



What Works in Hedge Fund Marketing and Investor Relations

who, together with a team, raised \$2 billion in five years from professional investors worldwide

Part 1: How to Attract Prospects

1.7 How to Make the Best Use of Your Web Site

1.7.1 Regulatory Requirements

Most jurisdictions require a hedge fund's Web site to have two sections:

- A general section accessible to everybody; and
- A restricted section only for professional investors based on the legal definition of such investors in their jurisdiction.

If you don't have these two sections, you run the risk of getting into legal trouble you as can be accused of having conducted a public instead of a private placement. The general section of your Web site should provide general information about your company and team but no details like performance numbers. Set up your Web site such that prospects have to answer a number of questions before gaining access to the detailed information in the restricted section. This forces them to qualify as professional investors according to the regulatory requirements of the prospect's jurisdiction. For example, qualified investors in the U.S. are called "accredited investors" according to rule 501 of regulation D of the federal securities laws.

Important: Hire a good lawyer to help you with your Web site!

An additional benefit is that, with every inquiry from a prospect, you receive his profile and contact information.

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1.7.2 Contents of the Restricted Area

Once a prospect is qualified, you can give him access to your more sensitive information. However, never state return or volatility expectations. Only publish statistics that have been achieved by your fund.

Every Web page should contain a disclaimer. Again, the safest thing to do is to consult your lawyer and let him approve the contents of your Web site.

A typical prospect looks for the following information:

- The fund's strategy, investment objective, investment philosophy, and your competitive advantage;
- Past key performance indicators;
- Fee structure and service providers;
- The company's legal and organizational structure;
- Core team member biographies, including education and work experience details;
- Marketing documents, such as fund presentations, your executive summary/monthly newsletters, previous quarterly newsletters, and audited annual reports.

The offering memorandum (OM) should not be on your Web site, as this is the key offer document for investing in your fund. In some jurisdictions, you are required to prove to whom you have made an offer. You cannot do this if the OM can be downloaded from your Web site.

1.7.3 Press Articles and Awards

Make available all of your press announcements, good press articles, and reputable awards in the general section of your Web site, so that everyone can access them without registering.

Press articles and announcements are also great tools to generate traffic (visits) to your Web site, especially those mentioning your hedge fund management company or your Web site's address (URL).

Therefore, making press announcements and writing articles for the hedge fund press is useful. You should also search for and apply for hedge fund awards. You can find these opportunities in hedge fund magazines and newsletters.

1.7.4 Web Site Design

We recommend a clean and simple design. Don't make your Web site too fancy or complicated. Make sure it is logical, complete, and, most importantly, kept up to date in real time. Outdated information is frustrating and does not support the process of building trusting relationships with prospective or existing investors.

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1.7.5 Video

As videos become increasingly standard, you may want to consider placing a two- to five minute video on your Web site. This will create a personal touch on your site and the chance to personally demonstrate your competence and passion. We recommend producing two videos, one for the general section and another for the restricted section. The purpose of these videos is to encourage the viewer to do more due diligence on you and your team. Make sure that your video message does not become outdated.

1.7.6 Final Touch

Here are a few more thoughts on how to improve your Web site.

- One of the best ways to a great Web site is to check out those of your competition. Look at about 10 other managers' Web sites, selecting hedge fund managers with a good name in the business.
- We recommend describing your strategy in concrete and simple terms to make sure that your prospects understand what makes your fund unique. What can you do better than others? Do you have special resources that are difficult to emulate? Why in the world should someone give you, and not your competitors, his money?
- Encourage your prospects to request a conference call and invite them to visit you. Your Web site should list the name—preferably with a picture—and contact details of the person in charge of investor relations.

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About the Author

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Mr. Angersbach, a consultant on hedge funds, was the head of marketing support and investor relations for a start up hedge fund management company. During his tenure of five years, assets under management (AUM) grew from a seed capital of approximately \$8 million to about \$2 billion. In 1979, Mr. Angersbach received a master degree in business administration from Ludwig Maximilians University, Munich, Germany (Diplom-Kaufmann). Thereafter, he was a lecturer in accounting and finance and worked for an auditor. In 1982, Mr. Angersbach became vice president of a real estate investment company. Two years later, he joined Germany's then largest independent wealth management company. After four years, he became vice president of their branch office in Atlanta, Georgia. Since 1992, Mr. Angersbach has worked for two banks (CL and DZ) in Frankfurt, Germany. From 1995 till 2001, Mr. Angersbach was the CEO of a family office in Zurich, Switzerland, investing in private and public equity. In 2002, he joined the aforementioned hedge fund management company.