

The Institute for Portfolio Alternatives (IPA) provides national leadership for the Portfolio Diversifying Investments (PDI) community through advocacy and education. We seek to raise awareness of PDI products among all stakeholders, including market participants, state and federal legislators, regulatory agencies and the investing public.

Our mission is to cultivate and encourage a marketplace that offers every person equal access to portfolio diversifying investments and an opportunity to effectively build their retirement savings.

The IPA supports increased access to investment strategies with low correlation to the equity markets: lifecycle real estate investment trusts (Lifecycle REITs), net asset value (NAV) REITs, business development companies (BDCs), interval funds, closed-end funds and direct participation programs (DPPs).

Our valued members include the securities industry's premier asset management firms; top independent broker-dealers, registered investment advisers and wirehouse broker-dealers; along with leading industry consultants and service partners who are dedicated to driving best-practices, transparency and innovation in the marketplace.

We envision a democratized financial services industry that offers every person an opportunity for a financially secure retirement.

PORTFOLIO DIVERSIFYING INVESTMENTS

PDI products are not listed on a stock exchange, and their value more closely aligns with the actual value of the underlying asset. This low correlation to the traditional equity markets may offer higher total returns for individuals with longer-term investment strategies.



Real Estate Investment Trust (REIT) Lifecycle REITs (defined closing) or NAV REITs (perpetual life) can provide an individual investor with regular income based on the underlying cash flows of commercial real estate properties. REITs offer investment opportunities across a range property types – including, office, retail, industrial, self-storage, medical, multi-family and mortgages – all benefiting from experienced professional commercial real estate asset management.



Business Development Company BDCs were first created by Congress in 1980 to provide growth capital to small, typically private companies. BDCs offer institutional quality asset management of a portfolio of debt or equity investments that can generate income for individual investors. Most BDCs elect to be treated as Registered Investment Companies (RICs) for tax purposes and must distribute 90% of their taxable income to shareholders each year, enabling investors to benefit from the underlying portfolio.



Interval Fund Interval funds can invest across direct real estate, public REITs and debt instruments, and are regulated under the Investment Company Act of 1940. Through active management of a portfolio of public and private assets, interval funds are designed to adapt to market conditions, such as interest rate volatility, inflation and property value fluctuations. Fund investment managers typically make periodic repurchase offers to shareholders every three, six, or twelve months.



Direct Participation Program DPPs also enable clients to invest in limited partnerships, such as 1031 like-kind exchange properties, equipment leasing programs or energy exploration and development companies.

PDI INDUSTRY REACH

Total assets held by REITs

\$239
BILLION

Total assets held by BDCs

\$87
BILLION

Total assets held by Interval Funds

\$80
BILLION

Total Assets Held by DSTs 1031 Exchanges

\$60
BILLION



The IPA: Leading the conversation since 1985. **2,400** Individual Members **240** Member Companies

IPA GUIDING PRINCIPLES The following guiding principles serve to demonstrate our commitment to providing access to alternative investments, in order to create balanced and diversified portfolios for individual investors, with the goal of improving performance and reducing unnecessary investment risk.

#1

PORTFOLIO DIVERSIFICATION

Our purpose is to provide access to investment portfolio diversification for all individual investors. We are committed to providing insight to our key stakeholders, such as investors, brokers, financial advisors, regulators, and legislators on the benefits of alternative investments. Our actions aim to equip investors with practical guidance and information so they can build balanced and diverse portfolios.

#2

BROAD ACCESS TO ALTERNATIVES

The Institute supports increased access to alternative investment strategies that typically have lower correlation to the broader markets. We are committed to removing the artificial barriers preventing individual investors and retirement savers from accessing the same portfolio diversifying investments that for too long have only been available to the wealthy and institutions.

#3

INVESTOR PROTECTION

The Institute is committed to the principle that financial professionals should put the client at the center of any investment recommendation. We firmly believe that there is no place in the financial services industry for misinformation and manipulative or deceptive practices when recommending any investment or alternative asset. Portfolio diversifying investments may not be suitable for everyone but are broadly considered an excellent diversification tool.

#4

INNOVATION AND TRANSPARENCY

We are dedicated to driving innovation in our industry to improve all aspects of our products, their use and the markets in which they are offered. The Institute is also committed to providing Americans with transparent information about alternative and portfolio diversifying investments, including how they work, performance, costs, fees, benefits, provisions and requirements. Investors achieve the best outcomes when they have a full understanding of the financial products in which they invest.

#5

REGULATORY MODERNIZATION

History has shown that broad access to financial markets combined with a robust and modern regulatory framework is a positive driver of economic growth. The Institute is committed to identifying ways that our regulatory framework can be improved for the benefit of investors. These improvements should always result from due diligence and debate to arrive at the best possible solution for Americans.

