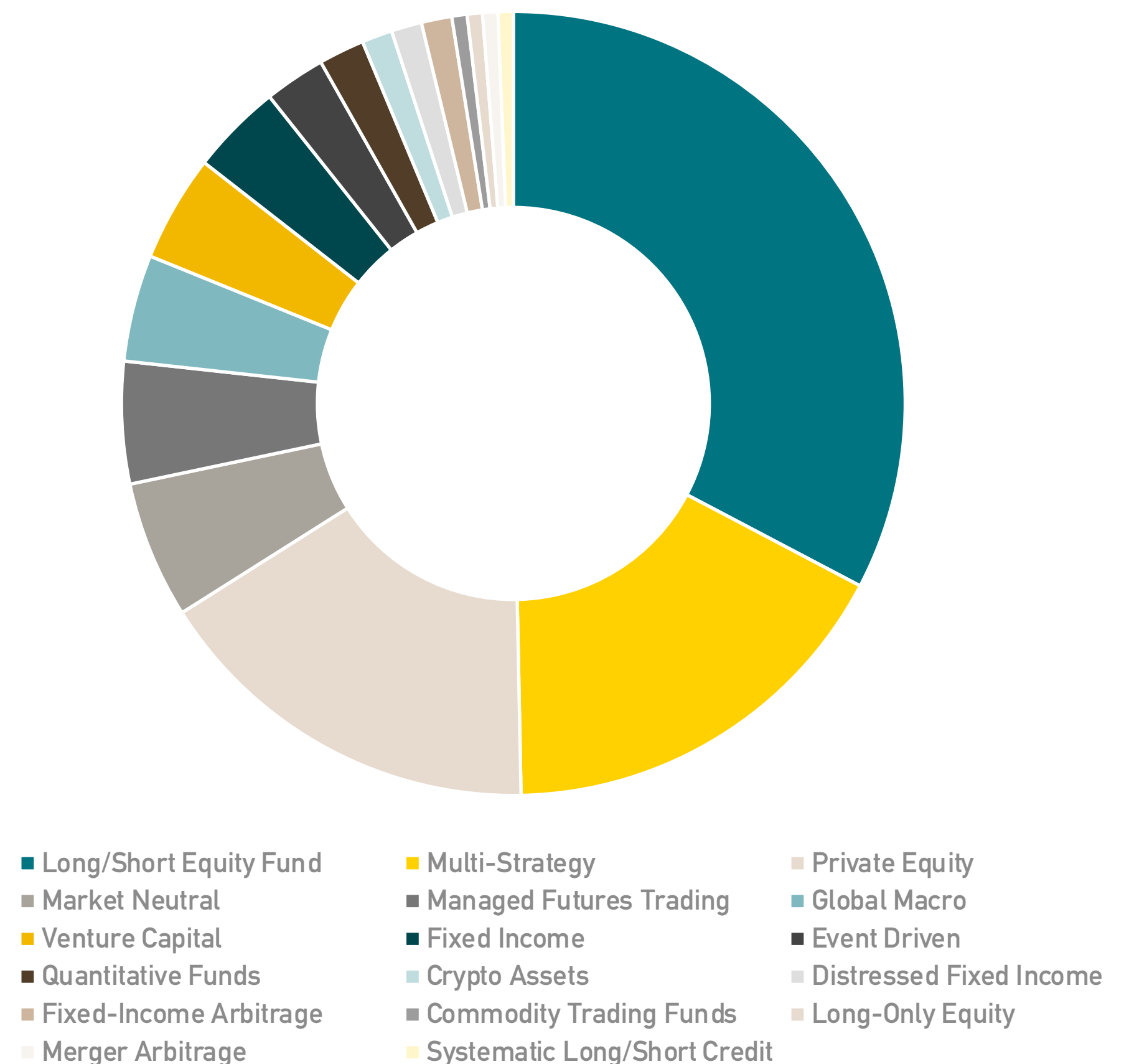
## High-caliber, in-house team

- CFA-level writing and content team
- Designers who have worked at Fortune 500 firms
- In-house Bloomberg terminal and dedicated analysts

## Client-first process

- Dedicated client manager and seamless end-to-end service
- Commitment to deliver an outstanding product, within budget and timelines
- Rigorous checks and balances to ensure quality

## INVESTMENT STRATEGIES COVERED 2018-2019





# COMPETING FOR INVESTORS' ATTENTION

15,000

There are approximately fifteen thousand hedge funds in the U.S.

1,000s

Institutional investors are contacted by thousands of managers every year

50

They typically meet with a few hundred and have follow ups with 50

2

And ultimately allocate to two managers



# TOUGH MARKET

The bar remains high for emerging managers to receive allocations, particularly from larger investors. For investors that made at least one allocation to a new launch in 2018, roughly half made a single allocation.

JPM, 2019 Institutional Investor Survey

In 2020, we will have continued concentration of hedge fund flows into a small percentage of managers. We expect 5% of funds to attract 80% to 90% of net assets within the industry.

Markets Media, Top Hedge Fund Industry Trends for 2020  
Don Steinbrugge, Founder and CEO,  
Agecroft Partners

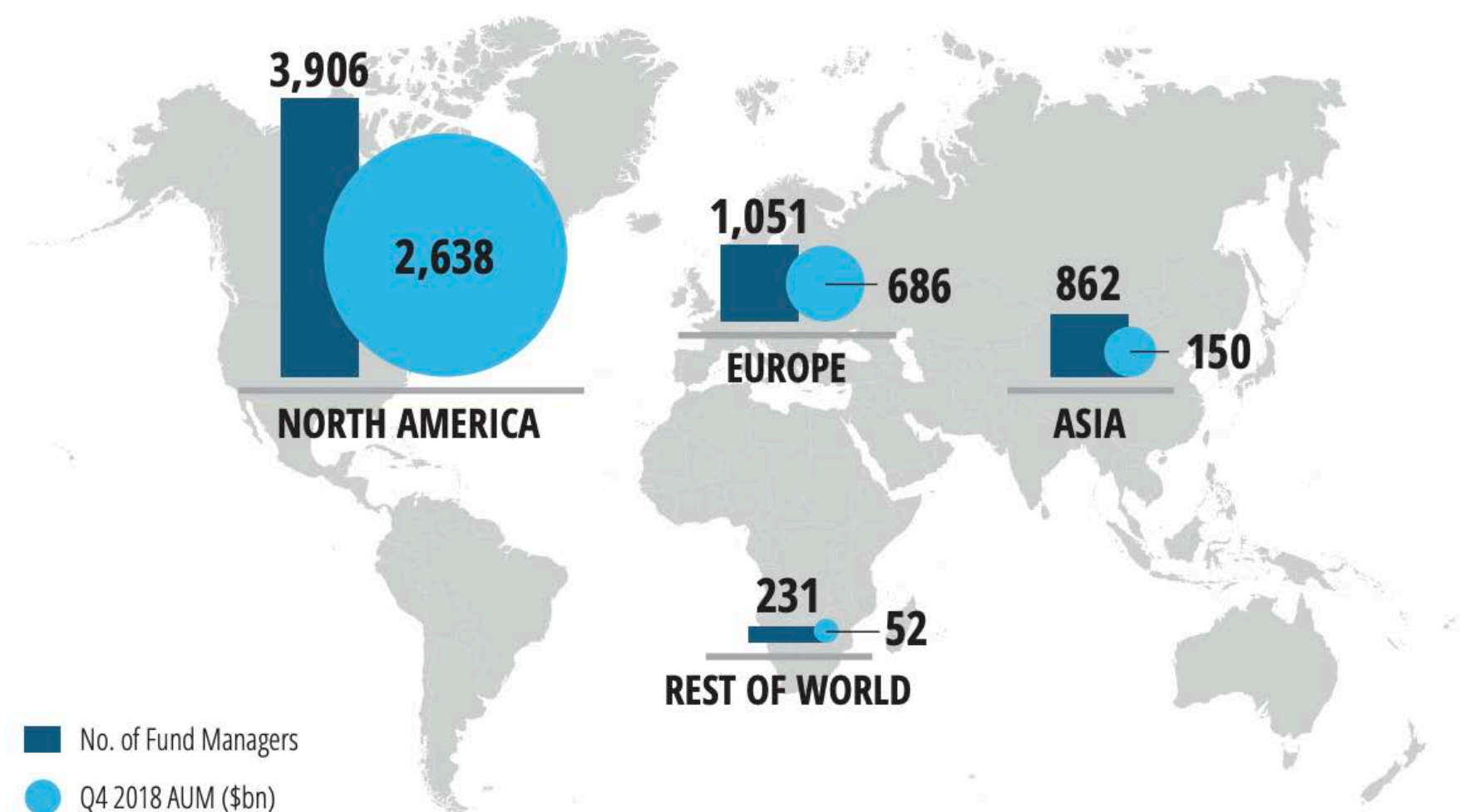
76.4% of hedge funds 'tap out' their network of investors within one year.

Tower Fund Services

"Simply put, it has been much harder to raise money over the last several months than I anticipated, I thought I could have 30 to 40 meetings in New York and fly home with commitments for \$3 billion, but there is no sign of new money coming in".

Jeffrey Vinik

## Distribution of Hedge Fund Managers and Industry Assets under Management by Fund Manager



Source: <https://docs.preqin.com/samples/2019-Preqin-Global-Hedge-Fund-Report-Sample-Pages.pdf>





# WHY MARKETING MATTERS



# WEBSITES & SOCIAL MEDIA ARE TRENDING

- 68% of investors used social media to research asset management firms in 2018, up from 36% in 2015 study
- 63% of institutional investors now consume social media
- Less than half regularly consume finance-specific trade publications
- Almost two-thirds (62 per cent) of investors have, within the last year, begun to search social media platforms such as Facebook, LinkedIn, Twitter and Instagram as part of the pre-investment background investigation process

Greenwich Associates  
Investing in the Digital  
Age, 2019

- Approximately 73 percent of the largest hedge funds are on LinkedIn
- 10% of hedge funds now on Twitter, but two-thirds of the largest market-leading hedge funds also have a LinkedIn presence
- Hedge fund social media usage numbers are expected to reach 20% on Twitter and 75% on LinkedIn by the end of the year

<https://www.peppercomm.com/everyones-tweeting-about-hedge-funds-except-hedge-funds>

- Less than half – 44% – of hedge funds reported having a website. 32% reported having a website and a LinkedIn page
- Just 12% of firms reported having a website, a LinkedIn page and another social media account such as Twitter or Facebook
- 12% of firms reported having no social media presence at all

The Seward & Kissel 2017/2018  
Form ADV Study

# CAPITAL RAISER OR INVESTMENT PERFORMER

The best investment performers raised  
**4x less capital**  
than the best capital raisers

**\$42 B Raised**



Best Investment  
Performers

**\$175 B Raised**



Best Capital  
Raisers

“ Firms that do not have a high-quality sales and marketing strategy will have a difficult time raising assets and have a higher probability of shutting down. ”

Markets Media, Top Hedge Fund Industry Trends for 2020,  
Don Steinbrugge, Founder and CEO,  
Agecroft Partners

Source: Chestnut Advisory Group. Total net capital flows of top quintile asset gathers from analysis of eVestments data, 2006-2013

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# CRAFTING YOUR NARRATIVE

# WHAT INVESTORS WANT TODAY

## Investors Want Managers’ Stories – Not Track Records – Data Show

Excerpt from Institutional Investor  
(<https://www.institutionalinvestor.com/article/b1b1fkfz4zd0ms/Investors-Want-Managers-Stories-Not-Track-Records-Data-Show>)

Seventy-seven percent of asset managers thought their messages were differentiated from peers, but only 21 percent of consultants believed that managers’ messages varied, according to Chestnut’s research. In addition, 75 percent of consultants who participated in the study, said their number one search criteria was investment process and portfolio construction. Investors want more than numbers because they increasingly want more from managers, including research and perspectives beyond portfolio management. Allocators “want to be smarter because of their relationships with managers,” Tepper says.

## Investors are Looking Beyond Performance

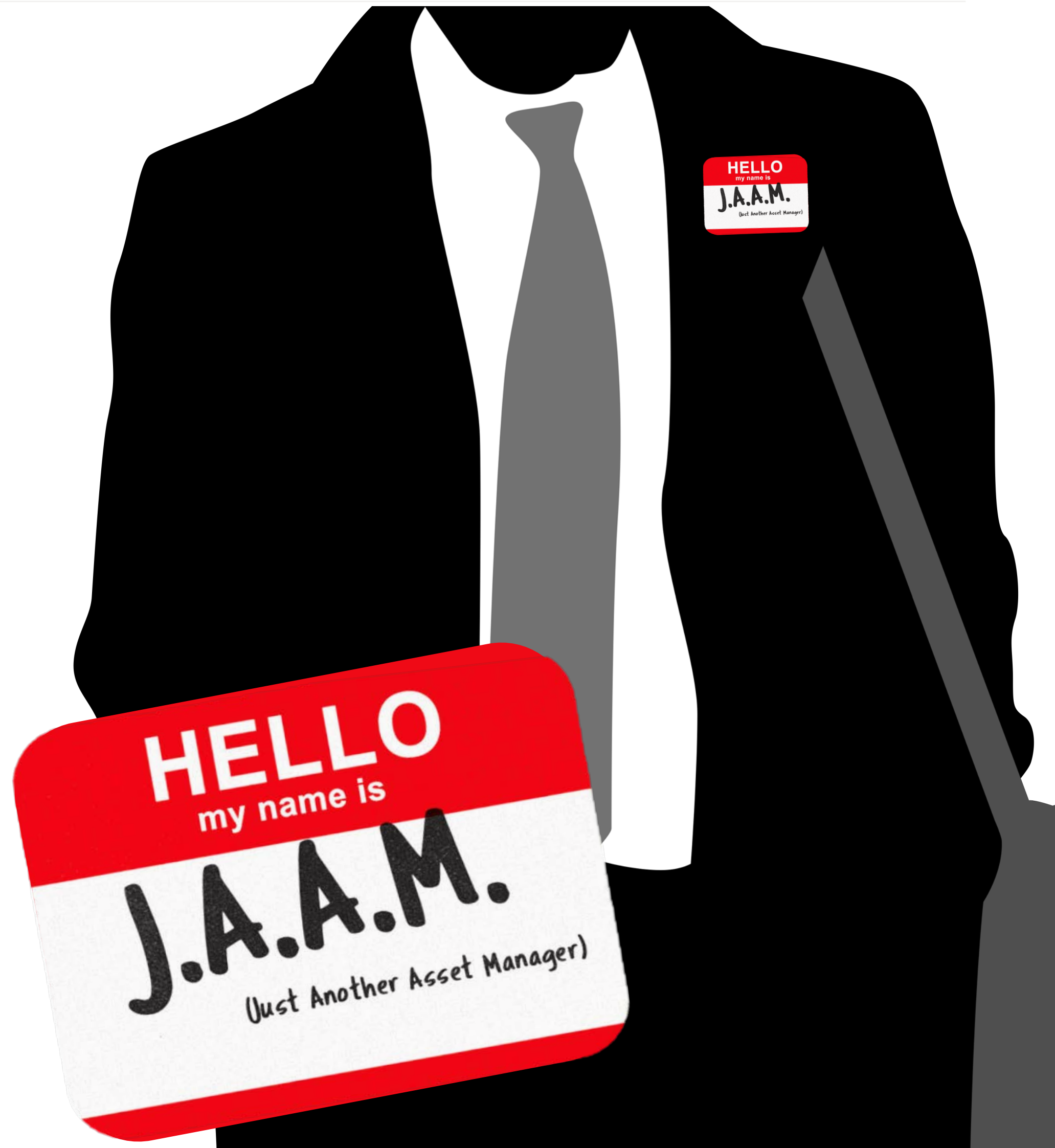
Source: 2019 EY Global Alternative Fund Survey





# A GOOD NARRATIVE SEPARATES YOU FROM YOUR PEERS

- Explain the origin of your firm's name
- Why you started the firm
- How your team came together
- What trends and/or opportunities you see
- Why you think your strategy will work
- How you plan to attract and retain talent
- What role ESG plays in your firm and fund
- How do you plan to scale operationally?
- Do you have a cyber security budget?
- What is your data strategy?
- Are you thinking of different structures (down the road)?
- Do you have a succession plan?



# THE POWER OF VISUALS

## Our brains were built for visual information:

- 90% of the information processed by the brain is visual.
- It takes only 13 milliseconds for the human brain to process an image.
- The human brain processes images 60,000 times faster than text.
- 80% of people remember what they see, compared to 10% what they hear and 20% of what they read.

## We don't have much patience for text:

- Most people only read 20-28% of the words on the page.

## We aren't great listeners, either:

- When people hear information, they're likely to remember only 10% of that information 3 days later.

## However...

- If a relevant image is paired with that same information, people retained 65% of the information 3 days later.

Source: <https://movableink.com/blog/29-incredible-stats-that-prove-the-power-of-visual-marketing/>

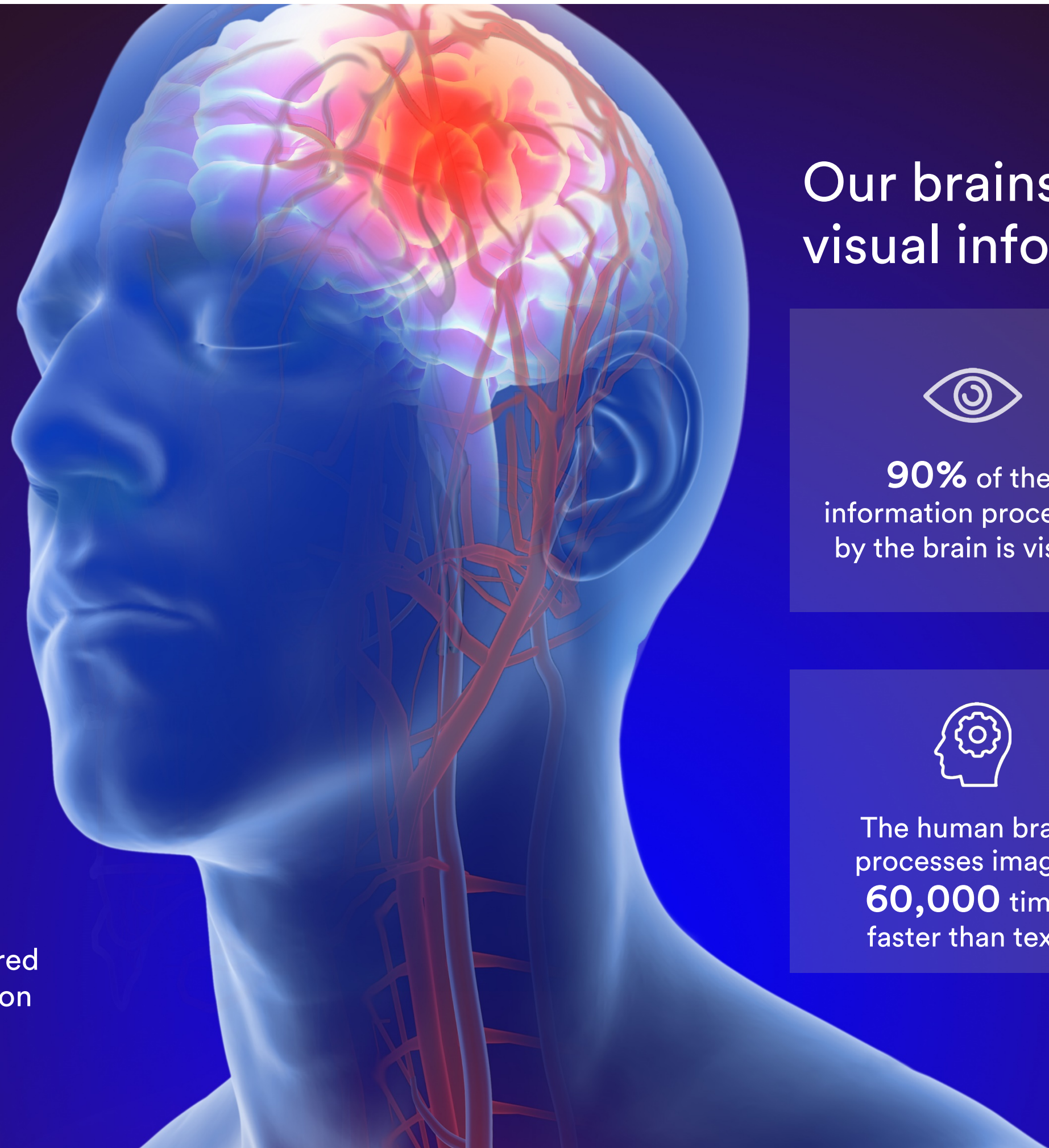
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# THE POWER OF VISUALS

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Source: <https://movableink.com/blog/29-incredible-stats-that-prove-the-power-of-visual-marketing/>

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# KEEP IT SIMPLE, KEEP IT REAL

## Authentic storytelling is key to gaining consumer trust.

Transparency celebrates your uniqueness and acknowledges the human aspect of your brand. **Recognize that things are not always easy by showing your own challenges and failures.** This creates an emotional connection, as well as reveals admirable characteristics, like innovation and resilience.

Excerpt from Forbes <https://www.forbes.com/sites/mikekappel/2018/01/17/5-essential-tips-for-business-storytelling/#4ad390ad454d>

### Rules of thumb:

25-slides, use  
your appendix  
wisely

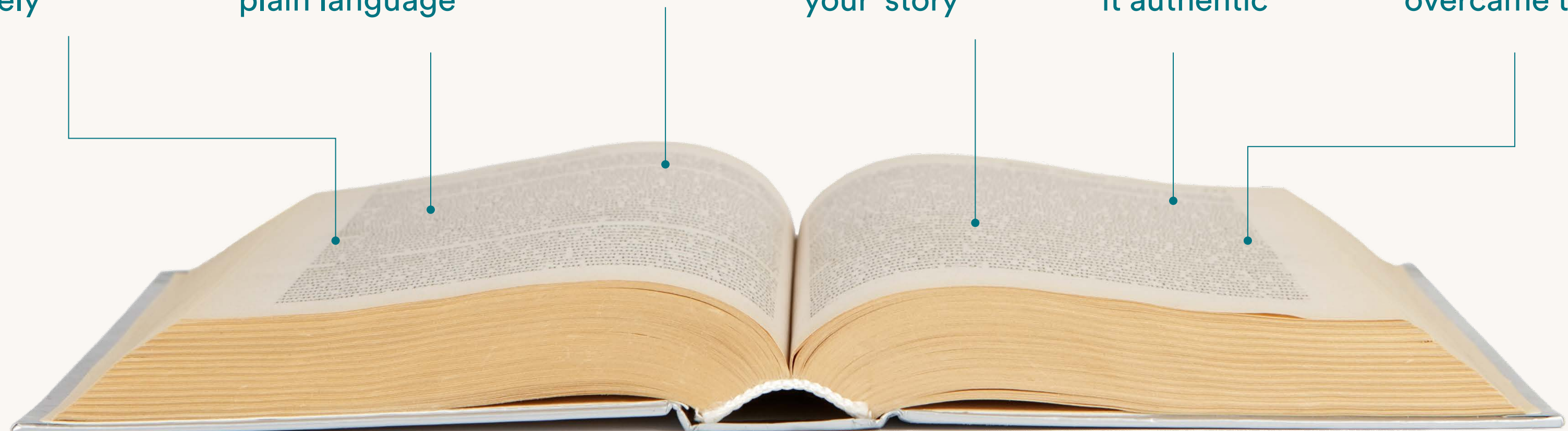
Less is more  
(fewer words),  
plain language

Don't get lost  
in the details

Don't forget:  
tell all sides of  
your 'story'

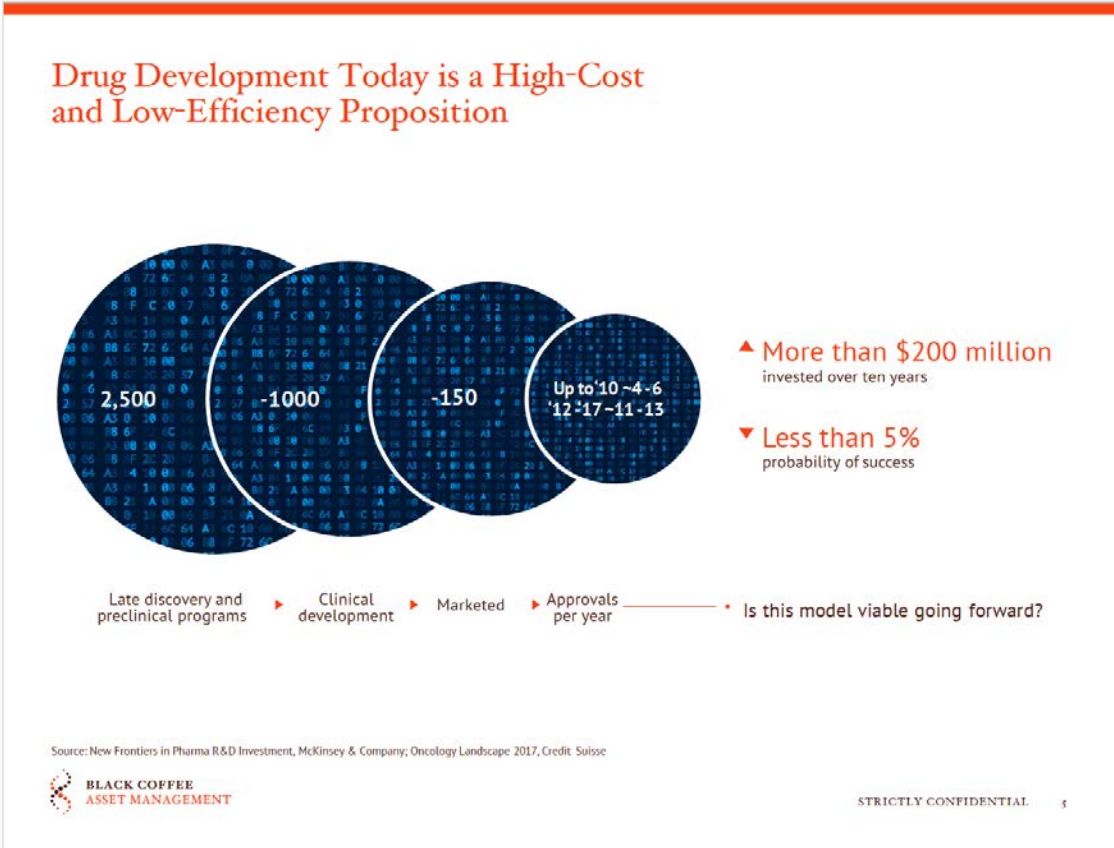
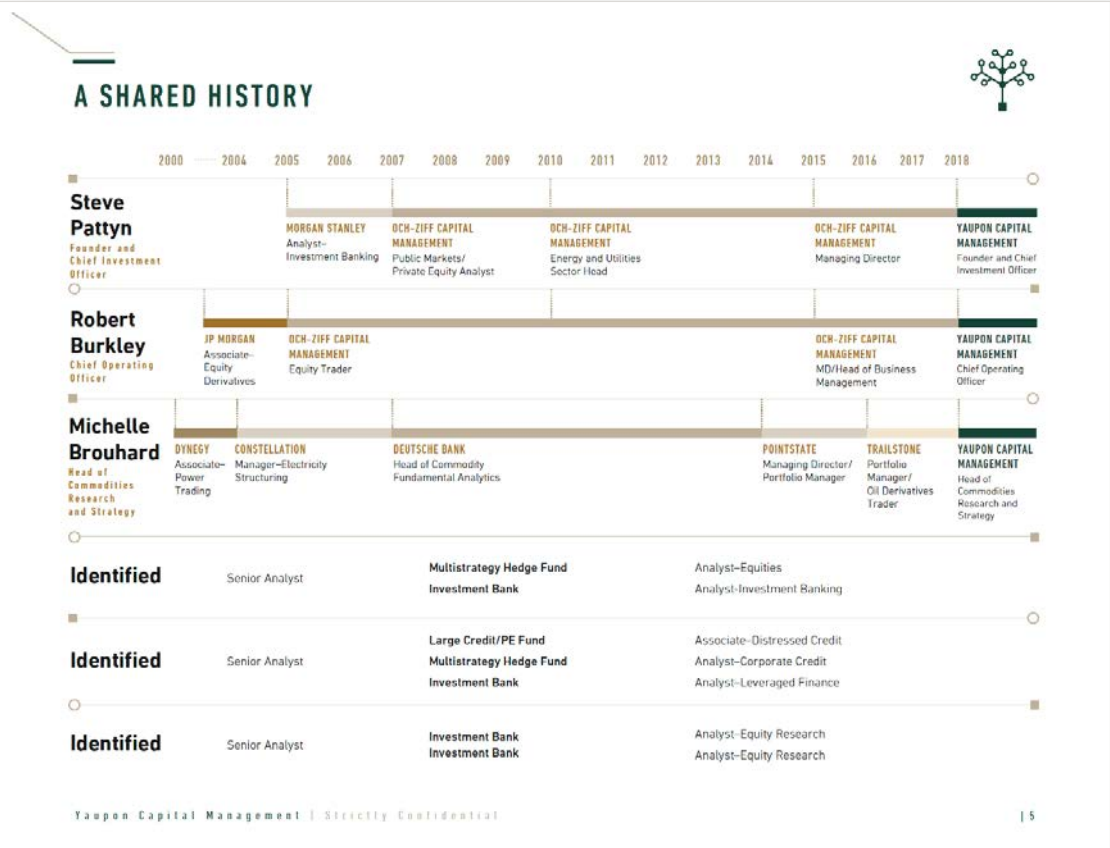
Conflict drives  
a story, makes  
it authentic

Address challenges  
– and how you  
overcame them





# EXAMPLES



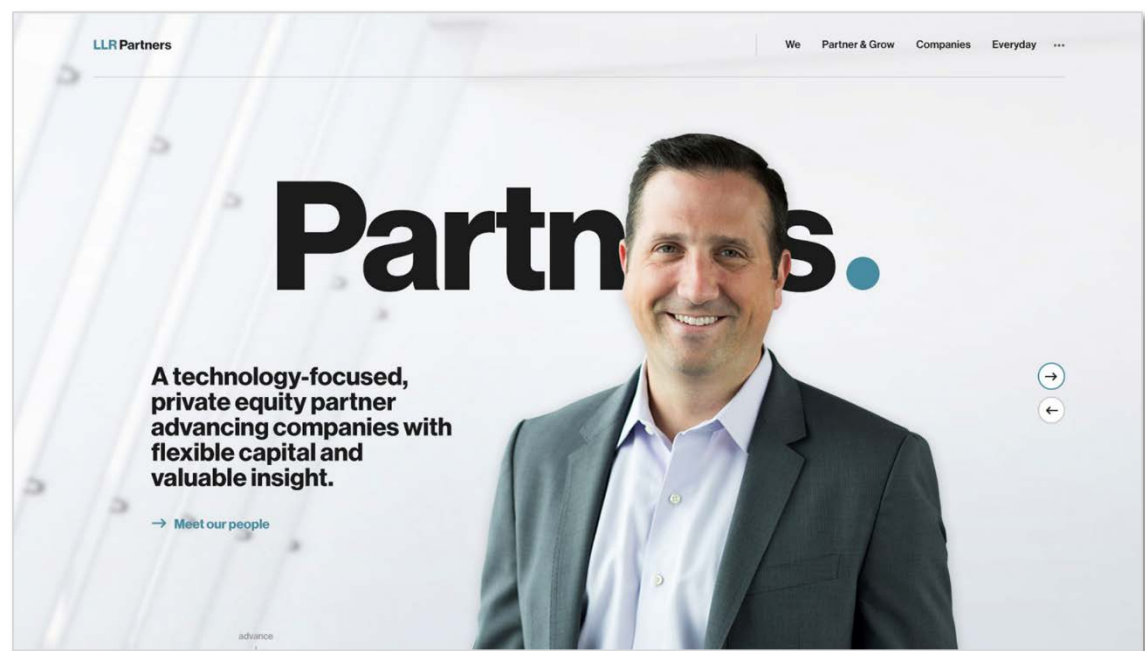


# BEYOND THE PITCHBOOK



# WEBSITES – THE BAR HAS BEEN RAISED

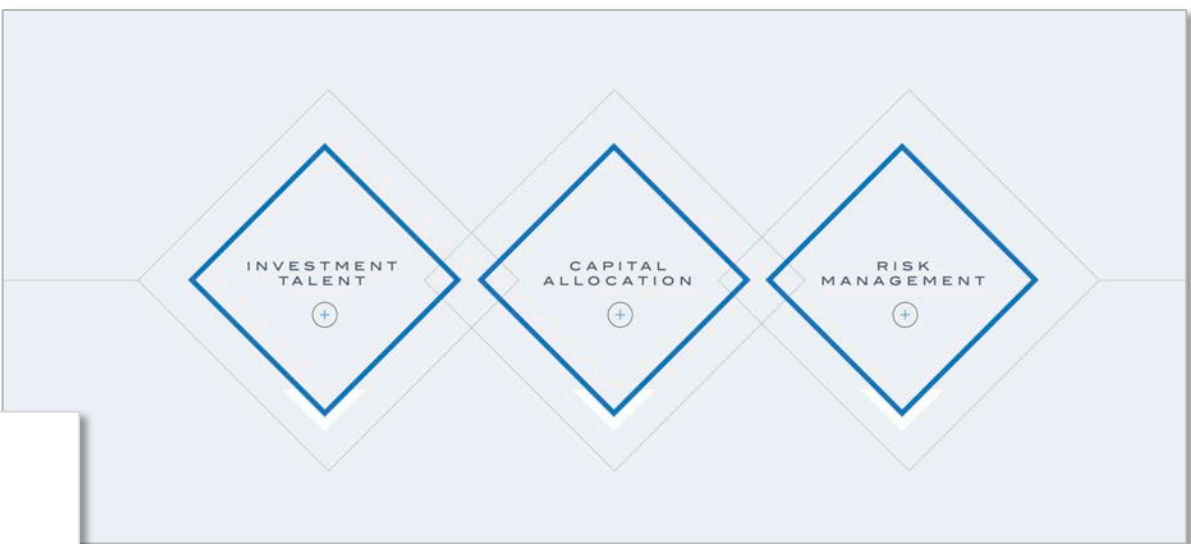
## KEY MESSAGING & HIGH IMPACT VISUALS



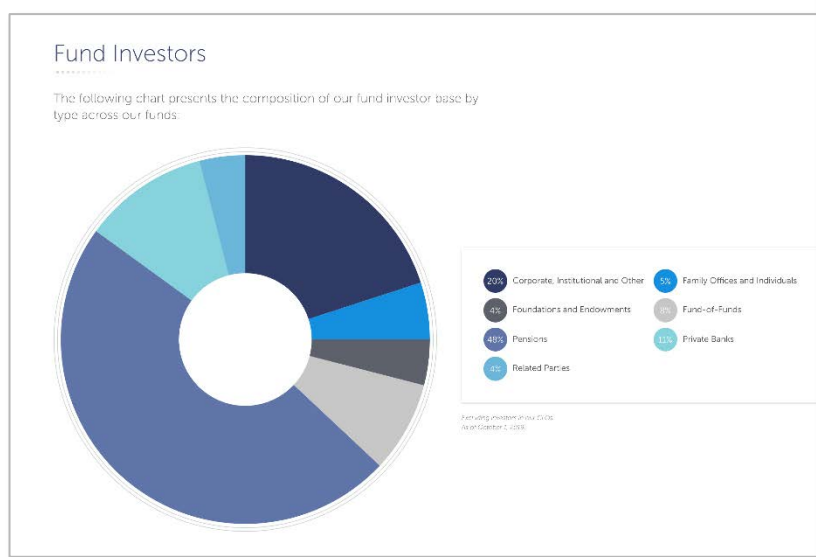
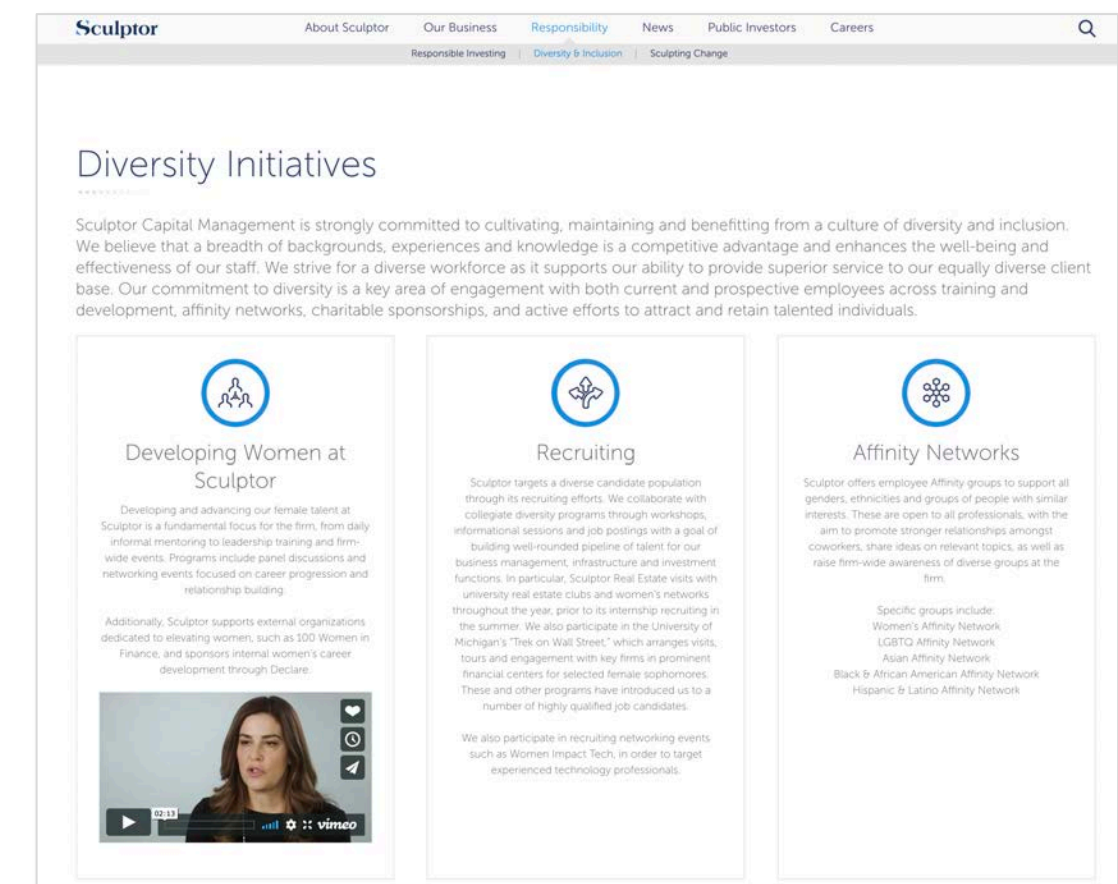
## STATS & INFOGRAPHICS



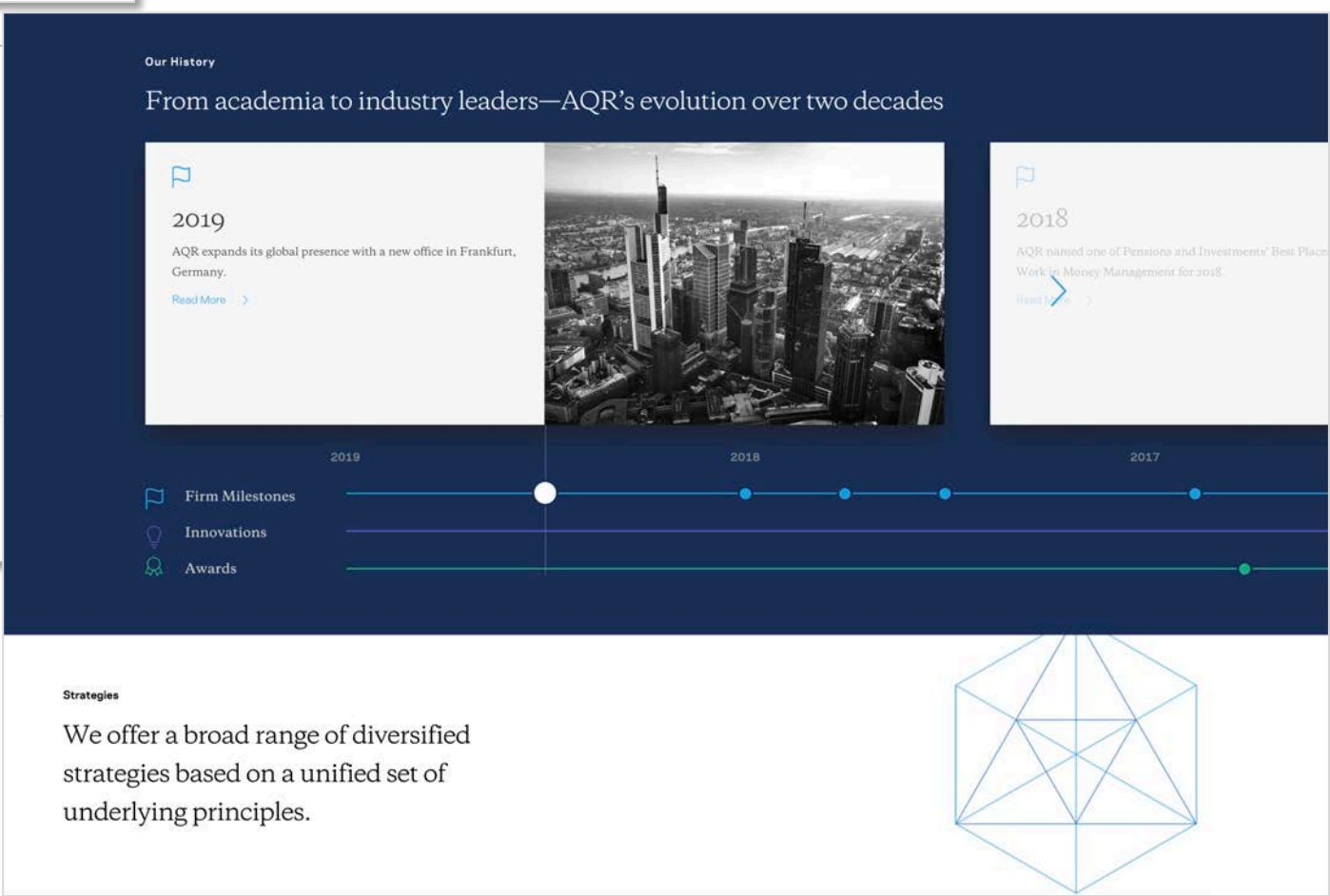
## FOCUS ON TALENT



## FOCUS ON D&I AND ESG THEMES



## TIMELINES



# LEVERAGE VIDEO



Video on landing pages jumped from **49% in 2017** to **60% in 2018**. (Forbes, 2018)

Businesses with blogs get **126% more leads** than businesses without. (Content Marketing Institute, 2018)



People recall **65% of the visual content** that they see almost three days later. (HubSpot, 2017)

The average **LinkedIn user** spends **17 minutes** on the site per month. (Wordstream, 2018)



20% of people read text on a page, but **80% of people will watch a video**. (My SMN, 2017)



Visual assets are the **biggest contributor** when it comes to social media. (Ofcom, 2017)



**94% of B2B marketers** use LinkedIn as a content distribution channel. (LinkedIn, 2018)

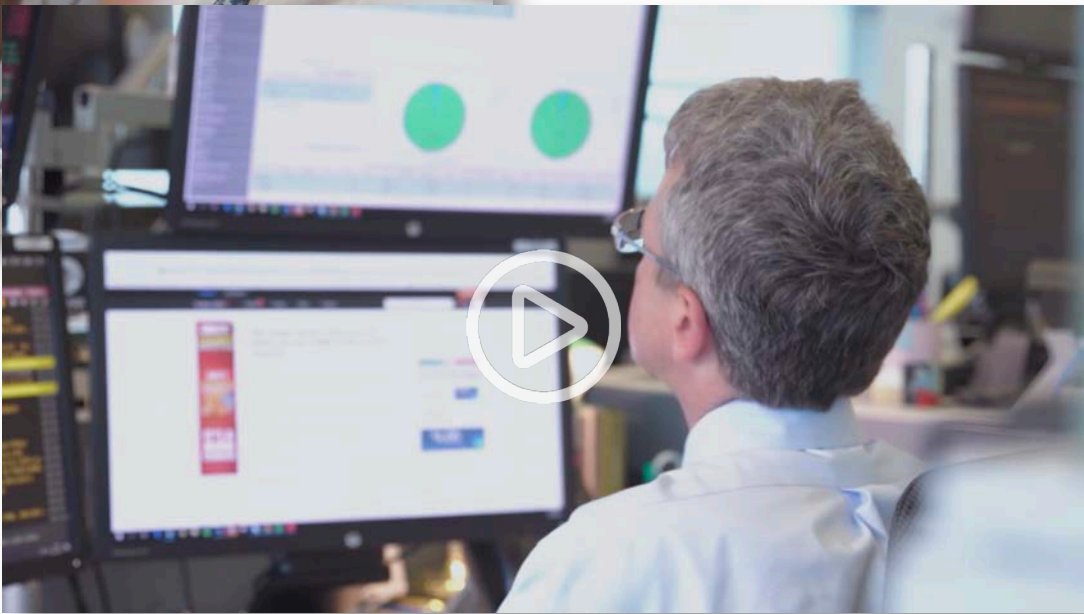
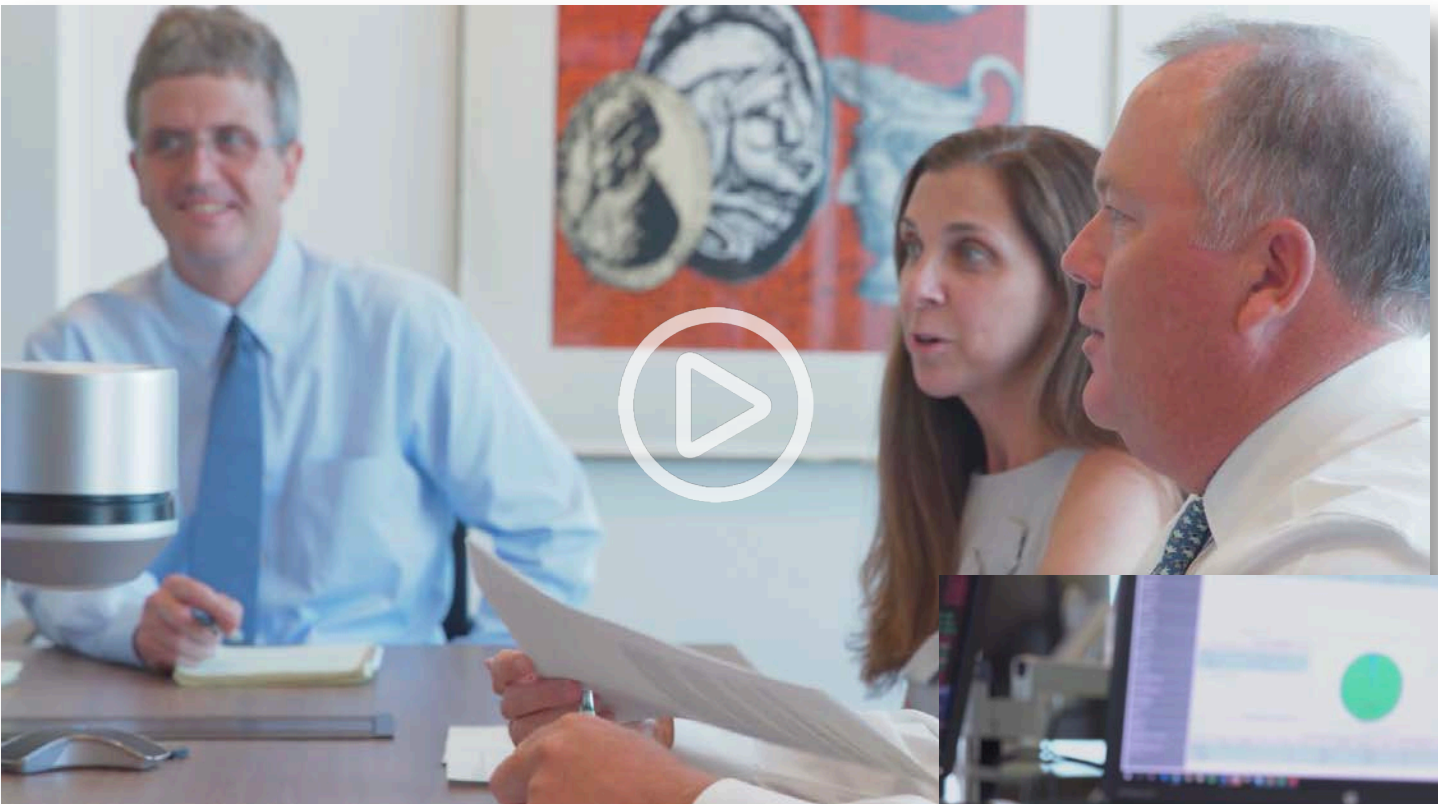
Firms with revenue of \$5 billion+ spend **11 percent marketing**. (Gartner, 2018)

Video generates **1200% more shares** than text and images. (Weidert Group, 2018)



# VIDEO EXAMPLES

VIEW OUR VIDEO EXAMPLES AT:  
[HTTPS://VIMEO.COM/EXTMARKETING](https://vimeo.com/extmarketing)






# SHARE YOUR POV – WHITE PAPERS WORK

“The point of view is what creates the loyalty and the interest. Content marketing powerhouses like McKinsey and IBM get attention and a loyal following for their content, not because of the format they choose. While slicing and dicing material can help engage the readers, the content has legs because it has a really well-developed point of view.”

Chris Koch, Editorial Director, SAP

### Sculptor Views

Sculptor Real Estate's Head of Residential Investments, Nicole Sermier, discusses the current real estate investment environment.



### Enhancing Your Portfolio With Real Estate

Investor Edition

SEPTEMBER 2018

Corrado Russo, CFA, MBA  
Senior Managing Director &  
Global Head of Securities

**EXECUTIVE SUMMARY**

- Timbercreek Global Real Estate Income Fund (TGREIF) has the highest sustainable yield and generates the lowest volatility in Canada within its peer group.
- Timbercreek's ability to add

...approach can produce ... returns

**REAL ESTATE?**

Properties are often synonymous with a state of defensive nature, making the supplement to a portfolio of stocks and bonds to generate income that is higher than the rate of inflation and has asset classes. The combination of these two factors can reduce overall volatility and improve returns (higher returns and lower risk).

If real estate ownership, what an investor can do is not as easily or quickly sold on the open market (REITs were created to solve this problem). However, given they are publicly traded securities, this begs the question of whether real estate or if they are just another asset class.

In a piece titled, "There Is A Real Estate Investment" (Investment Executive), the author states:

"The REITs can provide many of the benefits of real estate but with added volatility. The market has grown, many REITs have emerged. In an effort to differentiate themselves, many have abandoned the traditional focus on growth-oriented properties in development, emerging market economies and brokerage services, thereby reducing their cash flows. With more cyclical

### Cybersecurity for Plan Sponsors: What You Need to Know and What Action

Today, it is hardly surprising that the term "cybersecurity" is ubiquitous as the issue that regularly makes news headlines around the world.

Indeed, it is a complex and rapidly evolving area in which plan sponsors need to be both vigilant and conversant in order to protect the interests and sensitive information of their overall business and plan members. Before we explore the key risks of inadequate cybersecurity and the responsibility of plan sponsors to protect participants against such risks, it is instructive to define the term.

According to the definition put forward by the global cybersecurity firm Kaspersky Lab, "cybersecurity is the practice of defending computers, servers, mobile devices, electronic systems, networks and data from malicious attacks."

Nobody is immune to the threat and potential harm of sophisticated cybercrime. Financial institutions (banks, online brokerages, credit card companies, etc.), social media

networks, online/traditional retailers, sites, government bodies and academic institutions are all prime targets for cybercrime, as are reliable, secure data flow of sensitive information.

**Example: Equifax Inc.**

For example, one notable case of a major U.S.-based reporting agency. In September 2017, Equifax Inc. was breached by hackers. The names, birth dates, security numbers and other personal information of 148 million Americans had been stolen. Consumers also had their credit card numbers and the extent of sensitive information made the Equifax breach a major news story since followed."

1. Kaspersky Lab, [What is Cyber Security?](#)  
2. Kaspersky Lab, [Data Breach](#)

One Corporate Drive • Suite 225 • Shelton, CT 06484 | (844) PROXYON | [www.proxyoninvestments.com](#)

### Palisade

SMALL CAP EQUITIES AND THE CASE FOR CORE

Aligning the portfolio with the investor's objectives

**EXECUTIVE SUMMARY**

As institutional investors continue to search for solutions to their needs, they are increasingly turning to small cap equities as a way to diversify their portfolios. Small cap equities have historically been a source of alpha and have the potential to outperform large cap equities in the long run. However, the volatility of small cap equities can be a challenge for investors. This white paper discusses the benefits of small cap equities and provides a framework for investors to consider when evaluating small cap equity investments.

**HOW TO AVOID AMPLIFYING CONCENTRATION RISK**

Investing in small cap equities can be a challenging task for investors. The volatility of small cap equities can be a challenge for investors. This white paper discusses the benefits of small cap equities and provides a framework for investors to consider when evaluating small cap equity investments.



# CAMPAIGN IT!

A white paper can be leveraged on multiple platforms.

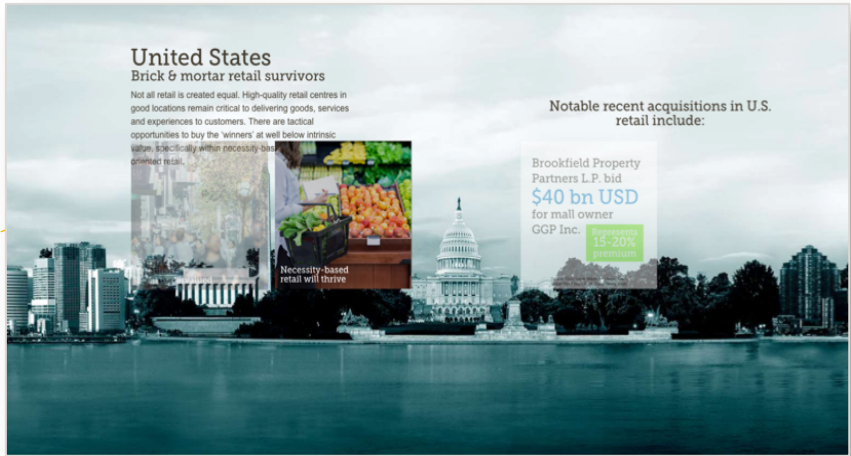
White paper



E-book



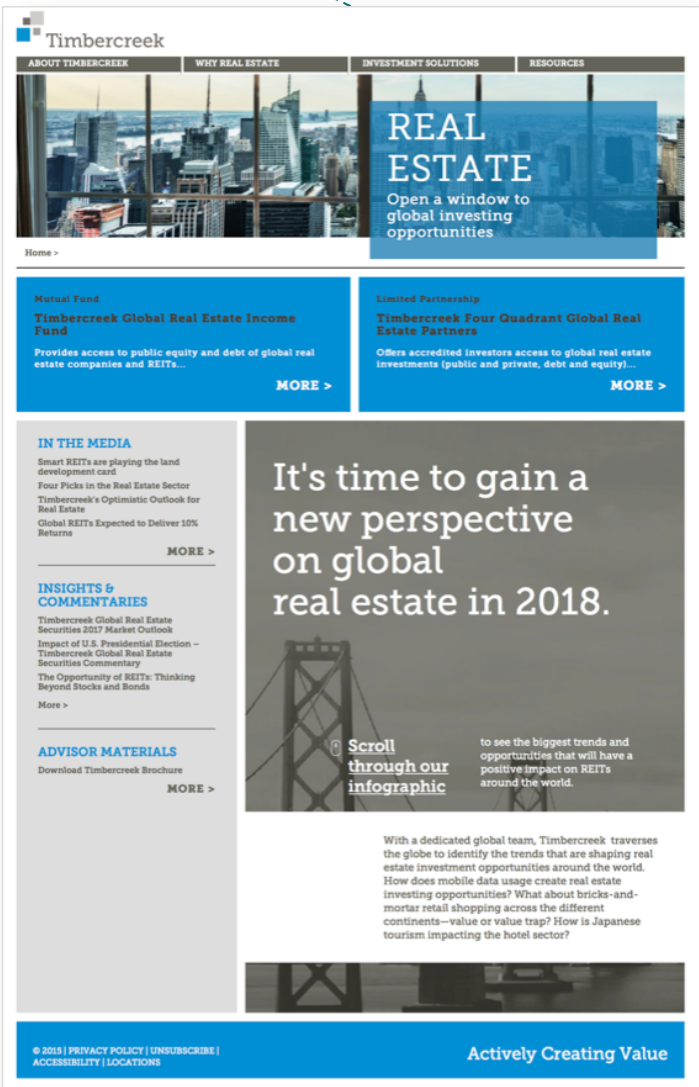
HTML infographic (link)



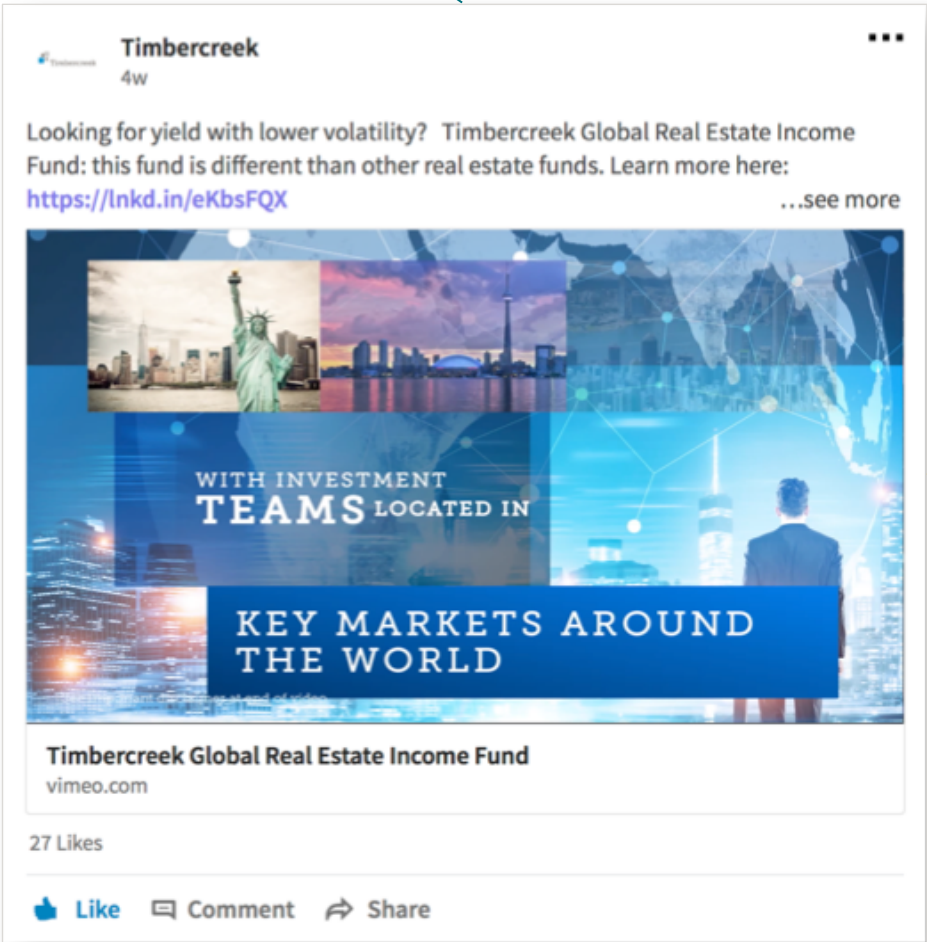
GIFs



Landing page



Social media campaign – LinkedIn



Video (link)

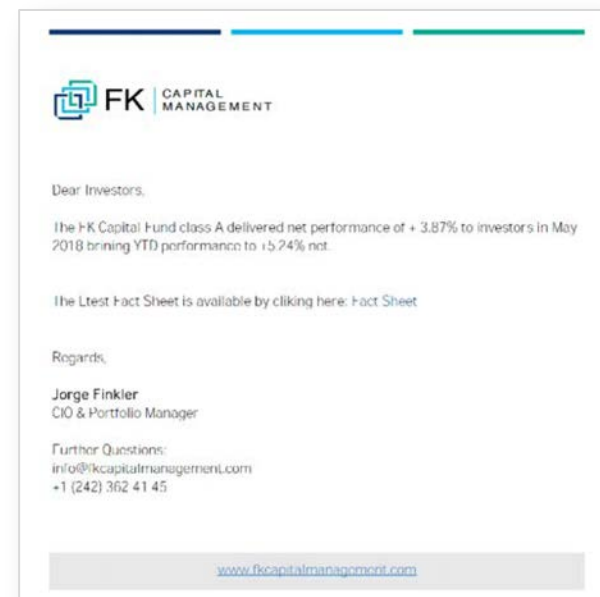
Digital banner ads



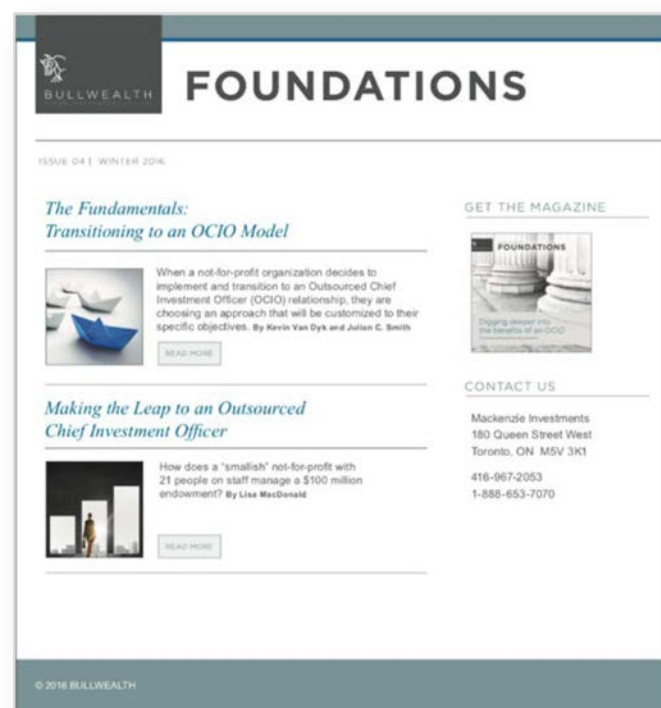


# INVESTOR LETTERS – KEEP UP THE ENGAGEMENT!

## Hedge fund manager – e-blasts and quarterly investor letters



## Outsourced CIO - e-blasts and quarterly investor letters



## Wealth advisor – quarterly investor letters





# ENGAGEMENT = GOOD MARKETING

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**CAPITALIZE ON THE POWER OF  
STORYTELLING**



**USE VISUAL TOOLS: GRAPHICS, INFOGRAPHICS,  
VIDEO AND ANIMATION TO ENGAGE**



**HAVE A PURPOSE WITH YOUR WEBSITE,  
CONTENT AND CAMPAIGNS**

# EMERGING MANAGER LAUNCH PACKAGE

“ We really appreciate the **client-first approach** and efficient process from the team at ext. Their **experience and know-how** helped deliver high-caliber materials for an excellent end product that clearly **communicated our brand and value proposition** to investors. ”

Matthew Hooker, Chief Operating Officer, Woodline Partners

1

## LOGO & STATIONERY

Let us help you build a recognizable and positive brand that reflects your core value proposition and positions you for success.

2

## PITCHBOOK

Your pitchbook should help build your brand through great copy and beautiful, insightful design. The team at ext. will build you a pitchbook that you will love, and that truly reflects the objectives and key differentiators of your new firm.

3

## LANDING PAGE

Your landing page should reflect your brand and let people know you’re in business. It should also tell people where they can reach you! Let us build a great landing page for you.

4

## FACTSHEET

You factsheet is one of the core pieces required to tell people a bit more about your fund strategy. We’ll create a factsheet that provides key information about your fund and that gets noticed.



# ESTABLISHED MANAGERS

1

## KEY MESSAGING & BRAND EVOLUTION

As your firm evolves, so must your brand. We can help you evaluate your existing messaging and brand, provide recommendations on how to take it to the next level – and then implement.

2

## PITCHBOOK REFRESH

As your firm’s narrative evolves and becomes stronger, your pitchbook must also adapt. Our team will work collaboratively with you to help reflect the maturation of your firm in your updated pitchbook.

3

## WEBSITE

A website should be a tool that engages clients. Our team writes content and designs and builds sites that deliver a premium client experience, drive engagement and that help firms grow. We also provide Search Engine Optimization (“SEO”) services.

4

## INVESTOR LETTERS

We write monthly, quarterly, semi-annual and annual investment letters for alternative asset and hedge fund managers. We also develop branded templates that make your communications look more professional.

5

## WHITE PAPERS & BROCHURES

Strong content is at the heart of every sales and marketing initiative. Our team of writers includes CFAs who can produce deep-dive technical white papers, as well as thought leadership pieces & other collateral.

6

## VIDEOS & PODCASTS

Videos and podcasts are fast becoming among the most effective ways to engage with your audiences. We combine our award-winning creativity with an air-tight process to optimize your story across these mediums.

7

## INFOGRAPHICS

Today, people read less and “view” more. Give us a topic or theme and we will create an engaging, informative infographic in static or HTML format.

8

## DIGITAL MARKETING STRATEGY

Firms today need to build credibility in the market. Social media can help you do that. Whether it’s through blog posts or thought-leadership pieces, we can show you how to leverage social media and help you get it done!

**EXT. IS YOUR OUTSOURCED MARKETING PARTNER**

You don’t want the expense of staffing a marketing department. Our senior marketing strategists will work collaboratively with you to develop and execute marketing materials that will help you raise more capital.



**ext.**

*Leading financial  
services marketing*

**THANK YOU**

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