



Alternative Investment Insight through
Research, Training and Increased Efficiency

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 Andy Van Erp at (877) 794-9448 ext. 715 or avanerp@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 |
|-------------------------|---|--|
| <p>NTM 03-71</p> | <p>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.</p> | <p>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</p> |
| <p>NTM 05-26</p> | <p>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.</p> | <p>AI Insight offers program-specific education and research resources for hundreds of open and closed alternative investments based on the prospectus or PPM.</p> |
| <p>NTM 05-59</p> | <p>FINRA guidance concerning the sale of Structured Products.</p> | <p>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.</p> |
| <p>NTM 10-22</p> | <p>Broker-Dealers must conduct reasonable investigations in Regulation D Offerings also known as Private Placements.</p> | <p>AI Insight currently covers 179 private funds that are raising capital, representing just over \$8.1 billion in capital raise/AUM¹. AI Insight users have access to research, sort, compare, and analyze all of the funds in our coverage universe.</p> |

¹ As of February 2020

| FINRA Notice | Excerpt of FINRA Notice | AI Insight Support of FINRA Notice |
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| 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. |