

How to Write Investment Commentary People Will Read

BASICS OF EFFECTIVE COMMENTARY

- I. Know your readers
- II. Be provocative
- III. Structure clearly
- IV. Simplify sentences
- V. Use plain language

KEYS TO EFFECTIVE COMMUNICATIONS

Compelling
Clear
Concise

I. KNOW YOUR READERS

WIIFM

Who are your readers?

We are gratified by how well our portfolios held up.

Client-focused letter – YOUR portfolio

Tips for Reporting Poor Performance

- 1.
- 2.
- 3.

Review: Know Your Readers

1. Identify your readers
2. Identify the WIIFM
3. Highlight the WIIFM as you write

II. SAY SOMETHING PROVOCATIVE

- A. Use controversy
- B. Your turn to be provocative—What would you discuss if you were writing today?

III. STRUCTURE CLEARLY

1. Organize your thoughts before you write
2. Write strong topic sentences
3. Use layout to help readers follow you

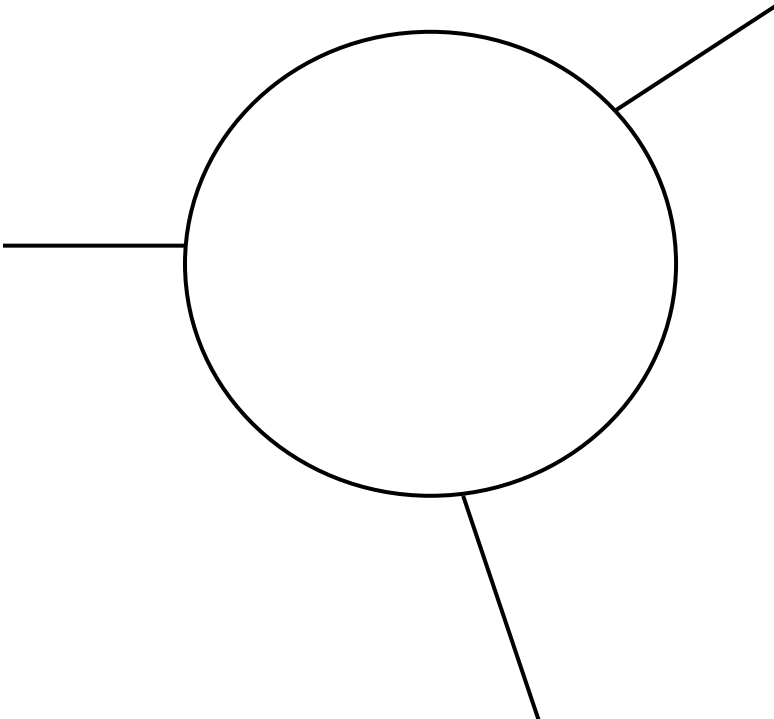
Use mind mapping to organize before you write

Draw Your Own Mind Map (see next page)

1. Put your topic in the middle.
2. Name three or more branches.
3. Create as many sub-branches as you need.
4. Analyze the result.

Selected software options

- Mindmeister
- Mindomo
- Mindjet



A. First-Sentence Check

Your Draft

Today's employment report is a disappointment. We will skip most of the numbers since they are available in all the press releases.

Markets got ahead of reality; this is weak economic recovery. Expectations vs. reality is the issue at hand.

The United States faces the worst employment conditions seen during the entire post-World War II period. We have one out of 20 college graduates without work and seeking work. This is double the norm. It means the highest paid component of the labor force is languishing. The US economy needs rising labor income to accelerate. It does not have it in either the highest paid or the lowest paid cohort; nor does rising labor income appear anywhere in between.

The human tragedy is large. One out of eight single moms is unemployed. These folks teach, nurse, do administrative services, or may clean your office. They usually commute to work. They often use public transportation because their household budgets are tight. They have kids at home and try to maintain a household. They use day care. They face an enormous struggle. They exemplify the human tragedy at work in the US labor force.

Your First-Sentence Check

1. Today's employment report is a disappointment.
2. Markets got ahead of reality; this is weak economic recovery.
3. The United States faces the worst employment conditions seen during the entire post-World War II period.
4. The human tragedy is large.

B. Layout

Headlines

- The Economy
- History as Prologue in the Interest Rates Market
- Traditional IRA Cost Basis Records

Bold Key Messages

Use Graphs

Review: Structure Clearly

1. Use mind mapping to organize ideas before you write.
2. Analyze your mind map to create strong introduction and topic sentences.
3. Use layout to make your ideas easier to follow.

IV. SIMPLIFY SENTENCES

42

14

2

www.HemingwayApp.com

Tips:

1. Use strong verbs

The stock market rose due to the impact of the Fed's cut in the fed funds rate.

2. Kill adverbs

Today's banking system has morphed into something **entirely** different and **inherently** more risky.

3. Eliminate forms of "to be"

Inflation was rising rapidly, which was inflicting pain on bond holders.

4. Be possessive and precise

The tone of the market improved by the end of the week.

5. Use bullet points

Each month, you can expect a summary report via email that includes your portfolio's performance results, attribution analysis on our valuation model and portfolio characteristics. We send the summary reports no later than six business days following month end.

6. Analyze complex sentences

With only two more Fed meetings remaining in 2007 (on Oct. 31 and Dec. 11), the issue remains whether the Fed's unexpectedly aggressive 50 basis point cut in the fed funds rate last week was intended to shock the markets to restore confidence or, they are concerned that the underlying economic conditions are worse than most of us think.

V. USE PLAIN LANGUAGE

Exogenous factors

50 b.p.

Mitigate

What's one tip you'd like to try?

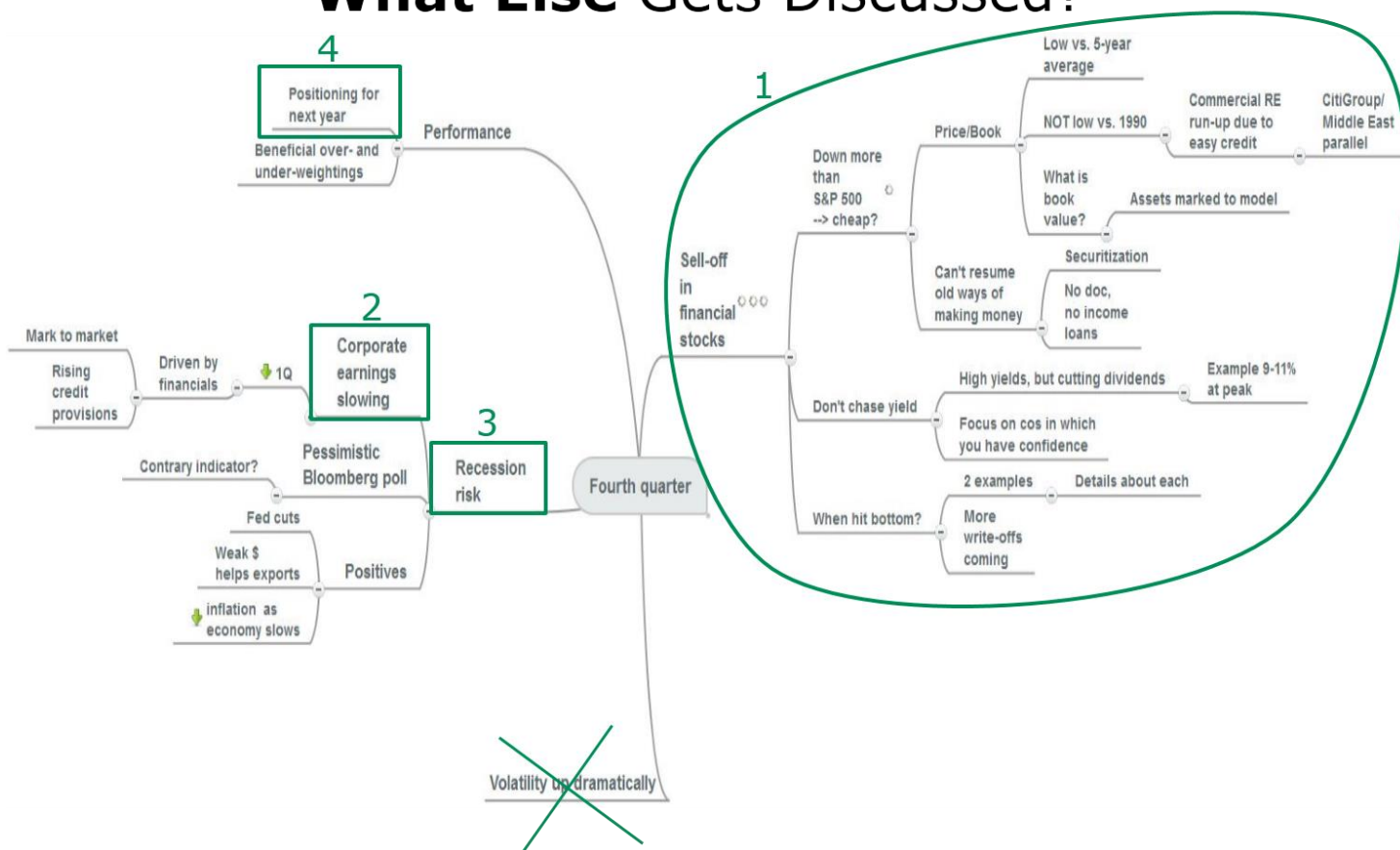


Email newsletter@investmentwriting.com with “Atlanta” in the subject line or give me your business card to receive **“Ten Tips for Investment Commentary That People Will Read”** and my free monthly newsletter.

For more tips and worksheets, buy *Financial Blogging: How to Write Powerful Posts That Attract Clients*.

More info at investmentwriting.com/book/

What Else Gets Discussed?



- No part of this presentation may be reproduced without the written permission of the author.
- Credit: Selected graphics by Margaret Patterson Company.
- Susan Weiner, CFA, is the author of [Financial Blogging: How to Write Powerful Posts That Attract Clients](#), which is tailored to financial planners, wealth managers, investment managers, and the marketing and communications staff that supports them. Read [her blog](#) or follow her on [Twitter](#), [LinkedIn](#), or the [Investment Writing Facebook page](#).