



The Global Mark of Distinction in Alternative Investments

The Chartered Alternative Investment Analyst Program



Agenda

The Global Mark of Distinction in Alternative Investments

- The Association
 - Background
 - Growth and Recognition
- The Designation
 - Member Profile
 - Corporate Support
- The Program
 - Format
 - Curriculum
 - Fees



The Need

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- Growth of the alternative investment industry has meant that...
 - **Financial Institutions** seek a way to establish their credentials and to develop a cadre of subject matter experts who understand the full breadth of alternative investments
 - **Clients** require multi-disciplinary analysis of alternative investments and a greater confidence in the abilities of their manager
 - **Regulators** demand a set of common standards for licensees and the knowledge to effectively govern financial markets
 - **Human Resources Departments** demand a common benchmark qualification and an indication of a candidate's true dedication to alternative investments,

And all market participants demand greater professional ethics and accountability in this emerging industry.



Our Mission

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- Provide members with a comprehensive knowledge of alternative investments
- Advocate high standards of professional conduct
- Promote professional development through ongoing education
- Facilitate communication among industry professionals

Establish the Chartered Alternative Investment Analyst designation as the educational standard for the alternative investment industry.



Affiliated Publications

The Global Mark of Distinction in Alternative Investments

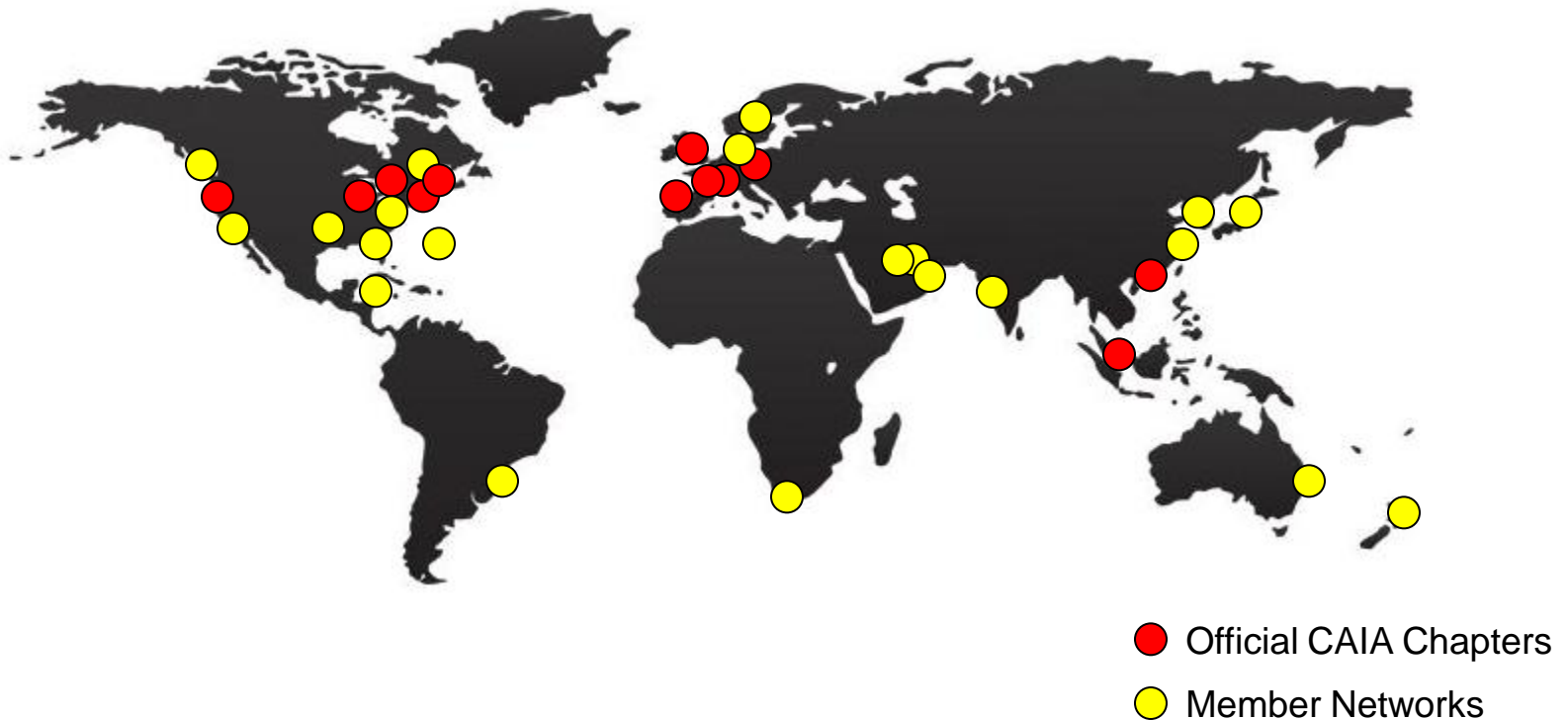




Global Presence

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The CAIA Association has offices in Massachusetts, London, Toronto and Singapore and has held member events, conducted information sessions and met with organizations in the following locations during the past 18 months.

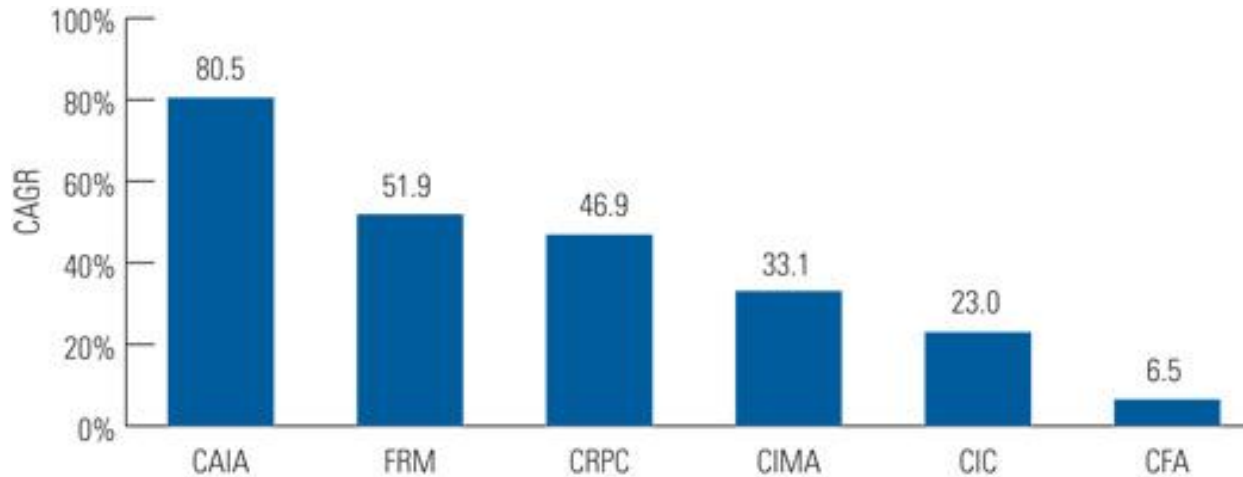




Recognition

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Compound Annual Growth Rates for Leading Financial Designations

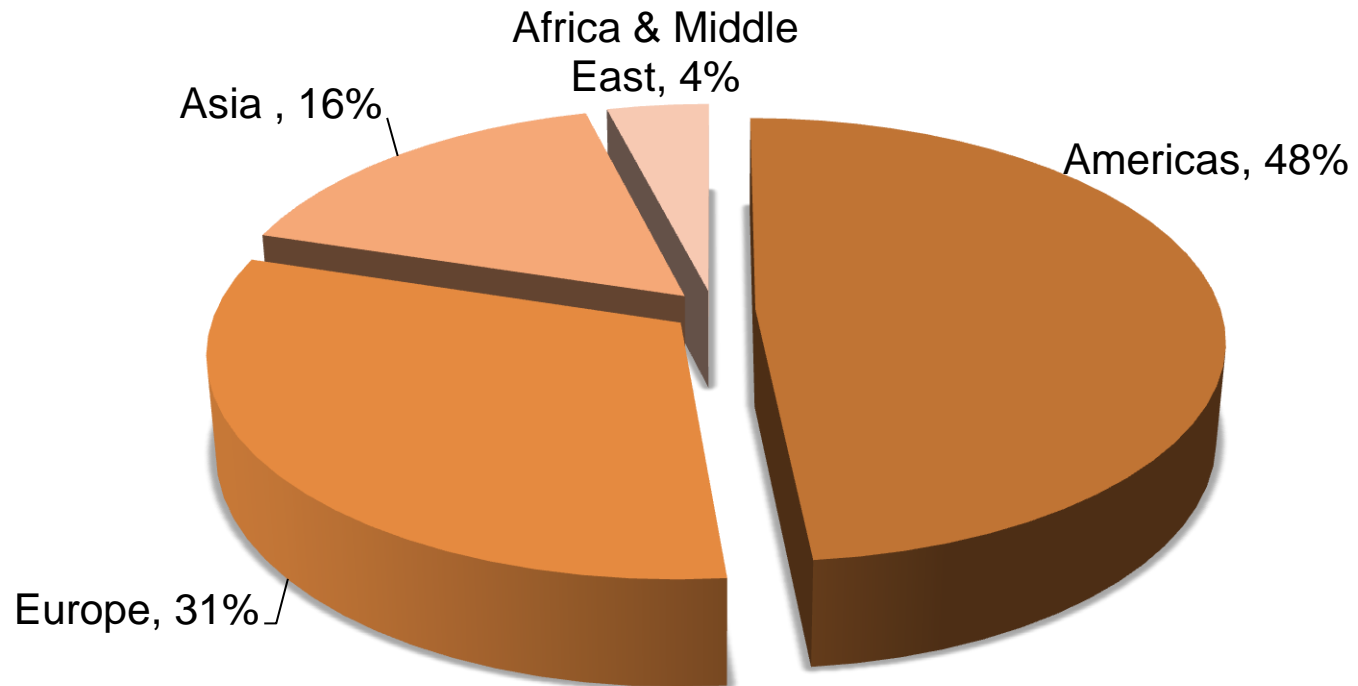


Total number of designations awarded since inception. Data for the CFP and CMT are not available. CAGRs (compound annual growth rates) are through 2008, except for the CAIA (through March 2009) and CIC (through June 2009). Inception dates are 2003 for CAIA, 1963 for CFA, 1975 for CIC, 1988 for CIMA, 1996 for CRPC, and 1997 for FRM.

Source: [*The Investment Professional, The Journal of the New York Society of Securities Analysts, Summer 2009*](#)

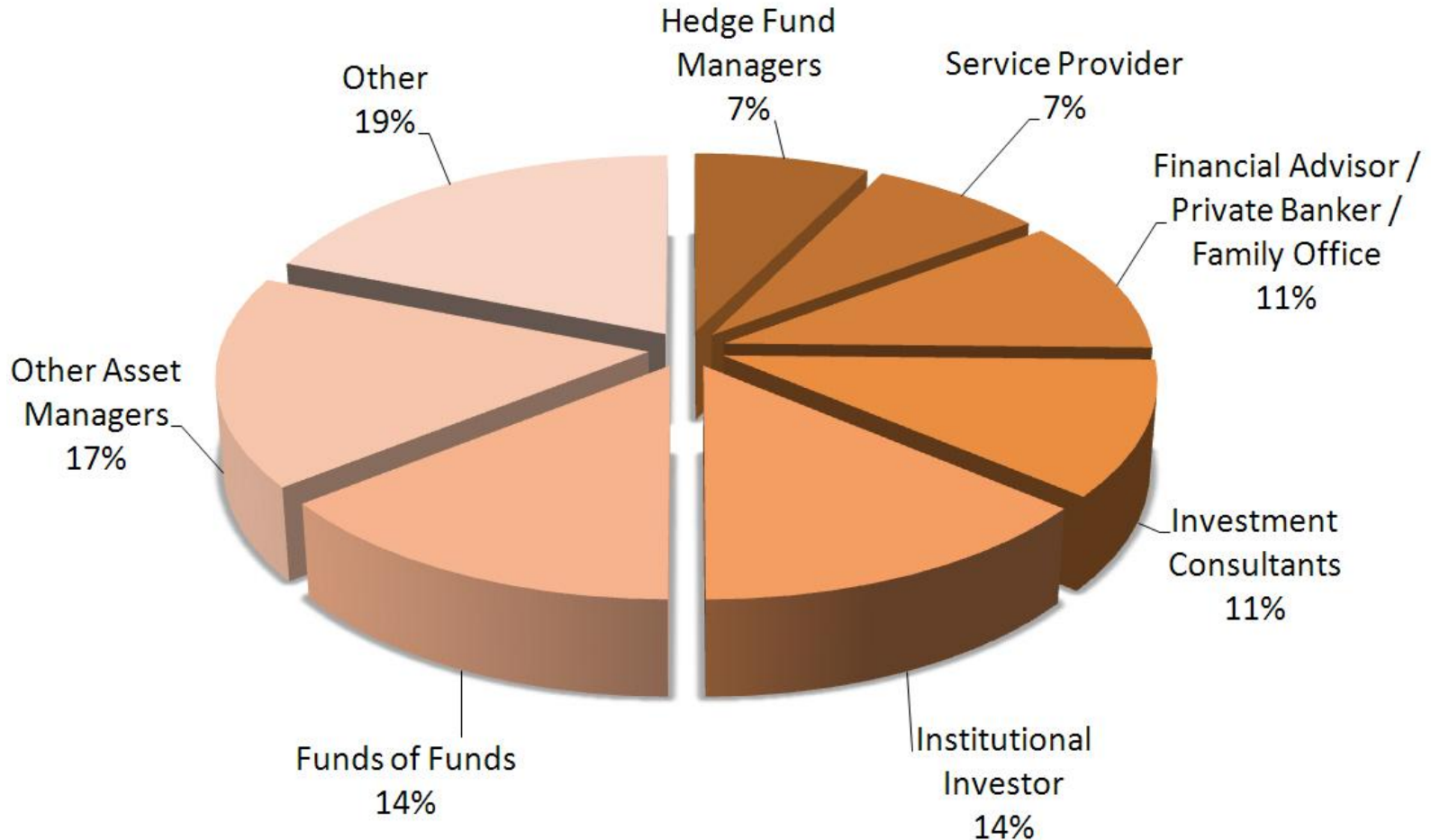
Member Profile: Geography

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Member Profile: Role

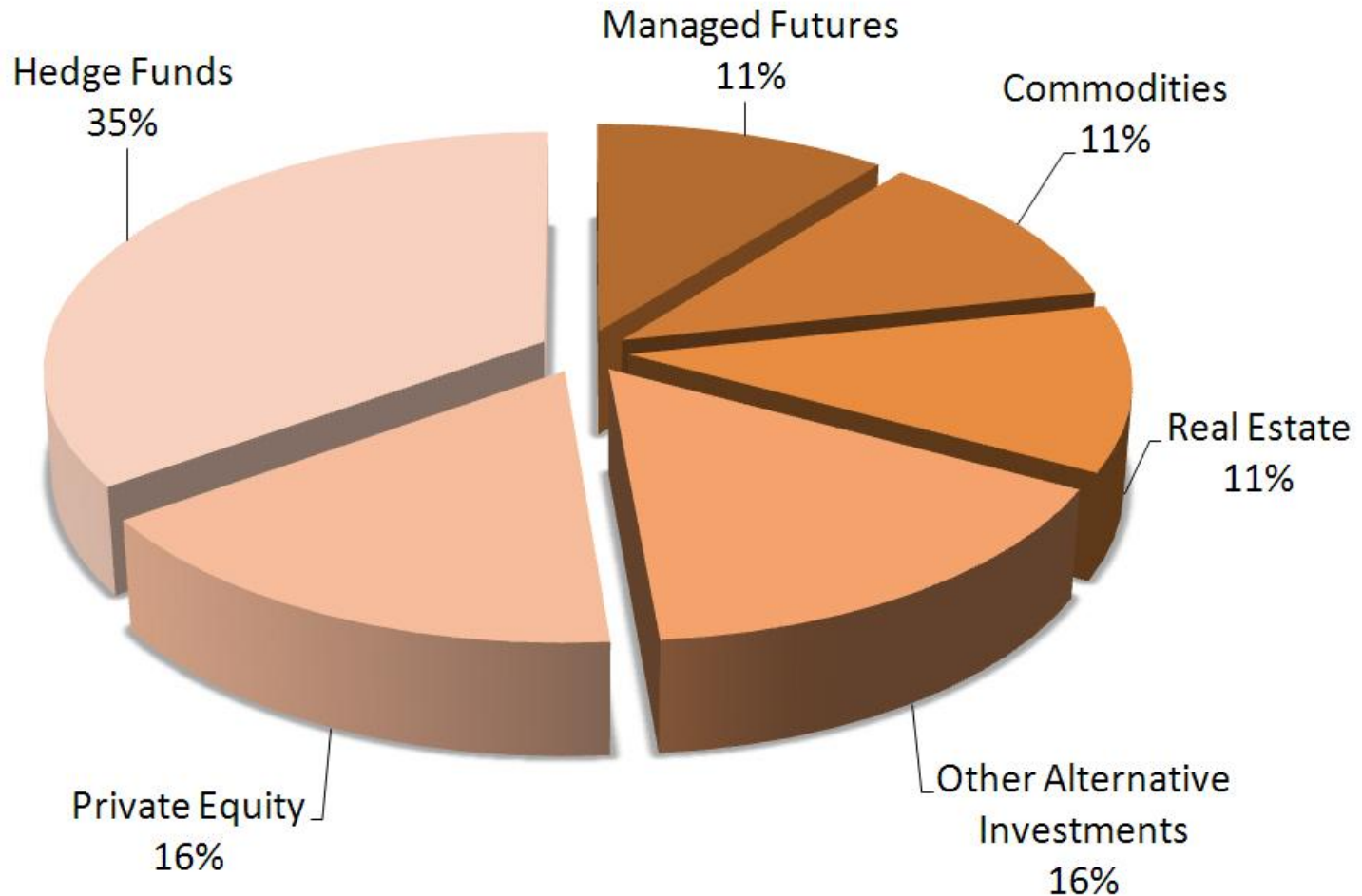
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Member Profile: Area of Alternative Investment Expertise

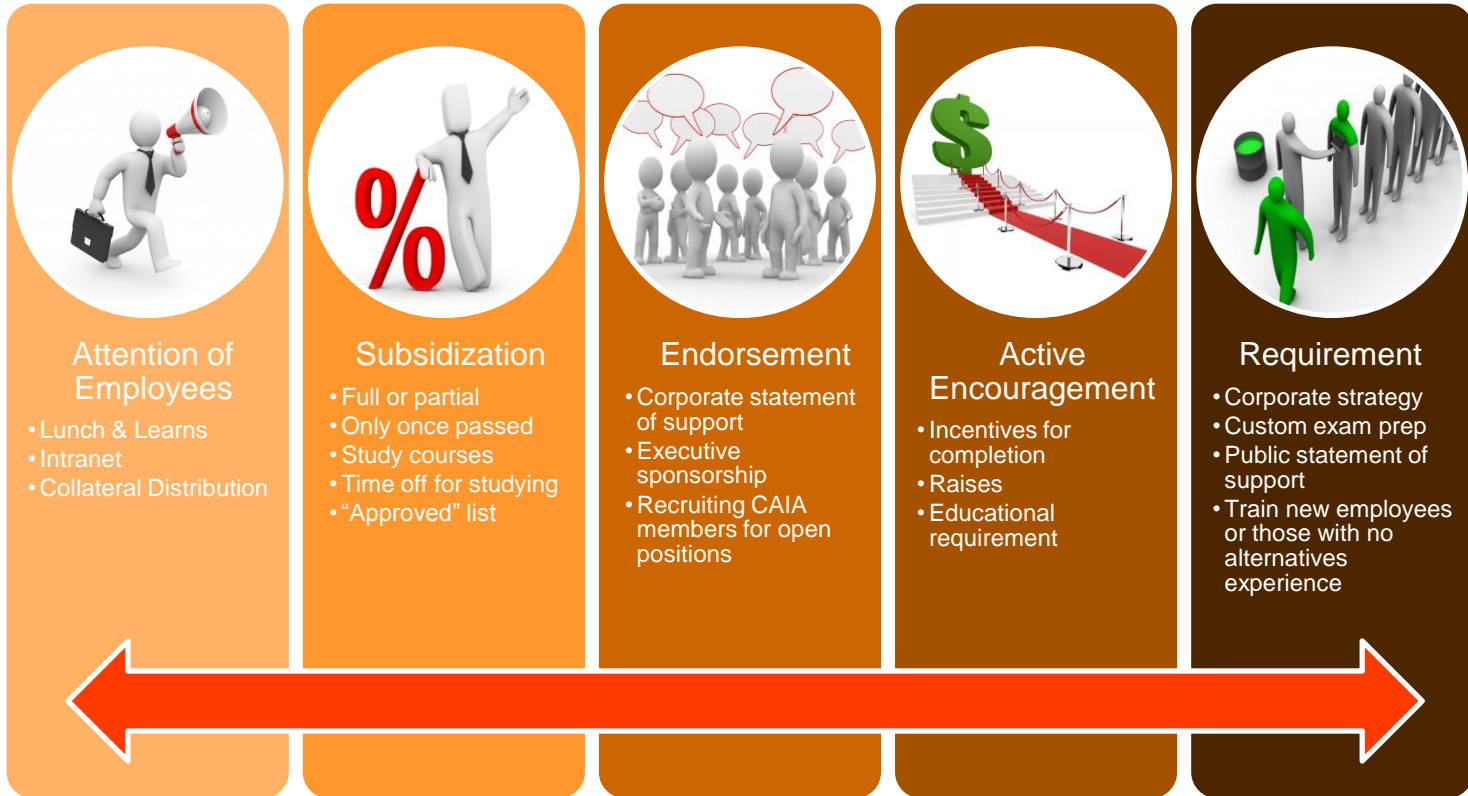
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Corporate Support

Possible Models

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CAIA becomes “preferred”

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The screenshot shows the Bank of America careers page for a job titled "Director, Retirement Investment Analytics : IRC189878". The page includes a navigation menu with "Home", "Locations", "Contact Us", "Help", and "Sign In". A search bar is present. The job details section includes a sidebar with navigation links: Overview, Job Search, Job Areas, Lines of Business, Campus Recruiting, Locations, Media Gallery, and Staffing Events. The main content area displays the job title, location "US-NY-New York", and a description: "Global Investment Solutions (\"GIS\") develops and manages investment solutions for our high net worth clients. The IMC". There are three buttons: "Add to job cart", "View job cart", and "Apply Now". A list of requirements is shown below, with the last item circled in red: "A CFA and/or CAIA designation is preferred. Series 7, 63, 66, a plus."

Bank of America 

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Search

Careers

- Overview
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- Lines of Business
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Director, Retirement Investment Analytics : IRC189878

US-NY-New York

Description [Add to job cart](#)

[View job cart](#)

Global Investment Solutions ("GIS") develops and manages investment solutions for our high net worth clients. The IMC [Apply Now](#)

- Able to work with minimum supervision in a fast-paced and challenging environment; a team-player with ability to build relationships across the combined Bank of America - Merrill Lynch organization.
- Strong interpersonal and communication skills: the ability to translate complex quantitative concepts into common-sense terms and thinking
- A CFA and/or CAIA designation is preferred. Series 7, 63, 66, a plus.

Corporate Support

Encouraged or required

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A recent survey found that 25% of candidates were encouraged or required by their employers to take the CAIA exams. Some of those 150+ organization included:



- ABP Investments, *Netherlands*
- Abu Dhabi Investment Company, *UAE*
- Allstate Investments, *USA*
- Ameriprise Financial, *USA*
- Bank of America, *USA* *
- Barclays Wealth, *UK*
- BNP Paribas, *France*
- CalPERS, *USA*
- Cayman Islands Monetary Authority, *Cayman Islands*
- Citigroup, *USA* *
- Credit Suisse, *Switzerland* *
- Charles Schwab, *USA*
- Daeshin Securities, *Korea*
- Deutsche Bank, *Germany* *
- UNC Management Company, *USA*
- Government of Singapore Investment Corporation (GIC), *Singapore*
- London School of Economics, *UK*
- Harvard University, *USA*
- JP Morgan, *USA* *
- Man Investments, *Switzerland* *
- Merrill Lynch, *USA* *
- Morgan Stanley, *USA* *
- New England Pension Consultants, *USA* *
- Ontario Teachers Pension Plan, *Canada*
- Pacific Alternative Asset Management Company, *USA* *
- Pictet & Cie., *Switzerland**
- Royal Bank of Canada, *Canada* *
- Securities & Exchange Commission (SEC), *USA* *
- Societe Generale, *France*
- UBS Global Asset Management, *Switzerland* *
- Teacher Retirement System of Texas, *USA*
- Threadneedle Investments, *UK*



Program Format

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- Online Registration (www.caia.org)
- Self-Paced Learning
- Informal Study Groups
- Computerized Exams
 - Semi-annually (March & September)
 - 2 week window to select most convenient exam date
 - Offered in 70+ countries around the world
- Training Course Providers
 - UpperMark
 - Kaplan Schweser
 - Others
- Continuing Education
 - Member discounts on curriculum additions
 - Live and online courses currently under development
 - Access to CAIA's proprietary research library (academic studies, industry surveys etc.)



Examination Format

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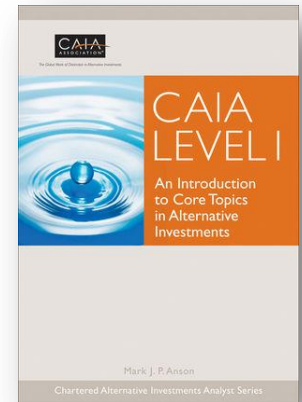
- **Level I**
 - Professional standards & ethics
 - Introduction to major areas of alternatives
 - 200 Multiple choice questions
 - Section 1: 100 questions / 120 minutes
 - Section 2: 100 questions / 120 minutes

- **Level II**
 - Professional standards and ethics
 - Application of skills and knowledge to current and integrated AI topics
 - 100 Multiple choice question + 3 Essays
 - Section 1: 100 questions / 120 minutes
 - Section 2: 3 essays / 90 minutes

Level I Curriculum

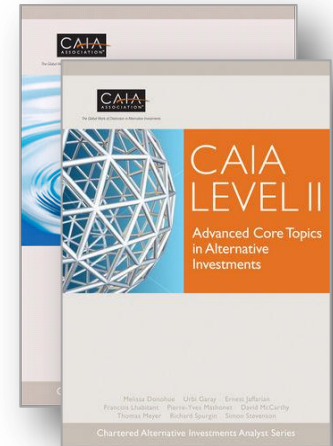
- Core Concepts

- Professional Standards and Ethics
- Introduction to Alpha Drivers and Beta Drivers
 - *Example: “The calculus of active management”*
- Real Estate
 - *Example: “Core, value-added and opportunistic real estate”*
- Hedge Funds
 - *Example: “Establishing a hedge fund program”*
- Commodities and Managed Futures
 - *Example: “Commodity futures in a portfolio context”*
- Private Equity
 - *Example: “Introduction to leveraged buyouts”*
- Credit Derivatives
 - *Example: “Risks and new developments in structured products”*



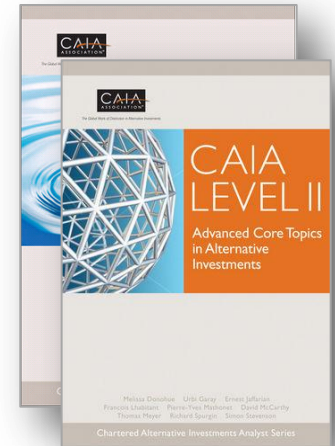
Level II Curriculum - *Advanced Concepts*

- Professional Standards and Ethics
- Venture Capital and Private Equity Funds
 - *Example: “Private equity portfolio design”*
- Commodities
 - *Example: “Key concepts in commodity market analysis”*
- Managed Futures
 - *Example: “Managed futures industry development & regulation”*
- Real Estate
 - *Example: “Real Estate in a portfolio context”*
- Hedge Funds
 - *Example: “Strategy specific due diligence”*
- Structured Products, New Products and New Strategies
 - *Example: “Passive hedge fund replication”*



Level II Curriculum (continued) - *Advanced Concepts*

- Asset Allocation
 - *Example: “Dynamic strategies for asset allocation”*
- Current Topics
 - *Example: “Amaranth lessons thus far”*
- Portfolio and Risk Management
 - *Example: “Tail risk management”*
- Research Issues in Alternative Investments
 - *Example: “Facts and fantasies about commodity futures”*





Level II Readings

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- **Private Equity**

- “The IRR”
- “Distribution waterfall”
- “What drives PE? Analyses of success factors for private equity funds”

- **Commodities & Managed Futures**

- “Do professional currency managers beat the benchmark?”
- “The Oil-price spike of 2008: Inferences from price relationships and other publicly-available data”

- **Real Estate**

- “Assessing and managing risk in institutional real estate investing”
- “Risks, Returns and Correlations for global private real estate markets”

- **Hedge Funds**

- “Hedge funds investing in distressed securities”
- “Are funds of funds simply multi-strategy managers with extra fees?”
- “Hedge fund investing: A quantitative approach to hedge fund manager selection and de-selection”

- **Risk Management and Credit Derivatives**

- “Risk management for alternative investments”
- “Credit derivatives”



Prerequisite Program

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- Quantitative Analysis
 - The Time Value of Money
 - Probability Distributions, Sampling, and Hypothesis Testing
 - Correlation, Regression, and Time Series Analysis
 - Portfolio Concepts

- Markets, Instruments, Valuation, and Investment Theory
 - Markets and Instruments
 - Fixed Income Securities
 - Equity Securities
 - The Basic Relationship between Risk and Return
 - Market Efficiency
 - Applied Portfolio Management
 - Options and the Black-Scholes Option Pricing Model
 - Other Derivatives and Market Strategies



Program Fees

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	<u>Standard</u>	<u>AIMA Members</u>
Enrollment Fee	US\$400	\$400
Level 1 Examination Fee	\$1,000	\$750
Level 2 Examination Fee	\$1,000	\$750
Total Program Fee	\$2,400	\$1,900
Exam Re-take Fee	\$350	\$350
Annual Membership Dues	\$250	\$150*



Curriculum Advisory Council

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- Mark Anson
Oak Hill Investments
- Mark Baumgartner
The Ford Foundation
- Angelo A. Calvello
Journal of Environmental Investing
- Daniel Celeghein
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D.F. McCarthy, LLC
- James Tomeo
SSARIS Advisors, LLC



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Jaeson Dubrovay, *Aksia LLC*

Mark Hutchinson, *Univ College Cork, Ireland*

Solomon Tadesse, *SSGA & University of Michigan*

Mark Wiltshire, *Centauream*

Real Assets

Stephane Amara, *Deutsche Bank*

Andreas Calianos, *Commonfund*

George A. Martin, *Alternative Investment Analytics, LLC*

Tom Johnson, *Timberland Investment Resources, LLC*

Commodities & CTAs

Hamlin Lovell, *Consultant*

David McCarthy, *D.F. McCarthy, LLC*

Joelle Miffre, *EDHEC*

Richard Spurgin, *Clark University*

Hilary Till, *Premia Capital Management, LLC*
EDHEC-Risk Institute

Private Equity

James Bachman, *The Burgiss Group*

Erik Benrud, *Drexel University*

Pierre-Yves Mathonet, *European Investment Fund*

Thomas Meyer, *European Private Equity and Venture Capital Association*

Due Diligence and Regulation

Jaeson Dubrovay, *Aksia, LLC*

Armand van Houten, *Harcourt Investment Consulting AG.*
Switzerland

Tom Kehoe, *AIMA*

Hamlin Lovell, *Consultant*

Christopher Schelling, *Mercer Investment Consulting*

Mark Wiltshire, *Centauream*

Asset Allocation, Risk Management & Wealth Management

James T. Gillies, *Wafra*

Pierre Laroche, *Innocap*

Joelle Miffre, *EDHEC*

Solomon Tadesse, *SSGA & University of Michigan*

Structured Products

Samson Koo, *Barclays Capital, New York*

Jon Rotolo, *Wood Creek Capital*



Board of Directors

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Chief Executive Officer, Alternative Investment Management Association

Jane Buchan, CAIA

Chief Executive Officer, Pacific Alternative Asset Management Company

Alexander M. Ineichen, CFA, CAIA, FRM

Founder, Ineichen Research and Management

Thomas R. Schneeweis

Chairman of the CAIA Association

Director, Center for International Securities and Derivatives Markets



Program Benefits

The Global Mark of Distinction in Alternative Investments

- **For Financial Institutions**
 - A way to establish their credentials and,
 - develop a cadre of subject matter experts who understand the full breadth of alternative investments.
- **For Clients**
 - Confirmation that a supplier or manager has an up-to-date, multi-disciplinary understanding of alternative investments.
- **For Regulators**
 - A set of common standards for licensees and,
 - the knowledge to effectively govern financial markets.
- **For Human Resources**
 - A common benchmark qualification and an indication of a candidate's or employee's true dedication to alternative investments,

And for the alternative investment industry itself: A way to demand and display higher standards of professional ethics and accountability in this emerging sector.



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Important Dates

September 2011 Exam

- Exam registration open from **April 4 – August 1, 2011**
- Early registration ends May 16, 2011

- Level I Exam Session:
19th-30th September 2011

- Level II Exam Session:
12th-23rd September 2011



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www.caia.org