THE CHARTERED ALTERNATIVE INVESTMENT ANALYST PROGRAM

Hubbis Wealth Management Forum, 2013 - Hong Kong

Tuesday, 26th February 2013

SHOWCASE YOUR KNOWLEDGE
CONTENT

CAIA and OUR MEMBERSHIP

CURRICULUM & EXAM PROCESS

CAIA vs CFA

CANDIDATE SUPPORT

EXAM FEES and DATES

CONTACTS
GLOBAL PRESENCE

- 15 Official CAIA Chapters
- 5 Regional Offices
- 20+ CAIA Member Networks
ACADEMIC AND ASSOCIATION PARTNERSHIPS
MEMBERSHIP GROWTH

Members in Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>39</td>
</tr>
<tr>
<td>China</td>
<td>27</td>
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<tr>
<td>Korea</td>
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<tr>
<td>Australia</td>
<td>65</td>
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<tr>
<td>India</td>
<td>33</td>
</tr>
<tr>
<td>Singapore</td>
<td>271</td>
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<tr>
<td>Hong Kong</td>
<td>311</td>
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</table>
MEMBERSHIP PROFILE

WORLD
- Americas 50%
- Europe 34%
- Asia 14%
- Africa & ME 2%

OCCUPATION
- Portfolio Manager 19%
- Consultant 17%
- Sales & Marketing 14%
- Other 14%
- Analyst 13%
- Risk Manager 6%
- Asset Allocator 7%
- Prod Dev 6%
- Accounting & Legal 2%
- Fund Admin 2%
JP Morgan Chase, Hong Kong
AM - China Institutional Sales, Alternative Investments, V.P.
- Network in the Chinese corporate sector is highly advantageous
- University degree is essential; CFA or CAIA chartered holder is strongly preferred
- Willingness to travel frequently and face clients China
- Good at communication, cold calling, networking, and excellent team player

Bank of America, New York
Director, Head of Structured Investments - Latin America
- Undergraduate degree in Business Administration, Finance, International Relations, Economics etc.
- MBA, CFA and/or CAIA charter is preferred
- Proven track record and leadership experience in developing and growing a business

Towers Watson, London
Hedge Fund Researcher - Investment
- Business finance or economics degree
- Completion of a professional qualification (e.g. CFA, CAIA)
- At least 5 years researching hedge funds preferable

CAIA BECOMES “PREFERRED”
SAMPLE OF CAIA MEMBER EMPLOYERS IN ASIA

Banks
- HSBC
- Citi
- Credit Suisse Private Bank
- Standard Chartered
- Bank of Singapore

Consultants
- Mercer
- Towers Watson
- Cambridge Associates

Fund Management
- Blackrock
- Nikko Asset Management
- AXA Rosenberg
- UBS Asset Management
- Daiwa Asset Management

Regulators
- MAS Singapore
- SFC Hong Kong
- U.S. SEC
- FSA UK
- CIMA Cayman

Pension Funds & Endowments
- Temasek Holdings
- GIC
- Sompo Japan Insurance
- Dai-ichi Life Insurance
- CalPERS
- Harvard Management Co.
### CAIA CURRICULUM FOUNDATION

#### QUANTITATIVE ANALYSIS
- Time Value of Money
- Probability Distributions, Sampling, and Hypothesis Testing
- Correlation, Regression, and Time Series Analysis
- Portfolio Concepts

#### MARKETS, INSTRUMENTS, VALUATION & INVESTMENT THEORY
- Markets and Instruments
- Fixed Income Securities
- Equity Securities
- Basic Relationship between Risk and Return
- Market Efficiency
- Applied Portfolio Management
- Options and Black-Scholes Option Pricing Model
- Other Derivatives and Market Strategies
LEVEL I CURRICULUM

CORE CONCEPTS

Level I

- Professional Standards & Ethics
- Introduction to Alternative Investments
- Real Assets
- Hedge Funds
- Commodities
- Private Equity
- Structured Products
- Risk & Portfolio Management
EXAMINATION FORMAT

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

Exam Topics Minimum Weight

- Professional Standards and Ethics, 15%
- Introduction to Alternative Investments, 15%
- Real Assets, 5%
- Hedge Funds, 15%
- Commodity, 5%
- Private Equity, 5%
- Structured Products, 5%
- Risk Management and Portfolio Management, 15%

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### CAIA LEVEL I - PASS RATES

<table>
<thead>
<tr>
<th>Time</th>
<th>Pass Rate</th>
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<tr>
<td>September 2009</td>
<td>68%</td>
</tr>
<tr>
<td>March 2010</td>
<td>71%</td>
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<tr>
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<tr>
<td>September 2011</td>
<td>74%</td>
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<tr>
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<td>68%</td>
</tr>
<tr>
<td>September 2012</td>
<td>64%</td>
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LEVEL II CURRICULUM

ADVANCED CORE CONCEPTS

Level II

- Professional Standards & Ethics
- Venture Capital & Private Equity
- Hedge Funds & Managed Futures
- Real Estate/Real Assets
- Commodities
- Structured Products
- Manager Selection, Due Diligence & Regulation
- Research Issues & Current Topics
- Risk & Risk Management
- Asset Allocation & Portfolio Management
Exam Topics Minimum Weight

- Standards and Ethics 10%
- Private Equity 10%
- Hedge Funds 15%
- Real Assets 10%
- Commodities & Managed Futures 15%
- Research Issues and Current Topics 20%

LEVEL II

- Professional standards and ethics
- Application of skills and knowledge to current and integrated AI topics
- 100 Multiple Choice Questions + 3 Constructed Response Questions (essays)
  - **Section 1**: 100 questions / 120 minutes (70% exam weight)
    - Can focus on any topic
    - Optional 30-minute break
  - **Section 2**: 3 essays with multiple parts / 120 minutes (30% exam weight)
    - Can focus on any topic
    - Short answers: 1-3 paragraphs
# Pass Rates

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<table>
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<tr>
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<tbody>
<tr>
<td>September 2009</td>
<td>58 %</td>
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<tr>
<td>March 2010</td>
<td>56 %</td>
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<tr>
<td>March 2012</td>
<td>58 %</td>
</tr>
<tr>
<td>September 2012</td>
<td>62 %</td>
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MINIMUM WEIGHTS BY EXAM TOPIC

Level I

- Standards and Ethics: 15%
- Intro to Alternative Investments: 15%
- Real Assets: 15%
- Hedge Funds: 15%
- Commodities: 5%
- Private Equity: 5%
- Structured Products: 5%
- Risk Management and Portfolio Management: 15%

Level II

- Professional Standards and Ethics: 10%
- Hedge Funds and Managed Futures: 10%
- Real Assets: 10%
- Private Equity: 10%
- Commodities: 5%
- Structured Products, Asset Allocation and Portfolio Management: 5%
- Risk and Risk Management, Manager Selection, Due Diligence and Regulation: 5%
EXAMINATION FORMAT

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 Questions + 3 Essays
  - Section 1: 100 questions / 120 minutes
  - Section 2: 3 essays / 120 minutes
CAIA - CFA COMPARED

CAIA Level I and II Combined Study Time Allocation

- Alternative Investments: 86%
- Ethical & Professional Standards: 14%

CAIA average study time Level I: 150-200 hours
Level II: 200+ hours
(est. 400+ hours across 2 levels)

CFA Level I, II, and III Combined Study Time Allocation

- Alternative Investments, 19%
- Equity Investments, 12%
- Fixed Income, 8%
- Portfolio Management and Wealth Planning, 16%
- Financial Reporting and Analysis, 11%
- Economics, 8%
- Corporate Finance, 6%
- Derivatives, 4%
- Quantitative Methods, 6%
- Ethics, 11%

CFA average study time
For each level: 300 hours
(900 hours across 3 levels)
CAIA - CFA COMPARED

Alternative Investment Study Time Allocations (% of total program study time)

- Introduction to Alternative Investments
- Quantitative Methods
- Real Estate
- Other Real Assets
- Commodities
- Managed Futures
- Hedge Funds
- Structured Products
- Private Equity
- Alternative Asset Allocation and Portfolio Management
- Alternative Investment Risk
- Alternative Investment Manager Selection, Due Diligence, and Regulation
CANDIDATE SUPPORT / TOOLS

- On-line Self-Evaluation Test of “CAIA Curriculum Foundation”
- CAIA Study Guides
- Online Live Candidate Orientation Sessions
- Informal Study Groups
- Sample Questions and Exercises
- Study calculator to plan your course of study
- Level I and Level II Sample Exams
- Independent Preparatory Course Providers
EXAM FEES

<table>
<thead>
<tr>
<th></th>
<th>Level I</th>
<th>Level II</th>
<th>Retake</th>
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<td></td>
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Registration opens April 1 for the September 2013 exams

CURRICULUM COST

The CAIA Curriculum is available for purchase at Amazon.com and Wiley.com. The CFA Institute Standards of Practice Handbook is also available for purchase online. Approximate pricing:

- Level I Textbook        | US$110 - 200
- Level II Textbook & CIT Readings | US$310 - 400
- Standards of Practice Handbook | US$30 - 40

Study Guides for Level I and for Level II are FREE, and are available for download anytime at www.caia.org
Registration for September 2013 Exam Registration

- April 1 - July 31, 2013
- Early Registration discount through May 13, 2012

Level I Exam

- September 16 - 27, 2013

Level II Exam

- September 9 - 20, 2013
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Thank You

www.caia.org