

# BLUE VAULT WEBINAR

WHAT EVERY RIA NEEDS TO KNOW ABOUT  
ALTERNATIVE INVESTMENTS



# PANELISTS

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Darren Whissen  
Managing Partner  
Aliso Advisors  
Moderator



Steven Bohn  
Senior Vice President, Institutional  
Advisory Group  
Griffin Capital Securities  
Panelist



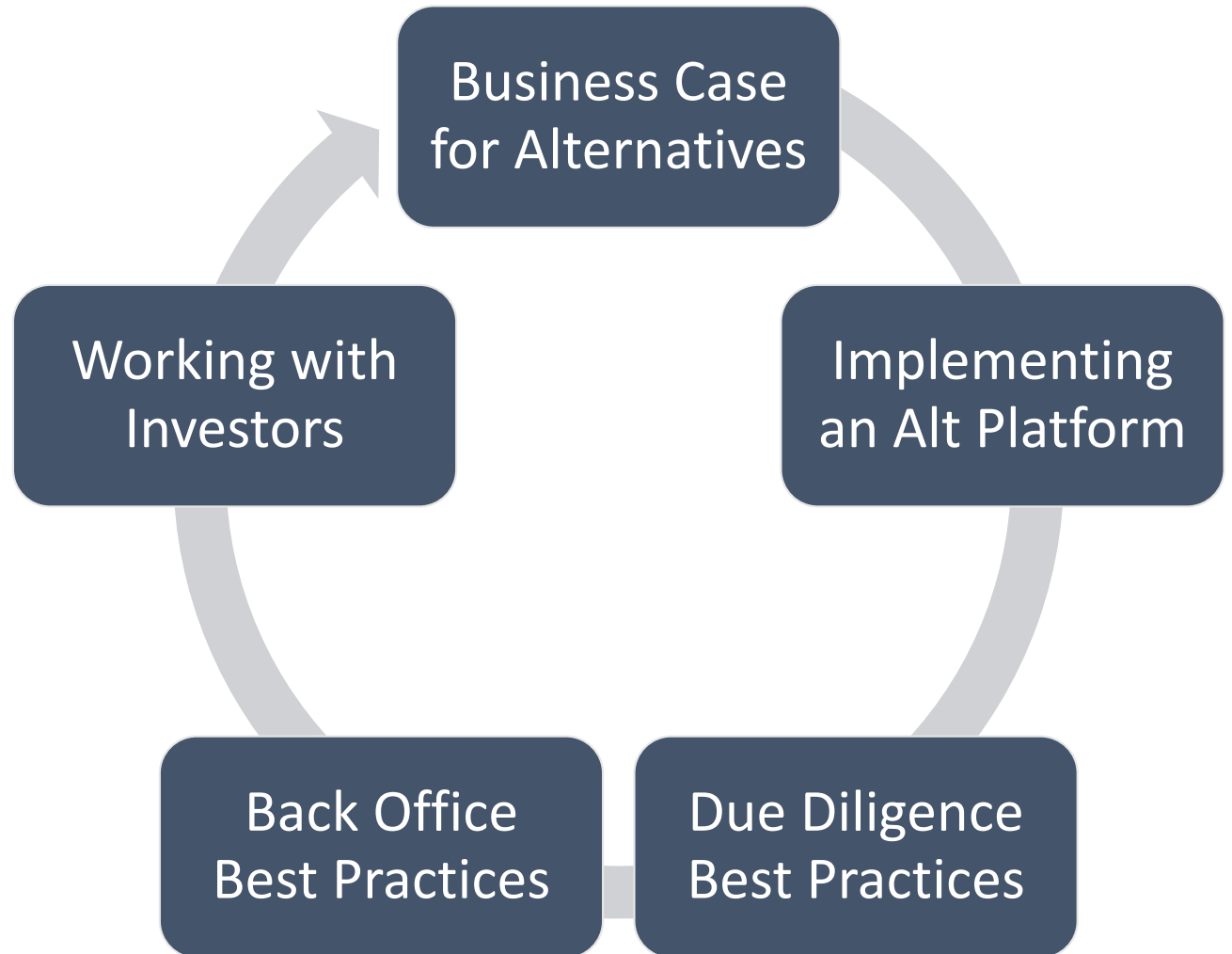
Alan Feldman  
Chief Executive Officer  
Resource  
Panelist



David Pittman  
Executive Vice President  
Strategic Blueprint, LLC  
Panelist

# AN ALTERNATIVE INVESTMENTS LIFECYCLE

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# THE BUSINESS CASE FOR ALTERNATIVE INVESTMENTS

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1. Disadvantages of stock/bond/cash only portfolio
2. Advantages alternatives have over traditional asset classes
3. Advantages illiquid alternatives have over liquid alternatives
4. Disadvantages of illiquid alternatives

# IMPLEMENTING AN ALTERNATIVES PLATFORM

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1. Establish a framework for organizing, prioritizing, and selecting alternative investments

## Energy

Oil & Gas Drilling Programs

Lease Banking

Mineral Royalty Programs

## Private Equity

VC-Backed Primary Offerings

Secondary Offerings

Mezzanine / LBO Financing

Operating Companies

Infrastructure Programs

## Real Estate

Single Family Residential

Multi-Family Residential

Student Housing

Senior Living

Storage / Parking

Hospitality

Retail

Office

International Real Estate

Land / Entitlements

## Private Debt

1<sup>st</sup> & 2<sup>nd</sup> Senior Lien Debt

Collateralized Debt Obligations

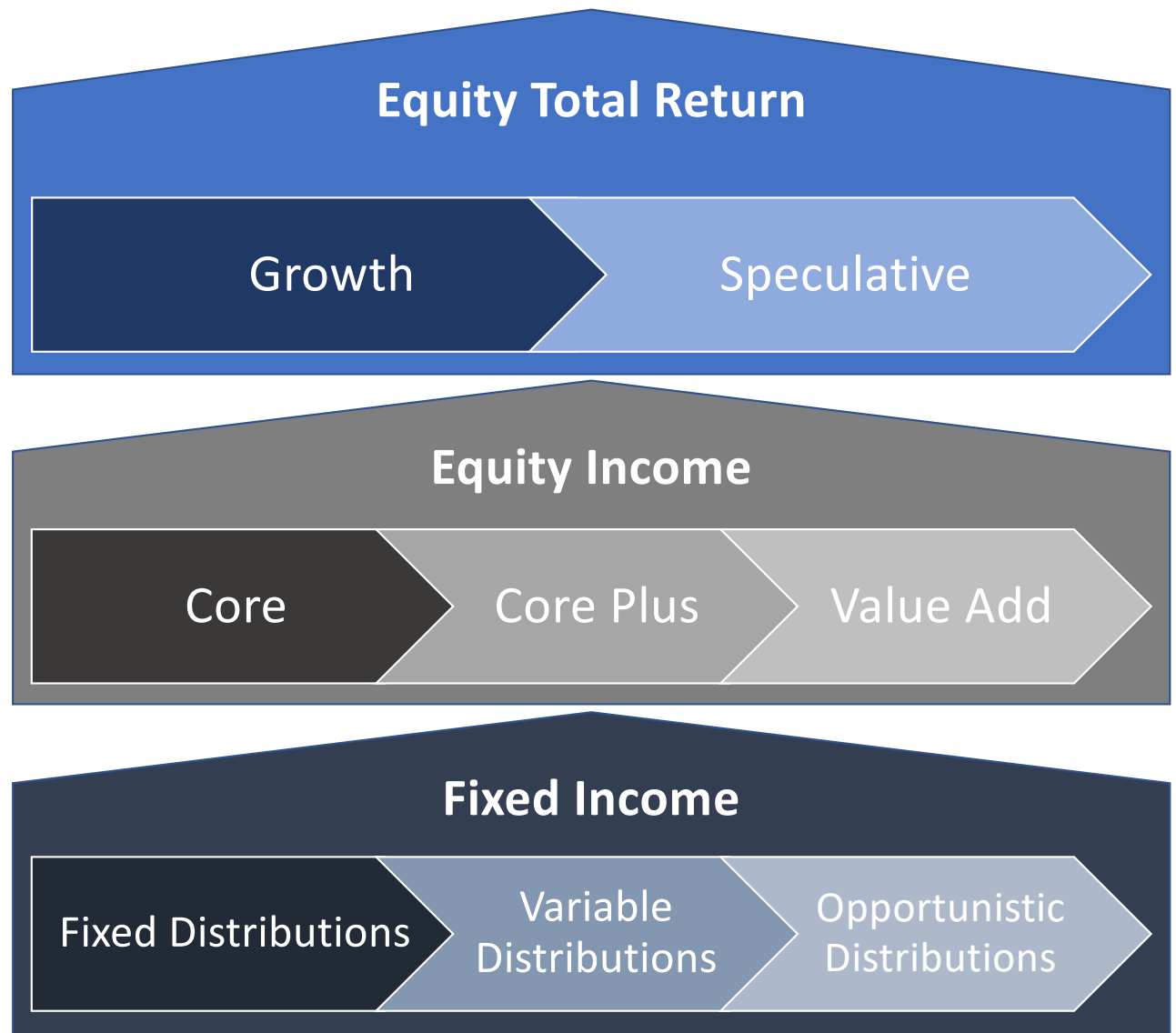
Collateralized Loan Obligations

Private Debentures

Mortgage Backed Securities

USING  
ASSET  
STRATEGIES  
AS AN  
ALTERNATIVES  
PLATFORM

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PRODUCT  
CONTEXT: MAP  
ALTERNATIVE  
ASSET STRATEGY  
TO TRADITIONAL  
ASSET CLASSES

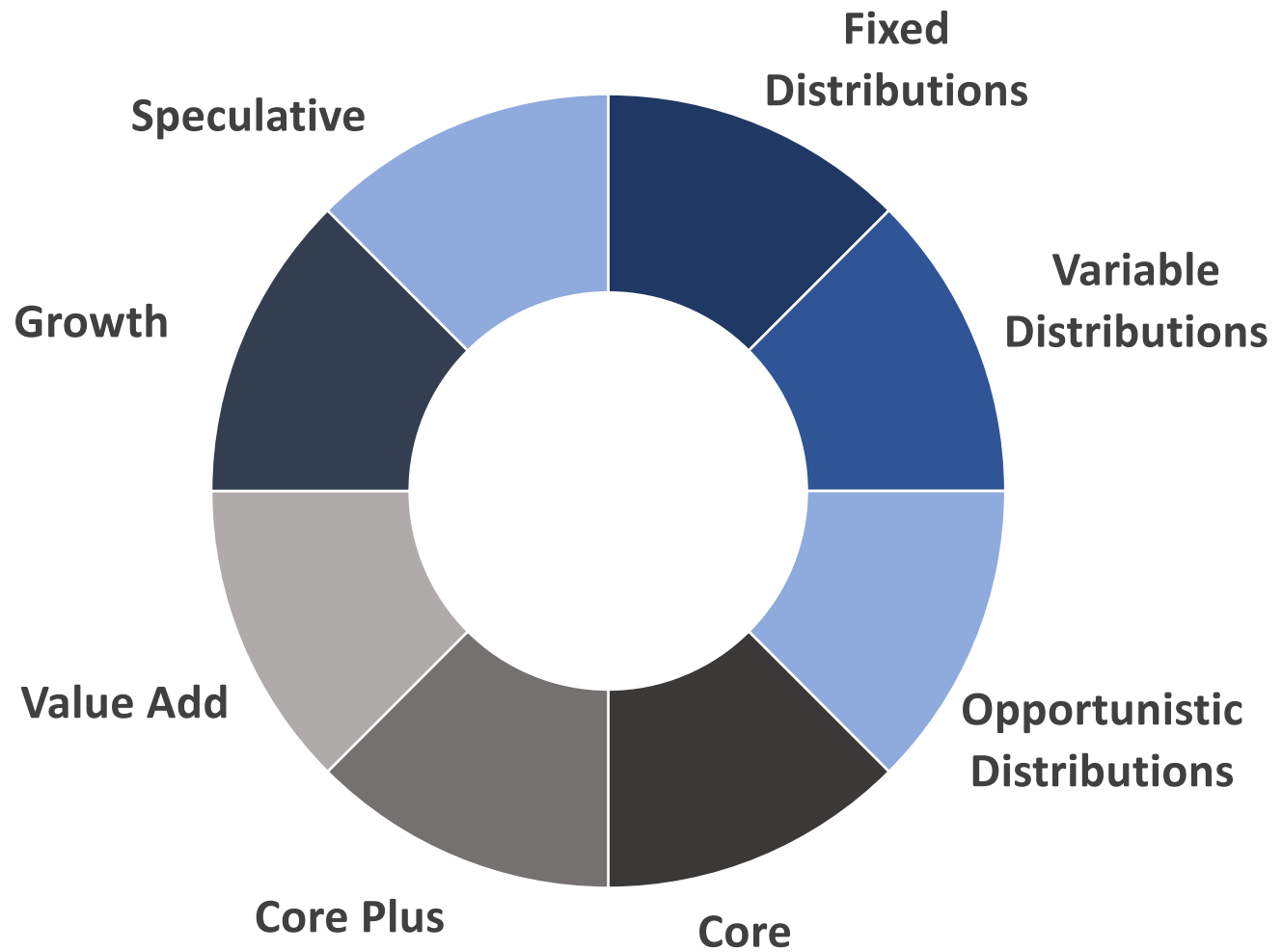
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Alternative	Traditional
<b>Fixed Distributions</b>	Government Bonds Short-Term Bonds
<b>Variable Distributions</b>	Long-Term Bonds Multisector Bonds
<b>Opportunistic Distributions</b>	Emerging Markets Bonds High Yield Bonds
<b>Core</b>	Large Cap Value Dividend-Focused Stocks
<b>Core Plus</b>	Mid Cap Value Foreign Large Cap
<b>Value Add</b>	Large Cap Growth World Stock
<b>Growth</b>	Small Cap Emerging Markets
<b>Speculative</b>	Long Short Commodities



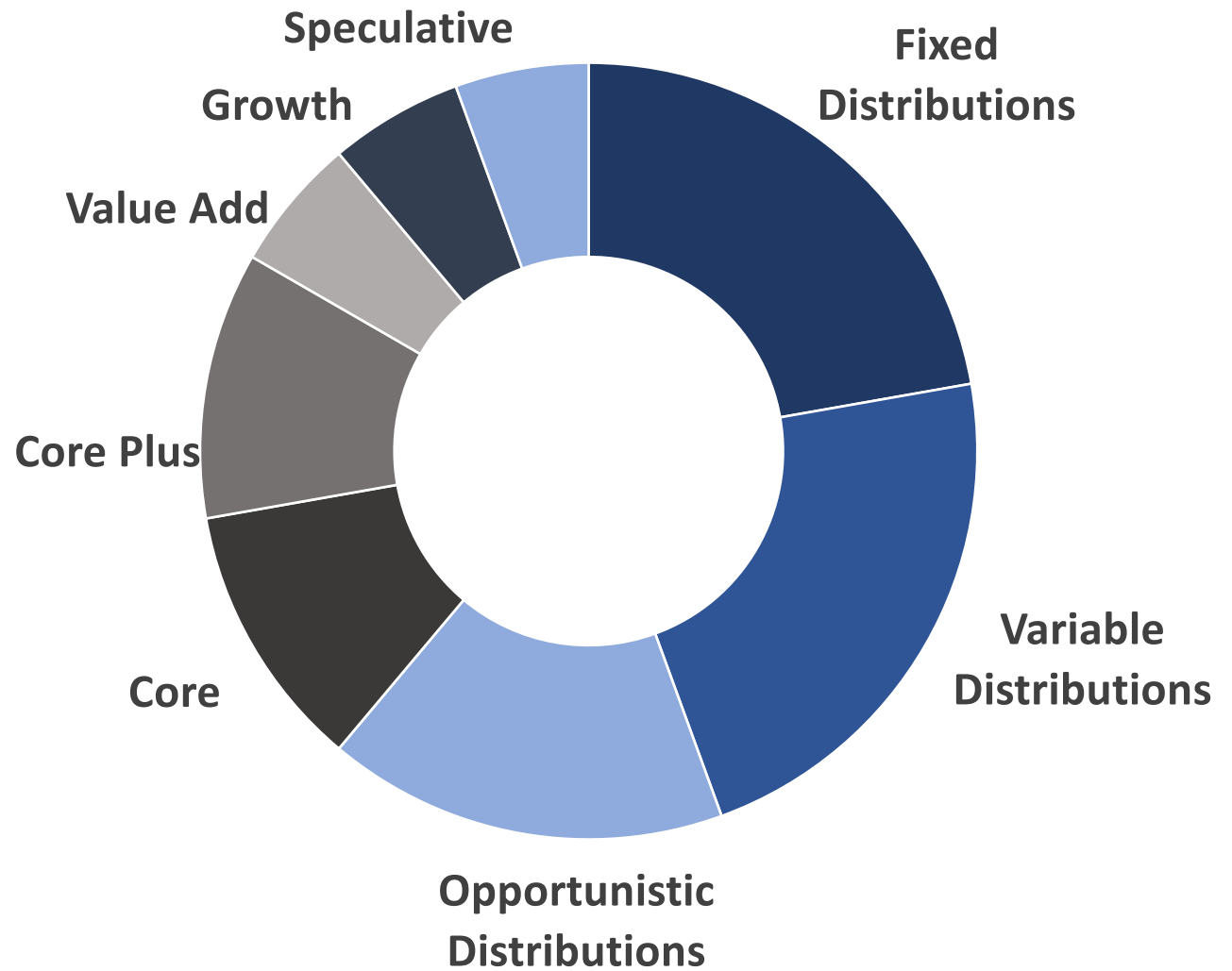
PRODUCT  
CONTEXT: ASSET  
STRATEGY-BASED  
PORTFOLIO

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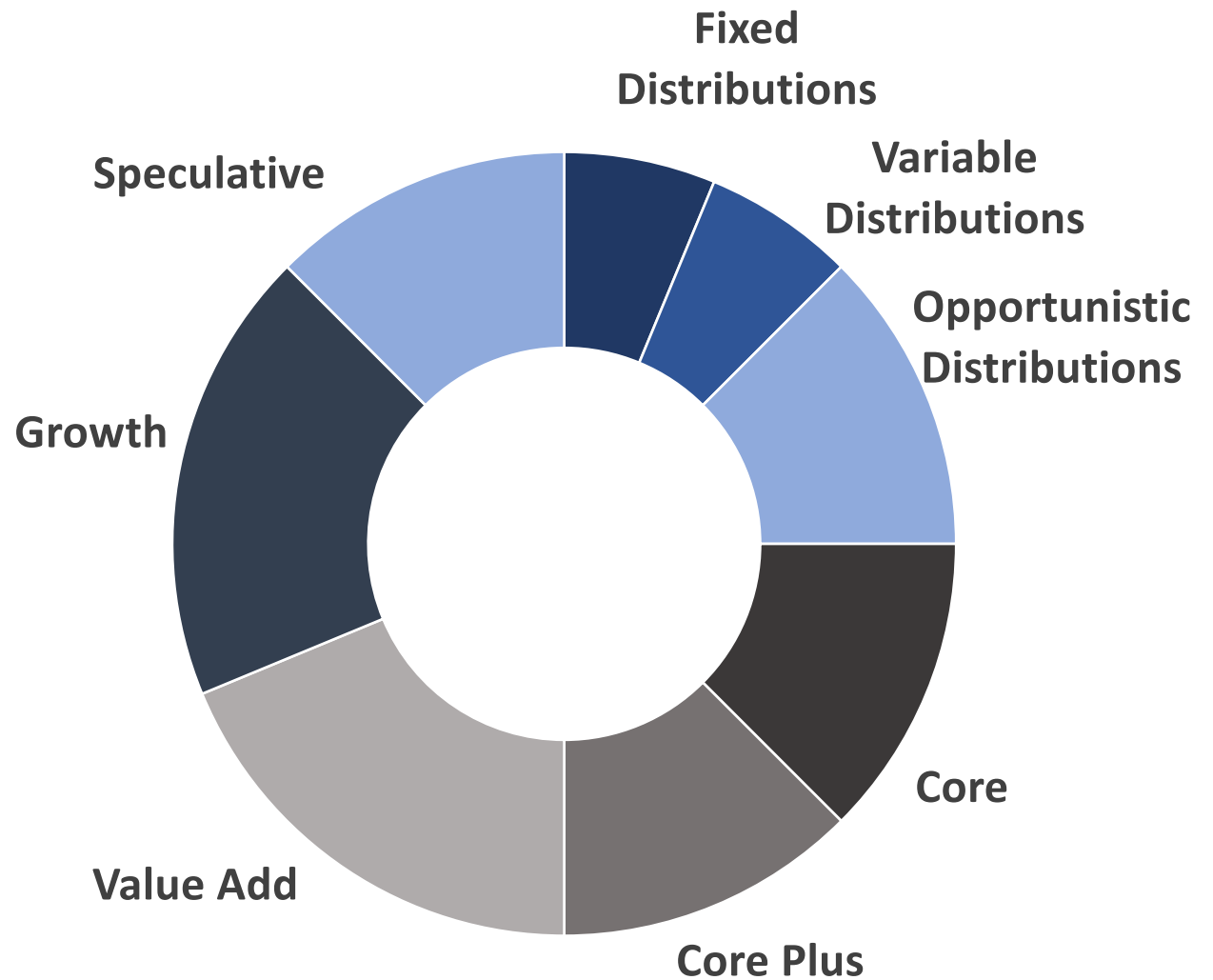
EXAMPLE OF AN  
INCOME-  
FOCUSED ASSET  
STRATEGY-BASED  
PORTFOLIO

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EXAMPLE OF A  
TOTAL RETURN-  
FOCUSED ASSET  
STRATEGY-BASED  
PORTFOLIO

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ALLOCATION /  
CONCENTRATION  
BEST PRACTICES

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- Portfolio Allocation Limits:
  - AUM Bands?
  - Age Bands?
  - Sophistication Bands?
- Offering Concentration Limits:
  - Offering Level?
  - Sponsor Level?
  - Asset Strategy Level?
  - Firm Level (% of total AUM)?
- Exception Handling Protocols

# DUE DILIGENCE BEST PRACTICES

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1. Due diligence best practices
  - A. Investment Committee
  - B. Prioritizing
  - C. Screening
  - D. Key elements
2. Due diligence questionnaire
3. Due diligence resources
  - A. Free
  - B. Subscription-based

BACK OFFICE:  
OPERATIONAL &  
TRANSACTIONAL  
COMPONENTS

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WSPs

ADV Part 2A

Approved  
Investment  
Blotter

Fee  
Agreement

New Client  
Form

New Account  
Application

Risk Tolerance  
Form

Prospectus  
Receipt

Purchase  
Authorization  
Form

Additional  
Risks  
Disclosure

Switch  
Authorization

Investor  
Suitability  
Checklist

## BACK OFFICE BEST PRACTICES

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1. Transaction best practices, especially when subscription documents
2. What makes an illiquid alternative investment “RIA-friendly”?
3. Reconciling illiquid investments best practices
4. Custodians and alternative investments

# WORKING WITH INVESTORS

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1. Introducing alternative investors to clients
2. Point of sale disclosures
3. Billing best practices



**Thank You!**