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## Risk Management Now Certifiable

By Susan Barretto, Senior Financial Correspondent

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MINNEAPOLIS (HedgeWorld.com)—A new industry certification program focuses on assessing the risk management skill needed in the hedge fund industry.

The Professional Risk Managers' International Association, known as PRMIA, is close to completing a risk management certification program specifically for those in the alternative investment industry. This would be the first in a series of specialist risk management certifications to be offered in addition to the PRM program that was introduced three years ago as a global standard for financial risk managers.

"This won't be the CFA (Certified Financial Analyst), where there are thousands out there with the certification, but will always be a fairly select group," said David Koenig, executive director of PRMIA.

Right now 600 individuals have attained the PRM designation, with another 1,600 candidates working to complete the self-study course. The success rate hovers at 50%, Mr. Koenig said. It's unknown how many PRM holders are already employed at hedge funds, but up to 10% of PRMIA's 32,000 members are active in alternative investments, he said.

The core curriculum and reading materials have been established, and the program will likely take off in early summer. Like the PRM program, the specialist certification will take between three and six months to complete. It will focus on areas such as liquidity risk and industry best practices and course work is geared toward those involved in hedge fund risk management with seven to 10 years of experience.

Until now the Chartered Alternative Investment Analyst Association was the only credentialing group in the hedge fund industry. The group has more than 1,000 registrations for its 2006 exam. Kathy Wilkens, a professor at Worcester Polytechnic Institute who sits on the CAIA curriculum committee, also is on the committee leading the new PRMIA designation effort.

At PRMIA she is joined by: Hilary Till, principal of Premia Capital; Francois-Serge Lhabitant, professor of risk management at HEC, University of Lausanne; Mark Anson, chief executive of Hermes Pensions Management Ltd. and former CalPERS chief; Keith Black, hedge fund author and professor at the Stuart Graduate School of Business; and Luis Seco, professor at the University of Toronto.

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