



*Alternative Investment Insight through Research, Training and Increased Efficiency*

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# Introduction to AI Insight

Let AI Insight help you expand your business in today's  
regulatory-centric environment

*AI Insight*  
659 High Street | Worthington, Ohio 43085  
(877) 794-9448 | [www.aiinsight.com](http://www.aiinsight.com)



Alternative Investment Insight through Research, Training and Increased Efficiency

## Company Overview

Founded in 2005, **AI Insight Inc. is a leader in alternative investment research, education and compliance documentation.** Financial firms and advisors can research the individual investment offerings from AI Insight’s universe of programs to train, track compliance activity, access marketing support and monitor ongoing performance—all via a customizable, dedicated platform.

AI Insight also helps alternative investment managers **elevate their visibility in the industry, increase program accessibility and promote transparency.**

**AI Insight is an easy-to-use, web-based tool** that gives broker dealers, RIAs and financial advisors access to hundreds of open and closed alternative investment programs. It also serves as a documented protocol to **meet FINRA compliance requirements** associated with alternative investments.



**AI Insight offers a convenient way for broker dealers, RIAs, financial advisors, alternative investment managers and sales representatives to connect.** We’re currently working with about 160 broker dealers and RIAs representing about 50,000 advisors. We’re also working with more than 140 alternative investment managers whose investments are included on the platform.



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## **AI Insight Value Proposition**

- Why • How • What
- Primary Objectives

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## Why • How • What

### WHY?

- In today's regulatory-centric environment, Broker Dealers, RIAs and advisors need confidence to offer complex product lines to remain competitive.

### HOW?

- Conduct thorough, independent analysis on alternative investment offerings and implement a compliance documentation process.

### WHAT?

- Presentation of alternative investment offerings in a consistent and transparent manner must be demonstrated to regulators.



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## Primary Objectives



Provide a centralized database to support research and review of alternative investment products for financial firms and financial advisors.



Offer consistent, prospectus-based training and education on Alternative Investment programs. Provide documentation to meet regulatory requirements.



Facilitate communication between Broker Dealers, RIAs, Financial Advisors and Alternative Investment Managers, making it easier to do business.



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## **AI Insight Subscriber Benefits**

- Key Benefits by Audience
- Extensive Industry Network
- AI Insight CE Courses

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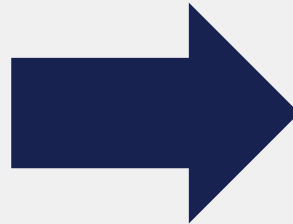


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## AI Insight – Key Benefits

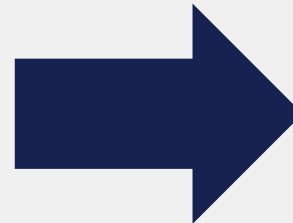
**Support Regulatory Compliance and Create Efficiencies To Offer Complex Investments**

**Independent Broker  
Dealers RIAs and  
Financial Advisors**



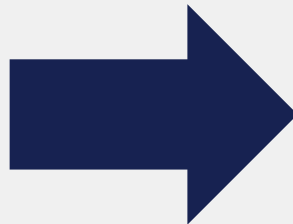
- Alternative Investment Research & Training
- Support Compliance Documentation with the Training, Education & Research log
- Comparative Product Reporting

**Alternative  
Investment Managers  
and Sales Associates**



- Support Broker Dealer Training Requirements for Alternative Investment Programs
- Build and Offer Generic Continuing Education (CE) Credit Courses
- Communicate Commitment to Transparency

**Industry Associations  
and Third-Party Due  
Diligence Firms**

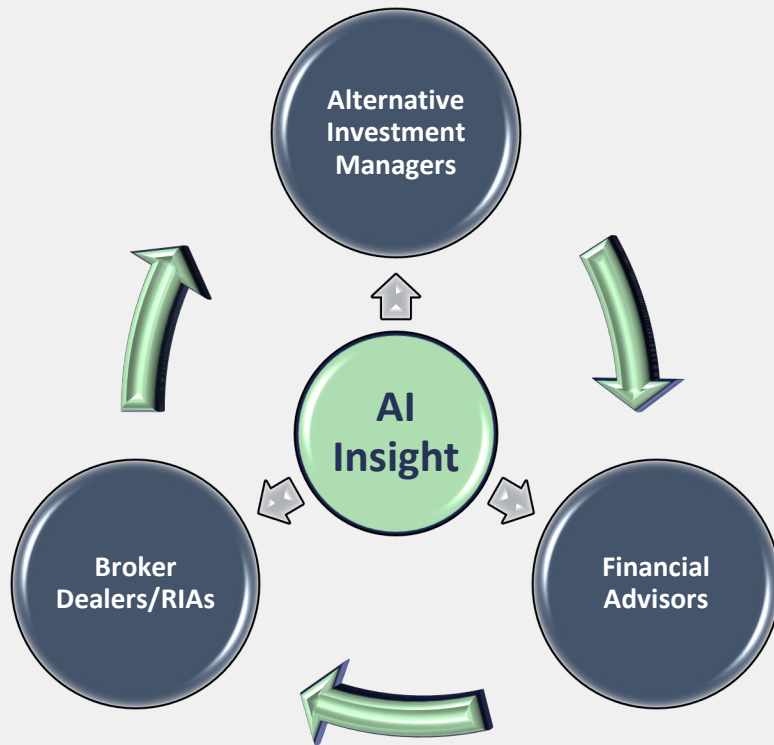


- Increased Awareness and Ease of Distribution of Firm's Educational Materials and Reports
- Opportunity to Offer Financial Advisor Level Reporting and Updates
- Create and Introduce CE Credit Training



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**AI Insight created a fast-growing network of independent registered investment advisors, broker dealers and family offices that are expressly interested in alternative investments.**



- **About 150 broker dealers and RIAs varying from 10 to 10,000 financial advisors** rely on AI Insight's research and training capabilities to help understand complex products.
- **Provides an efficient way for broker dealers, RIAs and financial advisors to research products** to ensure their compliance processes all while increasing their assets under management.
- **Offers Alternative Investment Managers tools that make it easy to use lead data** to help sales associates prospect and connect with key broker dealer and RIA contacts directly through the platform – plus share events and marketing materials.





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## AI Insight CE Courses

To assist in fulfilling professional designation and Firm Element requirements, we offer over 120 courses, including periodic webinars, for CE credit including:

- Basic Overview: Private Placement Offering Rules – Prohibition of General Solicitations
- Cybersecurity Awareness for Financial Professionals
- Introduction to the Alternative Allocation Strategy
- Introduction to Alternative Mutual Funds
- Introduction to the Equity Long Short Strategy
- Introduction to the Equity Market Neutral Strategy
- Introduction to Hedge Funds
- Introduction to Internal Revenue Code 1031 Private Placements
- Introduction to Interval Funds
- Introduction to Leveraged and Inverse ETFs
- Introduction to the Managed Futures Strategy
- Introduction to Opportunity Zones
- Introduction to Private Equity
- Principal At Risk Structured Notes
- Principal Protected Structured Notes
- Structured Certificate of Deposit
- Structured Products Payoff Structures



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## **AI Insight Research Capabilities**

- Performance Reporting
- Industry Reporting
- Analysis Capabilities
- Product Comparison Tools
- Alternative Mutual Fund Research

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## Access Hard-To-Find Industry Data

Get access to Premium Reporting tools to compare funds available on AI Insight

### Program Fee & Expense Report

- Perform detailed fee and compensation analysis.
- Compare industry mean, median and range values by category, including how each feature ranks against similar programs.
- Review fee categories organized by Offering Phase, Operational Phase and Liquidation Phase.
- Receive ongoing updates directly from supplements, 10Qs, 10Ks and more.

### Financial Performance Reporting

- Unbiased monitoring of key performance metrics for non-traded REITs, BDCs and closed-end interval funds.
- Review performance information from financial filings—both during and after the offering period.
- Compare performance using customizable charts and spreadsheets.
- Export information to add your own data or commentary.

### Comparative Reports

- Create comparison reports based on 120+ program features.
- Conduct independent analysis on alternative investments.
- Run side-by-side comparisons based on any criteria in the AI Insight Program Summary.
- Identify differences between next generation programs once one offering closes and another is introduced.



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## Access Hard-To-Find Industry Data

### Industry Reporting Capabilities

- **Review alternative investment trends and historical market data** including insights for non-traded REITs, BDCs, Closed-End Interval Funds, Private Placements and Alternative Mutual Funds.
- **You can receive up to 24 extensive reports per year** to help broaden your alternative investment review coverage.
- **Keep watch on trends** within each industry through our industry snapshot reports and efficiently monitor programs through our fund-level reporting.
- We conduct an extensive review of available programs and provide **key financial statistics for each industry and program** such as distributions and coverage ratios, sector allocations, capital raise, leverage ratios and more.
- **We provide data going back five years** as well as commentary on the trends to help you monitor and make informed decisions.



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# Industry Reporting Sample View

Industry Report

Public Non-Traded REIT Industry Insights - (Q4 2018)

Top 10 by Raise  
Sponsors & Programs

Capital Raise  
Financing

Distributions  
AUM

Overview Totals	
Sponsors	28
Programs	65
Open	24
Closed	41
AUM	\$86,007,795
Open	\$24,805,894
Closed	\$61,201,901
Combined Capital Raise (YTD)	\$5,625,948
Combined Capital Raise (QTD)	\$1,714,987

**Total Programs and Sponsors**

Year	Total Sponsors	Total Programs
YE 2018	28	65
YE 2017	29	76
YE 2016	29	82
YE 2015	29	82
YE 2014	30	80

Top 10 Capital Raise	QTD	YTD
Blackstone Real Estate Income Trust, Inc.	\$787,608	\$2,911,211
Griffin-American Healthcare REIT IV, Inc.	\$82,766	\$272,864
Black Creek Industrial REIT IV Inc.	\$85,485	\$200,610
CIM Income NAV, Inc. (fka Cole Real Estate Income Strategy (Daily NAV), Inc.)	\$38,882	\$181,382
Starwood Real Estate Income Trust, Inc.	\$164,874	\$164,874
Carter Validus Mission Critical REIT II, Inc.	\$31,738	\$159,543
Black Creek Diversified Property Fund Inc.	\$37,697	\$149,726
Jones Lang LaSalle Income Property Trust, Inc.	\$49,702	\$137,556
Cole Credit Property Trust IV, Inc.	\$91,764	\$91,764
Strategic Storage Trust IV, Inc.	\$21,714	\$72,700

**Sponsor and Program Insights**

During Q4 2018, there were 24 public non-traded REITs (NTRs) actively raising capital (open NTRs) and 41 NTRs that are closed but have not yet liquidated (closed NTRs). Nine programs closed in 2018, including four in Q4, with only four new programs opening during the year. Griffin Capital Essential Asset REIT II suspended its offering pending a merger with Griffin Capital Essential Asset REIT. Two sponsors, Lightstone Capital and MVP Capital, decided to leave the NTR market altogether. Liquidity events included five mergers, four completed asset sales, and only one listing on a public exchange. American Finance Trust, Inc. (formerly American Realty Capital Trust V, Inc.) listed on July 19, 2018, at \$15.00 per share. The stock declined 8.62% after its listing in 2018, roughly in-line with its Diversified category peers. As of March 31, 2019, APIN has declined 17.03% YTD compared to positive 13.76% for its peer group average. NAREIT reported that there were only five IPOs in the traded REIT market in 2018, one of the lowest numbers over the last decade and roughly a quarter of the 19 IPOs in 2013. Continued discounts to private market prices for public REITs could lead to further M&A and sales as opposed to listings for 2019 liquidity events.

New Sponsors	
Starwood Capital Group Holdings, LP	07/30/2018

Sponsor Departures	
Lightstone Capital Markets	03/25/2018
MVP Capital Partners, LLC	08/06/2018

New Programs	
Phillips Edison Grocery Center REIT III, Inc.	08/28/2018
Rodin Income Trust, Inc.	08/30/2018
Strategic Student & Senior Housing Trust, Inc.	08/30/2018
Proccalcanti Hotel REIT, Inc.	11/19/2018

Closed Programs	
Inland Residential Properties Trust, Inc.	01/03/2018
NorthStar/RXR New York Metro Real Estate, Inc.	03/31/2018
KBS Strategic Opportunity REIT II, Inc.	07/31/2018
Griffin Capital Essential Asset REIT II, Inc.	08/20/2018
Steadfast Apartment REIT III, Inc.	08/31/2018
CNL Healthcare Properties II, Inc.	10/01/2018
Carter Validus Mission Critical REIT II, Inc.	11/27/2018
Cole Credit Property Trust V, Inc.	12/31/2018
Cole Office & Industrial REIT (COIT III), Inc.	12/31/2018

Liquidity Events			
NorthStar Real Estate Income II, Inc.	01/31/2018	Merger	
NorthStar Real Estate Income Trust, Inc.	01/31/2018	Merger	
NexPoint Real Estate Finance, Inc. (Formerly Nexpoint Multifamily Capital Trust, Inc.)	04/17/2018	No Reference	
Resource Income Opportunity REIT, Inc.	05/07/2018	Sale of assets	
American Finance Trust, Inc. (Formerly American Realty Capital Trust V, Inc.)	07/19/2018	Listing on an exchange	
Hines Real Estate Investment Trust, Inc.	07/26/2018	Sale of assets	
NorthStar/RXR New York Metro Real Estate, Inc.	10/22/2018	Merger	
Corporate Property Associates 17 - Global Incorporated	10/31/2018	Merger	
Phillips Edison Grocery Center REIT II, Inc.	11/18/2018	Merger	
KBS Legacy Partners Apartment REIT, Inc.	12/20/2018	Sale of assets	
KBS Real Estate Investment Trust, Inc.	12/20/2018	Sale of assets	

Capital Raise Insights	
Active programs raised \$4.7 billion in 2018, the highest amount since 2015. Closed programs raised \$889.9 million through distribution reinvestment programs. While fundraising across the industry has picked up, it has also become more concentrated in the top sponsor. Blackstone increased its leadership position to 63% of capital raised by active sponsors in 2018, up from 47% in 2017. Perpetual life NTRs represented approximately 82% of the capital raised YTD (which includes Blackstone), and the industry remains focused on core real estate strategies at nearly 90% of capital raised.	



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## Access to Hard-To-Find Industry Data

### Alternative Mutual Fund Research Capabilities

- **Alternative Mutual Funds are growing in popularity** and, as a result, we've seen an uptick in regulatory activity. To help advisors meet their need of performing thorough due diligence on Alternative Mutual Funds and to better understand the complexities of these investments, AI Insight offers fund-level research and category-level education on 80+ funds.
- **The Alternative Mutual Fund Research report** covers comprehensive insight into investment strategies and processes to help advisors frame their use of liquid alternatives while also making it easy to automatically capture and document efforts for regulatory compliance purposes.
- **Our Alternatives-centric strategy** provides a report as well as education to help advisors apply Alternative Mutual Funds in their practices. Easily compare details of each fund, to include financial performance, in a customizable and dynamic way.



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## **About AI Insight**

- Leadership
- Contact Information

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## AI Insight Expertise – Executive Management



### **Sherri Cooke | Founder & Chief Executive Officer**

Sherri Cooke has been active in the financial services industry for over 25 years and founded AI Insight in 2005. Prior to forming AI Insight, Sherri was an alternative investment industry consultant focused on product development and positioning, due diligence, compliance and key account management. She also worked in product marketing and education, as well as with the strategic implementation of alternative investment products within the broker dealer community. She began her career in the industry with Daseke & Company providing financial analysis and investor services. She currently serves as an ADISA board member, was previously an IPA board member and participates in several businesswomen networks. Sherri received her Bachelor of Arts degree in Economics from Bucknell University. She holds her FINRA Series 7, 63 and 39 licenses.



### **Jennifer Simon | Chief Operating Officer**

Jennifer Simon joined AI Insight as the firm's Chief Operating Officer in 2011. Jennifer has been active in the Financial Services industry since 1994. Prior to joining AI Insight, she had an impressive 17-year career at Ameriprise Financial. During her last 9 years at the firm, she was responsible for the distribution of all Alternative Investments. This included overseeing the non-traded Real Estate Investment Trusts, Managed Futures, Hedge Fund Offerings, 1031 Real Estate Exchange Program, syndicate offerings of Closed-end Funds and Structured Products offered through a network of more than 10,000 financial advisors. Her responsibilities included overseeing the product strategy and management, research, review and approval of new products along with the implementation of those products and the on-going product management. She received her Bachelors of Science degree from Iowa State University and holds her FINRA Series 7, 24 and 79 registrations.

View more at [www.aiinsight.com/about-us/team-bios](http://www.aiinsight.com/about-us/team-bios)

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