
ACCREDITED INVESTMENT PROFESSIONAL ("AIP") SYLLABUS

Course Description

The 150-hour *AIP* course provides an introduction to basic financial and economic principles to serve real estate investors and agents in developing and executing investment strategies that improve risk-adjusted returns and liquidity relative to traditional real estate investment strategies. This course will also teach students how to access the private capital markets raising money on terms and rates that are commensurate with risk enabling them to establish and manage their own investment fund. The AIP course is divided into four lessons with a final exam and is offered entirely online via the Blackboard platform; the instructor is available for virtual office hours.

Designation Description

The *AIP* designation is awarded upon completion of the AIP course, which requires passing the course final exam with a minimum score of 80%. AIP designees are granted the opportunity to work directly with *Adagio Group* in developing their real estate investment business. AIP designees are also afforded a \$5MM proof of funds letter in the name of their business.

Course Objectives

Upon completing this course, AIP designees should be able to:

- understand basic economic principles.
- define "money" and understand its role in an economy.
- effectively communicate an understanding of basic financial principles and investment strategies.
- understand how residential real estate compares to other asset classes.
- incorporate basic risk measures and valuation techniques utilized by financial professionals to effectively analyze residential real estate as an investment.
- apply basic investment strategies utilized by financial professionals to maximize the risk/reward characteristics and improve liquidity of real estate.
- conduct the creation and sale of private securities as a means to raise capital.
- profitably close more transactions.

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Course Outline

1. Introduction to the Art & Science of Investing
 - 1.1. Investments & Finance
 - 1.2. What Is Economics?
 - 1.2.1. Classical Economics
 - 1.2.2. Keynesian Economics
 - 1.2.3. Austrian Economics
 - 1.3. How an Economy Grows and Why It Crashes by Peter Schiff
2. Money, Banking & Economics
 - 2.1. Types of Money
 - 2.1.1. Hard Money
 - 2.1.2. Fiat Money
 - 2.2. U.S. Dollar - A Brief History
 - 2.3. The Federal Reserve System
 - 2.4. Tools of The Fed
 - 2.4.1. Open Market Operations
 - 2.4.1.1. Quantitative Easing
 - 2.4.1.2. Operation Twist
 - 2.4.2. Reserve Requirements
 - 2.4.3. Discount Window
 - 2.5. Fractional Reserve Banking
 - 2.6. Measures of Money
 - 2.6.1. Money Supply
 - 2.6.2. Mo, MB, M1, M2, M3, MZM
 - 2.7. Inflation
 - 2.8. Other Major Central Banks of the World
 - 2.9. The BIS, IMF & World Bank
 - 2.10. BRICS Nations, Theory & Bank
 - 2.11. Money & Economic Cycles
 - 2.12. Lesson 2 Practice Exercises
3. Asset Classes, Derivatives & Their Markets
 - 3.1. Assets & Liabilities
 - 3.1.1. Asset
 - 3.1.2. Liability
 - 3.1.3. Equity
 - 3.2. Introduction to Businesses
 - 3.2.1. Sole Proprietorships
 - 3.2.2. General Partnerships
 - 3.2.3. Limited Partnerships
 - 3.2.4. Limited Liability Companies

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1. S Corporations
2. C Corporations
3. Financial Statements
2. What Is an Asset Class?
3. What Is a Market?
 - 3.1. Supply
 - 3.2. Demand
 - 3.3. Price
4. Securities
5. Traditional Assets
 - 5.1. Equities
 - 5.2. Fixed-Income
 - 5.3. Cash Equivalents
6. Liquid Assets
7. Currencies & Their Trade - FOREX
8. Money Markets
9. Bonds & The Bond Market
10. Stocks & The Stock Market
11. Investment Companies
 - 11.1. Mutual Fund
 - 11.2. Closed-End Fund
 - 11.3. Unit Investment Trust
 - 11.4. Private Investment Company
12. Exchange-Traded Funds
13. Real Estate Investment Trusts
14. Alternatives Assets
15. Hedge Funds
16. Private Equity
17. Venture Capital
18. Commodities
19. Derivatives
 - 19.1. Futures Contract
 - 19.2. Forward Contract
 - 19.3. Swap
 - 19.4. Call Option
 - 19.5. Put Option
 - 19.6. Straddle
 - 19.7. Short Sale
 - 19.8. Structured Finance
20. Futures Markets
21. Over-The-Counter Markets

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- 22. Clearing Houses
 - 23. Annuities
 - 24. Life Insurance
 - 25. Becoming Your Own Bank by R. Nelson Nash
 - 26. Real Estate
 - 26.1. Residential Real Estate
 - 26.2. Commercial Real Estate
 - 27. Brokered Markets
 - 27.1. Bid-Ask Spread
 - 27.2. Market Maker
 - 27.3. Securities Brokerage
 - 27.4. Business & Real Estate Brokerage
 - 28. Lesson 3 Practice Exercises
2. Real Estate Finance
- 2.1. Measuring Risk
 - 2.1.1. Capital Asset Pricing Model
 - 2.1.2. Sharpe Ratio
 - 2.1.3. Value at Risk
 - 2.1.4. Tail Risk
 - 2.1.5. The Black Swan
 - 2.1.6. Risk and Financial Professionals
 - 2.1.7. The Case of the Two and a Half Billion Percent Return
 - 2.2. Asset Valuation
 - 2.2.1. Intrinsic Value
 - 2.2.2. Current Market Value & Momentum
 - 2.3. Residential Real Estate vs. Other Asset Classes
 - 2.3.1. U.S. House Prices vs. Owner Equivalent Rent
 - 2.3.2. S&P 500
 - 2.3.3. Gold & Silver
 - 2.4. Real Estate Appraisal
 - 2.4.1. Sales Comparison Approach
 - 2.4.2. Income Capitalization Approach
 - 2.4.3. Cost Approach
 - 2.5. Analyzing Residential Real Estate
 - 2.6. Financing Structures in Real Estate

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- 2.6.1. Working with Attorneys & Title Companies
- 2.6.2. Sale and Purchase Agreement
- 2.6.3. Contract for Deed
- 2.6.4. Mortgage Loans
- 2.6.5. Leases
- 2.6.6. Options
- 2.6.7. Swaps
- 2.6.8. Florida Land Trusts
- 2.7. Debt Service Coverage Ratio & Loan Constant
- 2.8. Real Estate Investment Strategies
 - 2.8.1. Opportunity Cost
 - 2.8.2. Long and Short Positions
 - 2.8.3. Long Positions in Real Estate
 - 2.8.4. Short Positions in Real Estate
 - 2.8.5. Holding a Portfolio vs. Flipping
 - 2.8.6. Debt vs. Equity
 - 2.8.7. The Role of Leverage
 - 2.8.8. Growing the Market for Real Estate Derivatives
- 2.9. Executing Real Estate Finance
 - 2.9.1. Using Financing Structures to Meet Investors' Goals
 - 2.9.2. Attracting Quality Investments with Debt
 - 2.9.3. Real Estate Development
 - 2.9.4. Sourcing & Negotiating with Sellers
 - 2.9.4.1. Wholesalers
 - 2.9.4.2. Rehabbers
 - 2.9.4.3. Contract Contingencies
 - 2.9.4.4. Creating a Discount Through Renegotiation
 - 2.9.5. Insurance Considerations
- 2.10. Raising Capital
 - 2.10.1. Introduction to Raising Capital
 - 2.10.2. Using Partners as a Source of Capital - Syndication & Funds
 - 2.10.3. Regulation D
 - 2.10.4. Investment Company Act of 1940 §3(c)
 - 2.10.5. Marketing & Compliance Documents
 - 2.10.6. Crowdfunding
 - 2.10.7. Sourcing Buyers/Investors
 - 2.10.8. EB-5 Visa Program
- 2.11. Working with Financial Professionals
 - 2.11.1. Financial Planners, Registered Investment Advisors, et al
 - 2.11.2. Limited-Investment Securities & Insurance Brokers
 - 2.11.3. Investment Banks
 - 2.11.4. Hedge Funds
 - 2.11.5. Third-Party Marketers

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- 2.11.6. Self-Directed IRAs
- 2.11.7. Mortgage Brokers
- 2.12. Tax Considerations
 - 2.12.1. Working with Tax Professionals
 - 2.12.2. Property Tax
 - 2.12.3. Depreciation
 - 2.12.4. Capital Gains Considerations
 - 2.12.5. 1031 Exchange
- 2.13. Building an Investment Team
 - 2.13.1. Appraisers
 - 2.13.2. Inspectors
 - 2.13.3. Contractors & Handymen
 - 2.13.4. Attorneys & Title Companies
 - 2.13.5. Tax Professionals
 - 2.13.5.1. CPAs
 - 2.13.5.2. 1031 Exchange Qualified Intermediaries
 - 2.13.6. Financial Professionals
 - 2.13.6.1. Financial Sales
 - 2.13.6.2. Insurance Agents & Adjusters
 - 2.13.6.3. Mortgage Brokers
 - 2.13.7. Social Media
 - 2.13.7.1. LinkedIn
- 2.14. Real Estate Agency (Florida)
 - 2.14.1. Buyer's Agency Agreement
 - 2.14.2. Compensation
- 2.15. Florida Land Trust
- 2.16. Lesson 4 Practice Exercises
- 3. Final Exam
 - 3.1. Scenario 1 Test
 - 3.2. Scenario 2 Test
 - 3.3. Scenario 3 Test
 - 3.4. Scenario 4 Test

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Course Resources

- ▶ Financial News Aggregates
- ▶ Dictionary of Financial Terms - *Investopedia*
- ▶ Mortgage Glossary - *The Mortgage Professor*
- ▶ Mortgage Amortization Schedule (*Excel Template*)
- ▶ Income Approach Valuation (*Excel Template*)
- ▶ Income Property Analysis (*Excel Template*)
- ▶ CAPM & Sharpe Ratio (*Excel Template*)
- ▶ Securities Act of 1933, Securities Exchange Act of 1934 & Investment Company Act of 1940
- ▶ \$5MM Proof of Funds Letter in AIP Designee's Business Name
- ▶ Sample Private Placement Memorandum (*3-Tiered Capital Structure*)
- ▶ Sample Subscription Agreement
- ▶ Sample Operating Agreement (*3-Tiered Capital Structure*)
- ▶ SEC Form D - *Notice of Exempt Offering*

General Registration Information

To register for the AIP course, visit:

<http://mkt.com/adagio-llc/accredited-investment-professional-course>

To finance the AIP course with six pay-as-you go installments, visit:

<http://mkt.com/adagio-llc/aip-course-installment-payment>

Real Estate Brokerage & Legal Entity Accreditation

Real estate brokerages and unlicensed legal entities (i.e. LP or LLC) may become accredited by *registering* for the AIP course and having all of its managing principals (i.e. broker of record, managing partners or members, etc.) pass the final exam (each with a discrete email address); all registered brokerage and entity principals and associates are allowed access to the course. The course *registration link* and tuition are the same for brokerages and entities as for individuals and includes the final exam for one broker or principal; each additional broker, principal or associate (i.e. real estate agent) must pay one *installment* to take the exam. The registering entity representative must submit a *.pdf copy of the entity's Articles of Organization listing each of its principals to solutions@adagiollc.com as a condition of accreditation. All individuals who pass the exam will be awarded the AIP designation independently of their respective brokerage or entity.

Legal Disclaimer

The contents of the AIP course are not to be construed as or used for the purposes of offering investment advice, tax advice, legal advice or brokering securities, nor is the AIP designation to be used as a marketing asset for securities issuers.