

# Chartered Alternative Investment Management Association®

## *An Introduction to the CAIA Program*

May 23<sup>rd</sup>, 2006

T H E  
C A I A  
A S S O C I A T I O N

THE GLOBAL  
MARK OF  
DISTINCTION  
IN ALTERNATIVE  
INVESTMENTS

WWW.CAIA.ORG

# The Chartered Alternative Investment Analyst Association<sup>®</sup>

- Founded in 2002 by Alternative Investment Management Association (AIMA) and Center for International Securities and Derivatives Markets (CISDM)
- Not-for-profit global educational association
- Sponsoring body for Chartered Alternative Investment Analyst (CAIA) designation

# Association's Mission

- Provide a foundation of knowledge of alternative investments through CAIA charter program
- Promote personal and professional development through ongoing education
- Advocate high standards of professional conduct
- Facilitate communication amongst industry participants
- Establish “CAIA” designation as AI industry's mark of excellence

# CAIA Program: The Basics

- Bi-Level Exam
- Covers the 5 Major AI Areas
- Strong Ethics Component
- Offered Semi-Annually around the Globe

# Overview of Level I Exam

- Section I: Foundations of Traditional Investments & Professional Standards
  - Quantitative Analysis
  - Traditional Markets and Instruments
  - Valuation and Investment Theory
  - Standards of Professional Conduct
- Section II: Foundations of Alternative Investments
  - Hedge Funds
  - Commodities and Managed Futures
  - Real Estate
  - Private Equity

# Overview of Level II Exam

## *Sections I - III*

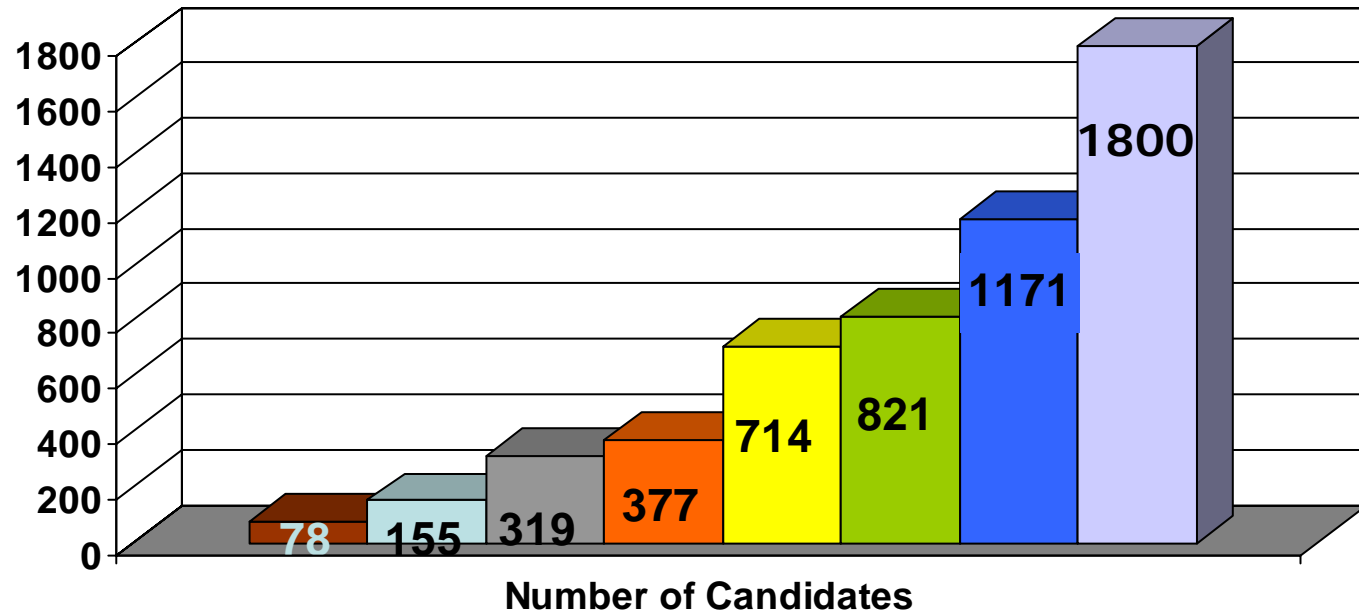
- Section I: Professional Standards and Ethics
- Section II: Hedge Funds & Managed Futures
  - Selected HF Strategy
  - Quantitative Trading Strategies
- Section III: Venture Capital & Private Equity
  - The Venture Capital Cycle

# Overview of Level II Exam

## *Sections IV - V*

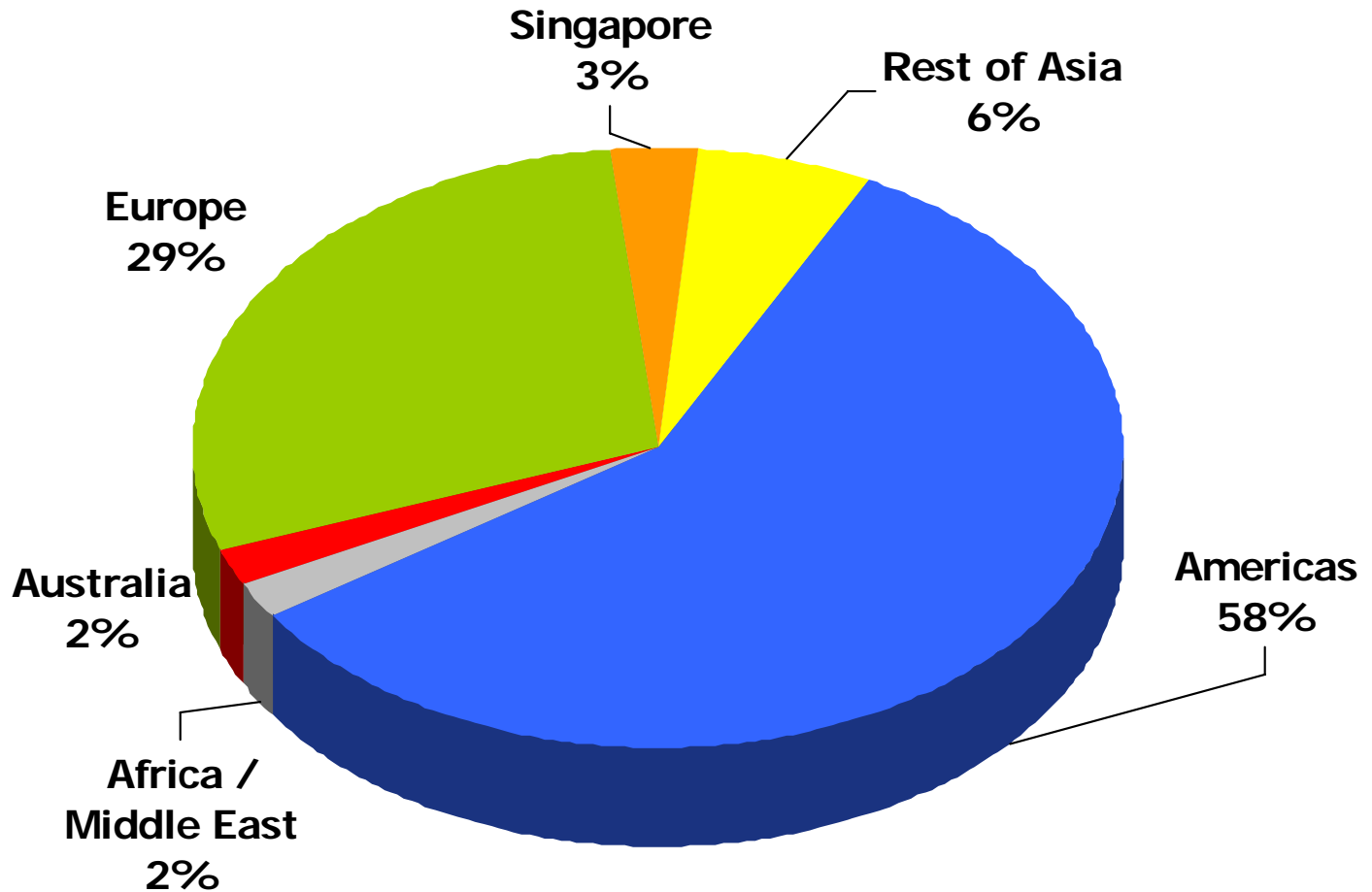
- Section IV: Real Estate
  - Real Estate Investment Trusts (REITs)
- Section V: Integrated Topics In Alternative Investments
  - Asset Allocation to Alternatives
  - Securitization in Alternatives, New and Structured Products
  - Risk Management and Performance Analysis
  - Regulation and Taxation
  - Case Analysis – The Timber Industry

# Candidate Profiles: Enrollment

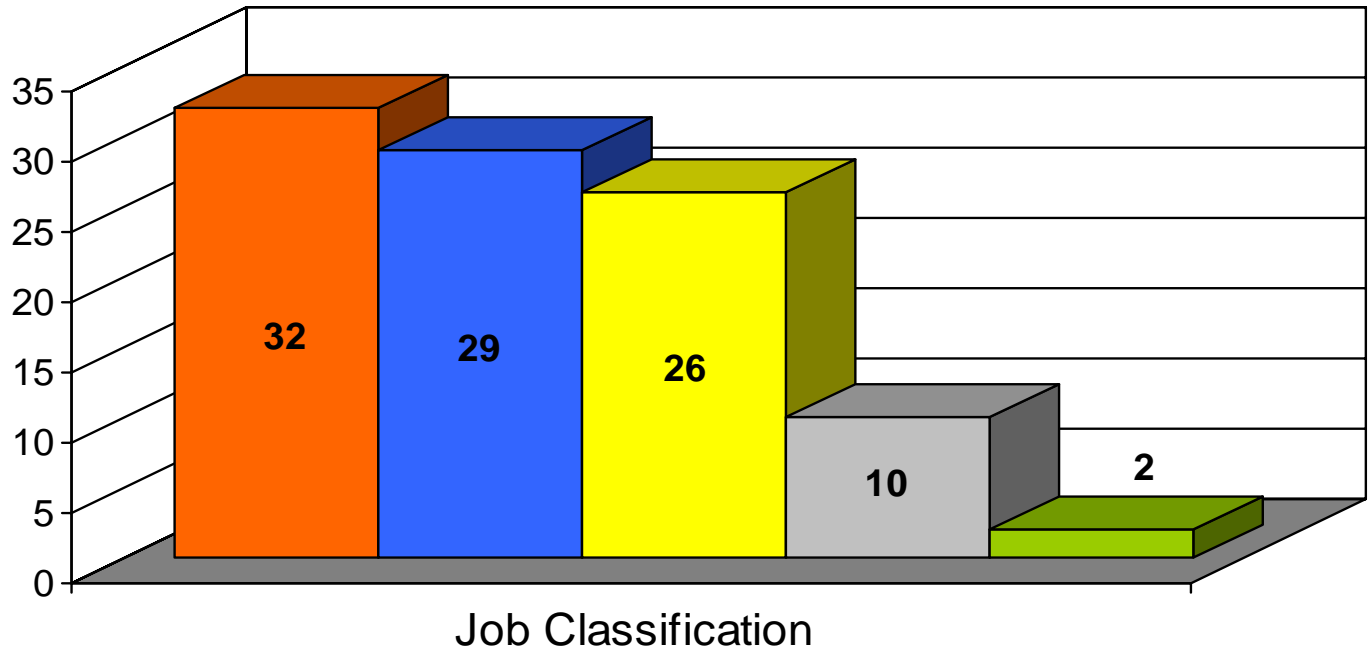


■ Feb '03	■ July '03	■ Feb '04	■ July '04
■ Feb '05	■ July '05	■ Feb '06	■ Sept '06 (est.)

# Candidate Profiles: Geographic Location

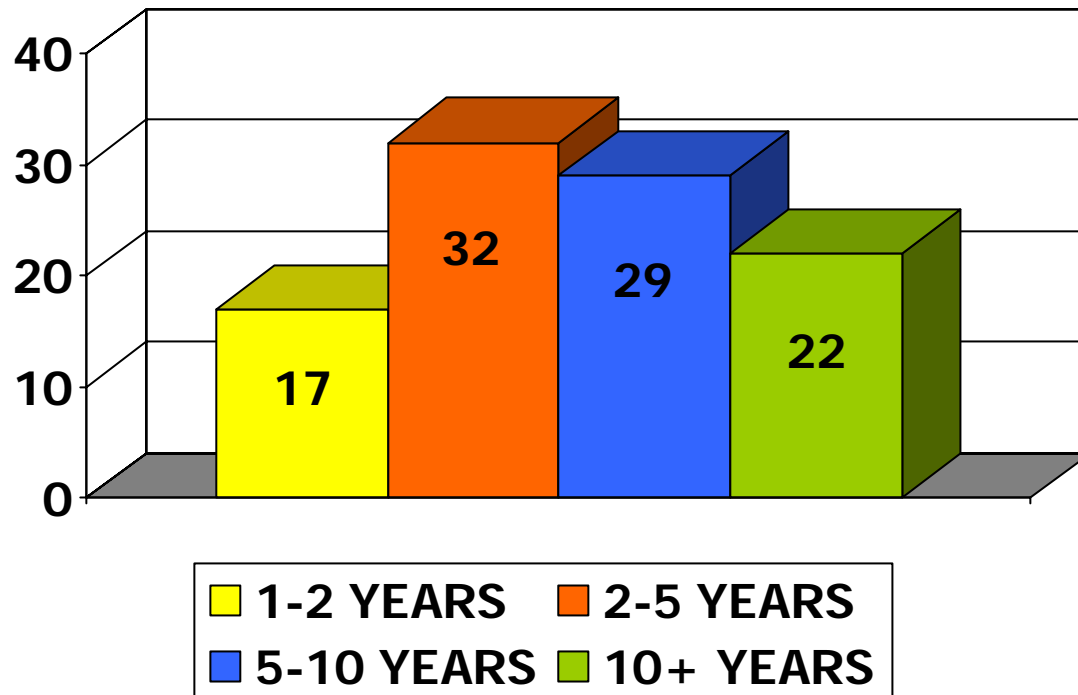


# Candidate Profiles: Industry Area



**ADVISORS / CONSULTANTS**   **RESEARCH ANALYSTS**  
**FUND MANAGEMENT**   **SUPPORT SERVICES**  
**REGULATORS/ACADEMICS**

# Candidate Profiles: Professional Experience



# CAIA Program: Benefits

- Comprehensive AI Foundation
- Enhance Client Trust / Confidence
- High Standard of Professionalism
- Augment On-the-Job Training
- Continuing Education
- Global Professional Network

# Required Readings – Level I

- Investments, Bodie, Kane and Marcus, 6<sup>th</sup> Edition, McGraw-Hill/Irwin, New York
- Standards of Practice Handbook, CFA Institute, 9<sup>th</sup> Edition, Charlottesville, Virginia
- Handbook of Alternative Assets, Mark Anson, Wiley, New York
- Real Estate Finance & Investments: Risks and Opportunities, Peter Linneman, 2<sup>nd</sup> Edition, Linneman Associates, Philadelphia

# Required Readings – Level II

- Standards of Practice Handbook, CFA Institute, 9th Edition, Charlottesville, Virginia (*Same as used for Level I*)
- Convertible Arbitrage: Insights and Techniques for Successful Hedging, Nick Calamos, Wiley, Hoboken, New Jersey
- Real Estate Investment Trusts, S.H. Chan, J. Erickson, and K. Wang, Oxford University Press, Oxford, England
- The Venture Capital Cycle, Paul Gompers and Josh Lerner, 2<sup>nd</sup> Edition, The MIT Press, Cambridge, Massachusetts
- Quantitative Trading Strategies, Lars Kestner, McGraw-Hill/Irwin, New York
- 22 Research Articles

# The CAIA Exam Process

- o Online Registration
- o Self-Paced Learning
- o Study Groups/Course Providers
- o Computerized Exams

# Examination Format

- Level I: 200 Multiple Choice Questions
  - Section 1: 100 questions / 120 minutes
  - Section 2: 100 questions / 120 minutes
- Level II: 100 Multiple Choice + 3 Essays
  - Section 1: 100 questions / 120 minutes
  - Section 2: 3 essays / 90 minutes

# Membership Requirements

- Pass Level II exam within 3 years of passing Level I exam
- Professional Experience
  - Over one year of professional finance experience and a U.S. Bachelor degree (or equivalent), **or**;
  - Four years of professional finance experience
- Execute Member Agreement and submit membership dues

# Program Fees

	STANDARD	AIMA/CISDM Members
<i>Enrollment Fee</i>	\$ 400	
<i>LEVEL I Exam Registration Fee*</i>	\$ 1,000	\$ 750
<i>LEVEL II Exam Registration Fee*</i>	\$ 1,000	\$ 750
<i>Total Program Fees</i>	\$ 2,400	\$ 1,900
<i>*An early registration discount of 10% is available</i>		
<i>Exam Retake Fee</i>	\$350	
<i>Annual Membership Dues</i>	\$250	\$150*
<i>* Applies to first year only</i>		

# Board of Directors

- **Alexander Ineichen, CFA, CAIA**  
Managing Director, Alternative Investment Solutions  
*UBS Global Asset Management*
- **Florence Lombard**  
Executive Director  
*Alternative Investment Management Association*
- **Thomas Schneeweis**  
Director  
*Center for International Securities and Derivatives Markets*

# Advisory Board

Jane Buchan, CAIA	<i>Pacific Alternative Asset Management Company, LLC</i>
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Peter Douglas, CAIA	<i>GFIA pte ltd</i>
Bob Jaeger	<i>Evaluation Associates Capital Markets, Inc.</i>
Harry M. Kat	<i>City University, London</i>
George Martin	<i>Alternative Investment Analytics</i>
David McCarthy	<i>Martello Investment Management</i>
Matthew Moran	<i>Chicago Board Options Exchange</i>
Anthony Scamardella	<i>New York Board of Trade</i>
Jeffrey J. Scott	<i>Union Bancaire Privée Asset Management LLC</i>
Edgar L. Sullivan	<i>General Motors Corporation</i>
Kathryn A. Wilkens, CAIA	<i>Chartered Alternative Investment Analyst Association</i>
Gordon Yeager	<i>Stanfield Capital Partners</i>
Mark Yusko	<i>Morgan Creek Capital Management, LLC</i>

# Curriculum & Examination Committee

Omer Ahmed	<i>Crescent Capital Management</i>	Nelson Lacey	<i>University of Massachusetts Amherst</i>
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Matthew Celebuski	<i>Bear Stearns</i>	Bing Liang	<i>University of Massachusetts Amherst</i>
Christopher C. Geczy	<i>University of Pennsylvania</i>	Kristaps Licis	<i>Alternative Investment Analytics</i>
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Robert N. Gordon	<i>Twenty-first Securities</i>	Mark Rzepczynski	<i>John W. Henry and Co.</i>
Bhaswar Gupta	<i>CISDM/University of Massachusetts Amherst</i>	Richard Spurgin	<i>Clark University</i>
Thomas Henker	<i>University of New South Wales</i>	Hilary Till	<i>Premia Capital Management, LLC</i>
Hossein Kazemi	<i>University of Massachusetts Amherst</i>	Jot Yau	<i>Seattle University</i>
Rainer Kensy	<i>Echlin Asset Management</i>		



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ASSOCIATION