



## Investor Relations

A few weeks ago I wrote about the critical role [placement agents](#) play in conducting the intricate orchestra of GP messaging, LP requests, and fundraising herding. Although many placement agencies are gradually evolving into a holistic business model that assists GPs in establishing long-term and ongoing relationships with prospective LPs, their primary use can still be viewed as “seasonal” or more impactful when GPs are fundraising. On the other hand, Investor Relations (“IR”) personnel are embedded and captive within a fund manager. Communication, reporting, capital formation, business development, fundraising, education, relationship management, narrative development, stakeholder management, and market analysis are among the many tasks placed on the shoulders of IR people. These folks live and breathe the ethos of the GP they represent and are arguably the most important people in the organization. The multi-pronged essential nature of an effective IR person cannot be overstated – they deserve their flowers.

The shape-shifting abilities of efficient IR personnel are reminiscent of the versatile “mimic octopus” in how they seamlessly and unerringly perform a broad array of duties. As an investment analyst who has worked with hundreds of people in IR, I have encountered various personalities, styles, and demeanors. Despite bias in my choice of appealing temperaments, I attempt to objectively summarize the qualities that make good IR professionals invaluable below.

- **Exemplary Face and Advocate of the Organization:** When I think about my Rolodex, network, or contacts, most of the names that come to mind are IR people. If you mention a fund I have interacted with in the past, there is a very high likelihood that the name and face associated with the manager will be that of the IR person. I am not, in any way, trying to diminish the role of the deal architects, value creators, and other supporting staff within a fund. As a matter of fact, with smaller managers, there is an all-hands-on-deck approach that necessitates the participation of multiple people in the IR role functions. However, managers who have the means to hire a full-time IR professional must cherish this individual since his or her disposition will indeed become the de facto attributed persona of the entire organization. Listening ability, non-defensiveness, introspection, EQ, responsiveness, humility, passion, etc. are all traits that if well exuded by the IR individual, positively transfer to how the entire firm is viewed.
- **Dangerous Investment Knowledge:** Investors do not expect that the IR person will be able to answer all their questions regarding intricate details of fund transactions. But boy is it refreshing to deal with an IR person who is knowledgeable enough about fund transactions to be dangerous (in the best possible way). Having an individual dedicated to LPs at your disposal who can answer questions quickly and with respectable detail makes GP interactions so much more efficient. There is a reduced need for so many “We will get back to you” or “We sent your questions to the investment team” responses when the IR person has adequate command of the fund’s investment strategy, deal highlights, and track record. Certain things will still require confirmation by the investment team, and some questions will inevitably stump the IR person, but having a knowledgeable individual who can be accessed more easily by LPs builds confidence in the entire organization.
- **Human Description of the Rainmakers:** It is common for members of a fund who make the most crucial investment and value-adding decisions to be shrouded in a decent amount of mystery. When these rainmakers meet with LPs, conversations tend to be time-constrained, a little cagey, and plagued with either over-sensitivity or tone-deaf bluntness. Although these sessions are gold mines for qualitative data points, there is still a lot that can be lost in translation. Any statements that have the potential to



be misconstrued can be clarified and humanized by a skilled IR person (either during the interactions with key personnel or in follow-up sessions). The most effective IR people take time to build unique and personalized rapport with all current and prospective LPs and can deftly put things into perspective if/when confusion arises. The prudent investor should understand that the primary allegiance of the IR person rests with the GP, so healthy skepticism should always be in play. Nonetheless, it is always beneficial to have access to someone within a fund who can act as a reliable liaison to talk things through.

- **Plain English Description of Internal Workings/Happenings:** Related to the above point, the IR person is essential in providing plain-language explanations of internal processes and/or occurrences that tend to be obscured by excessive corporate jargon. Occasionally, certain aspects or developments within a fund may appear more unexpected, unprecedented, or vague than they actually are. For example, a fund's hierarchy, key-person terms, degree of personnel turnover, fee structure, new product rollout, etc. can read as apathetic or cavalier on the surface, but a skilled IR person can provide the needed nuance and context to ease the digestion of information. The ability to synthesize clunky (for legal and compliance reasons) LP communications into plain everyday informal language is always appreciated.
- **Fundraising Composure:** One of the most stressful periods for an IR professional is during the height of fundraising. At this point, the stakes are extremely high, and it is not uncommon for the value of an IR professional to be measured by the capital they bring in. Strangely enough, I have witnessed that the most seasoned IR people are at their calmest during this hectic period. I have a straightforward theory as to why this is the case. The most experienced individuals in IR are astutely aware that the best time to engage in relationship-building and marketing is when actual fundraising is in the distant future. Communicating openly and transparently with existing LPs during non-fundraising periods contributes to building a sense of trust which is heavily factored in during due diligence for a subsequent fund. When prospective LPs are concerned, experienced IR people know that genuine interactions explaining the fund's investment strategy, team, firm culture, and points of differentiation well before fundraising, allow both parties to gain valuable insights about each other. Strategic pre-fundraising work makes the process of fundraising a logistical puzzle rather than a steep uphill battle.
- **Annual meeting Orchestration:** During, and at the successful conclusion of an [annual meeting](#) is one of the few times you hear public praise for IR staff. I am sure competent IR individuals frequently receive their due honors internally, but it is at annual meeting sessions that they get to take a public bow. The fingerprints of zoned-in IR professionals are visible all over annual meetings. The meeting format, the shared content, the overall theme, the atmosphere of the event, the check-in protocol, the accessibility of fund staff, seating arrangements at meals, guest speakers, the breadth of invitees/attendees, AV setups, and parting gifts all reflect the personality of the IR person in charge. It never fails that IR professionals who are most aware of the prevailing investment environment and keenly understand the common concerns of investors also throw the most successful events.

I have interacted with a wide variety of IR people in my many years as an allocator. It is difficult to provide a comprehensive scorecard for every one of them. There are, however, a few exemplary IR people I immediately think of to whom I would like to give well-deserved flowers: [Monica Vitoria](#), [Jeff Doran](#), [Philip Lo](#), [Alex Sadighi](#), [Juan Sabater](#), [Britton Leigh](#), and [Tom Franco](#).

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