

Is your firm in compliance with the alternative investment regulatory requirements?

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 compliance documentation process.

What?

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

Questions? Contact AI Insight Customer Care at (877) 794-9448 ext. 710 or customercare@aiinsight.com.

Reference the following FINRA Notices To Members (NTMs) and the corresponding AI Insight platform tools that offer regulatory support.



FINRA Notice	Excerpt of FINRA Notice	AI Insight Support of FINRA Notice
NTM 03-71	Reminder to members when selling non-conventional investments to conduct adequate due diligence to understand the features of the product, perform a reasonable-basis suitability analysis and perform customer-specific suitability analysis in connection with any recommended transactions.	AI Insight provides tools to research and compare 120+ program features including offering price, distribution rates, compensation structures, all aspects of offering fees, net proceeds and more
NTM 05-26	FINRA is concerned about the number of increasingly complex products that are being introduced to the market in response to the demand for higher returns or yield. Some of these products have unique features that may not be well understood by investors or registered persons.	AI Insight offers program-specific education and research resources for hundreds of open and closed alternative investments based on the prospectus or PPM.
NTM 05-59	FINRA guidance concerning the sale of Structured Products.	AI Insight users have access to unbiased education modules for Structured Products programs on our platform to help firms provide balanced disclosure in promotional efforts and ascertain accounts eligible to purchase structured products to help address this guidance.
NTM 10-22	Broker-Dealers must conduct reasonable investigations in Regulation D Offerings also known as Private Placements.	AI Insight currently covers 181 private funds that are raising capital, representing just over \$8.9 billion in capital raise/AUM ¹ . AI Insight users have access to research, sort, compare, and analyze all of the funds in our coverage universe.

¹As of February 2021

FINRA Notice	Excerpt of FINRA Notice	AI Insight Support of FINRA Notice
NTM 13-18	FINRA guidance on communications with the public concerning Unlisted Real Estate Investment Programs	AI Insight provides unbiased representation of offerings at the program level consistent with the current prospectus or PPM. AI Insight provides ongoing updates related to these programs to help firms ensure that their communications accurately and fairly explain how the products operate.
Rule 2310	FINRA guidance on suitability and recommendations related to Direct Participation Programs.	AI Insight offers program-specific education and research resources for hundreds of open and closed alternative investments based on the prospectus or PPM, including Direct Participation Programs. Documentation for all research and training is logged to help firms address the suitability aspect of this Rule.
RN 12-03	Guidance to firms about the supervision of complex products, which may include a security or investment strategy with novel, complicated or intricate derivative-like features.	AI Insight Financial Performance Reporting tool, including Industry Reports, offers access to hard-to-find key financial metrics, and the ability to compare performance using customizable charts and spreadsheets.
Investor Alert: Alternative Funds Are Not Your Typical Mutual Funds	Compared to a traditional mutual fund, an alternative fund typically holds more non-traditional investments and employs more complex trading strategies. Investors considering alternative mutual funds should be aware of their unique characteristics and risks.	AI Insight Alternative Investment Research Report offers the ability to evaluate an aggregation of insightful quantitative and qualitative data including fund company, strategy, portfolio and investment advisor overviews. Plus, run side-by-side fund comparisons based on 70+ features, such as strategy, exposure, fees and performance.

Disclosures

This material is provided for informational purposes only and is not intended as, and may not be relied on in any manner as legal, tax or investment advice, a recommendation, or as an offer to sell, a solicitation of an offer to purchase or a recommendation of any interest in any fund or security offered by Institutional Capital Network, Inc. or its affiliates (together “iCapital Network”). Alternative investments are complex, speculative investment vehicles and are not suitable for all investors. This material does not intend to address the financial objectives, situation or specific needs of any individual investor. The information contained herein is subject to change and is also incomplete. This industry information and its importance is an opinion only and should not be relied upon as the only important information available. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed, and iCapital Network assumes no liability for the information provided.

This material is confidential, is the property of iCapital Network and may not be shared without the written permission of iCapital Network. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission of iCapital Network.

Products offered by iCapital Network are typically private placements that are sold only to qualified clients of iCapital Network through transactions that are exempt from registration under the Securities Act of 1933 pursuant to Rule 506(b) of Regulation D promulgated thereunder (“Private Placements”). An investment in any product issued pursuant to a Private Placement, such as the funds described, entails a high degree of risk and no assurance can be given that any alternative investment fund’s investment objectives will be achieved or that investors will receive a return of their capital. Further, such investments are not subject to the same levels of regulatory scrutiny as publicly listed investments, and as a result, investors may have access to significantly less information than they can access with respect to publicly listed investments. Prospective investors should also note that investments in the products described involve long lock-ups and do not provide investors with liquidity.

Securities may be offered through iCapital Securities, LLC, a registered broker dealer, member of FINRA and SIPC and subsidiary of Institutional Capital Network, Inc. (d/b/a iCapital Network). These registrations and memberships in no way imply that the SEC, FINRA or SIPC have endorsed the entities, products or services discussed herein. iCapital and iCapital Network are registered trademarks of Institutional Capital Network, Inc. Additional information is available upon request.