HEWES INVESTED

TOO LONG, DIDN'T READ: IS THE AGE OF 24/7 CONTENT KILLING THE QUARTERLY LETTER?

Despite their humble origins, annual and quarterly letters remain one of the most powerful communications tools available to portfolio managers and investment firms. Missives from investing legends like Warren Buffett, Jeremy Grantham, Ray Dalio, and Howard Marks are essential reading for many investors and advisors. These letters are eagerly anticipated and extensively covered by the financial media and serve as powerful branding tools for the managers, their firms, and their funds.

For portfolio managers with great ideas and intriguing insight, but without the star power of the well-known investors mentioned above, communicating publicly on only a quarterly basis is rife with limitations in a world inundated with so-called investment "content." Coupled with the fact that less-frequent communication often results in lengthier, wider-ranging commentary that may be ignored by readers with 140-character attention spans, and it can be argued the letter is no more than a vestigial format into which "thought leadership" must be shoehorned, alongside required updates on portfolio positioning and results.

Thought leadership content should have the utility to establish connections, gain followers, and reinforce a firm's or manager's expertise around the clock, through all market and performance conditions. This can be accomplished by communicating frequently in varied forms that include shorter "bite-size" thoughts alongside longer, more formal pieces. This approach has become crucial for under-the-radar firms or investors trying to be heard in a crowded landscape.

But what formats should such firms/managers use?

A wise financial advisor once said "when you know one advisor, then you know one advisor." In other words, there is a myriad of different communications channels that advisors and other investors use to find thought leadership content. Some like Twitter, others prefer email or Linkedin. Still others only trust Morningstar or Barron's. Asset management firms should be present in as many of these channels as possible, distributing their actionable investment advice and thoughtful commentary through blogs, tweets, videos, and podcasts.

So is this clutter of content killing the quarterly letter? Maybe not for the legendary investors mentioned above, but for the rest of us, the letter has rapidly become one tool among many. Rigidly-structured quarterly or annual letters can remain a part of a proactive communications approach, but can't be the sole content for investment firms trying to remain top of mind with clients and prospects.

Unless you are the likes of Buffett, with a decades-long track record of performance (and fame) to lean on, an ongoing dialogue with your investment community has become too important to house solely in an inflexible periodic letter. To gain a following for your insights and thoughts on investing and the market, being succinct, timely and reaching your audience instantly is crucial. Use of social media to push intermittent (and short!) content allows your stakeholders to easily grasp, share and use your insights. The more often they share your ideas, whether in casual conversation, on Linkedin, or elsewhere, the better it is for your brand.

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