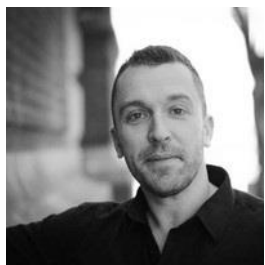




WEBINAR SERIES

An Intro to STRATEGY's Asset Management Applications

Meet the team.



Anthony Villa
Moderator
*Director of
Marketing & Sales*



Nick McCracken
Lead Developer

Today you will learn:

- All the Asset Management applications available to you in STRATEGY
- The benefits of using each application
- A high-level view of functionality

Our agenda.

- ✓ An overview of our suite of Asset Management applications
- ✓ Commonly used applications for Asset Managers
- ✓ Let's 'tour the store' & our Asset Management Applications
- ✓ "Should I be using STRATEGY's Asset Management applications?"

Overview of Asset Management features

- Our suite of Asset Management applications live in our cloud-based portal to help you **store, analyze and report on collateral performance**
- A customizable and user-friendly dashboard allows you to **pick and choose what applications you want to use** (even the **colors** of each widget)
- Our Intelligence Engine proactively **automates monitoring of your entire commercial portfolio** for any risk indicators or covenants to ensure loan health
- Our integrated Process Manager Workflow tool helps **you automate all of your processes, track all of your day to-day activities, while providing a complete history and audit trail you can view instantly**

Commonly used applications for Asset Managers

1. Portfolio Analysis
2. Financial Statements / Valuation
3. Rent Rolls
4. Inspections
5. Appraisal
6. Reporting
7. Intelligence Engine
8. Process Manager



Portfolio Analysis

Holistic view of your entire portfolio

- Credit exposure, relationships within your portfolio, monitoring and alerts

The screenshot displays a software interface for portfolio analysis, featuring a grid of cards representing different financial and legal aspects of a portfolio. The cards are organized into rows and columns, with a navigation bar at the bottom.

Top Row:

- OPERATING STATEMENTS:** Shows a stack of statements for December 31, 2012, November 30, 2013, and December 31, 2013. Key figures include Total Income: 7,842,740.00, Total Expense: 4,203,870.00, NOI: 3,638,870.00, Total Cash Flow: 3,638,870.00, Debt Service: 2,880,000.00, and DSCR: 1.26350.
- APPRAISALS:** Shows a value of 8,200,000.00. Details include Date: Dec 01, 2010, Purpose: NEW LOAN CLOSING, and Appraiser: MFS Appraisal Inc.
- RESERVES:** Titled "CAPITAL IMPROVEMENTS", it describes work for roof replacement with a Payment Amt of 1,000.00, Reserve Balance of 37,002.41, and Reserve Final Maturity Date of 0.
- TAXES:** Titled "COUNTY TAX", it shows Tax Bill Status: WAITING FOR TAX BILL, Last Bill Type Paid: FULL, Next Disbursement Date: Jul 01, 2014, and Current Tax Constant: 1,500.00.

Middle Row:

- LEASE/RENT:** Shows data for December 31, 2012, including Annual Rent: 285,076.00, Avg rent per sq ft: 12.91, and Avg monthly rent: 11878.17.
- LOANS:** Lists properties: Beverly Square, Susan Spelling, James Lincoln, and PMC Jersey Management Corporation. It shows Current Principal Balance: 51,622,882.14, Maturity Date: May 01, 2025, and Loan number: 210000002. A note mentions an interest rate adjustment applied on 01/24/2018.
- COLLATERAL:** Lists properties: Glen Ellyn Project 09 and Apple Tree Center Phase II. It shows Property Type: RT, Description: RETAIL REGIONAL, and 289484 Gross Sq Ft.
- INSURANCE:** Titled "PACKAGE POLICY", it shows Expiration Date: Apr 01, 2013, Co: MFS Insurance Co, Agent: MFS Insurance Co, Effective Date: Apr 01, 2012, and Policy #: 8973446.

Bottom Row:

- INSPECTIONS:** Shows John Doe as the subject, MFS Inspections as the company, and Next Inspection Date: Oct 1, 2011. The condition is listed as "GOOD OVERALL CONDITION".
- ENVIRONMENTAL:** Shows Hazard Risk: LOW, Report Date: Jan 01, 2012, and Next Report Date: MFS Environmental Firm.
- UCC:** Titled "STATE COUNTY", it shows Original Filing Date: May 01, 2007, Filed Against: Future, Debtor Name: PMC Jersey Manage, Current Filing Date: May 01, 2012, and Refiling Date: May 01, 2017.
- LIENS:** Titled "McCracken FS", it shows Lien type: LOAN B.

Navigation Bar:

Process Through Date: Mar 12, 2014

What if? Portfolio Documents Debt Service Covenants Investors Watch List Rules Info Reports

Financial Statements

Analyze, adjust, and compare operating statements over time

- Easily enter financial statements into predefined templates, or customize templates
- Users are guided through entering, analyzing, and reporting the financial statement information in the correct format for the appropriate property type and investor
- Import an operating statement from a borrower provided spreadsheet
- Also works for comparing to a base underwriting statement

Financial Statement - Comparative Analysis

Back Validate Save

Frequency	ANNUAL		ANNUAL		ANNUAL		ANNUAL
Period Beginning Date	01/01/2008		01/01/2009		01/01/2010		01/01/2011
Period Ending Date	12/31/2008		12/31/2009		12/31/2010		12/31/2011
Actual Number of months	12.0		12.0		12.0		12.0
Consolidated	No		No		No		No
Purpose	UNDERWRITING AT SECURITIZATION		PERIODIC STATEMENT		PERIODIC STATEMENT		PERIODIC STATEMENT
Adjusted to %	100.000%		100.000%		100.000%		100.000%

Account Name	Statement 1	Variance	Statement 2	Variance	Statement 3	Variance	Statement 4	Comparative Analysis Comments
Gross Potential Rent	0	0.00%	0	0.00%	0	100.00%	100	
Less Vacancy Loss	0	0.00%	0	0.00%	0	0.00%	0	
Base Rent	6,001,945	-16.54%	5,009,010	1.06%	5,102,426	234.66%	17,076,000	
Expense Reimbursement	0	0.00%	0	0.00%	0	0.00%	0	
Percentage Rent								
Parking Income								
Other Income								
Effective Gross Income								
Real Estate Taxes	6,000,000							
Property Insurance	600							
Utilities	122							
Repairs and Maintenance	1,223							
Janitorial								
Management Fees								
Payroll & Benefits								
Advertising & Marketing								
Professional Fees								
General and Administrative								
Other Expenses								
Ground Rent								
Total Operating Expense								
Operating Expense Ratio								
Net Operating Income (NOI)	5,801,945	-16.60%	4,839,010	1.62%	4,917,426	-62.89%	1,825,100	
Leasing Commissions	100,000	0.00%	100,000	0.09%	100,088	0.57%	100,660	
Tenant Improvements	0	0.00%	0	0.00%	0	0.00%	0	
Capital Expenditures	122	-100.00%	0	100.00%	88	113536.36%	100,000	
Extraordinary Capital Expenditures	0	0.00%	0	0.00%	0	0.00%	0	
Total Capital Items	100,122	-0.12%	100,000	0.18%	100,176	100.31%	200,660	
Net Cash Flow (NCF)	5,701,823	-16.89%	4,739,010	1.65%	4,817,250	-66.28%	1,624,440	

Base Rent (details)

Borrower Line Item Description	Adj Amt	Comment
rent 2	888	
Base Rent	5,100,100	
Base Rent	588	
Base Rent 3	320	
Laundry	520	
TOTAL:	5,102,426	

Borrower Line Item Description	Adj Amt	Comment
rent 2	10,000	
Base Rent	16,960,000	
Base Rent	6,000	
Base Rent 3	100,000	
TOTAL:	17,076,000	

Loan number: 200000001
Property name: Charter Oak Apartments
Form Type: CREFC Commercial
Annualization method: Compare as is

Valuation

Storage and evaluation of capitalization

- Tied to Financial Statement
- Automatically calculates Cap Rate Information


Status 11/17/2016 There has been a change in the data that may impact the valuation.

Capitalization Valuation

Associated Financial Statement - Statement Seq 6 - ANNUAL - 12/31/2011 - [PER]

Consolidated	N	Selected Cap Rate %	<input type="text" value="8.3"/>	Effective Gross Income	16,087,000.00
Purpose of Valuation	<input type="text" value="RISK RATING (R)"/>	Cap Rate Value	9,879,518.07	Effective Gross Income Metric	0.61
Valuation Date	<input type="text" value="01/18/2012"/>	Per Unit	98,795.18	Created Date	11/17/2016
Property NOI	836,000.00	Per Square Foot	118.56	Created By	MFSDEMO1
NOI Adjustment	<input type="text" value="-16,000.00"/>	Property Allocation	60	Approval Date	
Adjusted NOI	820,000.00	Allocated Loan to Value %	218.97	Approved By	
		Current Principal Balance	36,056,099.60		

Most Recent Note



Rent Rolls

Track & analyze tenant and lease information

- Works at both the property or consolidated loan level
- See a historical view, tenant parent/child relationships (legal structure)
- User-defined forms and templates associated with different property types
- Easily enter and import rent rolls and unit mix into user-defined templates

Unit Mix

As of Date	<input type="text" value="10/09/2017"/>	Total Units	<input type="text" value="200"/>	Total Square Feet	<input type="text" value="316,750"/>	Gross Potential Rent	Units	Rent	Occupancy/Va
Total Rooms	<input type="text" value="30"/>	Total Bedrooms	<input type="text" value="29"/>	Total Bathrooms	<input type="text" value="4.0"/>	Occupied Units at Lease Rent	199	6,276,000.00	100.000%
Total Rent/Month	<input type="text" value="523,000.00"/>	Indep/Congreg Unit Mix	<input type="text"/>	Assisted Living Unit Mix	<input type="text"/>	Vacant/Down Units at Market Rent	0	0.00	0.000%
Analysis Date	<input type="text" value="10/11/2017"/>	Analysis By	<input type="text" value="SHARTWEL"/>	Full/Partial	<input type="text"/>	Non-Revenue Units at Market Rent	1	0.00	
Received Date	<input type="text" value="10/16/2017"/>	Description	<input type="text"/>						
							Total	200	6,276,000.00

Most Recent Note

Unit Mix Details

Unit Description	Unit Detail Description	# of Units	# of Rooms	# of Bedrooms	# of Bathrooms	Square Feet/Unit	Rent/Unit/Month	Rent/Square f
SEE DETAIL DESCRIPTION	Assited Living	50	2	2	1.0	1,000	3,000.00	3.00
SEE DETAIL DESCRIPTION	Full Nursing	25	25	25	1.0	750	5,000.00	6.67
SEE DETAIL DESCRIPTION	independant	124	3	2	2.0	2,000	2,000.00	1.00
SEE DETAIL DESCRIPTION	MGR App	1	0	0	0.0	0	0.00	0.00

Inspections

Keep historical site inspections in one place

- Includes deferred maintenance items, fully integrated notes, and O&M information
- Fully integrated with our Intelligence Engine and Process Manager workflow tool to help schedule and approve inspection reports
- Upload the inspections document and photos to glean key data or issues

Inspection Information

Inspection Type:	ANNUAL INSPECTION [AN]	Inspection Form:	ANNUAL INSPECTION [AN]	Inspection Due Date:	12/19/2013
Outsourced?:	<input checked="" type="checkbox"/>	OK to Pay?:	<input type="checkbox"/>	Ordered?:	<input type="checkbox"/>
Ordered Date:		Inspector:	Goodman Marks [155]	Borrower Notification Sent Date:	
Inspection Scheduled Date:	01/02/2015	Inspection Completed Date:	12/03/2013	Inspection Received Date:	
Inspection Approved Date:	01/02/2014	Approved By:	John Doe	Submitted to Investor Date:	
Follow Up Letter Sent Date:		Next Inspector:	MFS Inspections [001]	Health & Safety Issues:	
Cost:	300.00	Invoice:	4557	Inspection Overall Rating:	GOOD OVERALL CONDITION [G]
Occupancy From Inspection:	100.000%	Occupancy As Of Date:	12/30/2013	Outsourced QC:	
No. of Units Required:	10	Completion Repairs?:	<input checked="" type="checkbox"/>	Investor Due Date:	
Lender Submission Instructions:					

[Repairs](#)[Capital Improvements](#)

Deferred Maintenance

Deferred Maintenance?: ☒[Deferred Letter](#)[Thank you Letter](#)[Add](#)

Describe Condition And Location	Status	Life Safety (Y/N)	Major Deferred (Y/N)	Major Item (Y/N)	Estimated Cost	Estimated Completion Date	Actual Cost
cracked roof	COMPLETE			YES	0.00		0.00


Appraisal

Keep historical values in a central location

- Upload comprehensive appraisal documents to glean key data

Appraisal Information

Ok Apply Cancel Delete Comparable Properties Valuation

Consolidated	No	Appraisal Date	12/15/1997	Next Appr. Date	10/01/2009
Purpose	NEW LOAN CLOSING (10) ▾	Appraiser	MFS Appraisal Inc (998) ▾	Method Used	COST APPROACH (CO) ▾
Value of Land	1,200,000.00	Cap Rate %	0	Certified	YES (Y) ▾
Value of Building	7,515,000.00	Appr. Fee	2,000.00	New Appr. Ordered	-- ▾
Value of Business	0.00	Use For Acct.	YES (Y) ▾	Notice Type	
Total Value	18,715,000.00	Acct. Adj.	0.00	CMBS Most Recent Value Source	-- ▾
Most Recent Note	Attachment(s) 				

Reporting

One-stop shopping for any report you need within seconds

- No need to engage with technical resources or other reporting tools
- 100's of pre-packaged reports available for use
- Ad hoc reporting available to create custom reports

Reports

Investor Trial Balance - only include first prop - Demo-Inv Trial one prop

LOAN NUMBER	CUSTOMER SHORT NAME	CURRENT PRINCIPAL BALANCE	NEXT PAYMENT DUE DATE	MATURITY DATE	SEQUENCE#	INVESTOR#	PARTICIPATION% OWNED	CURRENT PRINCIPAL BALANCE
990008116	Verona	70,600,000.00	2013-09-15	2023-08-15	1	600	1.0000000000000000	70,600,000.00
975754834	mscha	300,000.00	2014-01-01	2020-12-01	1	502	1.0000000000000000	300,000.00
970000764	Madison Bond	4,045,000.00	2013-09-15	2023-08-15	1	600	1.0000000000000000	4,045,000.00
970000696	Verona Bond	39,500,000.00	2013-09-15	2023-08-15	1	600	1.0000000000000000	39,500,000.00
970000695	Verona Bond	2,600,000.00	2013-09-15	2023-08-15	1	600	1.0000000000000000	2,600,000.00
970000692	Verona Bond	28,500,000.00	2013-09-15	2023-08-15	1	600	1.0000000000000000	28,500,000.00
910610921	HIGHPOINTE HO	999,804.79	2008-01-01	2016-08-01	1	531	1.0000000000000000	999,804.79
890610921	MOORE	999,804.79	2008-01-01	2006-08-01	1	531	1.0000000000000000	999,804.79
880001116	Revere Dev	1,000,000.00	2013-09-15	2015-08-15	1	600	1.0000000000000000	1,000,000.00
880000718	Revere Dev	500,000.00	2013-09-15	2015-08-15	1	600	1.0000000000000000	500,000.00
512121212	neg am	50,100,000.00	2007-12-31	2037-09-02	1	702	1.0000000000000000	50,100,000.00
500001234	CONW	8,640,582.20	2014-07-01	2023-11-01	1	516	1.0000000000000000	4,320,291.10
490837071	GRAV	51,050,000.00	2008-06-15	2033-05-15	1	503	1.0000000000000000	51,050,000.00
220000011	Pool A PIF	0.00	2014-04-01	2014-12-31	1	22001	0.1996800000000000	0.00
220000011	Pool A PIF	0.00	2014-04-01	2014-12-31	2	22002	0.1397800000000000	0.00

Intelligence Engine

Proactive monitoring of your entire portfolio

- Monitor for any risk indicators and covenants to ensure the health of the loan
- Example: when an NOI drops below a certain level – how do you know? The ‘engine’ will tell you so you can resolve it
- Automatically performs actions when indicators are identified
 - Displays alerts
 - Emails to notify appropriate parties
 - Creates letters to notify borrowers, property managers, etc.
 - Starts user defined processes to mitigate risk
- Eliminates manually pouring over reports for dates and multiple risk factors



Process Manager

Automate all of your processes

- Quickly assign and route work to whoever you want (even third party vendors)
- Completely visibility to all parties with your notes and associated documents in one central location
- Consents, covenants, asset management, etc.
- Eliminate the need for reminders and ticklers when implemented
- Provides a complete history and audit trail you can pull up instantly on screen

Payoff Process Detail

Search

Create New Start Complete Waived Inactive Reassign Job Function Reassign Role Notes Email View Process View Task Fees Document Checklist

Status	Notes	Process Name	Active Task(s)	Start	Due	Related To	Assigned To	Days Left	Borrower	Property	Investor	Officer
		PAYOFF PROCESS	SENT INVESTOR/ LENDER/MASTER SERVICER QUOTE FOR REVIEW	02/13/2017	02/15/2017	LOAN 445	John Doe, Asset Manager 1	-915	AMERRICA MANAGEMENT CORPORATION	VARIOUS	GinnieMae MBS [24]	SMYTH JOHN
		PAYOFF PROCESS	RECEIVE PAYOFF REQUEST AND CALCULATE QUOTE	10/19/2016		LOAN 445	Jane Doe, Asset Manager 4	0	AMERRICA MANAGEMENT CORPORATION	VARIOUS	GinnieMae MBS [24]	SMYTH JOHN
		PAYOFF PROCESS	PAYOFF QUOTE SENT TO BORROWER	10/19/2016	10/21/2016	LOAN 200000001	Jane Doe, Asset Manager 4	-1032	Opal Management Company	VARIOUS	ABC Investment [501]	JANE DOE

The background is a solid orange color. In the center, there is a faint, semi-transparent image of a lightbulb. A pencil is positioned horizontally across the middle of the lightbulb, and an eraser is positioned horizontally across the bottom of the lightbulb. Surrounding the central lightbulb are several hand-drawn, irregular circles in a lighter shade of orange, giving the impression of brainstorming or sketching.

**Is there another application for
Asset Management that you'd like for us to
develop?**

Or specific functionality?



**Let's 'tour the store' & our
Asset Management applications**

“Should I be using STRATEGY’s Asset Management applications?”

- ❑ My organization is on an older STRATEGY release and not taking full advantage of all the system has to offer
- ❑ My organizations pays for a separate system *just* for Asset Management
- ❑ My organization built and maintains a homegrown system *just* for Asset Management
- ❑ My organization could benefit from tighter integration between our Servicing & Asset Management departments and systems

Next Steps

- Take the 1-minute email survey!
- Make sure to **download the PDF attachment** to see all the other applications available to you in our cloud-based portal
- This presentation and a recording of this webinar will be available at www.mccrackenfs.com in the SUPPORT CENTER under WEBINAR PRESENTATIONS
- If you are interested in learning more about our **Asset Management** applications please reach out to the McCracken Support Center at:

SupportCenter@McCrackenFS.com



Thank you for attending our webinar. Don't forget to:



**Share the webinar
recording with
your colleagues.**



**Attend our
monthly webinars.**



**Contact McCracken if
you'd like to learn more.**

