PREVIEWS FROM OUR SAMPLES LIBRARY

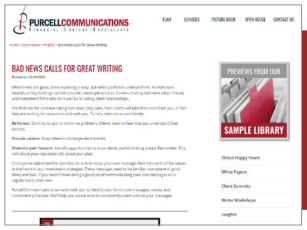
PURCELL COMMUNICATIONS

The Perfect Down-Market Communications Piece

Downturns put a lot of stress on investment companies and advisors, because they put a lot of stress on investors. It's hard to know what to say, or how, when your clients are upset about losing money. But these moments are probably when your client relationships face the greatest test. It's a dangerous time to go silent. In fact, a downturn can actually be a powerful opportunity to strengthen your relationships with timely and valuable insights.

We recently conducted an informal but broad survey of down-market communications put out by different kinds of firms, including large asset managers, boutique managers and wealth advisors. The pieces we collected generally broke down into three categories: the quick reassurance (i.e., **Blog Style**), the data-driven examination (**Deep Analysis**) and the comforting chat with a smart manager (**Manager Q&A**).

From Our Library
Bad News Calls for Great Writing



BLOG STYLE

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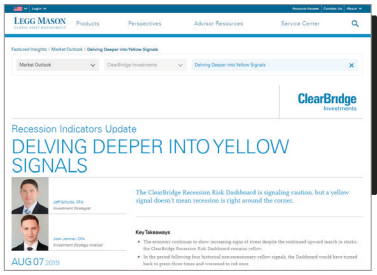

MANAGER Q&A

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We found a wide range in terms of the quality and effectiveness of the messages presented in down-market communications. After ranking the samples internally, we pinpointed common threads that drove such missives to be more or less effective—our **Do's** and **Don'ts**.

1

DO give your title an emotional edge. Emotion is an unavoidable part of investing. Build a bridge with your clients by showing them you can help them manage those emotions constructively. Tap into the topic right away by calling a spade a spade, then reveal a viewpoint ("time to wait and see") or include an emotional word ("worries are warranted").

2

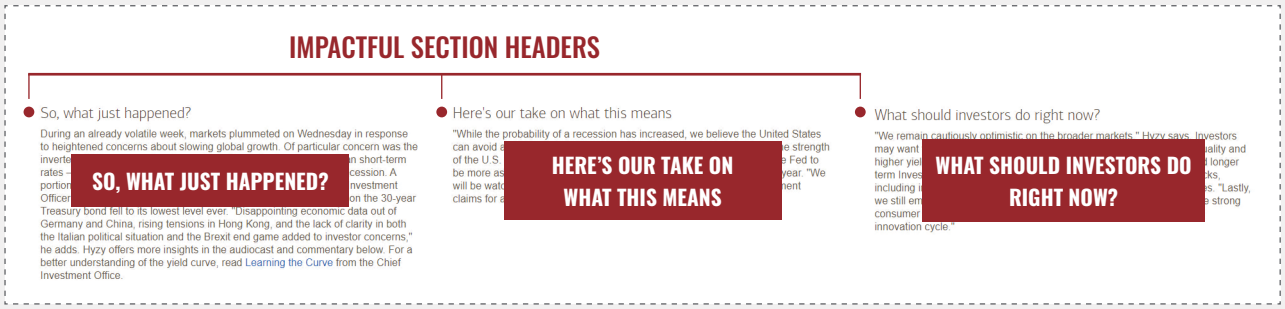
DON'T run through the laundry list of topics, as this sample does. At a time of climbing anxieties, the message should be tight. When market downturns are sudden and severe, investors want to hear your bottom line. Here, investors are essentially being asked to reach their own bottom line after wading through many topics.

3

DO cover the key components. In our view, the best down-market messages included:

- a brief rehash of market developments,
- the manager's or advisor's take on the situation, and
- what clients should do about it.

This approach appeals to clients who are tracking hourly headlines, as well as those who are not following the news as closely. It ensures that you've left them with a clear impression of your viewpoint and what they should be doing about the situation—the guidance that investors crave.



4

DO make actionable advice easy to find. It's not enough to give guidance; you also need to make sure that these takeaways stand out visually. Use bold headers or up-top "Key Takeaways" callout boxes to draw visual attention to the most salient and sought-after points.

KEY TAKEAWAYS

- **2. Don't panic.**

  Letting emotions dictate your investing strategy is a risk you shouldn't take. Short-term decisions can have long-term consequences on your portfolio. Being patient can pay dividends.

- **3. Know your portfolio.**

  Understand your investments and how specific assets represent different goals and outcomes. Keep in mind your risk tolerance and investment timeline, and if either has changed, consider talking to your financial advisor about rebalancing your portfolio. Diversification can potentially help balance risk during a downturn and mitigate extreme swings in value.

- **4. Stay the course.**

  Remember your financial plan and long-term goals and stick to them. A disciplined investment approach is a sound strategy for handlin market downturns and will likely enable you to participate when the markets rebound.

- **5. Consider opportunities.**

  Working with your financial advisor, determine whether periods of volatility are a good time to take advantage of investment opportunities in line with your long-term plan.

5

DON'T mimic sell-side language, as this sample does. Even if your audience skews to the institutional side, messages are more appealing and easier to engage with when they take a conversational tone. The single most common error we saw in down-market communication was a tendency to use deep-insider industry lingo.

INDUSTRY LINGO

Given the current environment and potential that we are in the latest stages of the cycle, it may be helpful to consider what strategies historically performed well relative to the market when the lurking risks are poised to come to the forefront. These might include portfolios that:

- 1. Spread risk equally across all constituents and are less concentrated than those based on market capitalization weighted indexes
- 2. Allocate to stocks exhibiting lower volatility metrics than the overall market
- 3. Focus on companies that pay a meaningful dividend

A downturn shouldn't be the first time that your investors hear about risks and how you, their trusted guide, prepare for them. Yet, market shocks and periods of escalating anxiety are powerful times to connect with your clients and demonstrate the value that you offer them. Whatever format you use for your next down-market communication, don't miss the opportunity to be there for your clients and investors.

THE PERFECT DOWN-MARKET BLOG POST

Three reasons to sit tight through this week's market stress

KEY TAKEAWAYS

- We think the current market swings are being driven by a few minor headlines that are likely to resolve within days or weeks
- The more important drivers of stock values, especially trends in company earnings, are still in good shape
- While we think **investors should sit tight, it's a great time to revisit your overall allocation**

Markets have had a tumultuous ride over the last three days. While investors may be feeling a bit of whiplash, we believe the market pressures are being driven by a few issues that are probably going to resolve in days or weeks.

THE HEADLINES CAUSING HEADACHES

The first issue driving wild markets is the latest report on U.S.-China trade talks. We think the real news is not quite as dire as the headlines – the two sides are actually coming closer together on a number of key issues. With presidential primaries on the horizon, we believe the coming weeks will reveal better-than-expected progress in negotiations.

3 REASONS TO SIT TIGHT

1. We think the current hot-button headlines—trade talks, the accounting inquiry into Major Company ABC, and the monthly jobs report—are briefly painting an overly pessimistic view of the economy.
2. Company earnings reports have been significantly better than expected.
3. Policymakers look ready to make supportive moves—i.e., more interest rate cuts—if conditions deteriorate.