

by Bruce Frumerman, CEO, Frumerman & Nemeth Inc.

April 2026

## Does Your Fund Suffer Under The Top Criticism Of Investors And Consultants?



The leading complaint from investors and consultants is that portfolio managers frequently fail to distinguish themselves from their competitors.

This intelligence has surfaced over the years from multiple sources. Recently, seeders highlighting their due diligence vetting with emerging managers noted how lack of differentiation often leads to rejection. Similarly, family office investor panel members have, at multiple industry conferences, repeated this complaint to audiences of their peers. Even performance data reporting companies such as eVestment have stated that investors and consultants regularly share this concern.

This endemic lack of clarity and originality in messaging from investment firms has led to widespread perception that most portfolio managers are interchangeable. This makes it difficult for money managers to build relationships with and win allocations from sophisticated investors.

The problem of poor differentiation is not about performance; it does not relate to funds having comparable returns to their competitors. So, what drives this widespread perception among prospective investors?

Let's look at key causes of undifferentiation.

### **Mimicry in Marketing Materials**

Many portfolio managers attempt to replicate what other money management firms in their asset class display in their pitchbooks.

This tendency for portfolio managers to copy what they believe are acceptable industry norms stems from a desire to appear credible or to follow what they think is perceived as best practice. However, when the majority of firms use similar layouts, language, and content, the result is a sea

of sameness. By mimicking materials from competitors, any opportunity for genuine differentiation is dead. Managers who rely on mimicry, whether they realize it or not, reinforce the impression that they are just another face in the crowd.

### **Overly Repetitive Emphasis on Experience**

Another prevalent issue is repeatedly highlighting the number of years team members have worked in the industry.

The frequency of this information appearing multiple times within a single pitchbook is notable and, frankly, embarrassing. *Yeah, you've done this before. So have countless others. And did you think I didn't comprehend the point the first time?* Private equity firms are especially prone to this habit. (I can't tell you why, I can only share what I've observed over the years.)

Prospective investors, inundated with similar materials, perceive the firms that repeatedly republish the number of years of experience they have — and provide little detail regarding running their product — as clones of one another.

While experience can be a valuable credential, excessive repetition does little to enhance a firm's image or convey its unique strengths. It can even backfire, causing investors to question whether the firm has anything new or innovative to offer.

### **Lack of Needed Detail for Sophisticated Investors**

Perhaps the most significant misstep is failing to thoroughly articulate the portfolio manager's investment philosophy and strategy.

Sophisticated investors are looking for transparency and depth, not just generalities. They want to understand the reasoning behind investment decisions, the risk management framework, and the factors that differentiate one firm's process from another.

When managers do not clearly describe their approach, both in meetings and, importantly, in written materials, they end up sounding generic. Vague or minimal explanations can make even the best portfolio manager fade.

Statements such as “*we take a Warren Buffet approach to investing*” or “*we eliminate human emotion by running a systematic quant model*” are rampant in investment sales pitches. These “me too” phrases do not set firms apart. Instead, they show a lack of originality and effort, and signal that the firm is just like many others.

To counter this, portfolio managers should strive to explain what specifically makes their approach unique, including how their research, analysis, or execution differs from the norm. Providing examples, case studies, or a deeper discussion of proprietary methods can help demonstrate true expertise and set the firm apart in the eyes of sophisticated investors.

### **Lack of Awareness of How the Portfolio Manager Thinks**

If a portfolio manager's insights are not widely shared or recognized beyond a one-time verbal talk-through given at initial sales meetings, the organization will be perceived as being one more interchangeable firm seeking allocations. Establishing thought leadership to demonstrate the intellectual acumen of management is no longer optional. It is essential for business growth. Regularly sharing unique perspectives through content marketing helps maintain differentiation from peers.

## A Quick Test for Your Marketing Content

Would you like to assess whether your marketing content stands out? Here is a self-test tip to try: Remove your firm's name from all the copy in your marketing collateral where you describe how you invest and replace it with the name of any of your top competitors. Would the copy points all still hold true? If so, your firm is coming across as a me-too, undifferentiated manager — similar to many others who are vying for the same prospective clients.

It is crucial to remember that sophisticated investors want to determine whether luck or skill drove a fund's returns. The less detail provided about the investment process, the more the manager seems indistinguishable from competitors and the more likely good returns will be perceived to be luck.

### Take Action

If any of these issues resonate, it is time to stop repeating your marketing mistakes.

Transform how prospective investors view your firm by developing and marketing a clear, differentiated narrative. Your goal should be to consistently present information that cannot be easily replicated by others in your space or mistaken for another firm's messaging.

Become recognized as an investment firm that effectively differentiates itself and you will have gained a competitive edge over most of your peers. This, in turn, will ease the process of attracting interest and securing allocations from sophisticated investors. Show investors clear evidence of original thinking, depth of expertise, and a willingness to communicate openly, and they are far more likely to engage and consider your firm and its investment offering.

Differentiation is not a superficial exercise in your fundraising. It is a strategic imperative that can drive your business growth and long-term success in a competitive marketplace.

# # #

© Frumerman & Nemeth Inc. 2026

### About the author

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 38-year-old financial communications and sales marketing consultancy that helps financial services firms create brand identities for their organizations and develop and implement effective new marketing strategies and programs. Frumerman & Nemeth's work has helped money management firm clients attract over \$7 billion in new assets, yet they are *not* third-party marketers.

The firm has decades of experience as professional storytellers, content strategists and content creators. Frumerman & Nemeth is internationally recognized for its work in crafting for clients the beyond-the-numbers story of how they invest — content that investment committees actually discuss, debate and vote on behind closed doors when considering firms on a short list for potential investment. Importantly, this is required due diligence content that cannot be communicated in pitchbook format.

The firm's work also includes providing strategic consulting on product and strategy-specific branding, crafting the required strategy-specific content detail and designing and producing the marketing tools needed to make it through the two-month to two-year institutional selling cycle. Clients also employ Frumerman & Nemeth to help promote the intellectual acumen of management — helping them get speaking opportunities, write and give speeches as panelists or stand-alone speakers at industry conferences, and through media relations marketing services.

Mr. Frumerman can be reached at [info@frumerman.com](mailto:info@frumerman.com), or by visiting [www.frumerman.com](http://www.frumerman.com).