



MACIAS PR

White Paper

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How to Market your Fund under the New SEC Rules

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New SEC Changes on the Financial Industry

Most hedge funds, private equity groups and venture capitalists are at a disadvantage now that the SEC has lifted the prohibition on general solicitation. The marketing prohibition has prevented many financial groups from developing an online infrastructure that is crucial to marketing their service to investors.

An internal analysis of more than 3,100 funds registered with the Securities and Exchange Commission discovered that fewer than one in 20 of those registered funds had a public website, putting them out of reach of potential investors. A closer analysis of SEC registered hedge funds in Connecticut discovered roughly 80 percent of the funds identified as opportunistic in strategy didn't even have an email address for potential investors to contact.

Marketing a fund with the media is drastically different than marketing a product to the public. Credibility must be established from the start before the media will even consider putting your portfolio manager on TV or quoting him as a financial expert. He may manage a \$100 million portfolio, but the media is not going to take his word for it without seeing evidence of his expertise. This is why it's so crucial for all funds to establish credibility now with a strong online presence.

Here are some marketing strategies your fund should consider as it undergoes an online marketing and media campaign to reach new investors.

Establishing Credibility with the Media

Credibility matters in life, but it especially matters for journalists. Whenever a portfolio manager is pitched as an expert to the media, journalists will quietly and overtly measure his expertise, integrity and experience in the financial industry. Journalists will want to see proof on why this portfolio manager should be the best expert to add color to the market.



If a reporter doesn't see an online presence on your fund, credibility questions will be raised. This doesn't mean you won't succeed with a media placement, but it will be a much harder story sell to the media if you can't support or show why your fund manager is an expert. You can establish credibility quickly by writing editorials on the market and submitting them to influential business news sites, like the Huffington Post, Business Insider, trade magazines, etc. Here are a few credibility questions you should be able to address and answer before your fund pursues media placements.

Q) What makes you qualified to speak on this topic?

Q) How many years of experience have you spent in the industry?

Q) How big is your fund in comparison to others?

Q) What part of your daily routine is spent reinforcing your expertise?

Q) What do you know as an insider that other investors would want to know?

Website Design

Many hedge funds don't even have a website and those that do have not marketed it for fear of giving the impression they are skirting current SEC rules. Now is the time to get started on developing a website since it can take months to create the website content, design and market it.

Common Questions for Website Development

There are multiple ways to design a website, but most developers and content marketers agree that an HTML website is better than a Flash website. Search engines like Google and Yahoo can't read the content within flash so it makes it harder for flash websites to get picked up by search engines. What good is having a website if Google can't find it? In addition, flash is not compatible with mobile phones, which means anyone who goes to your website from their phone won't be able to read your website. The world is obviously gravitating towards mobile so



most developers agree it's only a matter of time before flash websites are transitioned out. We recommend developing an HTML website over a flash website.

It's also important to make sure you own your website domain. An experienced financial analyst for a New York hedge fund hired a company to design and market his website, but when I asked him crucial questions, like who owned his domain name and whether he had administrative privileges on his Facebook business page, he couldn't answer them.

Owning your domain name is like owning the real estate property for your physical office. If you invest money marketing a website, its real estate value will rise on the web overtime, which is why you want to make sure you own your domain. If you outsource someone to maintain a Facebook or Twitter page, make sure your contract states that you get ownership of the page should you decide to discontinue service with your marketing agency. Most online marketing companies won't tell you this, hoping you will not ask for ownership of their work, so make sure your contract discusses this option before you commit.

The actual look and feel of a website will vary by the image you want to project for your fund, but it should always be easy to navigate. If you are designing a website for the first time, keep it simple and include the basic information: *History on your Fund, Your Team, Publications & Press, and Contact*. You should also consider creating a page that captures visitor information, otherwise, you have no way of following up with potential investors who visit your site. You can improve your odds of capturing investor information by giving visitors original content. White papers are a great source for gathering potential investor information, which will be discussed more in-depth under content marketing.

Google analytics is another source for evaluating how investors are finding your website. You should talk to your online marketer to see how they are maximizing data from Google analytics. You don't need to become versed on the details of



Google analytics, but you should understand the basics, like which search terms investors are using to find your website; Which states and cities do your website visitors reside? Which websites are referring these visitors to you? This data will help your marketing team quickly discover what is working and what is not when it comes to finding new investors on the web.

Marketing Your Website

There are many ways to market your website to potential investors, including content marketing, ad words, the media, email marketing campaigns, and press releases

websites.
breakdown
different
strategies
how you can
advantage of



posted on PR
Here is a
of how these
marketing
work and
take
them.

Content Marketing: Your team of analysts already has a wealth of research that could be turned into white papers, blogs, articles or editorials that could be marketed on the web. Content marketing is one of the most effective methods for reaching new investors because it provides a real value to consumers. This marketing paper you are reading now is a form of content marketing. Blogs are another effective way to raise the profile of your website among search engines by giving valuable information in articles posted on your website. When promoted with content marketing plugins, like nRelate or Outbrain, your proprietary content can reach even more targeted business readers. If you type in “PR Help” - a very common search term, you will see the [MaciasPR](#) company blog, PRHelp.co, on the first page of Google. This is an example of how content marketing from a blog can drive new investors to your website.

Ad Words: Ad words can instantly raise the profile of your website, but like all other ad campaigns, the benefit ends when your ad budget is over. There are specific marketing companies devoted solely to buying ad words for online media campaigns, but you can also do it yourself for a fraction of the cost. The upside of these ad campaigns is that you will only pay if investors click on your ad but the results are instant. The cost for this online ad campaign depends on the popularity of your search term, so an ad buy can be as little or as expensive as you want, from under \$1 to more than \$7 per click.

Media Campaign: Bill Gates once said he would spend his last dollar on public relations. A co-founder of a major e-retailer told me he knows first-hand that public relations works, but he learned it takes time to see results. If you are expecting a story in the New York Times to instantly bring in new investors, your expectations are probably not in synch with reality. Public relations should be viewed like a solid blue chip. It may not increase the value of your portfolio overnight like an IPO, but its success is proven overtime.



Unlike ad campaigns that stop when your campaign ends, media campaigns keep working for you long after your PR campaign is over. The cost for a PR campaign effectively diminishes overtime, since news organizations rarely bring down their stories. If your news article is posted on the web, it will likely remain up there for years to come. Another benefit to a PR campaign is a boost to your search engine ranking. If your PR team can convince a news organization to post a link to your website on their news site, all of the search engines will suddenly view your fund as more valuable. And the more influential the news organization, the higher the ranking among search engines. There is no way to put a direct dollar amount on the value of a link from the New York Times because search engines don't reveal their algorithms, but a link from an influential news organization will instantly give your website a higher placement among all the search engines.

But media campaigns are most powerful when it comes to influencing how the public perceives your fund. If you had a choice of investing your money with a portfolio manager who was an expert on CNBC, wouldn't you give his opinion more weight than a fund manager who mailed you an advertising brochure? The media also scales your message faster than any other marketing effort and when it is successfully targeted, the results can impact your bottom line quickly.

It is important to keep one thing in mind as you analyze the different marketing strategies for your fund. The purpose of a PR campaign is to get your fund into the dialogue and conversation of investors. I like to say it provides air cover for a war, while direct marketing is a more targeted attack. I had one portfolio manager tell me after two months of media placements that he didn't see a direct relation with new investors. I reminded him that the purpose of a media campaign is to establish credibility among potential investors. If investors were going to consider his fund over another fund, his media placements with the influential news organizations would sway them into his corner. The most effective marketing campaign will use the media and direct marketing together to raise the profile of your fund and in the longer-term, bring in new investors.



Email Marketing Campaigns: Email marketing campaigns can be highly controversial because no one likes spam, so keep a close eye on how your marketing team is finding email addresses and what content is being delivered to them. You don't ever want your fund to be viewed as a spammer or you risk ruining your reputation quickly. An email marketing campaign to current investors can be a highly effective way to reach new investors, especially if the content provides valuable insight on the market. Don't forget, always remind readers how they ended up on your mailing list, especially if they are current investors.

Press Releases posted on PR Newswires: Reporters and news producers never go to PR newswires to look for story ideas. Journalists know press releases posted on these PR newswire websites are nothing more than commercials for companies that were diluted with the company dogma. However, there is value to these PR newswire sites from a search engine perspective. These PR newswires can provide links to your website, which currently help increase your website's ranking among search engines. How long this lasts remains to be seen since Google has already publicly discussed eliminating these PR newswires from their algorithm.

Press releases posted on PR newswires can also add value when you want to put something on the record. For example, if your fund has a new milestone or quarterly result it can publicly disclose, PR newswire distribution sites can give funds an opportunity for additional exposure, while maintaining control of the message. If you decide to go this marketing route, try to determine the purpose of the press release before you pay a company to write and distribute the press release. Is the press release to get the media's attention or to grab investor's attention? Both will lead to different marketing strategies.

How to Get the Media's Attention



Once you establish credibility, how do you get the media's attention? How do the news producers and newspaper editors decide what to print and publish? Most people ask this question like there is a magical formula that scientifically reveals whether a story should be pursued or scrapped. If it were this easy to identify news stories, you can bet the formula would have been hacked and posted on the Internet by now. The fact is news selection is an art and just like any other profession, involving creativity, opinions and experiences, it is subjective to where you stand.

News is a public service, which means your story must provide a service to the public. It sounds simplistic, but many people don't grasp that concept. They assume the media is entitled to do feature stories on the public in the name of public service. No, the media is entitled to do stories that benefit and help the public with information that is relevant today. And in today's saturated media market where ratings and unique viewers drive advertising rates, a story idea will have a better chance of getting picked up by the media if it has an inherent tease value. In essence, this is a story that draws readers in because they are intrigued.

One of the biggest factors that will decide whether a story makes the evening news or morning newspapers involves timeliness. News is from the root "new," which means you must find a new and unique element to pitch if you expect the media to pursue a story on you or your fund. If your story is old news, then you need to find a new way to spin it by finding an angle that is tied to a timely matter. For example, if you are a Middle East fund, trying to get publicity in the US, tie your fund to a current event. Currently, there are protests throughout Turkey and Egypt. What are these protests doing to the stock market in those countries? How will a new leader in those countries impact the economic stability? How is the (local) currency market reacting on the international stage? Those are all questions you can pose to position your portfolio manager as an expert and in a timely manner. Here are a few questions to help you discover a newsworthy angle for your fund.



** What is different about my fund? How does this personally relate to investors reading this publication? The more you can define it, the better your chances for a successful media placement.*

** How is my fund impacted by international events?*

** What is the timely element with my fund?*

** Is there a personal story to tell about my fund, like maybe the portfolio manager has overcome a personal obstacle or has survived through several decades of difficult financial times? What can we learn from this portfolio manager?*

** Is there a new trend arising in my field that will affect the pocket books of consumers? For example, is the rising cost of wheat starting to put a damper on profits for bagel shop or Italian restaurant owners? Will other businesses soon be forced to raise their prices because the cost of wheat keeps rising? This is a way to position your portfolio manager as the expert in the overall price of wheat.*

** Does your fund have a direct impact on technology, materials or energy, reshaping the future? If so, what is that innovation and how will it change lives? What trend is it leading?*

Finding a unique angle is not as difficult as it may sound. You just need to open your mind to timely events that impact and influence your fund. If your fund is geared towards a niche audience, like cyber security, scan the headlines in the business sections of various newspapers for possible tie-ins to current events.



Choosing a PR Firm

Is there a quantitative way to measure value and success when it comes to public relations? As a former Executive Producer with WNBC and Senior Producer with WCBS, I worked with a lot of publicists throughout my journalism career. Some publicists took me out for after-work drinks, trying to sell me story ideas with alcohol. Other publicists met me on the location of various video shoots, masquerading as my best friend.



Of course, I met many publicists over the phone as I listened to their pitches for stories.

Now, as the owner of a PR firm, I see the other side of the PR business. In my weekly routine, I meet small business owners with tight marketing budgets and corporate executives with large budgets that require a spreadsheet. Regardless of a firm or fund's size, most business owners routinely ask the wrong questions when it comes to assessing the value of a public relations agency or publicist. Here are some pivotal questions to ask before hiring a PR firm to lead your media strategy.

Can you give me a publicity strategy for my fund? This is a crucial question. You want to be able to see how the publicist thinks on his feet. I've asked this question to seasoned publicists for fun to get into their head. Most of them say, I need to research it. That is an excuse for, let me Google to see what others have done and I will copy their ideas. A great publicist will have his own ideas, but don't confuse strategy with an understanding of your specific field of expertise or knowledge. A great publicist will ask the right questions to determine what is a media strategy for your fund. He will also come up with story ideas and specific tactics, so you can understand how he or she will lead your campaign.

How do you see my fund? This question reveals how well the publicist understands your portfolio or service. Make the publicist explain what he sees as the unique value in your fund. But don't dismiss your publicist just because he doesn't understand everything on your fund in the beginning. I've worked with high-tech platforms that took me time to grasp. TIP: Keep your question open-ended so the publicist can't repeat what you say.

Tell me about your clients and media placements you have secured? Media placements are everything in the world of PR. I have gotten my clients stories in the New York Times, New York Post, Good Morning America, CNN en Español, Fox News, Gigaom, Entrepreneur Magazine. You get the idea. A diverse



portfolio suggests that this publicist knows how to identify a narrative, regardless of industry. Sometimes, it is not valuable to work with a PR firm that only has expertise in one area because their ideas risk becoming stale. Once you see the media placements your PR firm has secured, ask how long it took them to secure those media placements. If it takes a PR firm six months to achieve one media placement, is that a time frame you are willing to wait for results?

Will I be working directly with you? Most of the larger PR firms in New York will send in the great sellers to get your business, but after they get your account, they will pawn off the work to a 22-year-old college grad. How do I know? Because I used to get emails and phone calls from publicists who were fresh out of college while their bosses took me out for after-work drinks. You have every right to meet and understand the experience of the publicist who will be writing the pitches and selling reporters on your fund. And whether you like it or not, reporters will associate the value of your fund by how well your communications team interacts with them. Is your publicist organized and quick on his feet? Can he explain the specifics of how your fund works? Make sure you meet the people speaking to the media on behalf of your fund.

What if we don't get along? What if I want out of the contract because you can't deliver results? Every PR firm hates these questions, but it's a valid point to raise during your initial discussions. If you're working with a publicist and the chemistry is bad or he/she doesn't get along with you, you should be able to get a new person or get out of your account. Publicists are going to hate me for saying this, but I tell my clients, if it's not working for you, I'll let you out. I'd rather have a happy former client than a current unhappy client. (To date, no business has ever asked me if they could end an agreement early). I've clashed with some business owners because they wanted it done their way, but after I explained my strategy and delivered media results, most of them deferred to my expertise when it came to the media.



How long before we get to see results? This answer can vary by the complexity of your fund, but the PR firm should be able to give some guidance over a timeframe. The PR team might not want to give this hand away, but press them on it.

What is your media experience? Experience matters when it comes to anything in life and it matters even more with financial publicity. Does your PR team understand your portfolio and how it makes money? What is the unique proposition from your fund? Force the PR firm or publicist to sell you on their experience. This will also give you an idea of how well your PR team will sell your stories to the media.



ABOUT THE AUTHOR

The founder of MACIASPR, Mark M. Macias, has worked inside the newsrooms of NBC, CBS, KTVK, the Arizona Republic and King World Productions. As the Executive Producer with WNBC in New York, Macias approved and vetted story ideas from publicists, reporters, producers and viewers. He was also Executive Producer for a national business show that was syndicated by NBC, giving him a first-person perspective into how stories are approved. In 2008, he wrote the publicity book, *Beat the Press: Your Guide to Managing the Media*, which was featured on Fox Business News, Toronto Sun, New York Times, KCBS, New York Post, the St. Petersburg Times, and others. This background in programming and editorial gives us an edge when finding the strong narrative needed for coverage.

Our Services Include

Public Relations, Website Design, Crisis Communications, Media Training, Messaging, Social Media Strategy, Original Content for Blogs/Newsletters, Press Releases and Distribution, Introductions to Journalists, Event Publicity, and Video Production.

If you are interested in scheduling a call with Mark Macias to discuss a media strategy for your fund, you can reach him at: Mark@MaciasPR.com.

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