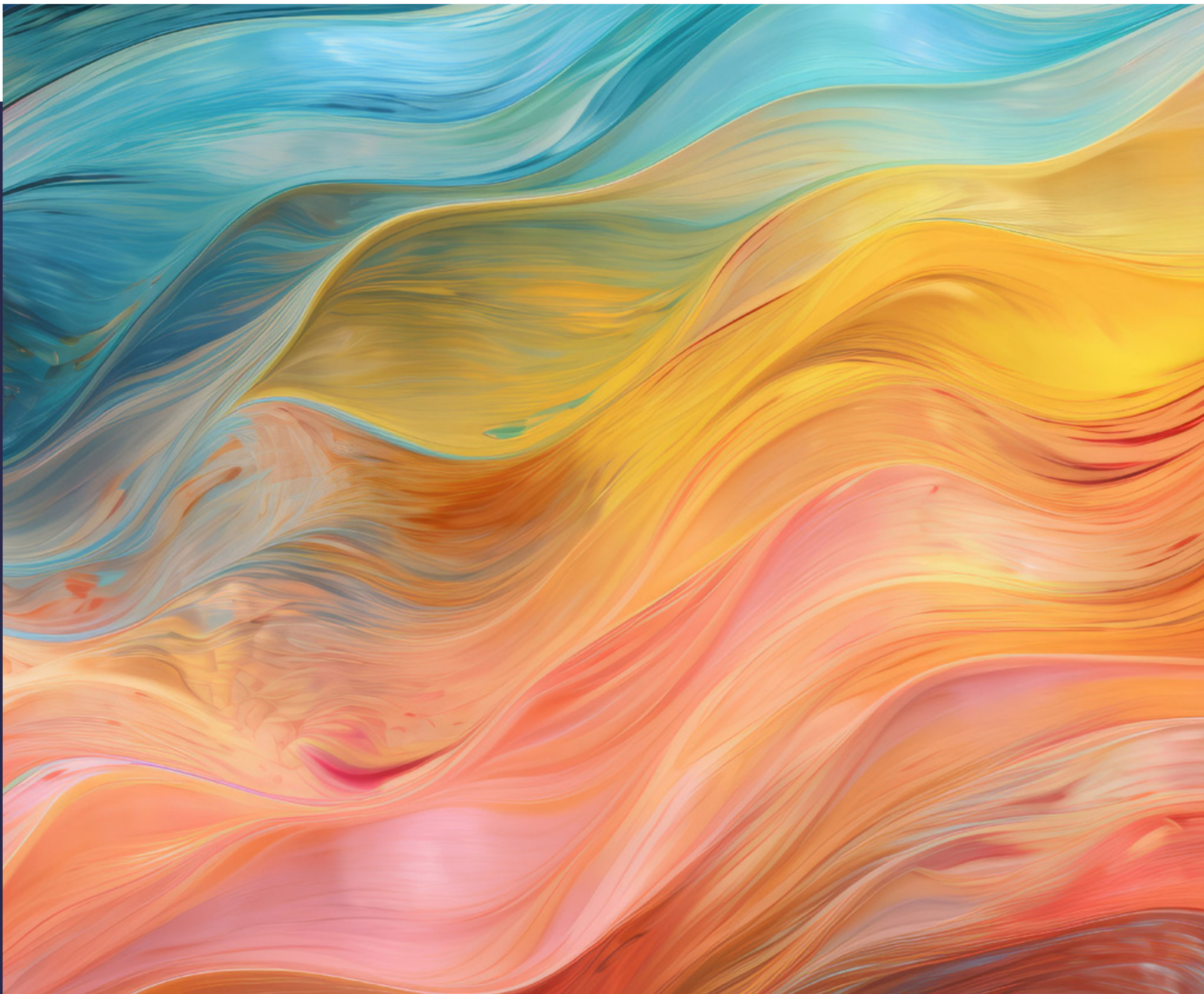
Public Relations

An AIMA Guide to Sound Practices



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FOREWORD

The communications functions at all but the most prominent managers have, until recently, been effectively non-existent. The idea of even a mid-sized manager having one or more staff members dedicated to media relations and engagement with non-investor external stakeholders was rare. Since the publication of the first edition of this Guide in 2006, many staff members at managers – usually in an investor relations (IR) role – have expanded their remits to include external communications, ranging from setting up a press office to running social media campaigns and creating a distinct brand for the firm. More recently, managers have hired communications professionals to enhance their communications strategies further.

Communications professionals now shoulder a diverse range of responsibilities. They are not just relationship managers with the media but also strategists, marketers, brand managers, and data analysts. Their tasks include crafting and executing internal and external communications strategies, media monitoring, brand management, social media management, multimedia content creation, crisis communications, and data analysis. These roles also demand a deep understanding of the legal limitations around marketing, communications, and data privacy, which can vary significantly across jurisdictions.

This edition of the Guide addresses the increasingly complex media landscape, including the changes to the regulatory landscape governing the marketing of managers and the emergence of new vehicles for stakeholder engagement since the prior (2015) edition was published. The latest title, which has changed from the 'Guide to Sound Practices for Hedge Fund Managers' Media Relations' to the 'Public Relations: An AIMA Guide to Sound Practice', also reflects the broader scope.

While this 2024 edition of the Guide delves into the complexities of the media landscape and the regulatory changes, its core message remains unchanged. It reminds us that every interaction with the media and other stakeholders carries both opportunity and risk. A successful public relations (PR) strategy is not just about maximising positive engagement but also about protecting the manager from potentially harmful situations. In essence, this Guide advocates for a PR strategy guided by the Hippocratic pledge: Do no harm.

GLOSSARY

AUM	assets under management
AIFM	an alternative investment fund manager as defined in the EU or UK version of Directive 2011/61/EU of the European Parliament and the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended (as applicable)
brand equity	brand equity refers to a brand's value and power derived from consumers' perceptions, experiences, and associations with the brand beyond just the product or service itself
IR	investor relations
investors	the persons or entities that have invested or may in the future invest in a fund that is a client of the relevant manager
manager	the entity that performs the day-to-day portfolio and risk management functions for a product and/or is responsible for the day-to-day business, operation or affairs of a product. A manager for purposes of this Guide may be: (i) a discretionary investment manager; (ii) a non-discretionary investment advisor; (iii) a registered investment adviser under the U.S. Investment Advisers Act of 1940; (iv) a commodity trading advisor under the U.S. Commodity Exchange Act; and/or (v) an AIFM. Depending on the circumstances, "portfolio manager" and "investment fund managers" (each as defined under applicable Canadian law) and any other similar entities under applicable local law may also be considered managers

1 The benefits of a PR strategy

An effective PR strategy is a powerful tool that may make existing clients stickier by generating "brand equity" and piquing prospects' interest. An increasing number of managers now use their PR strategy as a new way to gain an edge over their peers in the competitive arena of gaining attention from investors and the best and brightest employees, among other advantages.

1.1 Advantages of a having PR strategy

Overall, a PR strategy can bring many benefits, and not having a PR strategy can carry risks. Some of these advantages are detailed below.

Brand equity refers to a brand's value and power derived from consumers' perceptions, experiences and associations with the brand beyond just the product or service itself.

Indirect engagement channel: Managers communicate with fund investors regularly to offer qualitative insights into their funds' strategies, market outlook and operational updates. Beyond this, however, IR teams do not have many other ways to deepen their connections with investors and build greater trust that may make navigating a rough performance period easier. A manager can open a new, indirect communications channel through its PR strategy.

Having a media spokesperson provide erudite reactions to market movements in a newspaper or television studio, speak at industry events and publish regular thought leadership—especially if they can leverage the credibility of a well-respected media outlet—can remind investors that the manager is best placed to protect and grow their wealth.

Attracting talent: The success of a manager is inextricably linked to its ability to attract and retain top talent in a competitive market. Effective PR can shape a positive public image of the manager, making it more attractive to potential employees by highlighting its culture, successes and growth opportunities. By mastering this tool, the manager can take control of its narrative and attract the best in the industry.

For instance, individuals in highly sought-after STEM (science, technology, engineering and mathematics) fields, who may not be discovered through traditional recruitment channels, could be unaware of the career potential in finance and particularly in alternative investments. By amplifying the industry's visibility, managers can inspire these professionals, offering a path to success and growth that rivals the opportunities in the broader financial services industry and technology firms.

Reputation management: A proactive PR strategy is like insurance for a manager's public image. When a manager that has no public image experiences a PR crisis, all the public has to assess the manager is the unfavourable information. In this sense, a PR strategy is a form of insurance. Just like insurance, the manager cannot get covered after the damage is done. Similarly, crafting the manager's response to a crisis will be more effective if it has established positive relationships with relevant journalists beforehand.

Networking and partnerships: Effective PR can also facilitate networking opportunities and partnerships. By raising its profile and maintaining a positive reputation, a manager can open doors to collaborations with other financial institutions, service providers and industry groups.

1.2 PR strategy v. media strategy

The 2015 version of this Guide focused directly on media relations instead of PR. Feedback from communications professionals working at AIMA's manager member firms suggested that as the various communications channels mature and intertwine, media relations cannot be viewed in isolation. To maximise stakeholder engagement, a modern communications strategy leverages multiple vehicles, including social media, multimedia and traditional news media, along with conferences and speaking engagements. This broader mission is more accurately described as a PR strategy rather than a narrow media strategy.

A PR strategy encompasses a range of activities to build and maintain a positive reputation for the manager with different stakeholders. Journalists are among the most important stakeholders as they arguably have the greatest capacity to help or hinder the mission. The media relations strategy focuses on them. Due to the interactive and potentially resource-intensive nature of engaging with journalists, not to mention the unique challenges and opportunities it presents compared to other forms of PR, media relations is often a distinct part of the broader PR strategy.

Some businesses will delineate between the media relations work undertaken by a press office and other public-facing content channels, including its website and social media accounts, which could be considered marketing and brand management. Attending and speaking at industry events can be bracketed under media engagement and marketing. Engaging with industry events can create a sense of community and generate brand equity.

Meanwhile, journalists also attend and host conferences, meaning that message discipline should be maintained by those taking on speaking slots or interacting with the media. A coherent strategy across all these forums will maximise positive impact.

1.3 AUM size as a factor

Insofar as it affects the budget, the manager's AUM can also impact its ability to mount a comprehensive PR strategy. The manager's AUM may also influence the media and other stakeholders' openness to receiving the manager's messages. Bigger is generally better in the eyes of journalists, although those pursuing an unusual or contrarian investment strategy may also be able to gain attention more easily than others.

The good news for smaller managers is that they can still achieve a lot with a relatively modest PR budget. Managers of any size can leverage the fact that our industry still appears mysterious and intriguing to journalists and their readers. Therefore, insiders can act as guides and educators to the media and may be rewarded with opportunities to convey their thoughts on areas where they are subject matter experts.

The primary cost of any PR strategy, at least to begin with, is the resource drain for the person(s) responsible for building and maintaining relationships with journalists and identifying opportunities to promote the manager's brand, for example, by submitting an article to the AIMA Journal or appearing in a podcast such as The Long-Short. Firms that dedicate more resources to their PR strategy may consider paid marketing opportunities, sponsoring events or hiring a PR/marketing agency either for targeted campaigns or on an ongoing basis. As the manager's PR ambitions grow, it may need to assign or hire a dedicated communications professional to pursue the strategy to ensure appropriate resource allocation.

Initial questions to consider in creating a PR strategy

Forming and executing an effective PR strategy involves considering various questions that can help tailor the manager's approach to the complexities of engaging different stakeholders. However, before considering any of the questions below that will help define the strategy, one central consideration must remain the foundation upon which everything else is built. That question is: How will this help the manager's core mission of delivering for investors? This question may seem obvious, but the underlying fact is that the manager's PR strategy ultimately exists to advance this higher mission.

This point becomes especially important when considering the risk/reward of more high-profile media engagement opportunities. To illustrate this point, consider the scenario in the call out box opposite.

Example scenario:
You are the communications professional representing a manager. You have been building relationships with journalists at a media outlet, with the ambition of securing your spokesperson a spot on their morning business TV show, where they can demonstrate your firm's market expertise.

Late one evening, one of these reporters emailed you, inviting your portfolio manager to the studio early tomorrow morning to explain market moves in a similar sector but not precisely related to your firm's investment strategy.

What do you do? Getting your firm's spokesperson in front of a large, relevant TV audience is enticing, but your colleague will have very little time to prepare for an interview that's not directly in their wheelhouse. Consider the potential benefits and drawbacks before making a decision.

Your portfolio manager's circumstances will dictate the correct response to this scenario. Still, an appropriate first step would be to weigh the risk/reward of taking or not taking the opportunity.

Building upon this foundation, other questions to ask include the following:

- **What are the manager's PR objectives? Section 1.1** of the Guide covered some potential upsides of a PR strategy. These may help the manager identify its short- and long-term goals. How do the manager's PR goals contribute to its mission?
- **Are the PR goals realistic, given the timeline and resource allocation set to achieve them?** If you are undertaking a PR strategy for the first time, you may find that your initial assessment of your goals and the necessary resources is sub-optimal. Be prepared to reassess your priorities regularly and refine your approach to achieve your goals.
- **What metrics will be used to measure success?** Expectations may be set for the number of times the manager is quoted in a relevant publication or the number of social media followers. Consider conducting an annual audit of the strength of the manager's brand and stakeholder sentiment, as quotes in the media are not always a positive outcome.
- **What are the potential risks of media relations, and how will the manager mitigate them?** Consider the risks the manager is exposed to by engaging with the media or undertaking marketing and brand awareness activities. The risks may be reputational, regulatory, economic or legal. There are specific compliance issues related to communications for managers, see **Appendix A** of this Guide. How will the manager ensure that its PR activities adhere to any applicable rules?
- **What are the risks of not initiating a PR strategy?** Ignoring the media does not mean the media will ignore you. If journalists do come knocking, having some protocols in place can maximise the chances of it being a positive experience. Additionally, consider what opportunities to engage with prospective investors and talent pool, directly and indirectly, will be missed by not engaging in any PR.
- **Who are the target audiences?** Identify the groups the manager should communicate with. Are they investors, potential employees, journalists, regulators or policymakers?

Based on the answers to the above questions, which platforms are most effective for reaching the manager's target audiences? The options include traditional media, social media, company websites, industry events and direct communications. By carefully considering these questions, the manager can develop a comprehensive PR strategy that enhances its reputation and supports its primary mission.

2

Mapping the media landscape

The 2015 edition of this Guide identified how the media landscape was rapidly changing, with traditional print media giving way to a digital-first or digital-only approach that emphasises speed of publication over in-depth write-ups. It also highlighted the disruptive force of social media and the challenges and opportunities these new communications channels presented. Since then, these themes have only accelerated. As the landscape has changed, so have the demands of the various constituencies.

Finance and political media outlets now compete fiercely to be the first to publish scoops on social media. They may operate 24 hours a day to cover different time zones. Trade publications that previously published a weekly or quarterly magazine may now only publish daily news and features on their websites.

Beyond their different publication schedules, the key differentiator between these media outlets is their audience and the sophistication of their understanding of the private fund industry. Understanding each publication's readership and the optimal way to express the manager's messages is the first step in preparing any pitch or engagement strategy.

The primary segments of the media that a manager may engage with as part of a PR strategy are outlined below.

Generalist media

National and local newspapers and magazines that write on a wide variety of topics fall under this category, as do most major broadcast news organisations (more on these below). Most have little interest in alternative investments.

Angles that may attract attention include:

- Highlighting activities in the industry that relate to personalities and their lifestyles or legal activity that they believe their readership will find entertaining;
- An interest in how alternative investment funds – primarily private equity and private credit – impact the real economy, such as doing a deal with a well-known high street brand; and
- Raising awareness of the political views of industry personalities through their donations to political causes can also be of interest to media.

Some media outlets, such as *The New York Times*, seek a deeper understanding of alternative investments. They often seek managers' insights, demonstrating their commitment to providing comprehensive and balanced coverage of this complex industry.

Business media

The business media comprises outlets covering business and financial issues across all sectors. Prestigious titles include *The Wall Street Journal*, the *Financial Times* and *The Economist*. News agencies with a strong focus on business and finance include *Bloomberg* and *Dow Jones Newswires*. More generalist news agencies that devote considerable resources to business journalism include *Reuters* and *AP (the Associated Press)*.

These publications have a global audience, with regional offices focused on various geographies. Despite being global in reach, success in attracting their interest may rest on finding a "local angle" to the manager's message that will resonate with relevant audiences.

Business trade media

Trade publications are professional journals, newsletters, magazines and websites published for highly-focused communities of readers. Many now only exist in digital form.

Further, while mainstream publications have a widespread readership, the narrow editorial focus of trade publications makes the opinions, data and information that appear within them both highly relevant and influential for the communities they serve. For managers, the advantage of proactive engagement with such publications is that their readership is extremely targeted, including investors, potential investors, consultants, policymakers, regulators, vendors and related professionals and organisations.

Since the last edition of this Guide was published, there has been a notable increase in business trade press venturing into multimedia channels, including hosting webinars, events and podcasts. Depending on the manager's PR goals, it may find more value in pitching these publications.

Broadcast media

Broadcast outlets present the most rewarding and the most challenging form of media engagement. One good turn on *Bloomberg TV* or *CNBC* can create a highly engaging and shareable piece of content that will likely boost the manager and spokesperson's brand in ways written articles are unlikely to do. However, paired with social media, a problematic interview or unguarded comment can also have more impact, potentially "going viral", and it may be difficult to repair any resulting damage done to the manager's reputation.

Broadcast outlets have become increasingly important in covering business activity. Managers should distinguish, however, between generalist broadcasters and specialist business broadcasters.

Generalist broadcasters, such as the *BBC*, *NBC News* or *CNN*, often attract large audiences from the general public and the wider business community, but their journalists/anchors are not as familiar with alternative investments. This is also true for radio outlets such as *BBC Radio 4 / 5* or *NPR*. As such, the manager's spokesperson's tone and message should be framed accordingly; avoid jargon and acronyms.

Meanwhile, *Bloomberg Business TV* and *CNBC* dominate the specialist business broadcast space. Both are generally open to input from managers, and they have reporters, editors and presenters who understand the industry well. *Bloomberg*, in particular, because it is part of a larger news organisation that includes arguably the primary newswire for the financial services community, has a team of journalists who are devoted to the alternative investments beat. More recently, this has grown to include one of the largest newsdesks focused on private credit.

When developing a PR strategy, broadcast media should certainly be considered. However, there are some special considerations of importance, the first of which is the nature of the medium itself. Most broadcast media interviews are live, though some are pre-recorded. There will be no opportunity to re-film any discussion in a live situation and only a minimal and occasional chance to do so in a pre-recorded session. Hence, only senior and experienced communicators who are well-prepared for broadcast media interviews should be considered for appearance in front of a camera.

The second factor is the nature of the audiences for broadcast media. While they often attract large viewership from the general public and the business community, consideration should be given to whether the audience is the one the manager is targeting as part of its PR strategy.

Podcasts

Podcasts, a relatively new feature in the media landscape, offer a valuable forum for reaching target audiences. They bring some of the advantages of broadcast media, such as allowing for longer-form and highly sharable content, without the risks of live TV interviews. Unlike broadcast media, podcasts are rarely recorded live, providing a more manageable environment for less experienced representatives to deliver their messages effectively. With episodes varying in length, from a few minutes to a few hours, podcasts can offer a significantly longer period to showcase the manager's offerings and deliver its messages than TV or print.

While few podcasts today can match the audience sizes of broadcast media, the podcasting space is growing rapidly. Numerous prominent names are emerging, and the landscape is quickly filling with podcasts on almost every conceivable topic. This growing popularity underscores the need for managers to consider podcasts as a viable tool in their PR strategy.

Podcasts can operate using several different commercial models. For example, *AIMA's* podcast *The Long-Short* does not charge a fee for guest appearances. Instead, it includes short ad breaks within the episode for sponsors. Prospective guests are either sought out by our producers for their specialist knowledge on a relevant topic or they pitch our producers with an episode idea.

Other podcasts follow a "pay-for-play" model. In these instances, the manager's spokesperson may be allowed more freedom to "talk up the manager's book" than on a free podcast.

Other than putting forward a spokesperson as a podcast guest, the manager can alternatively access a popular podcast's audience by sponsoring it similarly to a corporate event. The rules and terms for these arrangements vary significantly.

AIMA is active on social media. To follow AIMA on X, follow @AIMA_org. To receive updates from AIMA via LinkedIn, follow the company pages for "The Alternative Investment Management Association".

AIMA's podcast, The Long-Short, is available on all major streaming platforms and has a dedicated feed on X (@AIMALongShort).

Social media

Marketing to existing investors and prospects requires many days of research and preparation, but success can boil down to one hour in a conference room. A PR strategy can feel like turning up every day and talking to an empty room. However, consistency is key. By being mindful of best practices, the manager's reach will grow. Social media is arguably one of the most challenging aspects of a PR strategy, as it requires persistence and an acute understanding of the manager's audience's interests, not to mention the nebulous algorithms that promote certain content.

Social media sites such as *LinkedIn, X (formerly Twitter), TikTok, Instagram, YouTube, Meta (formerly Facebook)* and *Reddit* present a dizzying array of new avenues for marketing to different audiences. For many, an active presence on *LinkedIn* will be sufficient to reach the professional audience the manager's PR campaign is likely aimed at. These platforms, particularly *LinkedIn*, are where current and former employees may publicise their connection to the manager.

For those aiming to produce regular video content, a dedicated *YouTube* channel offers a venue to create an archive of content that can be posted more efficiently on the manager's other social media pages.

Beware: although video editing software is more accessible than ever, the look and feel of the manager's videos will likely have to be very different to inspire the desired reaction from viewers.

For the more ambitious social media managers, *TikTok, Instagram* and, to a lesser extent, *Meta* can be used, and are used by large asset managers. These platforms may be helpful for campaigns aimed at a younger audience, for example, by creating engaging videos that promote the manager's positive culture. For all these platforms, the presence of third-party service providers offers a reassuring solution. These providers can assist in curating and monitoring all social media content generated by authorised users within the manager, ensuring a consistent and controlled online presence.

The risks of social media

Although the manager should have a target audience, social media content is ultimately available to everyone—including those who may not be favourably disposed to the alternative investments industry. As such, ensure the content and tone of all social media posts reflect the make-up of target audiences and other users who may see the manager's content. Communications professionals fear their company will go viral for all the wrong reasons, either due to corporate activity or an employee's actions. All employees should be familiar with and observe the terms of the manager's social media and communications policies. See overleaf for more details on social media policies.

Despite the potential risks, there is a compelling case for greater engagement with social media, starting with the proactive side. Communications professionals should actively monitor social media—as they should all media—to capture and review any mention of their firm. Social media is often where negative and inaccurate information about a company first appears in public form. The manager can better manage the online narrative by catching and addressing harmful content early.

Some media monitoring agencies do this work, and some PR agencies offer similar services for social media. At a minimum, communications professionals can set up daily alerts on major search engines and specific media outlets using key terms such as the names of the manager and its senior leadership, who may be spokespeople. These will deliver a curated newsletter to an email inbox of all online mentions of the requested terms within the past 24 hours. Please note that these tools are helpful but not infallible and are only one part of an effective media monitoring protocol.

The opportunities of social media

Social media can be a low-cost way to increase brand awareness with a global audience. The first impression prospective investors, employees and journalists could get of the manager may come from social media and its website. An active website and LinkedIn page with a large "follower" community can create a positive image by allowing the manager to highlight the best aspects of the company culture and other business developments and achievements. On the other hand, some view the total lack of a digital footprint with suspicion.

A new social media page's audiance can grow organically without a marketing budget. Achieving growth requires consistent posting of engaging content. Building a comprehensive community that actively receives the manager's content and messaging can take months or even years. Like building relationships with the media, it is a journey that should start well before the manager needs to leverage those networks.

Using LinkedIn

LinkedIn is a social networking platform primarily designed for professional networking and career development. Users can create profiles showcasing their professional experiences, skills and education—like an online résumé. It allows individuals to connect with others in their industry, follow companies and participate in groups related to their professional interests.

On LinkedIn, users can:

- **Connect with other professionals:** This can include colleagues, business partners and new contacts. Connections can endorse each other's skills and provide recommendations, which are visible to others viewing the profile;
- **Post job vacancies:** The platform features job postings from various companies. Users can apply for these positions directly through LinkedIn and use their profiles as part of their applications; and
- **Share and consume content:** Users can post articles, share insights and comment on industry trends. This helps establish the manager's expertise and stay informed about industry news.

Using X

X (formally Twitter) is a social media platform where users can share short messages, including text, images, videos and links. Users follow others to see their content in a real-time feed, making X popular for quick updates, news and social interactions. The account's number of followers dictates its reach and is considered a status symbol on the platform.

X has several hundred million active monthly users globally, including various business and finance communities. This makes it a powerful tool for boosting corporate content and engagement with journalists. It can effectively promote activities on a corporate website or in the media, such as positive news stories about the firm, market reports, white papers or videos featuring company executives (e.g., conference presentations). Journalists, who are often active on X, can be easily reached through the platform either passively or proactively. For instance, a timely message about a new research paper on the company website could pique their interest and lead to a feature in their publication. X is also an alternative communication method if a journalist's direct contact details are not available.

Employee social media policy

It is common for managers of all sizes to have an in-depth communications policy within the Employee Handbook, including a significant portion devoted to social media. The policy should take into account a variety of concerns. Take new hires, for example. The policy might say that an individual needs to obtain the approval of their new employer before posting information on social media. There are many reasons for this, including the proper briefing of clients, other stakeholders and other staff members before any such updates occur.

It may be desirable for employees to update their LinkedIn page and keep it current, as potential investors almost always view these before meeting employees of a manager they are not familiar with. A paragraph bio in a presentation is important, but a LinkedIn presence is usually just as important or even more so.

Current and former employees may publicise their connection to your firm on social media platforms.

Managers should extend their media monitoring to these platforms to ensure any reference to the manager or a person's role within it is accurate and conforms to the manager's social media policy, i.e., regarding job title changes or those joining or leaving the firm.

3 Engaging with the media

Once the corporate media strategy is well defined, the manager should consider which executives will be appropriate spokespeople, how to best to get them trained and engaging as desired and how to make sure confidential information is screened and protected. Managers may also want to consider whether engaging external support may be beneficial under the circumstances.

3.1 Selecting corporate spokespeople

In a smaller manager, spokespeople are often closer to the issues and can speak with added authority. For enquiries on specific asset classes, strategies, or trends, having the team member closest to the topic may be the best person to speak to the media. For example, for a story on trends in commodity prices, the portfolio manager or lead analyst on commodities may be best positioned to comment if they have had media training and are under the supervision of a communications professional.

A consideration in the selection process is this unavoidable fact: personality does matter. From this perspective, a top portfolio manager may not be the most appropriate person to talk about the business as a whole. They may be an individual not well suited to the give and take of a free-flowing conversation in the public realm, brilliant as they might be one-on-one with a client. Or they might be given to extensive explanations that, for a Ph.D., are endlessly captivating, but, for a journalist, lack the courtesy of concision. Consider the entire picture of what determines a good spokesperson for each instance. Journalists always will want to interview the top person, but they also will be grateful for someone slightly down the chain of command who might better understand their needs.

Note that spokespeople are entrusted with speaking to the press on behalf of the manager and should be allowed to do so on a "no-blame" basis. It is not always easy to "put one's head above the parapet".

Management should recognise this and fully support its spokespeople, empowering them to convey the manager's message effectively.

Even if the manager's spokesperson gives an exhaustive explanation to a question, only a brief quote or paraphrased summary may make it into the final article, sometimes leading to misleading statements and lack of context. For this reason, it is always advisable that communications professionals are present at all interviews to ensure the rules of engagement (on/off the record, etc.) are clear and to take detailed notes on the conversation. Managers and their spokespeople must be ready for some degree of imprecision – sometimes large degrees of it – to creep into coverage despite what might be exhaustive efforts to avoid this.

3.2 Media training

To ensure that spokespeople are fully prepared to interact with the media, they should undergo a media training program designed to help them in their interviews with the media. Many firms, including PR agencies, provide this training. A media training programme should include the following elements:

- Review of corporate media relations procedures, policies and strategies;
- Review of the company's main messages for external consumption;
- Crafting of questions and answers, including basic as well as more difficult Q&As, to prepare for all potential situations;
- Review of ground rules—off-the-record, on-the-record, for background only, etc.;
- As appropriate, on-camera training sessions with comprehensive feedback; and
- Dealing with hostile reporters.

New spokespeople, in particular, are appropriate candidates for media training. Refresher courses for previously trained spokespeople should also be available.

3.3 How to engage the media

A competent communications professional, whether internal or external (e.g., at a PR agency), should, as a matter of standard practice, provide the spokesperson with a full briefing ahead of any substantial interview. This briefing should address many of the items in this section. Suppose the spokesperson does not have a communications professional to assist them. In that case, the manager should make certain to the greatest degree possible that the items discussed below are addressed before any interview takes place.

Brand consistency: Be consistent in the story told to the media across spokespeople and media outlets. Ensure that anything said by spokespeople is consistent with what is on the manager's website and what is already public about the firm via other channels. This is not to say that only the same line should ever be repeated or that spokespeople should speak only on a small set of topics. Instead, be sure to communicate the manager's efforts on a topic in a similar manner so there is consistency in the description of activities. If there is confusion in messaging, seeds of doubt will plant themselves in the journalist's mind. The result may be a journalist with uncomfortable questions, a confused story, or no story at all.

Be contactable: This is a top priority when dealing with any journalist. Always make sure that they are called back or contacted in some manner, even if it is to say that a spokesperson is unable to speak to them until a later, preferably specified time. Journalists are often under significant pressure, and their deadlines to get the required information are often very tight. Sympathise with journalists' need for speed. Assisting them in this manner can help to build positive relationships. Remember that a competitor may wish to be quoted and may well be if they respond more promptly. However, do not be pressured to give away information or speak on topics outside the spokesperson's expertise.

Be quotable: Journalists are looking for good quotes that are concise and precise, as well as often colourful and vivid. The perfect quote in a proactive situation is insightful and short, often summarising an entire situation in a compelling manner. However, even if an interview lasts for over an hour, the journalist is not obliged to use any material or any quotes from it. It is necessary to provide material interesting enough to warrant being referenced.

Know the media outlet: Become familiar with the media outlet conducting the interview. Understand the outlet's audience and be clear on what topic(s) it typically covers. The publication's advertising department often provides a media pack with details on readership and circulation. This will help you prepare fully for the interview.

Know the journalist: Research the journalist and what they have written before. Read their bio and their *LinkedIn* page. Biases may appear as a pattern in the journalist's coverage, even slight ones, e.g., in the choice of subject matter or the angle taken on divisive topics. These are important to be aware of and to understand. In the generalist press, the manager is likelier to find a "pro" and "anti" divide concerning alternative investments. The spokesperson should know who they are dealing with before unnecessarily wasting effort.

Tailor the story to the journalist: A specific trade publication may want to hear about a topic in more detail than a national newspaper. Before launching into a particularly technical topic, recognise the depth of information the journalist requires. Background research on the journalist will help in this regard.

Agree on the agenda in advance: This grants the interviewee some control over the conversation, whether over the phone or in a meeting. Ask journalists about the topics they want to cover and if there are any specific questions they would like to put forward concerning those topics. This helps with preparation and makes researching potential answers in advance possible.

Agree the ground rules: The ground rules for the discussion should be agreed with the journalist in advance, even if the intention is for the whole discussion to be "on the record". Ensure the journalist confirms the manager's request, preferably by email. Journalists understand this is part of the interview process and will generally be flexible. The manager will strengthen its relationship with the journalist if it sets the ground rules reasonably and straightforwardly, but not if it takes a very legalistic approach. It will be difficult, if not impossible, to change the terms of the interview once it has started. These are the basic ground rules as understood by nearly all journalists:

1. **On the record:** Unless specified otherwise, this is the default mode for all interactions with journalists. The term means that everything said in an interview can be used by the journalist and attributed to the interviewee. Be prepared and concise in all communications with the media, whether via a structured phone interview, a casual coffee meeting, an email exchange or a chat in the hallway at an event.

2. **On background:** Interviews may be set up on the condition of being "on background", which at times is also referred to as "not for attribution. This means that the interviewee is not identified in any resulting article, but the information conveyed is usable by the journalist. For example, a source may wish to communicate their view without putting their organisation at the forefront of a sensitive issue. Note that even if the manager is not identified by name, it may be identified in a way that is somehow transparent to readers. Confer with a communications professional if it is are unclear how to proceed. Remember the rule: if in doubt, leave it out.

3. **Off the record:** Because some issues are particularly sensitive, journalists may sometimes ask questions "off the record." This means they want to know the answer but will not necessarily use the information in an article.

There are notable cultural differences – for example, between the U.S. and the UK – in the common understanding of "off the record" and "on background". One journalist could argue that "on background" means the spokesperson's comments could be included but not attributed, while another believes the spokesperson's comments can not be used. It is always best to explicitly state the terms the spokesperson is comfortable speaking under in writing to avoid any confusion.

Moreover, just because the manager has agreed an off-the-record position does not mean that the journalist cannot take the information to other sources, and have them confirm it in a way that can be used in print. This is sometimes called "triangulation".

Avoid being a fair-weather friend: Journalists are wary of those who communicate only when there is good news to report. Being willing to discuss potentially negative news can earn respect and credibility. This will also provide an opportunity to share the manager's side of the story. Think carefully before saying "no comment". News is news, and the probability of it being reported is quite likely, regardless of whether or not the manager offers a quote.

Help to develop the journalist's knowledge and understanding: Journalists are always looking for story ideas and topics to write about. By alerting them to news or interesting topics, the manager becomes a source that they can rely on. This will benefit the manager's relationship with the media.

Avoid being (or appearing to be) arrogant, confrontational or argumentative: Most journalists are not out to get anyone or deliberately misquote their sources. Equally, do not expect all journalists to be experts. Newsrooms are

In the UK, another term that means the same as "on background" is the "Chatham House Rule", created by The *Royal Institute of International Affairs*, which operates out of *Chatham House*.

The rules allows for a more free-flowing and informative debate, which is usually used in a setting where one or more speakers are in front of a group of people, which may include journalists.

known for high turnover, and journalists often change publications, not to mention beats. Their job is to communicate to their readers, not to have the spokesperson's technical expertise. Make allowances accordingly.

Keep an open dialogue with journalists: It is important not to shut the media out even if the manager has had a bad experience with a journalist. Devote time to developing relationships. A journalist at a small magazine today may become the editor of a major publication tomorrow.

Beware of the fishing expedition: Do not allow an unexpected revelation to put you off balance, whether it is about the manager or others. Even if the manager knows the revelation is correct, the journalist may only be bluffing to get a disclosure. This point applies even to journalists to whom the spokesperson speaks often. It is acceptable to request time to respond – after checking on their deadline – and then consult internally to produce a considered response.

Never overtly link advertising with editorial policy: There is usually a thick wall between a publisher's editorial and advertising/commercial sides (including such lines of business as awards and award dinners, other events, sponsorship, subscriptions, etc.). Any insinuation that this is not the case is unlikely to be received well by journalists, who pride themselves on their objectivity. A spokesperson should not imply that a journalist or their media outlet is indebted to the manager because it has contributed to the advertising or commercial side. Conversations with each side of the divide should be treated separately to fully respect the difference between the two.

Events: The alternative investment industry hosts hundreds of events annually, ranging from breakfast briefings to major three-day conferences. There are often journalists present, and as mentioned above, all interactions are considered automatically "on the record" unless expressly stated or agreed otherwise. This arrangement gets tricky very quickly. When a spokesperson is at a drinks party after a day at a conference, is everything formally on the record? Absolutely, unless otherwise specified or agreed with a journalist.

Be aware of this risk at events, conferences, seminars and awards dinners, which are proliferating year by year. Before attending an event, in whatever capacity, ask the event manager whether journalists will be in the room and what the ground rules will be. Then, regardless, be on guard. Reserve informal comments for informal and private moments with clients. Journalists are not clients.

Mid-interview retraction: As indicated earlier, spokespeople cannot retract a statement to a journalist by belatedly saying it was "off the record" or "but you can't use that". This can irritate the journalist by attempting to backtrack. Also, by bringing it to a journalist's attention, you may even increase the chance the journalist will use it.

What are a manager's rights when speaking to a journalist? The manager is rarely under any obligation to talk to journalists. However, not speaking does not mean a story will not be written about it. If the manager should decline a journalist's request, consider who else could speak to the journalist about the topic at hand. When the manager agrees to comment, it is fair to ask when the story will run. However, not all stories written are published within the expected

For the alternative investments industry, a relevant example of the type of intense scrutiny that can come from social media occurred in 2020 when millions of retail traders converged on the Reddit Forum WallStreetBets to collaborate on exacting a short squeeze on hedge funds they perceived were unfairly trading against the high-street gaming retailer GameStop.

Although the furore passed, the consequences of such a grassroots movement in financial markets have left a permanent imprint on the minds of regulators, policymakers and those charged with shaping their firm's public image.

time frame, or at all. Those decisions lie with editors, not the writers. And even in those stories that do appear, the manager's view may not be represented.

What are the journalist's rights? Journalists are not required to use any of the information the manager gives them. Journalists and their editors decide based on what is newsworthy for readers and appropriate within the story and the issue in which the piece will appear. It is up to the spokesperson to offer something insightful and quote-worthy.

Journalists are not required to show an article or news story before it is published, and such practice is rare in the U.S. and UK. If the topic is technical, the spokesperson can offer to fact-check the relevant sections. A spokesperson can also politely request to verify their quotes, often done via requesting the interview be on a "check quotes" basis. Some finance journalists will agree to this for a one-to-one interview, understanding that quote checking is timely. Many, if not most, journalists not covering finance are completely opposed to any fact-checking or quotation verification.

Once the article is published, the manager should quickly verify the accuracy of any quotes or information. The journalist should be alerted immediately if any quotes or information provided during the interview have been misquoted or misrepresented. To the extent this is material, compliance and legal teams should be informed, and a request for a correction should be placed with the publication. It is for this reason that some managers prefer to conduct all interviews via email to maintain a written record.

Mistakes happen in high-pressure environments, even with the best intentions. Misquotes are rarely published maliciously, and editing an article after publication is inconvenient for all parties. A polite but firm request to the journalist outlining the concerns and the need for clarifications or amendments is often all that is needed for a swift correction. If handled correctly, such an incident does not need to damage an otherwise positive relationship.

Websites

A manager's website is a crucial interface between the management team and clients. Journalists studying the manager will likely visit its website as a first step. Therefore, its content must convey transparency, trust, and professionalism. Specifically, the website's messages should be carefully crafted, considering how the media might interpret them and how they would resonate with all stakeholders who might come across the site.

Many managers are transitioning from traditional, "closed" websites to more modern, "open" ones. These new websites require minimal or no authentication, making basic information about the firm readily accessible.

The amount of content available to visitors varies significantly on whether the site is closed or open. In addition to the primary material, such as a few paragraphs about the firm and contact details, some managers also offer content such as:

- A summary of the manager's investment philosophy;
- Short overviews of individual investment strategies;

- A list of key executives and their bios;
- An archive of research prepared by the manager's analysts;
- Reprinted stories in the media on the manager;
- Videos about the manager's culture or interviews with senior executives and analysts;
- A list of positions available at the manager;
- Information on the manager's programmes concerning corporate social responsibility, including philanthropy; and
- Sophisticated graphics and functionality that work well across all devices on which they might be viewed.

Very few managers offer all of these items. Typically, the larger the manager, the more sophisticated its website's content. At the other end of the spectrum, many managers' websites contain just one or two pages with limited content. Contact details may be provided, but that may only be a generic email. In almost all cases, access to the entire site is restricted in some manner. This usually involves a registration/authentication process that aligns with compliance restrictions.

For those pursuing a PR strategy, the contact details of the person responsible for handling media enquiries, whether that is an internal person or an external one, e.g., someone at a PR firm, are often mentioned on the website. Some firms offer a "newsroom" section, which could include material such as press releases, research, videos and blogs. Whichever approach is taken, the website's primary messaging should not conflict with other messages being distributed publicly or semi-publicly.

3.4 Confidential information

The media are increasingly accessing and publishing confidential communications from managers. Client letters, presentation decks and performance reports are regularly given to journalists or, in some instances, posted on websites, often only minutes after they are distributed. This happens despite confidentiality agreements that investors and third parties receiving such documents may have signed.

Managers can and should take steps to attempt to limit this unauthorised distribution of confidential material. First, remind third parties from time to time that all communications with them are subject to confidentiality agreements. In addition, electronic watermarking, password-protected file sharing and other tools are available, though none are totally effective in practice. With this in mind, managers should draft these documents, understanding that they may well appear in the public domain.

3.5 Engaging with marketing/PR agencies

Small managers, in terms of employees and/or AUM, do not typically engage with the media proactively. Nonetheless, they may still need to manage enquiries. An internal person is usually assigned for that purpose. At first, it may even be the manager's chief investment officer of portfolio manager's personal assistant.

Some managers may seek to garner as much attention as it can at a fund launch, perceiving that it will be some time before the manager has another "news hook" of the same magnitude to lure journalists. In this case it may hire a PR agency for just the brief launch period. Others with grander ambitions for their PR strategy may seek an ongoing relationship with a PR agency.

Before engaging a PR agency, the manager should perform some due diligence. Some questions the manager should consider asking the PR agency as part of that process include:

- Describe the firm's history, size, specialities, etc;
- Does the firm have international offices? If so, are these fully owned or part of a network of affiliated agencies, e.g., on a fee-sharing basis?;
- Discuss the backgrounds and responsibilities of the firm's executives and their relevant track records; and
- Who are the firm's key competitors?

Other due diligence questions the manager should consider asking the PR agency include:

Strengths and weaknesses:

- What are your firm's strengths and weaknesses?
- Can you show us case studies that are relevant to our situation?
- Where is your primary focus: standard proactive media relations? Crisis management? Transactions, e.g., IPOs, M&As? Social media? Branding? Training? Web design?
- Can you provide references?

Alternative investment experience:

- Do you have private fund clients or clients involved in the alternative investment industry?
- Has your firm dealt with crises involving alternative investment fund managers? If so, how did you handle it?
- Are you well-connected with the editors and journalists of key industry media outlets?
- What is your experience dealing with alternative investment regulatory issues?
- In your view, what are the three top issues impacting the alternative investment industry today?

Working with the agency:

- Would we have a dedicated contact or a team representing our business? Can you show us their bios?
- How often would our firms be in contact?
- What type of reports and updates should we expect from your firm?
- How do you define a successful PR programme?
- How long would implementing and deploying a strategic PR programme for our firm take?

Contract specifics:

What is your typical client billing arrangement? Do you work on an annual retainer basis? Projects? What is the price differential?

APPENDIX A: PR Regulatory Considerations

When developing a PR strategy, the manager should confer with its compliance professionals to ensure that any activities meet the regulatory requirements of a particular jurisdiction. Please note that the regulatory landscape in all jurisdictions may change further and readers are encouraged to regularly review their compliance processes to be up to date.

European Union

In the EU, any product-related press is treated as a financial promotion by regulators. Therefore, all press materials should follow local financial promotion rules and guidance in accordance with ESMA marketing guidelines (Guidelines on marketing communications under the Regulation on cross-border distribution of funds). In EU countries, press materials should be written as though for a retail audience, complying with local retail marketing regulations, including no financial or investment industry jargon, and made available in local languages. Requirements may differ depending on the jurisdiction. Therefore it is advisable for firms to make themselves familiar with these when engaging with the media in the EU.

United States

In the United States, the level of interaction that managers can have with the media depends heavily on their regulatory status, as well as the relevant fund's regulatory status, which must be considered in parallel.

Depending on its registration status, a private fund manager may or may not be able to make public statements (to the media or otherwise). Managers that are fully registered in the U.S. as investment advisers under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), are permitted to make public statements about their availability to provide investment management/investment advisory services. This will generally allow managers to discuss their strategies and investment styles consistent with U.S. law.

At the other end of the spectrum, a non-U.S. private fund manager that is relying on the foreign private adviser exemption (see Section 203(b) of the Advisers Act) from registration as an investment adviser in the U.S., is not permitted to "hold itself out generally to the public in the United States" as an investment adviser. This requirement will cause such a private fund manager to have to restrict its media relations activities so as not to fall afoul of the U.S. Securities and Exchange Commission's ("SEC") fairly strict interpretation of this requirement.

Separately, the fund's regulatory status will matter when the discussion moves away from the manager's strategies and investment style and toward the actual fund product. The JOBS Act creates potential opportunities for managers to be more engaged on more media fronts, but it does require that sales are made only to accredited investors whose status has been verified in accordance with certain requirements. Moreover, if the fund engages in transactions in swaps or other over-the-counter derivative transactions, any manager that is the commodity pool operator for that fund will need to seek an exemption from the U.S. Commodity Futures Trading Commission's rules before the fund can utilise the flexibility offered by the JOBS Act.

For managers that choose not to pursue the JOBS Act opportunities, they will be limited to making offers and sales of fund interests without making any sort of "general solicitation", a term that encompasses a wide variety of activities and behaviour in the SEC's view. In all events, any media relations activity will need to be undertaken in accordance with the relevant anti-fraud requirements. Although there is regulatory complexity in this area, it can be managed, and public relations activities are possible.

United Kingdom

In the UK there is little to no mention of pure media relations activities within regulations overseen by the UK Financial Conduct Authority ("FCA"), the UK's primary regulator of financial services firms including managers. The regulatory material most relevant to this area is found in the FCA's Conduct of Business Sourcebook, Chapter 4: Communicating with Clients, Including Financial Promotions. The provisions mentioned here are mostly concerned with proactive marketing of individual products. The most relevant language is found in rule 4.2.1: "A firm must ensure that a communication or a financial promotion is fair, clear and not misleading".

This is the primary requirement of any communication from a manager or other financial services firm.

The FCA also acknowledges that communications to professional clients may not need to include the type of information that a retail client would receive but that the fair, clear and not misleading rule should be applied in such a way that is appropriate and proportionate, taking into account the means of communication and the information that the communication is intended to convey. Beyond this, no guidance is offered concerning media relations activities.

However, standard industry practice has evolved in the UK such that it is acceptable to comment on the general business activities of a manager with the media, but it is not acceptable to discuss the specific investment affairs of a fund itself. As an example, it would be acceptable to discuss issues such as new hires, new office locations, the history of the firm, wider industry trends, market commentary and even fund strategies in general terms. It becomes more difficult if the media wish to discuss the performance of the fund itself, historic returns, AUM of individual funds and the details of the fund's strategies, including any portfolio positions. The rule of thumb is that anything which can be seen as publically selling the funds themselves is unacceptable, while anything that details the overall business of the manager is permissible.

Once a positive or helpful story appears in the press, it may be desirable to email it to external parties, e.g., selected clients. Managers should be aware that at this point, copyright issues in different jurisdictions will need to be addressed. Compliance or legal teams should be consulted before the content is distributed externally or posted on websites, etc.

Other regulatory considerations: Public disclosures

Depending on the size and composition of the manager, it may be required to report data to various regulators, who will subsequently make that data publicly available. Journalists regularly report on some of this data as it gives a rare insight into the investment portfolios of some managers and offers a general health check on the industry.

Communications professionals should be aware of the information that will be made public (e.g., through publicly available mandatory regulatory filings) about the manager, the funds it manages and the strategies it pursues to prepare for any possible reaction by the media.

Before any public disclosure, communications professionals should closely coordinate with their legal and compliance teams to ensure the information is accurate and does not violate any regulations. This can include reviewing the content of disclosures for potential insider trading issues or conflicts of interest. Depending on the content, drafting press releases, Q&A documents for media and internal communication briefs may be appropriate. Ensure all communication materials are clear, accurate and consistent across all platforms for different stakeholders.

Appendix B: About the Communications Network

We are grateful for the invaluable guidance and support provided by the working group and AIMA Communications Network in updating and expanding this Guide. AIMA's Communications Network comprises of communications and marketing professionals representing AIMA's fund manager members, who hail from various sizes (in terms of AUM and employee numbers), investment strategies, and geographies.

The group's combined expertise, representing several decades of experience in communications and media relations roles, has been instrumental in this endeavour.

APPENDIX C: About AIMA

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with around 2,100 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than US$3 trillion in hedge fund and private credit assets.

AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry.

AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage over US$1 trillion of private credit assets globally.

AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).

For further information, please visit www.aima.org.

The global representative of the alternative investment industry