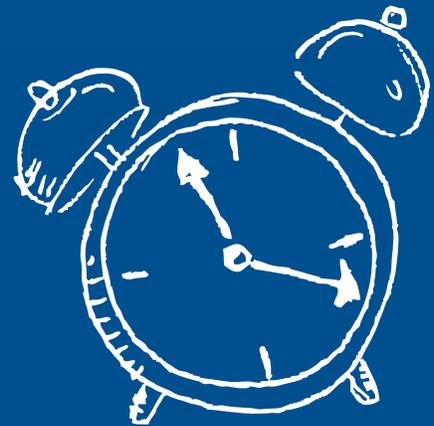


# Your Commentary Prep-Book

Get ready for crunch time –  
in no time



marketing inc.

[www.ext-marketing.com](http://www.ext-marketing.com)

Commentary writing — from MRFPs, quarterlies and monthlies to fund sheets and newsletters — is a lot of work. There are tight timelines, lots of emails, multiple rounds of review and much, much more to keep you working day and night.

Ext. Marketing Inc. is Canada’s leader in writing and editing MRFP, quarterly, and other ongoing commentaries, and our client list includes many of the country’s largest financial services providers. Ext. Marketing Inc. is here to help. If you want to start the next commentary period off strong, this prep-book is for you.

## What do you need ... right now?

	Commentary questions you should start asking.....	Page 3
	Create a fund info list.....	Page 4
	What do you prefer: broad strokes or deep dives?.....	Page 5
	Simplify your commentary writing.....	Page 6
	Simple ways to write better commentaries.....	Page 8
	Time-saving tips for writing commentaries.....	Page 9
	A proofreading checklist for commentary writers .....	Page 10

**How can you  
improve your  
commentary  
process?**



## Commentary questions you should start asking

Commentaries are time consuming and time sensitive.

They're also cross functional. Your fund accounting, legal, investment, marketing and product teams all have a hand in the process. So we want to start you off with seven questions to get you thinking about your commentaries.

Keep these questions in mind throughout the entire process, and take notes, too, because you'll want to review how things went afterwards.

1. Are you including the required information?
2. Do you have enough time to deliver?
3. How can you get the information you need faster?
4. Are you delivering the highest-quality work?
5. How can you get everyone working together?
6. Is there a better way to manage this project?
7. Does this project interrupt your current initiatives?

There is ultimately one overarching question: how can you improve your commentary process? The questions above should help you get focused on the right answers.



## Create a fund info list

Commentaries involve content from a wide variety of sources, need numerous reviews and approvals, and have non-negotiable timelines.

To make the process as streamlined as possible, it helps to compile some key information in one document – as early in the process as possible.

### Fund info list

It is worth the time to create a reliable reference list that includes full and correct information for things that need to be precise, or that need to be checked often:

- **Fund names.** Use exact names – is it Short Term Bond Fund or Short-Term Bond Fund? Be sure to update this list with any new mandates or name changes. A Simplified Prospectus is often the best place to confirm full fund names.
- **Benchmark names.** Again, be precise, because these are very difficult to check against external sources.
- **Portfolio manager and sub-advisor names.** Keep an exact list and update it regularly, since sub-advisors do change fairly often and companies' legal names do as well.
- **Underlying funds.** Again, the more exact the list, the easier it will be to cross-reference your information.
- **Inception date.** This information will help your writers know how to position the attribution information in MRFP commentaries.

Check and update this list each period. If you also produce material in French, a version of this list with your company's chosen French terminology will be invaluable for translation.

Share this list with your writers, editors, reviewers and anyone else who may need to use or check this kind of information. Be careful to allow only a few individuals at your company to update this list when necessary, as it loses its value if it's not reliable.

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**Tip: A Simplified Prospectus is one of the best places to confirm full fund names.**

# What do you prefer: Broad strokes or deep dives?

When portfolio managers and analysts sit down to write commentaries, they are often faced with dozens of possible content ideas that range from the many macroeconomic events that occurred over the reporting period to the individual reasons behind a decision to sell a portfolio holding.

Planning the right approach – and deciding what to leave in or leave out – can take more time than many people have allotted.

Here's a question: do you want to speak in broad terms or do you want to get deep into specifics? Each approach has benefits...and drawbacks.

## The 5,000-foot approach.

This is when you speak broadly about events, which helps you avoid writing about highly complicated investment concepts that most people may not fully understand. But will your readers learn enough about their investment through this approach?

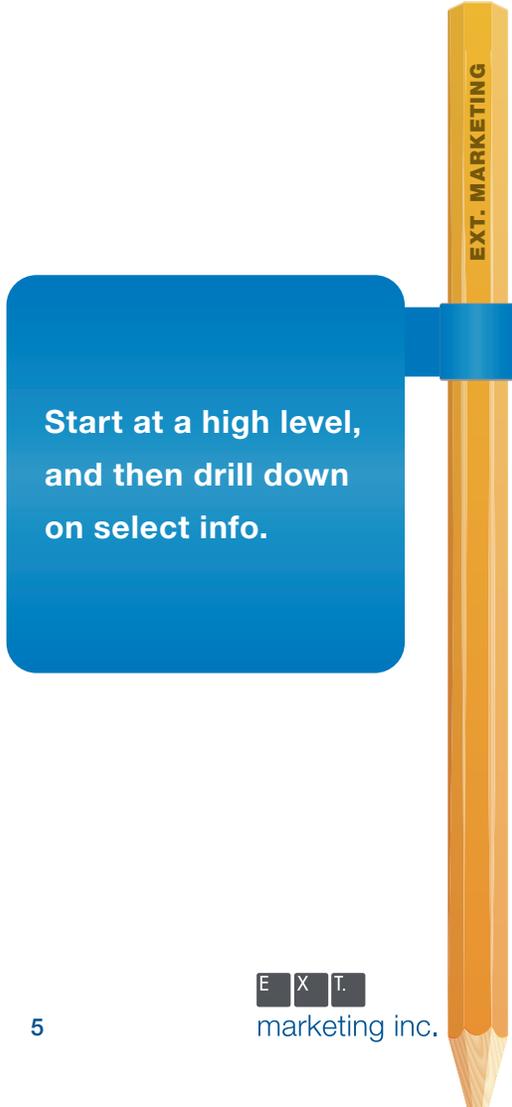
## The granular approach.

This is where you get your hands dirty discussing all the details. This option has benefits in that it helps clarify the portfolio manager's actions, intentions and beliefs. But will your readers be able to wade through all that info? Do they even want that level of detail?

## The third way.

From our experience, combining both approaches is the best way to ensure your commentaries are readable and meet all the regulatory requirements regarding disclosure. That means starting at a high level, and then drilling down on select information.

*It's something to think about.*



**Start at a high level,  
and then drill down  
on select info.**



## Simplify your commentary writing

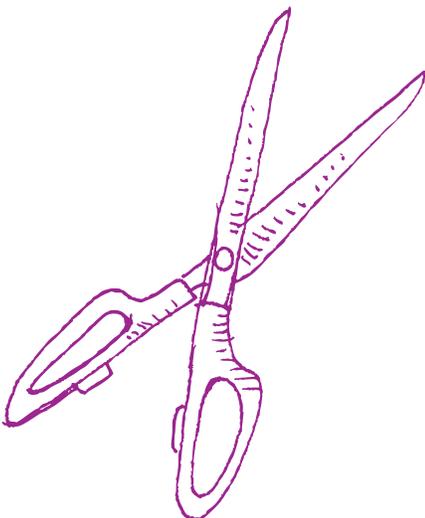
There's always another regulatory or commentary season right around the corner. That means longer hours, lots of emails and, if you're writing your company's commentaries, a blank page. This is your opportunity to explain to your retail investors how your mandates performed over the period – and why.

If writing commentaries isn't your top priority, don't fret. To write tighter commentaries during the next regulatory season, here are some simple changes you can make when writing about the most recent reporting period.

### Cut, slice ... and then chop

Sometimes great commentary writing is a matter of finding the right words. Other times, it's about finding just one word. There are 10 phrases in the left column below. We read them all the time, and they have one shared problem: they are a little awkward. Luckily, these phrases can be easily replaced by the alternatives in the column on the right:

<b>Awkward</b>	<b>Alternative</b>
At the present time	Currently
Based on the fact that	Because
During which time	While
For the duration of	During
From the point of view of	For
Has a preference for	Prefers
In an effort to	To
Notwithstanding the fact that	Although
Through the use of	By
With the exception of	Except



## Simplifying your single words

You can also improve your commentary writing by replacing complicated words with others that are more familiar and friendly to a retail audience. In the left column are words we hear every day, while the column on the right offers more reader-friendly options:

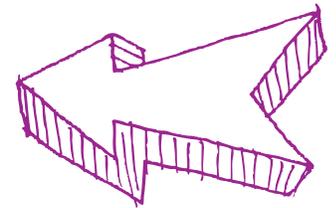
Awkward	Alternative
Consequence	Result
Demonstrate	Show
Feasible	Possible
Initial	First
Locate	Find
Necessitate	Need
Pending	Until
Represents	Is
Solely	Only
Subsequent	Next

*What a difference one word can make!*

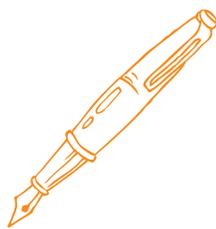
## Focus on easy reading

One of the most important tasks facing writers is to ensure their writing is easily understood by their audience, especially when writing about investing.

So find the right word and put your readers first. *They deserve it!*



# Simple ways to write better commentaries



Here are some tips to speed up your regulatory deliverables process.

## Remove investment slang

This seems easy. It's not. People in the industry hear slang terminology so often it begins to sound like everyday language, but these terms may be unfamiliar to many retail investors. Check out these three examples of slang that creep into commentaries:

*"Europe's sovereign debt issues are hurting investors."*

*"U.S. equity markets climbed a wall of worry in the face of mounting concerns."*

*"Investors worried about a hard landing in China."*

"Hurting" and "hard landing" are somewhat intuitive for retail investors, but they can mean different things to different people and, as such, are open to misinterpretation. "Wall of worry," on the other hand, is downright confusing for retail investors, and should be changed into clearer and more understandable language.

## Keep your MRFPs to under 700 words

You're asking too much from your readers if you write any more. Save your lengthy write-ups for your quarterly commentaries, where you have less regulatory scrutiny. With a little expertise and the right words, you can turn that 1,400 word dissertation from the portfolio advisor into a fluid, easy-to-read and insightful commentary that meets all your regulatory requirements.

## Write to the correct reporting period

Lines can get crossed between portfolio advisors and their analysts. With so many documents changing hands in such a short period of time, it is no surprise that quarterly commentaries are often delivered by accident instead of semi-annual MRFP commentaries.

Writing to the correct time period – "the previous six-month" or "the previous 12-month reporting period" – is a must, and be sure to update any performance/attribution data that doesn't speak to the correct time period.

**Avoiding slang ensures investors know exactly what your portfolio advisor means, and can help you get your commentaries through the approval process faster.**

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# Time-saving tips for writing commentaries

Looking for more tips? These six could save you hours. They're easy to implement and you'll see results immediately.

## 1. Heads up!

Let everyone – portfolio managers, analysts, project managers and your compliance team – know the timelines well in advance, and then remind them again a few days before the process gets underway.

## 2. Use the right language

Don't send copy to compliance that won't be accepted. That means removing investing jargon and overly technical terms like "risk on/risk off," "headwind/tailwind," "hawkish/dovish" and "when rates backed up." It's important to find suitable alternatives that an average investor would understand.

## 3. Think about repetition

Does every single fund need a different macroeconomic section? It's important to spend some time on that question because if you choose "No" you could cut down on a significant amount of work by repurposing copy.

## 4. Shorter is better

Tight copy that gets to the point will always win. Your readers will appreciate your brevity if it helps them get a better picture of what happened over the period.

## 5. Know your reporting period

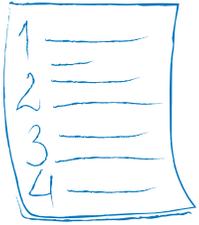
Six-month MRFPs can be a problem because investment teams are more familiar with quarterly and annual reviews. In your communications leading up to the project, emphasize the time period.

## 6. Create a style guide

Does your firm write sector names with an uppercase or lowercase letter (e.g., the Energy sector or the energy sector)? Does your firm use the serial comma or not? If everyone is on the same page, reviewing will take less time.



**Lengthy write-ups are better for quarterly commentaries.**



# A proofreading checklist for commentary writers

If you write monthly, quarterly, semi-annual or annual commentaries for use in marketing tools, MRFPs, fund sheets or newsletters, this is for you. It's a proofreading checklist tailored specifically for financial services commentary writers.

There's nothing better than having your work reviewed by a professional editor or proofreader (like those at Ext. Marketing Inc.). But we also know that's not always possible. So keep this checklist on your desk and catch any sneaky errors that may have slipped by you.

## Copy

- Do a thorough spellcheck (and double-check whether it's supposed to be in Canadian or U.S. English)
- Check grammar for consistency (in document and across all commentaries)
- Check that sentences read correctly and paragraphs make sense from a structural standpoint
- Verify reporting period
- Confirm data in tables is correct
- Verify benchmarks, fund names and portfolio managers/advisors
- Confirm that performance numbers are correct and in the right currency
- Verify addresses, phone numbers and any other important contact information, if necessary
- Keep a running style guide. If you decide to use an upper case "F" on "Fund," for example, write it down in your style guide so you never forget that rule

## Layout

- Circle obvious widows and orphans (widows are single words that dangle alone at the end of a paragraph, orphans happen at the beginning of a page)
- Check text and paragraph alignment, removing frequent word breaks
- Verify the fonts used are correct
- Make sure any publication names are italicized and headings are bolded properly
- Verify colours (or greyscale) are correct and consistent
- Check overall alignment of all elements, including tables and graphs

**Writing commentaries is a lot of work – editing them shouldn't be. With just a few extra minutes – and this list by your side – your commentaries will be cleaner and easier to read!**



If you need help with your regulatory and commentary deliverables – from writing and editing to project management – please contact us:



416.925.1700



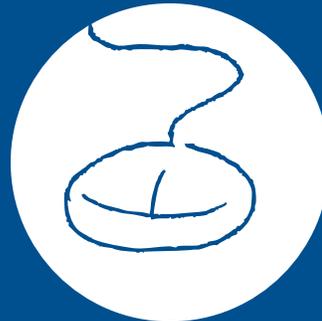
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Ext. Marketing Inc. helps financial services firms achieve their marketing and communications objectives – on time and on budget. Our clients include tier-one banks and insurers, mutual fund companies, private equity firms, hedge funds and credit unions.

Make us an extension of your team.

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