



# Due diligence for alternative investments

Our robust screening process supports our effort to offer high quality investments.

Ameriprise Financial is dedicated to conducting a comprehensive due diligence review of non-daily liquid alternative investment offerings. Our objective is to offer high quality investment products through an in-depth initial review as well as ongoing oversight.

The Ameriprise due diligence process includes a review of the company and its investment vehicle prior to making it available to our clients. We continue to evaluate each offering throughout the investment lifecycle.



## A review of companies and managers may include:



### Manager sourcing

Ameriprise engages in active dialogue with a large number of investment managers across a variety of investment strategies and disciplines to continuously build and maintain a robust pipeline of high-quality investment solutions.



### Request for information (RFI)

RFIs are sent to prospective managers who may have an investment opportunity that meets initial criteria. This may consist of requests for both public and non-public information, including:

- Policies and procedures
- Financials and models
- Offering documents
- Disclosures



### Proprietary scoring

Data collected from the RFI are analyzed and scored using our proprietary scoring system. The team will use these scoring results to help decide whether to move forward with full formal due diligence.



### In-house due diligence

The Alternative Investment Due Diligence and IRG Manager Research teams further assess:

- Corporate structure and strategy
- Key personnel
- Compliance and legal programs
- Regulatory and litigation activity
- Public filings (regulatory and corporate)
- Financial strength and creditworthiness
- Marketing materials and sales practices
- Historical and current investment performance
- Assets under management
- Fees and expenses
- Valuation policies
- Investor appropriateness
- Strength and stability of the offering and product sponsors



### On-site visits

On-site visits are conducted by the Alternative Investment Due Diligence and IRG Manager Research teams. This is another way to facilitate the review and gain better insight to the quality of the manager.



### Supplemental due diligence

Third party supplemental due diligence includes a non-public report issued by a third-party providing additional insight such as the financial strength of the manager and investment offering.



### Committee review and approval

Formal product committee review and approval are required for each manager and offering before they are made available to our clients.



### Ongoing oversight

Ameriprise due diligence continues throughout a fund's life cycle. Our tailored approach to oversight of offerings is based on product complexity and risk profile. This may include an annual review of performance, tracking difference, fees and strength and stability of the offering. Product sponsor assets under management and other information may also be reviewed and are obtained through:

- Ongoing reviews that include questionnaires and/or discussions with fund management
- Review of all press releases, public filings, disclosures and non-public information
- Ad hoc and/or periodic calls with product sponsors
- Periodic on-site due diligence review and interviews with key personnel



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Due diligence reviews cannot prevent investment losses. They are not a guarantee of performance or financial results.

Alternative investments encompass a broad spectrum of strategies, asset classes, and structures typically designed to exhibit low correlation to traditional equity and fixed-income markets with a long-term expectation of illiquidity. Certain alternative investments are speculative in nature and involve greater risks than traditional investments. These alternative investments are more appropriate for investors who can afford a complete loss of investment. Refer to the offering documents for a detailed description of the investment strategy and offering-specific risks.

**Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.**