LIQUID ALTERNATIVE INVESTMENTS
KEITH BLACK, PHD, CFA, CAIA

SHOWCASE YOUR KNOWLEDGE

The Global Mark of Distinction in Alternative Investments

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ABOUT CAIA ASSOCIATION

The global leader in alternative investment education

- Non-profit established in 2002, based in Amherst, MA, with offices in Hong Kong and London
- Over 7,000 current charter holders in more than 80 countries
- Almost 20 vibrant chapters located in financial centers around the world
- More than 120 educational and networking events each year
- Offers AI education through the CAIA designation and the Fundamentals of Alternatives certificate program
Alternatives currently represent over $12 trillion in assets under management and liquid alternatives are projected to triple by 2017.

The CAIA Association Mission:

- Establish the CAIA designation as the benchmark for alternative investment education worldwide
- Promote professional development through continuing education, innovative research and thought leadership
- Advocate high standards of professional ethics
- Connect industry professionals globally
THE CAIA CHARTER DESIGNATION

Globally recognized credential for professionals managing, analyzing, distributing, or regulating alternative investments.

Highest standard of achievement in alternative investment education.

Comprehensive program comprised of a two-tier exam process:

- **Level I** assesses understanding of various alternative asset classes and knowledge of the tools and techniques used to evaluate the risk-return attributes of each one.

- **Level II** assesses application of the knowledge and analytics learned in Level I within a portfolio management context.
  - Both levels include segments on ethics and professional conduct.
The **Fundamentals of Alternative Investments Certificate Program** is a course that provides a foundation of core concepts in alternative investments.

Fills a critical education gap for those who need to understand the evolving landscape of alternative investments.

- Online, 20-hour, self-paced course
- Earns CE hours for the CIMA®, CIMC®, CPWA®, CFP® designations
- Understand the core concepts in alternative investments
- Gain confidence in discussing and positioning alternatives
Liquid Alternative Investments

Defining Liquid Alternative Investments
Keith Back

Hedge Funds versus Mutual Funds (2): An Examination of Multialternative Mutual Funds
David F. McCarthy

Overcoming Misconceptions about Liquid Alternatives
Christopher Massy and Ryan Davis

The Case for Liquid Alternatives in Defined- Contribution Plans
David Kuppenheim and Scott Kögler

A Transparent View into Hedge Fund Portfolios
Apostol Frigakis

Beta Regime-Switching Hedge Funds and their Clones
Brian T. Hayes and Yoyo Ada Ba

Perspectives

Death, Taxes, and Hedge Funds
Mark Anseth

Hedge Funds: Where Investors Get it Wrong (and Right)
Thomas Schemewske

Official Publication of the CAIA Association®
LIMITED PARTNERSHIPS

- Historically, most alternative investments were offered in limited partnership (LP) structures
  - Private placement structures are exempt from some securities regulations
    - Available only to a limited number of HNW investors
    - Transparency is not required
  - Maximum investment flexibility
  - Lack of liquidity
    - Hedge fund lock-ups 1-3 years
    - Real estate and private equity lockups 10 years
    - Gates
ADVANTAGES OF THE LP STRUCTURE

- Incentive fee structure can attract top investment talent
- Investment managers have ultimate flexibility
  - Can take as much risk as investors or counterparties allow
    - Liquidity risk
    - Leverage risk
    - Concentration risk
- Long lock-up periods can encourage holding illiquid or complex assets, which may earn higher long-term returns
- Customizable for large investors
DISADVANTAGES OF THE LP STRUCTURE

- Incentive fee structure may encourage manager risk taking
- Difficult to measure risk, returns, assets of the industry
- Investment manager flexibility can lead to extreme risk which can be difficult to measure and manage
- Long lock-up periods may not be necessary for liquid assets, such as stocks or futures
- Limited partnerships are not available to retail investors
- Can require large minimum investments, such as more than $1 million per investor per fund
Many private placement investment funds are referred to as hedge funds.

Investment funds generally referred to as mutual funds are registered with regulators and can be offered to all investors.

- In the US, mutual funds are regulated by the Investment Company Act of 1940.
- In Europe, UCITS regulations govern the mutual fund community.

Over 90% of UCITS and 40 Act funds follow traditional investment strategies, such as long-only stock and bond mutual funds and ETFs.

A growing portion of UCITS and 40 Act funds are being managed as “liquid alternatives,” which are registered funds managed using alternative investment vehicles or strategies.
MARKET GROWTH

- Liquid Alternatives are expected to take a bigger share of overall funds over the years to come

Global Liquid Alternative AuM expected to grow ~19% per year between 2013-2017

US: Expected Allocation of Traditional and Alternative Mutual Funds in 2, 5, and 10 Years, 2013

1) Expected growth rates per Citi Prime Finance; UCITs expected to grow ~11% p.a., US Liquid Alts expected to grow ~24% p.a.
Note: 2007 figure for US liquid alternatives includes ETFs
Booz & Company analysis, Morningstar, Citi Prime Finance, McKinsey Financial Services Practice
WHAT ARE LIQUID ALTERNATIVES?

- Not all alternative investments can be found in liquid format
- For example, private equity or distressed debt are not common objectives for liquid funds

How much alternative AUM?

Source: Simfund.

Bank flows in “core” alternatives

Source: Simfund.

Simfund, Goldman Sachs, 2013
More complex products that were not previously available to retail investors are the focus of liquid alternative investors

<table>
<thead>
<tr>
<th>Definitely Liquid Alts</th>
<th>Potentially Liquid Alts</th>
<th>Not Liquid Alts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge Fund Strategies</td>
<td>Long-only Non-Traditional Bonds with Floating Rate or Bank Loan Holdings</td>
<td>Long-only Equity Funds, including Smart Beta and Fundamental Indexing</td>
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<tr>
<td>Managed Futures Strategies</td>
<td>Currency Funds</td>
<td>Long-only Equity Sector Funds, including Infrastructure and Commodity Stocks</td>
</tr>
<tr>
<td>Multi-manager Hedge Fund Strategies</td>
<td>Commodity Futures and Physicals</td>
<td>Long-only Balanced Funds, including Tactical Asset Allocation and Target-Date Funds</td>
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<tr>
<td>Non-traditional Bond Funds with Short and/or Derivatives Positions</td>
<td>Traded Business Development Companies (BDCs)</td>
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<tr>
<td>Volatility ETPs</td>
<td>Traded REITs</td>
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<td>Traded MLPs</td>
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<tr>
<td></td>
<td>Levered/Inverse ETPs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Separate Accounts Holding Levered, Short, and/or Derivatives Positions</td>
<td></td>
</tr>
</tbody>
</table>
WHY LIQUID ALTS?

Alternatives Allocation

- High Net Worth & Ultra High Net Worth: >$5.0 Million, $7.39T
- Affluent: $2.0 - $5.0 Million, $8.12T
- Mass Affluent: $500,000 - $2.0 Million, $5.75T
- Retail: <$500,000, $6.18T


Citiprime, 2011
WHAT IS UCITS?

- Undertakings for Collective Investment in Transferable Securities (UCITS) regulations started in 1985 to allow investment managers a “passport” to market funds across member states of the EU.
- UCITS III (2001) allowed the use of options, futures, and other strategies which makes hedge-fund like strategies viable.
- UCITS IV (2011) allows fund mergers and master-feeder structures.
UCITS REQUIREMENTS

- At least fortnightly reporting of holdings
- Investments in property, private equity, and commodities are generally not permitted
- Limits on leverage and risk, typically to 200% of the NAV or risk of the underlying index
  - Limits on concentration
    - 35% limit on holdings of a single EU sovereign debt issuer
    - 10% limit on holdings of a single corporate issuer, 20% with derivatives
    - 20% limit on holdings of a single investment fund
    - 10% limit on holdings of illiquid investments
    - 20% limit on assets deposited with a single institution
Funds registered under the 1940 Act can be sold to an unlimited number of investors regardless of net worth.

May encourage funds of funds structure, as provisions of the 1940 Act apply to the full fund, not the individual strategies.

- Must follow all provisions of the 1940 Act
- Regular liquidity
  - Redemptions must be paid in seven days
- Regular transparency
- Performance fees must be symmetric
- Limits on leverage
  - 300% asset coverage limits leverage to 33%
- Limits on concentration
  - 75% of portfolio can not be invested more than 5% in one issuer, 25% in one industry or 10% of the shares of a single company
- Limits on illiquidity
  - No more than 15% can be invested in illiquid assets
EXCHANGE TRADED FUNDS (ETFS)

- Relatively liquid and low fee vehicles, typically tracking an index
- Popular in commodities and REITs, but not for hedge fund strategies
- Investors are buying proportional share of assets in a pool
- If you own 1% of the ETF shares, you own 1% of the assets in the ETF's pool
- Trade near NAV due to creation and redemption process
EXCHANGE TRADED NOTES (ETNs)

- Technically, exchange traded notes do not own underlying assets, but are debt obligations of the issuing bank or asset manager
- Popular in volatility and commodity products
- Fund sponsor agrees to pay the return of a stated index
- Creates credit risk in the portfolio, as each ETN is an unsecured note of the issuer
CLOSED-END FUNDS

- Can invest in less liquid underlying securities, as investor liquidity does not involve the fund manager.
- Because trades are made with other investors and there are a relatively fixed number of outstanding shares, the shares can trade at a premium or discount to NAV.
- Exchange-traded closed-end fund vehicles are a good source of levered and non-US bond funds.
MANAGED ACCOUNTS

- Limited partnerships and private placements often have substantial liquidity and transparency restrictions and require investors to custody the assets with the fund manager
  - Greater due diligence is needed for limited partnerships, as there is a need to verify performance and risk levels with external vendors and to protect the custody of the assets
- In separate accounts or managed accounts, the investor or a managed account platform keeps custody of the assets
  - In this arrangement, it is more difficult for the manager to misrepresent performance or hide losses
  - Investors can get total transparency, which can enable better risk management across multiple funds
  - Investors may have greater liquidity than in a limited partnership structure, as the manager can not require gates or lock-up provisions
  - Managed accounts allow for investment guidelines that protect investors from style drift
PERFORMANCE DIFFERENCES

- Managers of alternative investments in private placement vehicles have significant investment discretion.
- Managers of 40 Act and UCITS vehicles have substantial investment restrictions.
- How do these restrictions impact returns?
  - Fees: Liquid alts fees are typically lower than private placement fees, so may help returns.
    - Hedge funds charge 2+20, many liquid alts are 1.3% to 1.9%.
  - Leverage and concentration: Restricting leverage and concentration may lead to lower returns in liquid alts funds, but with much lower risk.
  - Liquidity: Avoiding investments in less liquid investments may reduce total returns.
- Liquid alts have no selection or survivorship bias, which makes it difficult to directly compare hedge fund and liquid alts performance.
PERFORMANCE DIFFERENCES: 40 ACT FUNDS

- 40 Act funds tracked by Morningstar have high correlations to market indices as well as private placement hedge fund indices.
- Some 40 Act indices seem to have less risk than the LP version of a similar strategy.
- These comparisons are not exact, as analysis is subject to fund classification by index providers as well as survivor and selection biases in the LP indices.

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</thead>
<tbody>
<tr>
<td>Morningstar Diversified Futures TR USD</td>
<td>2.7%</td>
<td>10.2%</td>
<td>-18.0%</td>
<td>Credit Suisse Managed Futures</td>
<td>2.0%</td>
<td>10.9%</td>
<td>-17.4%</td>
</tr>
<tr>
<td>Morningstar US REIT Index TR</td>
<td>5.3%</td>
<td>28.9%</td>
<td>-60.7%</td>
<td>S&amp;P 500 Total Return</td>
<td>5.9%</td>
<td>18.0%</td>
<td>-48.5%</td>
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<tr>
<td>Morningstar Bank Loan EW</td>
<td>4.3%</td>
<td>11.2%</td>
<td>-32.9%</td>
<td>Barclays Capital U.S. Corporate High Yield</td>
<td>10.3%</td>
<td>13.1%</td>
<td>-32.5%</td>
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<tr>
<td>Morningstar Bear Market EW</td>
<td>-14.2%</td>
<td>23.8%</td>
<td>-18.7%</td>
<td>HFRI Short Bias</td>
<td>-9.3%</td>
<td>12.8%</td>
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<td>Morningstar Currency EW</td>
<td>-0.2%</td>
<td>4.7%</td>
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<td>US Dollar Index</td>
<td>0.9%</td>
<td>9.8%</td>
<td>-17.1%</td>
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<tr>
<td>Morningstar Long-Short EW</td>
<td>0.3%</td>
<td>8.2%</td>
<td>-26.1%</td>
<td>HFRI Equity Hedge</td>
<td>1.9%</td>
<td>10.2%</td>
<td>-28.9%</td>
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<tr>
<td>Morningstar Market Neutral EW</td>
<td>-1.4%</td>
<td>3.3%</td>
<td>-11.1%</td>
<td>HFRI Equity Market Neutral</td>
<td>0.8%</td>
<td>3.2%</td>
<td>-9.2%</td>
</tr>
</tbody>
</table>

Morningstar, HFR, hedgeindex.com, Bloomberg, 2013
PERFORMANCE DIFFERENCES: UCITS FUNDS

- UCITS funds clearly have lower standard deviation and drawdown risk than market and LP indices
- This lower risk comes with lower return, with UCITS funds generally earning lower Sharpe ratios

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<tbody>
<tr>
<td>UCITS Alternative Index Global</td>
<td>1.0%</td>
<td>3.4%</td>
<td>-8.8%</td>
<td>HFR Fund Weighted Composite</td>
<td>3.0%</td>
<td>6.8%</td>
<td>-20.7%</td>
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<tr>
<td>UCITS Alternative Index Fund of Funds</td>
<td>-1.9%</td>
<td>3.5%</td>
<td>-19.8%</td>
<td>HFR Fund of Funds Composite</td>
<td>0.6%</td>
<td>5.7%</td>
<td>-21.9%</td>
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<tr>
<td>UCITS Alternative Index Commodities</td>
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<td>10.5%</td>
<td>-38.8%</td>
<td>Bloomberg Commodity</td>
<td>-5.9%</td>
<td>19.4%</td>
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<td>UCITS Alternative Index CTA</td>
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<td>Credit Suisse Managed Futures</td>
<td>4.7%</td>
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<td>-18.6%</td>
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<tr>
<td>UCITS Alternative Index Emerging Markets</td>
<td>1.6%</td>
<td>9.7%</td>
<td>-22.3%</td>
<td>HFR Emerging Markets</td>
<td>0.2%</td>
<td>12.6%</td>
<td>-39.7%</td>
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<tr>
<td>UCITS Alternative Index Equity Market Neutral</td>
<td>-0.3%</td>
<td>1.9%</td>
<td>-9.7%</td>
<td>HFR Equity Market Neutral</td>
<td>1.3%</td>
<td>3.0%</td>
<td>-9.9%</td>
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<tr>
<td>UCITS Alternative Index Event-Driven</td>
<td>0.4%</td>
<td>3.7%</td>
<td>-8.9%</td>
<td>HFR Event Driven</td>
<td>4.2%</td>
<td>7.0%</td>
<td>-23.2%</td>
</tr>
<tr>
<td>UCITS Alternative Index Fixed Income</td>
<td>2.1%</td>
<td>2.9%</td>
<td>-8.4%</td>
<td>HFR Fixed Income</td>
<td>4.4%</td>
<td>7.1%</td>
<td>-24.7%</td>
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<tr>
<td>UCITS Alternative Index FX</td>
<td>-1.0%</td>
<td>2.0%</td>
<td>-13.4%</td>
<td>US Dollar Index</td>
<td>2.3%</td>
<td>8.5%</td>
<td>-21.0%</td>
</tr>
<tr>
<td>UCITS Alternative Index Long/Short Equity</td>
<td>1.7%</td>
<td>5.0%</td>
<td>-13.5%</td>
<td>HFR Equity Hedge</td>
<td>2.6%</td>
<td>9.5%</td>
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<tr>
<td>UCITS Alternative Index Macro</td>
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<td>HFR Macro</td>
<td>2.7%</td>
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<tr>
<td>UCITS Alternative Index Multi-Strategy</td>
<td>1.8%</td>
<td>2.7%</td>
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<td>Credit Suisse Multi-Strategy</td>
<td>4.9%</td>
<td>6.3%</td>
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<tr>
<td>UCITS Alternative Index Volatility</td>
<td>2.3%</td>
<td>4.8%</td>
<td>-12.8%</td>
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</tbody>
</table>

UCITS Alternative Indices, HFR, hedgeindex.com, Bloomberg, 2013
Empirical studies on performance differences

- On average, liquid alts funds have lower risks than LP funds of the same strategy.
- Net of fees, returns for liquid alts trail LP fund of the same manager by less than 1% per year.\(^1\)
  - Difference of 0.42% to 0.94% for equity long-short, credit funds, market neutral, macro and managed futures.
  - Much larger return differences for event driven and multistrategy funds.
- Equity long-short funds have similar returns and market exposures for a sample of LP vs. registered funds.\(^2\)

\(^1\) McCarthy, “Hedge Funds versus Hedged Mutual Funds: An Examination of Equity Long/Short Funds”, Journal of Alternative Investments, 2014

\(^2\) Cliffwater, “Performance of Private versus Liquid Alternatives: How Big a Difference?”, 2013
When including liquid alternative funds in portfolios, look for lower correlations to stock and bond investments, as well as to lower drawdowns and higher expected returns.

While models require expectations of future risk, return, and correlation, in practice it is difficult to accurately forecast these values.

<table>
<thead>
<tr>
<th>January 2008-Nov 2013</th>
<th>Correlation to US Stocks</th>
<th>Correlation to US Bonds</th>
<th>Correlation to US Stocks</th>
<th>Correlation to Global Stocks</th>
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<tbody>
<tr>
<td>Morningstar Diversified Futures TR USD</td>
<td>-0.28</td>
<td>-0.43</td>
<td>UCITS Alternative Index Global</td>
<td>0.87</td>
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<td>Morningstar Bank Loan EW</td>
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<td>UCITS Alternative Index Volatility</td>
<td>-0.56</td>
<td>-0.19</td>
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</table>

CAIA Calculations, Morningstar, HFR, hedgeindex.com, Bloomberg, 2013
PORTFOLIOS WITH LIQUID ALTS: 40 ACT

- Adding equity long-short or CTA-like funds reduced the risk of a 60/40 portfolio over the last six years

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<thead>
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<tr>
<td></td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>Return</td>
<td>Risk</td>
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<tr>
<td>6.8%</td>
<td>11.1%</td>
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<td>6.4%</td>
<td>8.9%</td>
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<tr>
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</table>

CAIA Calculations, Morningstar, HFR, hedgeindex.com, Bloomberg, 2013
PORTFOLIOS WITH LIQUID ALTS: UCITS

- Investors can substantially reduce portfolio risk by adding UCITS funds to a global stock and bond portfolio

### Portfolio Returns (Jan. 2008-Dec. 2014)

<table>
<thead>
<tr>
<th>Return</th>
<th>Risk</th>
<th>Drawdown</th>
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<tr>
<td>4.8%</td>
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<td>3.9%</td>
<td>8.8%</td>
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### Portfolio Weights

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<th>MSCI World Index Free</th>
<th>JPM Global Aggregate Bond</th>
<th>UCITS Long/Short Equity</th>
<th>UCITS CTA</th>
<th>UCITS Commodities</th>
<th>UCITS Fixed Income</th>
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CAIA Calculations, UCITS Alternative Indices, HFR, hedgeindex.com, Bloomberg, 2013
- Diversifying with liquid alternatives has historically reduced drawdowns without a significant reduction in terminal wealth.
Adding Liquid Alternative Allocations Can Reduce Portfolio Risk
(January 2008-November 2013)

US Stocks and Bonds

US Stocks and Bonds plus Long-Short

CAIA Calculations, Bloomberg, 2014
DUE DILIGENCE IN LIQUID ALTS

- Has the manager previously managed assets...
  - in an LP structure following a similar strategy?
  - the same strategy, such as long-short, or only managed long-only strategies?
- How does the strategy, fees, and risk differ from the liquid alts to LP vehicle?
- Is the strategy appropriate for a liquid alts vehicle, or does the strategy earn substantial returns from liquidity and leverage risks that aren’t allowed in the liquid format?
- How has the fund performed (both risk and return)...
  - In various scenarios?
  - In comparison to other products managed to a similar strategy?
- How is the fund diversifying vs. the other holdings in my portfolio?
- Can I truly understand the structure, or are there layers of fees, swaps, or derivatives that can be difficult to analyze?
External challenges to the development and delivery of alternatives

- Asset Managers find **acquiring a track record** (40%) and **educating distributors and intermediaries** (38%) as major challenges to success in the alternative mutual fund space.

LIQUID ALTS HAVE SHORT TRACK RECORDS

Performance History of Alternative MFS

- Market Neutral
- Long/Short Equity
- Nontraditional Bond
- Multialternative
- Managed Futures

Fortigent, Morningstar, 2014
GLOBAL PRESENCE

March 2015 Exam
MEMBERSHIP GROWTH

Membership as of May 31 Annually

March 2015 Exam
MEMBERSHIP PROFILE

CAIA Members by Profession

- Portfolio Management: 25%
- Analyst: 18%
- Business Development: 13%
- Other: 11%
- Consultant: 9%
- Asset Allocator: 7%
- Risk Management: 6%
- Due Diligence, Compliance, and/or Legal: 5%
- Accounting / Fund Administration: 4%
- Marketing: 3%

Regional Distribution of CAIA Members

- Americas: 55%
- Asia-Pacific: 32%
- Europe, Middle-East, Africa: 13%

*From January 2014 CAIA Member Survey with 14% of members responding.
LEVEL I CURRICULUM

CORE CONCEPTS

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

March 2015 Exam
LEVEL II CURRICULUM

ADVANCED CORE CONCEPTS

- 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

March 2015 Exam
<table>
<thead>
<tr>
<th>Level I Topic</th>
<th>Approximate Exam Weight</th>
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<tbody>
<tr>
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<td>15% – 20%</td>
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<tr>
<td>Introduction to Alternative Investments</td>
<td>15% – 20%</td>
</tr>
<tr>
<td>Real Assets</td>
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<tr>
<td>Risk Management and Portfolio Management</td>
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<tr>
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</table>
EXAMINATION FORMAT

LEVEL I

- 200 Multiple Choice Questions
  - Section 1: 100 questions / 120 minutes
  - Section 2: 100 questions / 120 minutes

SAMPLE:
- Consider the case of a non-dividend-paying financial asset where $F > S_0 e^{r(T-t)}$. How, in this case, can the hedge fund manager earn a profit?

LEVEL II

- 100 Multiple Choice Questions + 3 Essays
  - Section 1: 100 questions / 120 minutes
  - Section 2: 3 essays / 120 minutes

SAMPLE:
- Recent studies argue that during tail-risk events, the returns earned by broad equity indices go to extremes. What are the primary forces driving this process?
CANDIDATE SUPPORT/TOOLS

- Study guides outlining keywords and learning objectives
- Workbooks with sample exercises
- Candidate orientation sessions
- Study calculator to plan your course of study
- Third Party Preparatory Course and Programs
- Level I & Level II sample exams
The CAIA Curriculum is available for purchase through Amazon.com and Wiley.com.

Approximate pricing (in USD):

- Level I Textbook: US $110 - 200
- Level II Textbook & Readings: US $310 - 400
- Standards of Practice Handbook: US $30 - 40
Pass Rates of Candidates Per Exam Cycle

Level I:
- March '11: 71%
- September '11: 74%
- March '12: 68%
- September '12: 64%
- March '13: 68%
- September '13: 68%
- March '14: 67%

Level II:
- March '11: 58%
- September '11: 59%
- March '12: 58%
- September '12: 62%
- March '13: 65%
- September '13: 62%
- March '14: 63%

March 2015 Exam
The Chartered Alternative Investment Analyst Association’s Board of Directors
does hereby confer the designation of

Chartered Alternative Investment Analyst

upon

Charter Number 12345

who has successfully completed all the requirements prescribed for this designation.

In Testimony Whereof, this Charter is granted under the seal of the
Chartered Alternative Investment Analyst Association this
twenty-second day of August, 2014.
SAMPLE OF CAIA MEMBER EMPLOYERS

Banks
- HSBC
- Citi
- Credit Suisse
- UBS
- Barclays Capital
- Deutsche Bank

Consultants
- Cambridge Associates
- New England Pension Consultants
- Mercer
- Towers Watson

Fund Management
- Blackrock
- Goldman Sachs
- J.P. Morgan
- Morgan Stanley
- State Street

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

Pension Funds & Endowments
- APG
- Texas Retirement System
- Chicago Teachers
- Ontario Teachers
- CalPERS
- Harvard Management Co.
Sample job postings from the CAIA Job Board. Top companies seek to hire CAIA Charter holders.

<table>
<thead>
<tr>
<th>Risk Management - Associate</th>
<th>Industry certifications, such as a CFA, CAIA, or FRM, are a plus.</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Relationship Manager</td>
<td>CFA, CAIA or working toward preferred.</td>
</tr>
<tr>
<td>Equity Investment Research - Manager</td>
<td>CIMA, CAIA, and/or CFA charter holders or candidates will be looked favorably upon.</td>
</tr>
<tr>
<td>Senior Credit Specialist</td>
<td>CFA / CAIA / FRM / PRM is considered highly advantageous.</td>
</tr>
<tr>
<td>Senior Quantitative Research Analyst</td>
<td>CFA, CAIA, CIMA</td>
</tr>
<tr>
<td>International Trading Manager</td>
<td>MBA, CFA, CAIA or CMT preferred</td>
</tr>
</tbody>
</table>
CAIA Members Report Positive Career Outcomes After Earning the CAIA Charter

- Increased Credibility: 66%
- Expanded Professional Networks: 43%
- Additional Responsibilities: 15%
- New Position/Promotion: 15%
- New Business: 11%
- Increased Compensation: 10%

*From October 2014 CAIA Member Survey. Numbers represent approximately 25% of members.
 MEMBER BENEFITS

- Use of CAIA marks in professional documents
- Chapter educational and networking events
- Global network of more than 7,300 members
- Globally-recognized designation

- CAIA.org
  Knowledge Center

- Self Evaluation Tool
  Ongoing education

- Job Board
  CAIA Preferred
  CAIA Targeted
September 2015 Exam Notable Dates

- **Registration**
  - Early: April 1 - May 13, 2015
  - Regular: May 14 – August 5, 2015

- **Level I Exam**
  - September 14 - 25, 2015

- **Level II Exam**
  - September 7-18, 2015
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THE CAIA CHARTER
The Global Benchmark in Alternative Investment Education

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