

appfolio

Attract and Retain Investors

Tips, Strategies, and Advice
for Creating an Unparalleled
Customer Experience



Introduction

Your investors are vital to your business's success, making it critical to foster lasting relationships. Knowing how to impress investors and build credibility by maintaining a high level of professionalism is essential, but their expectations are changing.

In today's digital-first world, investors increasingly expect their investment management company to harness cutting-edge technology that offers seamless access to real-time data and personalized interactions.

The bar is set high for investment firms to deliver tech-driven solutions that resonate with the modern investor's need for efficiency and informed decision-making. Investors need to know they're partnering with a professional, future-focused firm. Keep reading to see how a few simple updates to your business practices can improve your investor relationships and help you stand out from your competition.



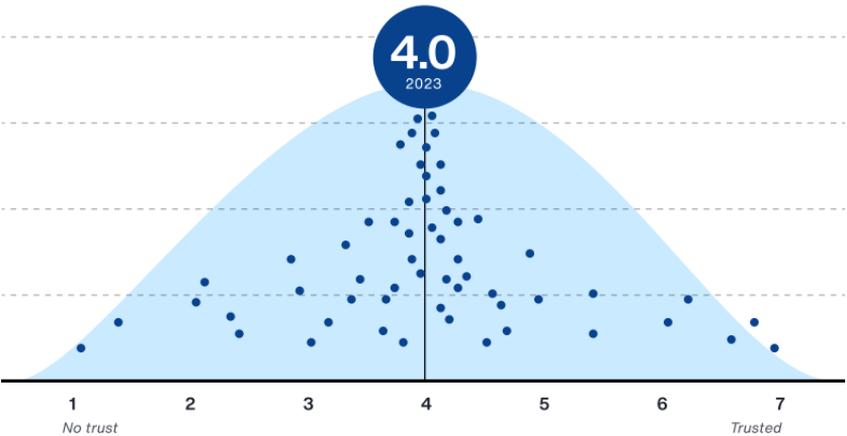
- 03 Demonstrate Expertise and Build Credibility
- 05 Practice Transparency
- 07 Enable Accessibility
- 09 Create a Tangible Experience
- 11 Guarantee Security
- 12 Exceed Your Investors' Expectations with One Powerful Platform

Strategy One

Demonstrate Expertise and Build Credibility

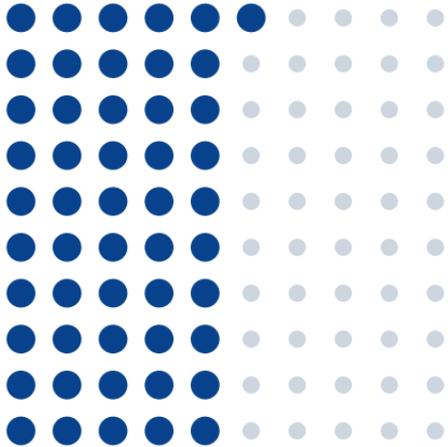
Expertise in finance and real estate is a key requirement for real estate investment managers to build credibility and trust. Data from our 2023 Real Estate Investor Report, which surveyed investors on how they view their investment management company, revealed that on a scale of 1 (no trust) to 7 (a great deal of trust), investors give their investment management companies an average of 4, signaling that while there is some trust, there's still significant room for improvement.

How Investors View Their Investment Management Company



Demonstrating that your firm is a trusted partner requires more than simply providing regular reports on investment performance; these reports often fail to give investors the full picture of their investments. While investors are interested in performance, they also want to know about your company's overall performance and if you have a pulse on the market regarding the latest news and trends. In fact, according to the report, 51% of investors have one-on-one consultations with their investment managers to keep up with the industry. This information helps instill confidence in investors that they've made the right decision to invest with your firm and that you're actively looking for ways to provide more value.

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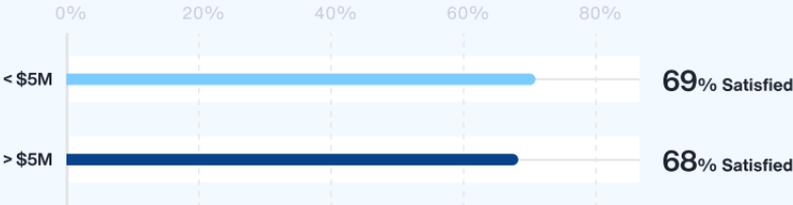
Show your expertise by providing investors with insights into your firm's overall performance, including statistics on real-time performance stats as well as historical performance. Regularly share details on upcoming investing opportunities, allowing them to understand how they can capitalize on emerging trends.

Strategy Two

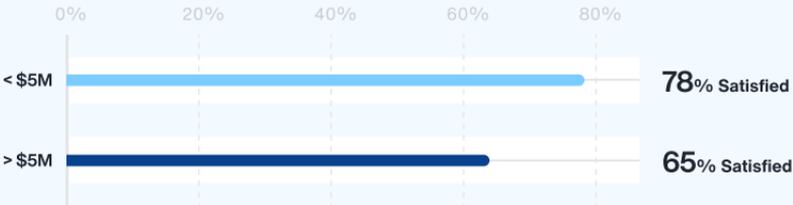
Practice Transparency

Investors expect a high level of service when they partner with a real estate investment company, which includes transparency in their activities. The Real Estate Investor Report revealed that 69% of investors with a net worth of less than \$5 million are satisfied with how transparent their investment managers are with them, while 68% of investors with a net worth of more than \$5 million are satisfied. Satisfaction with performance reporting fared better among investors with a net worth of less than \$5 million. Of this cohort, 78% reported being satisfied, while just 65% of investors with a net worth of over \$5 million reported being satisfied with their investment manager's performance reporting.

Investor Satisfaction on Transparency Based on Net Worth



Investor Satisfaction on Performance Reporting Based on Net Worth



Practicing transparency means providing your investors with clear information and timely communication on their investments while also answering any additional questions they have. If you merely share written reports with your investors, you may be falling short of their expectations.



+50%

of investors use dedicated investor portals to access investments

According to the report, over 50% of investors today use dedicated investor portals to access their real estate investments. Investor portals provide the two-way communication investors need to gain confidence in their partnership with you.

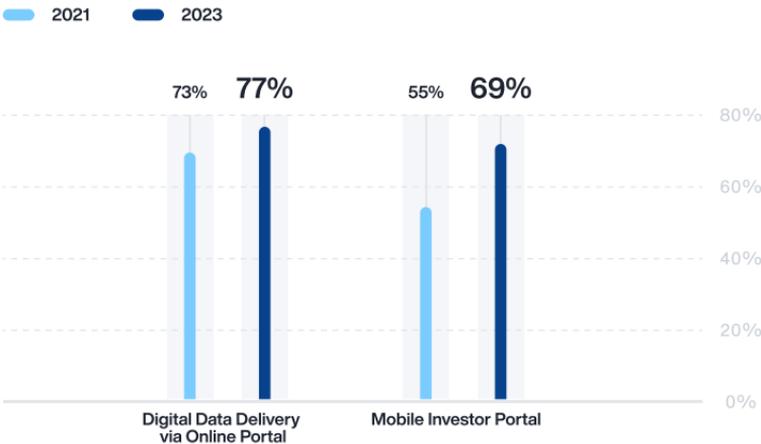
These tools should store historical investment information and offer current views of their investments. High-level views, such as a summary of investment positions, capital investments, and distributions, are important for establishing transparency with your investors. You should also leverage your investor portal to give your investors an experience similar to those offered by traditional financial institutions.

Strategy Three

Enable Accessibility

The frequency with which investors can access their investment information is another important aspect of professionalism for investment managers. Today's investors expect on-demand access to this information rather than just traditional quarterly reports. The Real Estate Investor Report revealed that 77% of investors require an online investor portal to track their investments in real-time and on demand. Meanwhile, 69% of survey participants want their investment portal to be mobile-friendly. This is a significant increase from the results of our 2021 Real Estate Investor Report, where 55% of respondents said a mobile-friendly investor portal is important.

Value of Technology to an Investor





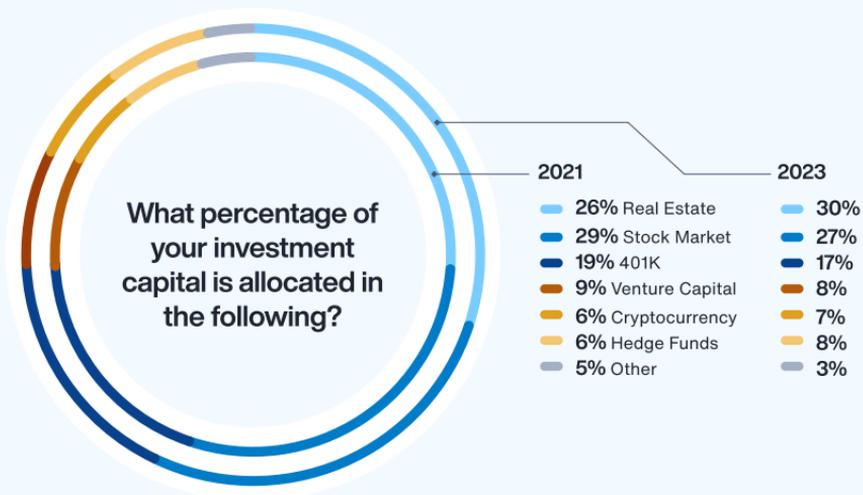
By embracing technology that offers a customized investor portal for investors to access a range of documents 24/7, such as quarterly reports, K-1s, and operating agreements, you can exceed their expectations. Some portals also provide investors with real-time visibility into the performance of their investments with metrics and other high-level details. In addition to providing investors with on-demand access to their information, an online portal minimizes the number of back-and-forth communications and requests your team receives, so they can focus on providing great service.

Strategy Four

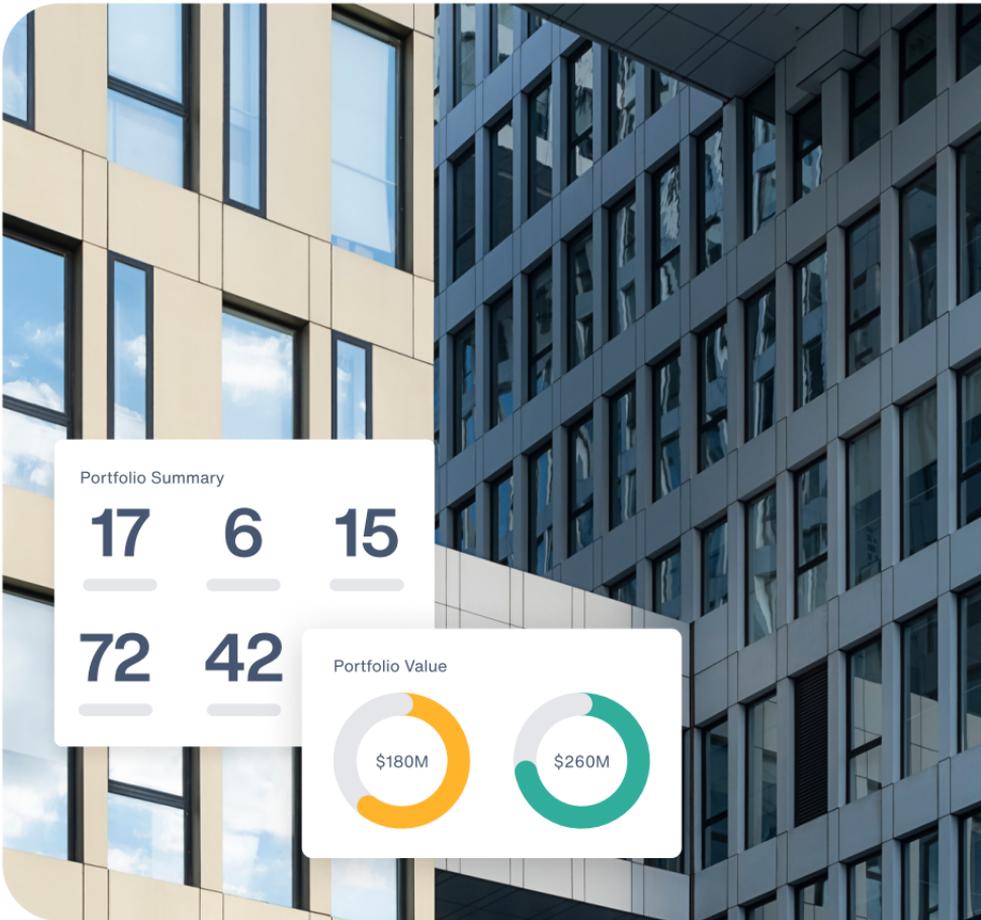
Create a Tangible Experience

The tangible nature of real estate is often a major reason investors choose this area. These investors enjoy the experience of transforming buildings and other structures, giving them a sense of pride in how their investments benefit a community.

Investors are generally happy to keep real estate in their portfolios at this time. The report showed that real estate accounted for 30% of investors' portfolios in 2023, a considerable bump from 26% in 2021. When asked about their reasons for investing in real estate, 38% of investors said they were focusing on portfolio diversification, while 36% of investors said they are looking forward to market-beating performance in the long haul.



Growth investors have a particularly strong incentive to remain close to their investments, so they'll want regular updates on investment performance. These investors want information such as total distributions and construction or renovation updates throughout every step of the work process, including property descriptions, photos, locations, valuations, and loan balances, that go beyond standard performance metrics. Additional details that can provide real estate investors with a more tangible experience include updates from the property manager accompanied by photos and videos.



Strategy Five

Guarantee Security

Easy access to information is important to investors, but investment managers must also weigh this convenience against the need to keep their information secure. Paper documents or disjointed third-party document-storing systems are inherently insecure and are also difficult to share with investors.

Use an investment management software platform that has financial-grade security and two-factor authentication to store investment documents safely in one place. Having a single secure system to store your documents also allows investors to easily share their documents with consultants such as CPAs and financial managers.

Exceed Your Investors' Expectations with One Powerful Platform

A few changes to your business processes can significantly improve your firm's professionalism and strengthen your investor relations. Give your investors a white-glove treatment with custom-built investment management solutions like AppFolio Investment Manager.

“AppFolio Investment Manager has given us a platform of professionalism we otherwise didn't have and has been attracting new investors.”



Alan Steinberg
President, Park Row Equity Partners

Your Key to Building Strong Investor Relationships

AppFolio Investment Manager has all the tools you need to attract and retain investors, including a comprehensive investor portal, mobile communication, the latest AI capabilities, and more.

To learn more about how AppFolio can take your business to the next level, visit appfolio.com/investment-manager/free-demo to get a customized walkthrough.



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