

Chartered Alternative Investment Analyst Association®

An Introduction to the CAIA Program

May 23rd, 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[®]

- 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

- o Bi-Level Exam
- o Covers the 5 Major AI Areas
- o Strong Ethics Component
- o 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

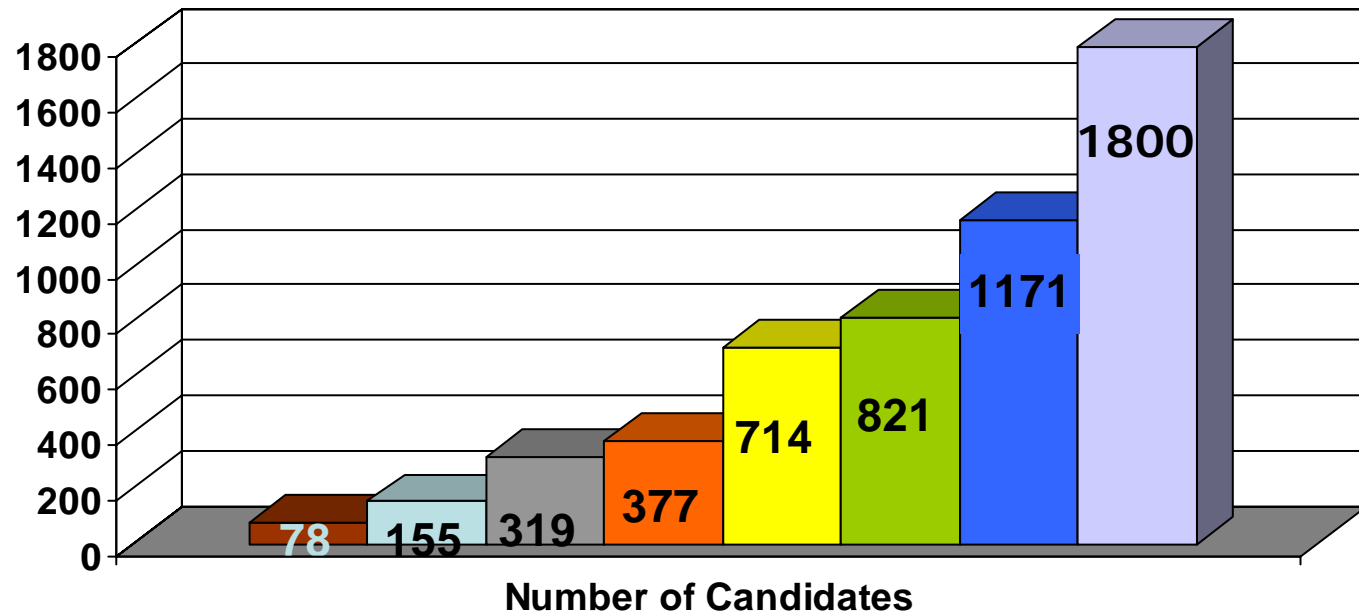
- Section I: Professional Standards and Ethics
- Section II: Hedge Funds & Managed Futures
 - Selected HF Strategy
 - Quantitative Trading Strategies
- Section III: Venture Capital & Private Equity
 - The Venture Capital Cycle

Overview of Level II Exam

Sections IV - V

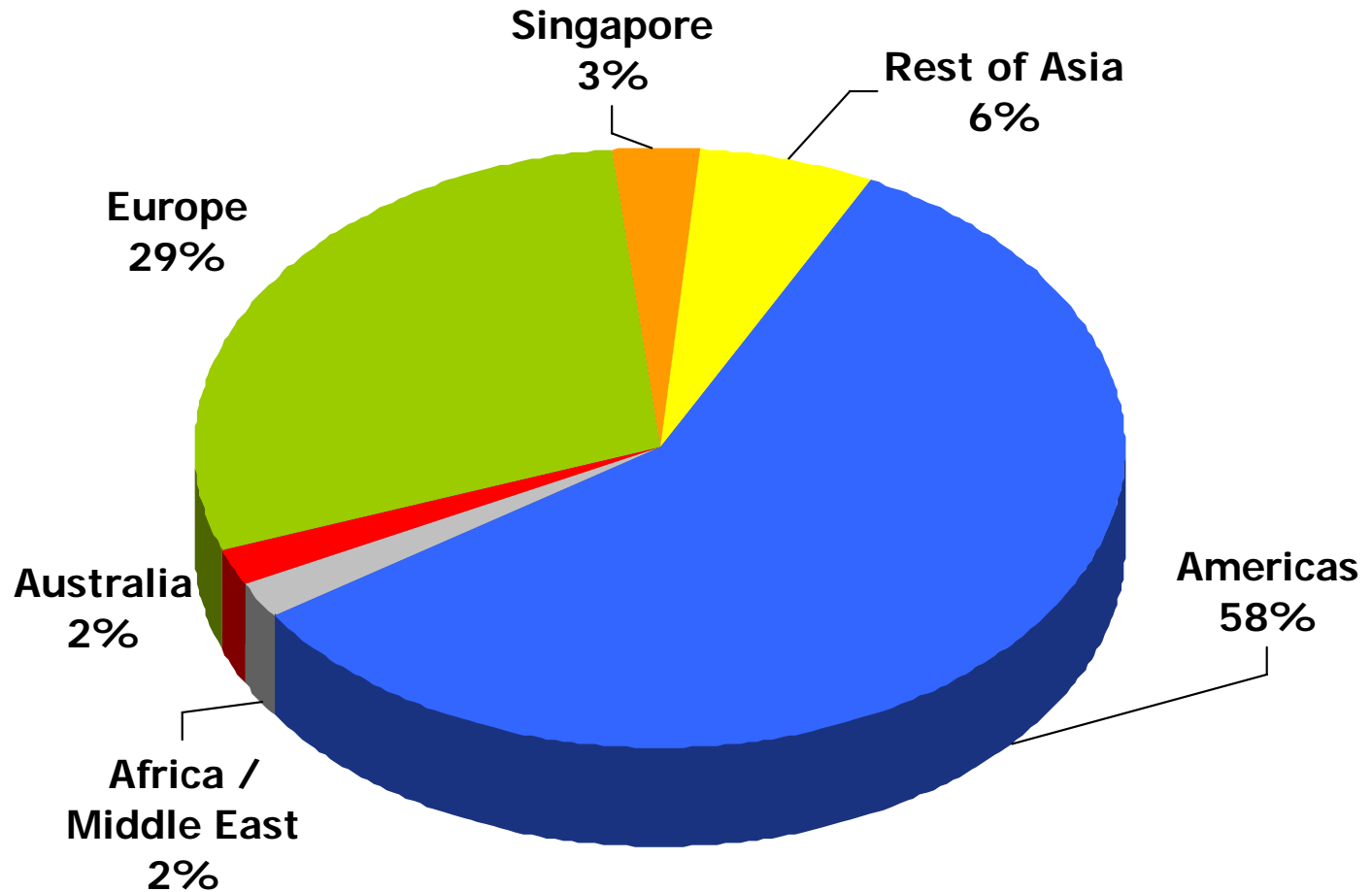
- Section IV: Real Estate
 - Real Estate Investment Trusts (REITs)
- Section V: Integrated Topics In Alternative Investments
 - Asset Allocation to Alternatives
 - Securitization in Alternatives, New and Structured Products
 - Risk Management and Performance Analysis
 - Regulation and Taxation
 - Case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

Candidate Profiles: Enrollment

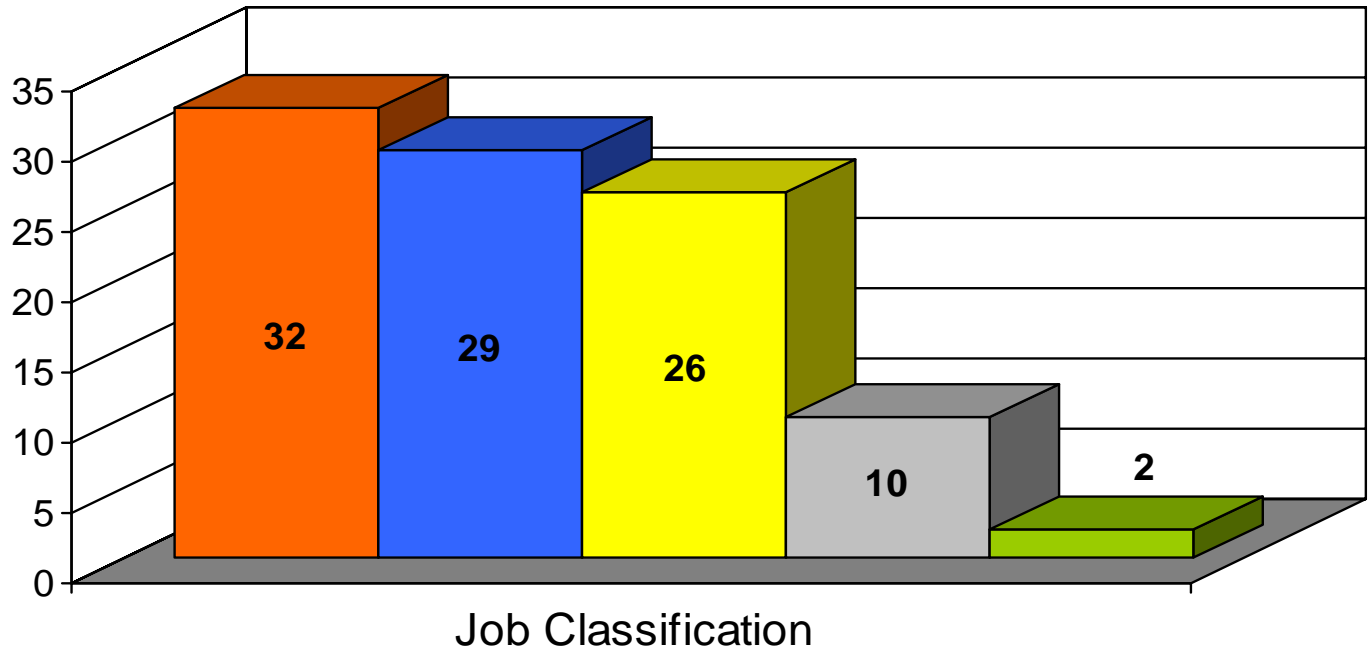


Feb '03	July '03	Feb '04	July '04
Feb '05	July '05	Feb '06	Sept '06 (est.)

Candidate Profiles: Geographic Location

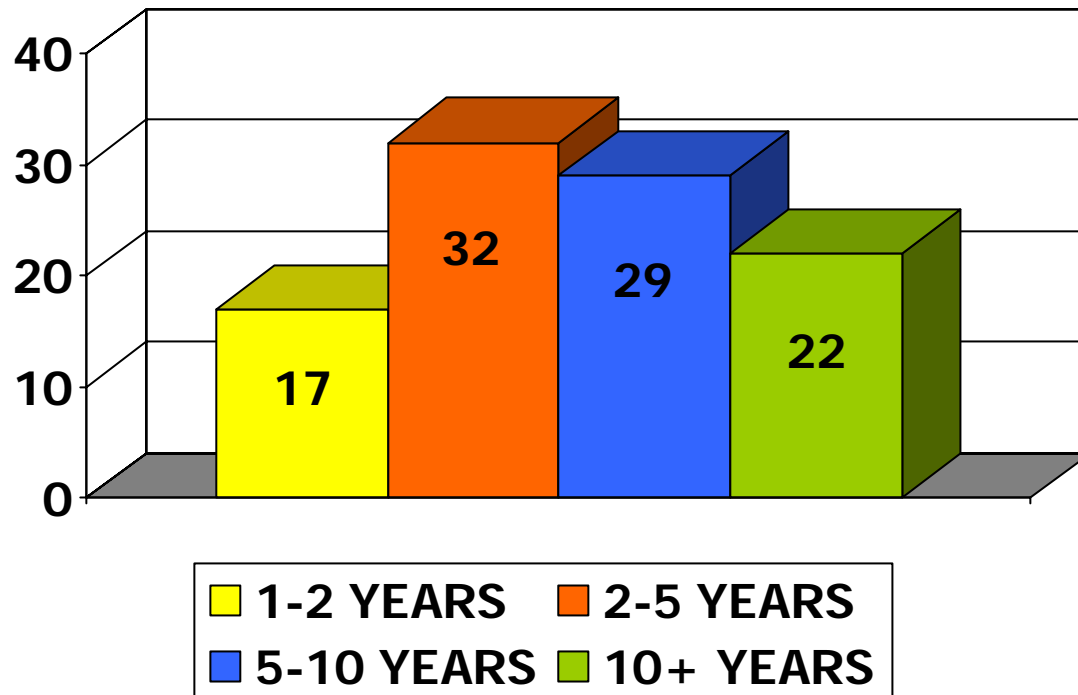


Candidate Profiles: Industry Area



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

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Curriculum & Examination Committee

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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