



A GP's Demeanor – Fear Of Judgment and Rejection, Nervousness, Insecurities, Anxiety, Etc.

When investment managers meet with potential investors, it is common knowledge that these investors are evaluating more than merely the manager's strategy. They are also evaluating the organic atmosphere in the room, the level of mutual respect, the rapport among the GP team members presenting, the manager's openness to various questions, the manager's willingness to provide sincere answers, and the manager's body language. This scrutiny of various tangible and intangible aspects seems almost unfair. However, in a business that demands a relatively quick road to familiarity, every nugget of information helps.

Many emerging managers I speak with focus intently on and worry incessantly about how prospective LPs will receive and perceive their every single word, thesis positioning, and organizational mission/promise. Understandably, horror stories from peers, past missteps, personal insecurities, and a litany of advice from all manner of helpers create a sense of dread when pitching. Having spent over two decades on the other side of these pitches, I have seen my fair share of personality variations. Some examples are the smooth silver-tongued room oxygen glutton, the shaky nervous wreck, the unencumbered over sharer, the gracious room reader with ample emotional intelligence, and so on. Indeed, personal preferences and biases will lead some allocators to favor certain investment managers. However, I think the days of achieving positive outcomes from glitzy marketing gimmicks, professional wordsmithing, and hollow lip service are gradually winding down.

LPs have generally become savvier to cheap tricks that look good on paper but don't necessarily translate to actual value. Manager pedigree, eloquent speakers, seemingly airtight narratives, historical success, and confidence in strategy still hold significance, but they no longer buy a non-stop ticket to the vicinity of the finish line. There will always be managers who command gravitas through sustained discipline, evidence of consistent value creation, and impressive long-term integrity. However, despite some hard-to-explain traction here and there for certain managers, sectors, or strategies, the playing field remains relatively flat. I tell emerging managers (and in fact all managers) that authenticity and the absolute recognition of the human side of the business will always put you in the conversation.

On too many occasions to count, investor relations professionals or placement agents have tried to prepare me for the presentation flaws of a fund's principal. Statements like "he/she is not a smooth presenter because he/she gets too bogged down in details," or "he/she does not create an engaging story because he/she is not a marketer," or "overlook his/her awkwardness and just pay attention to the content," etc., are more distractions than anything useful. These preparative tips are often intended to serve as a helpful heads-up or supportive insight, to convey increasing rapport; however, they introduce an unnecessary layer of scrutiny instead. I believe GPs' support staff and their agents should have faith that allocators can distinguish quirks and nervousness from a viable investment strategy. I don't mean to broadly and mockingly dismiss the helpfulness of a well-timed heads-up, but I think the way attention is drawn to something should be more of a subtle "hey, by the way" than "watch out for that".

From my experience, here are a few quick thoughts on how managers should confront the fear of judgment and rejection, anxiety, and sheer dread that sometimes accompany presenting to allocators.

- **Humans on both sides:** It is critical for GPs to be acutely aware that sitting across the table are individuals who likely share similar sensitivities to theirs concerning rudeness, dismissiveness, and arrogance. Being authentic is always encouraged, but this shouldn't come at the expense of decorum.

- **Awkwardness is not a bad thing:** Most allocators will typically accommodate and even embrace awkwardness if the GP exhibits a thoroughly researched strategy and demonstrates convincing mastery of the subject matter. I honestly believe that anything GPs feel self-conscious about, thinking it is awkward, if harnessed, will likely become their superpower.
- **Inexcusable aspects:** Unrestrained arrogance, weak theses, blatant deflections, and a poor understanding of the competitive landscape are a few aspects that I find difficult to forgive. A mutual respect for everyone's time necessitates that all parties come prepared and demonstrate humility.
- **Dexterity with material:** Although thoroughly rehearsing and tightly sticking to a pitchbook may seem like a logical method to combat nervousness and display meticulousness, it can, in fact, convey the opposite impression. Most allocators intentionally ask questions that aren't directly addressed in a GP's presentation, so an inability to deviate from prepared material can create anxiety and indicate a lack of complete mastery of the investment strategy.
- **Pandering:** Despite the logical need for decorum and the weight that is justly or unjustly placed on a meeting with an allocator, I believe that pandering should never serve as a way to show respect or as a refuge when feeling nervous. Be who you are; unnecessary extra sauce can be off-putting.
- **Introspection:** All presenting GPs should be ready for vulnerable introspection when meeting with LPs; this is the most human stance, and it is difficult to dismiss outright someone who already shows deep introspection. If you believe in your organization's mission and can demonstrate the viability of your investment strategy, being open about past mistakes, learnings, vulnerabilities, and imperfections (as well as how you plan to overcome them) quickly endears you to prospective LPs.
- **Very few presenters are pristine:** Sometimes nervousness and anxiety show how much your strategy matters to you; lean into that angst, and as the meeting gets going, the calmness will follow. Although smooth, confident speakers tend to attract more initial attention, there are times when their prose can appear overly polished and thus relatively inauthentic. Sentiments that may not be flattering, such as "he/she could sell ice to an Eskimo, " "he/she sounded like an actor, " or "he/she probably does this so often that it sounds like a mental script, " readily come to mind. Understanding that most people exist on a continuum between imperfect and perfect should motivate all GPs to express themselves as best they can.
- **Remember you are in the arena:** I have said this many times to emerging managers, but I will say it again: remember that you are in the arena, taking risks that most people in the world wish they had the courage to take. Yes, the rewards, if successful, are lucrative and more than worth it, but there is a lot of heartache endured (and more to come) that most people don't have the pain threshold to withstand. Although allocators stand in judgment positions, I can assure you that most of us are keenly aware of the immensity of what you are trying to accomplish. Whether broadcast or not, we respect you for trying, so go forth and set positive examples for those that follow.



I believe that allocators value authenticity and comprehensive knowledge over polished presentations when assessing investment managers. A GP's authenticity, acknowledgment of vulnerabilities, and expression of a profound understanding of the pursued strategy are more important than simply speaking perfectly. Ultimately, a combination of a viable strategy, genuine human connection, intellectual camaraderie, and trustworthy long-term integrity will attract discerning allocators to pay attention to a GP.

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