THE UNIVERSE OF ALTERNATIVE INVESTMENTS

KEITH BLACK, PHD, CFA, CAIA
About CAIA Association

The global leader in alternative investment education

- Non-profit established in 2002, based in Amherst, MA, with offices in Hong Kong, Singapore, Geneva, and London
- Over 8,000 current charterholders in more than 80 countries
- 22 vibrant chapters located in financial centers around the world
- More than 120 educational and networking events each year
- Excellence in AI education through the CAIA designation and the Fundamentals of Alternatives certificate program
Alternatives currently represent over $12 trillion in assets under management, while assets in liquid alternatives are growing rapidly.

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 provides a foundation of core concepts in alternative investments.

- **Fundamentals** 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
Core Concepts

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

- Alternative investments can be defined through two methods
  - Exclusion
    - Alternative investments may be any investment that are not traditional investments, such as stocks, bonds, and cash
  - Inclusion
    - We can specifically list categories of institutional-quality alternative investments
      - Hedge Funds and Managed Futures
      - Private Equity
      - Structured Products
      - Commodities
      - Real Estate and Other Real Assets

- The CAIA program does not focus on alternative investments that may be difficult for institutions to access, such as Stamps, Coins, Wine, and Collectible Cars
<table>
<thead>
<tr>
<th>Traditional Investments</th>
<th>Alternative Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Equity</td>
<td>Private Equity</td>
</tr>
<tr>
<td>$18,200</td>
<td>$3,500</td>
</tr>
<tr>
<td>Other Developed Market Equity</td>
<td>Hedge Funds</td>
</tr>
<tr>
<td>$13,900</td>
<td>$2,500</td>
</tr>
<tr>
<td>Emerging Market Equity</td>
<td>Real Estate Equity</td>
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<tr>
<td>$4,100</td>
<td>$5,500</td>
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<td>Emerging Market Debt</td>
<td>Infrastructure, Farmland, Timberland</td>
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<td>$2,700</td>
<td>$800</td>
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<td>High Yield Bonds and Bank Loans</td>
<td>Commodities</td>
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<td>$2,700</td>
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<td>Dollar Bonds</td>
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<td>$15,300</td>
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<td>Real Estate Debt</td>
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<td>$5,800</td>
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<td>Other Bonds</td>
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<td>$25,200</td>
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<tr>
<td>Cash</td>
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<tr>
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<tr>
<td>Total (in $billions)</td>
<td>Total (in $billions)</td>
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<td>$92,400</td>
<td>$12,650</td>
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</table>

Hewitt Ennis Knupp, HFR, Barclays, Preqin, 2013
Traditional vs. Alternative investments

- Four primary factors differentiate traditional vs. alternative investments:
  - Liquidity Restrictions
  - Leverage
  - Short Selling
  - Investments beyond Stocks and Bonds

- Some alternative products invest in stocks and bonds, but include leverage, short selling, and/or liquidity restrictions.

- Some alternative investments may be long-only and unlevered, but invest in areas other than stocks or bonds, such as commodities or real estate.
Liquidity Restrictions

- Many alternative investment products will have limited liquidity. This lack of liquidity can be an important source of returns.
- Some hedge funds will have a lock-up period of between one and three years.
  - Shorter lock-ups for liquid products like stocks or futures.
  - Longer lock-ups for less liquid products, like unlisted stock or distressed debt.
  - During a hard lock-up period, withdrawals are prohibited.
  - During a soft lock-up period, withdrawals are subject to a liquidity fee, often 1% to 3% of the withdrawal amount.
- Private equity and real estate products often have long lock-ups, with fund lives that can last ten years or longer.
- Receive the majority of returns after the fund has exited the investment.
- This means selling a building, merging a company or floating an IPO and distributing the proceeds to investors.
Leverage

- The use of leverage allows a fund manager to control a greater value of assets than contributed by investors
  - Controlling $10 million in assets with $5 million AUM is 2x leverage

- Leverage can be accomplished through borrowing, short selling, or derivatives, such as swaps or futures

- Leveraged positions have higher risk and higher potential return than unleveraged positions
  - 2x leverage will likely have 2x the volatility with less than 2x the return of unleveraged positions, as there is typically a cost to leverage

- High degrees of leverage frequently contribute to hedge fund failures
  - At 10x leverage, a 10% loss in the investment portfolio causes the loss of 100% of investor capital
Short Sales

- Investor tool to profit from declines in security price
- In a long-short or market neutral fund, investor takes more stock-specific risk and less stock market risk
- 100% long and 100% short may eliminate market risk (subject to beta, sectors, etc).
- Essentially, selling stock without owning it
  - Borrow stock from the prime broker and sell it to another investor
  - Agree to buy it back to replace the stock for the broker
Absolute vs. Relative Returns

An absolute return standard means that returns are to be evaluated relative to zero—or relative to the riskless rate—and therefore independently of performance in equity markets, debt markets, or any other markets.

A relative return standard means that returns are to be evaluated relative to a benchmark. An investment program with a relative return standard is expected to move in tandem with a particular market but has a goal of consistently outperforming that market.
Categories of Alternative Returns

An obvious goal of virtually any investor is to earn superior returns while taking less risk.

- If the primary objective of including an investment product in a portfolio is the superior average returns that it is believed to offer, then that product is often referred to as a return enhancer.

- If the primary objective of including an investment product in a portfolio is for the reduction in the portfolio’s risk that it is believed to offer through its lack of correlation with the portfolio’s other assets, then that product is often referred to as a return diversifier.
Private Placements vs. Liquid Alternatives

- Private placement alternatives are exempt from many provisions of the Investment Company Act of 1940
  - Can only be sold to a limited number of high net worth/accredited investors or qualified purchasers
  - Limited transparency and liquidity
  - Flexibility on leverage, derivatives, and shorting
- Funds registered under the 1940 Act can be sold to an unlimited number of investors regardless of net worth
  - Must follow all provisions of the 1940 Act
  - Regular liquidity and transparency
  - Restriction on performance fees
  - Limits on leverage and concentration
Registered Products vs. Private Placements

- Many alternative investment funds can only be sold to high net worth or institutional investors, as the fund manager has sought an exemption from some regulatory requirement.
  - Registered funds come in many varieties
    - In the US, these are sold as ETFs and mutual funds registered under the 1940 Act
    - In Europe, registered funds are offered in the UCITS structure
  - Registered funds have some advantages over private placements
    - Enhanced liquidity, as most funds offer daily or weekly liquidity
    - Enhanced transparency
    - Fees average less than 2%, which is lower than the 2+20 fee structure commonly charged by hedge funds

- However, some strategies, such as distressed debt and private equity, don’t work well in a liquid framework.
When building portfolios, investors strive to earn the maximum return for a given level of risk

- When considering new assets for the portfolio, assets with higher returns than the current portfolio can increase the return on the portfolio.
- Perhaps the most important considerations for the risk of the portfolio are the number of assets and the correlation between those assets.
  - Adding assets with low correlations reduces portfolio risk, even if the stand-alone risk of those assets may be high.
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
- AUM combines mutual funds and ETFs

Why Liquid Alts?

Alternatives Allocation

- Institutions: 25%
- Retail: 5%

- High Net Worth & Ultra High Net Worth: $7.39T
- Affluent: $8.12T
- Mass Affluent: $5.75T
- Retail: $6.18T

Citiprime, 2012
Flows from Active Management

Exhibit 3: ETFs have averaged 25% inflow growth...
ETF Equity inflows ($ bn) and growth; US only

Exhibit 4: ...vs. -3% for traditional mutual funds
Active Equity Mutual Fund inflows ($ bn) and growth; US only (excludes Fund of Funds and Closed End Funds)

Source: Strategic Insight (Simpfund), Goldman Sachs Research.

Some of the Outflows from Domestic Equity Mutual Funds Have Gone to ETFs
Cumulative flows to and net share issuance of domestic equity mutual funds and ETFs, billions of dollars; monthly, 2007–2013

Note: Equity mutual fund flows include net new cash flow and reinvested dividends.

Investment Company Institute Factbook, 2014
March 2016 Exam – 21
Drivers of Asset Allocation

- When building portfolios, investors strive to earn the maximum return for a given level of risk
  - When considering new assets for the portfolio, assets with higher returns than the current portfolio can increase the return on the portfolio
  - Perhaps the most important considerations for the risk of the portfolio are the number of assets and the correlation between those assets
    - Adding assets with low correlations reduces portfolio risk, even if the stand-alone risk of those assets may be high

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Russell 3000 Equity Index</td>
<td>9.6%</td>
<td>15.7%</td>
<td></td>
</tr>
<tr>
<td>Barclays Aggregate Bond Index</td>
<td>5.1%</td>
<td>5.7%</td>
<td>0.09</td>
</tr>
<tr>
<td>Bloomberg Commodity Index</td>
<td>3.5%</td>
<td>16.2%</td>
<td>0.30</td>
</tr>
<tr>
<td>60% Stock/40% Bonds</td>
<td>7.8%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td>60% Stock/35% Bonds/5% Commodity</td>
<td>7.5%</td>
<td>10.1%</td>
<td></td>
</tr>
</tbody>
</table>

Bloomberg, 2015
The key to the diversification power of alternative investments is the correlation of returns to the traditional portfolio.

- As long as correlations are below one, adding new assets to a portfolio reduces risk.
- As correlations between any pair of assets rises, the diversification benefit declines.

The three year correlation between many alternative assets and stocks rose sharply from the 1998-2007 time period to the 2008-2012 time period.
Where can institutional investors turn to hedge their inflation risk?

- Studies have found that a few assets can hedge inflation risk (positive inflation beta), while the majority of institutional assets have a risk to rising inflation (negative inflation beta).

<table>
<thead>
<tr>
<th>20 Year U.S. Treasuries</th>
<th>S&amp;P 500</th>
<th>3 Month T-bills</th>
<th>Farmland</th>
<th>Commodity Futures</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.1</td>
<td>-2.4</td>
<td>0.3</td>
<td>1.7</td>
<td>6.5</td>
</tr>
</tbody>
</table>

- Within equities, smaller cap stocks and less capital intensive sectors have even greater inflation risk.
- In practice, many institutions build a real assets allocation, investing 5% to 20% of the portfolio in timberland, farmland, linkers, and commodity futures.

Bernstein Global Wealth Mgmt, 2010
What is a real asset?

- A real asset is an asset (economic resource) that provides direct benefits (such as timber or tomatoes), rather than financial benefits (cash), usually with relatively less dependence on managerial expertise than found with traditional operating firms.
  - Real assets include real estate, land, farmland, timberland, infrastructure, and intellectual property.
Land, Farmland and Timberland

The value of a stock or bond is based on dividends or interest. The value of land may be more directly viewed as the present value of the commodities that the land may be expected to generate.

Owning **undeveloped land** offers a unique opportunity to put the land to a variety of uses depending on changes in economic opportunities. Options are important in real assets and more generally in alternative investments and the CAIA curriculum.

Owning **farmland** offers unique opportunities driven by supply and demand for agricultural commodities from population growth, etc.

Owning **timberland** offers unique opportunities driven by supply and demand for wood products used in a variety of industries.
Seven elements that help identify investable infrastructure

1) public use,
2) monopolistic power,
3) government-related,
4) essential,
5) cash generating,
6) conducive to privatization of control, and
7) capital intensive with long term horizons.

Examples: toll roads, toll bridges, airports, seaports, energy distributors, water distribution and treatment, correctional facilities, nursing homes, car parks...
Real Estate

- Real estate investments can be made as equity or debt investments.
- Real estate debt investors purchase or originate mortgage loans.
- Real estate equity investors may buy properties or property funds.
  - These investments can be illiquid, with funds lasting ten years and direct property ownership requiring purchase, sale and management of properties.
- A variety of property types are found in institutional portfolios.
  - Lodging, Office, Retail and Multi-Family.
  - Storage, Health Care, and Industrial.
The Attraction of Commodities

- Institutional investment in commodities has increased from $36 billion in 2004 to over $420 billion in 2012.
- Significant outflows and drawdowns in 2014 resulted in a decline to less than $280 billion invested.
- **What is the attraction?**
  - Equity-like returns (and volatility)
  - Inflation Protection
  - Low correlation to traditional investments reduces portfolio volatility
Commodity Futures Indices

S&P GSCI Commodity Index, 2016 Weights
- Energy: 63%
- Grains, Meats, Softs: 24%
- Industrial Metals: 9%
- Precious Metals: 3%

Bloomberg Commodity Index, 2016 Target Weights
- Energy: 31%
- Grains, Meats, Softs: 36%
- Industrial Metals: 17%
- Precious Metals: 16%
Goals of Hedge Fund Investing

- Mutual funds are often judged by relative returns
  - Returns are correlated to traditional investments
  - Managers judged by excess returns

- Hedge fund investors desire funds that earn absolute returns
  - Returns less correlated to traditional investments
  - Managers judged by total returns

- If hedge funds have a low volatility and low correlation to traditional investments, portfolio volatility and drawdowns decline

- Many hedge fund strategies have low correlations to traditional investments
  - However, correlations can change over time and market conditions
  - Hedge funds have a wide variety of risks, returns, and trading strategies
Funds of Hedge Funds

- **Compare Funds of Funds to mutual funds**
  - Diversify over managers/companies
  - Diversity over styles/sectors
  - Focused on diversification and risk management
  - Due diligence is key.
    - Madoff showed us that a single manager failure is likely to lead to catastrophic withdrawals at a Fund of Funds

- **Compare hedge funds to single stocks**
  - Higher risk/higher reward
  - Both top and bottom of performance charts
  - Focus on earning higher returns
Private Equity

- Private equity investments come in many forms
  - Venture Capital
  - Buyouts
  - Mezzanine and private debt investments
- Fund managers can add value through financial engineering or hands-on management involvement
- Committed vs. invested capital
  - Institution commits to invest $10 million in a fund
  - Private equity manager calls capital up to three years after commitment
- Lockup periods
  - Capital is only returned to investors after each investment is exited, which can take ten years or longer
- Large spread of returns between average and top managers
Venture Capital

- Invest in private companies
- Risk depends on the stage of investment
  - Seed stage
    - More of an idea than a company, requires investment to build a team and prove the technology
    - Number of losers far greater than the number of winners, but profits of winners can be large relative to losses
  - Growth stage
    - More mature company with products and revenue
  - Later stage/Pre-IPO
    - Company has proven itself and is nearly ready to exit
Private Debt

- Consolidation of large banks is making room for smaller financings that can be closed quickly
- Secured/Second Lien Debt
  - Up to 10% annual yield
  - Often highly secure and collateralized
- Mezzanine Financing
  - Unsecured debt
  - Up to 16% yield, plus equity warrants or “kickers”
- Business Development Companies
  - Publicly traded funds that invest in private debt
What is a structured product?

- A structured product is an investment for which cash flows have been divided or partitioned into two or more distinct flows.
  - There are two primary types of investments that CAIA covers under the heading “Structured Products”
    - Credit Default Swaps (CDSs)
    - Collateralized Debt Obligations (CDOs)
The CAIA Charter
The Global Benchmark in Alternative Investment Education

September 2016 Exam
CAIA Members work across a variety of asset classes globally.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Focus Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge Funds</td>
<td>65%</td>
</tr>
<tr>
<td>Fixed Income Alternatives</td>
<td>50%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>45%</td>
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<tr>
<td>Real Estate</td>
<td>41%</td>
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<tr>
<td>Commodities</td>
<td>39%</td>
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<tr>
<td>Managed Futures</td>
<td>32%</td>
</tr>
<tr>
<td>Real Assets Infrastructure, Farmland, Timberland</td>
<td>30%</td>
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<tr>
<td>Structured Products</td>
<td>29%</td>
</tr>
<tr>
<td>Venture Capital</td>
<td>18%</td>
</tr>
</tbody>
</table>

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

Yearly Growth:

- 2004: 561
- 2005: 561
- 2006: 1,200
- 2007: 2,000
- 2008: 3,265
- 2009: 3,265
- 2010: 5,700
- 2011: 5,700
- 2012: 5,700
- 2013: 5,700
- 2014: 5,700
- 2015: 8,000

Total Growth Over Time:

- September 2016 Exam
Core Concepts

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

New or Updated Topic Areas

- Liquid alternatives
- New introduction chapter devoted to financial economics
- Structured products expansion (equity, commodity, and fixed income products)
- Real asset expansion

Enhanced Applications on caia.org

- Highlight and demonstrate numerical examples

Additional Review Questions

- Review questions at the end of each chapter (Answers can be found in the CAIA Level I Workbook)
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
# Level I Exam Topics

<table>
<thead>
<tr>
<th>Level I Topic</th>
<th>Approximate Exam Weight</th>
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<tbody>
<tr>
<td>Professional Standards and Ethics</td>
<td>15% – 20%</td>
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<tr>
<td>Introduction to Alternative Investments</td>
<td>20% – 25%</td>
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<tr>
<td>Real Assets including Commodities</td>
<td>10% – 20%</td>
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<tr>
<td>Hedge Funds</td>
<td>10% – 20%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>5% – 10%</td>
</tr>
<tr>
<td>Structured Products</td>
<td>10% – 15%</td>
</tr>
<tr>
<td>Risk Management and Portfolio Management</td>
<td>5% – 10%</td>
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</tbody>
</table>
# Level II Exam Topics

<table>
<thead>
<tr>
<th>Level II Topic</th>
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<td></td>
<td>Multiple Choice</td>
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<tr>
<td></td>
<td>Constructed Response</td>
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<tr>
<td>Professional Standards and Ethics</td>
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<tr>
<td>Private Equity</td>
<td>10% – 20%</td>
</tr>
<tr>
<td>Commodities</td>
<td>5% – 15%</td>
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<tr>
<td>Real Assets</td>
<td>10% – 20%</td>
</tr>
<tr>
<td>Hedge Funds and Managed Futures</td>
<td>10% – 20%</td>
</tr>
<tr>
<td>Structured Products, and Asset Allocation and Portfolio Management</td>
<td>5% – 15%</td>
</tr>
<tr>
<td>Risk and Risk Management, Manager Selection, Due Diligence, and Regulation</td>
<td>5% – 15%</td>
</tr>
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</table>
## Examination Format and Scheduling

### Level I

<table>
<thead>
<tr>
<th>200 Multiple Choice Questions</th>
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<tbody>
<tr>
<td>Section 1: 100 questions / 120 minutes</td>
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<tr>
<td>Section 2: 100 questions / 120 minutes</td>
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</tbody>
</table>

Both CAIA exams are administered internationally in computerized format exclusively at proctored Pearson VUE test centers.

### Level II

<table>
<thead>
<tr>
<th>200 Multiple Choice Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1: 100 questions / 120 minutes</td>
</tr>
<tr>
<td>Section 2: 3 essays / 120 minutes</td>
</tr>
</tbody>
</table>

Once you have purchased your Level I or Level II exam, you will receive a confirmation email with a link that will allow you to schedule your exam appointment.
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
<table>
<thead>
<tr>
<th>Fees (in USD)</th>
<th>Level I</th>
<th>Level II</th>
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<tr>
<td>Program Enrollment</td>
<td>$400</td>
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<td>Exam Registration</td>
<td>$1,250</td>
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<td>$1,650</td>
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<tr>
<td>Early Registration Discount</td>
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<tr>
<td>Retake Fee</td>
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</table>

<table>
<thead>
<tr>
<th>Curriculum cost (in USD)</th>
<th>Level I</th>
<th>Level II</th>
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<tbody>
<tr>
<td>Textbook &amp; readings</td>
<td>$110-200</td>
<td>$310-400</td>
</tr>
<tr>
<td>Standards of Practice handbook</td>
<td>$30-40</td>
<td>$30-40</td>
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<table>
<thead>
<tr>
<th>Membership (annually)</th>
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<tbody>
<tr>
<td>Full</td>
<td>$350</td>
<td></td>
</tr>
<tr>
<td>Affiliate</td>
<td>$175</td>
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<tr>
<td>Retired</td>
<td>$175</td>
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</table>
Pass Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Level I</th>
<th>Level II</th>
</tr>
</thead>
<tbody>
<tr>
<td>March '13</td>
<td>68%</td>
<td>65%</td>
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<tr>
<td>September '13</td>
<td>68%</td>
<td>62%</td>
</tr>
<tr>
<td>March '14</td>
<td>67%</td>
<td>63%</td>
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<tr>
<td>September '14</td>
<td>67%</td>
<td>66%</td>
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<tr>
<td>March '15</td>
<td>66%</td>
<td>66%</td>
</tr>
<tr>
<td>September '15</td>
<td>68%</td>
<td>67%</td>
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</tbody>
</table>
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
fourteenth day of October, 2015.
A complete list of CAIA’s academic partners globally can be found at caia.org.
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### Sample Employers

<table>
<thead>
<tr>
<th>Banks</th>
<th>Consultants</th>
<th>Fund Managers</th>
<th>Regulators</th>
<th>Pension Funds &amp; Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSBC</td>
<td>Cambridge Associates</td>
<td>Blackrock</td>
<td>U.S. SEC</td>
<td>APG</td>
</tr>
<tr>
<td>Citi</td>
<td>New England Pension Consultants</td>
<td>Goldman Sachs</td>
<td>MAS Singapore</td>
<td>Texas Retirement System</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>Mercer</td>
<td>J.P. Morgan</td>
<td>SFC Hong Kong</td>
<td>Chicago Teachers</td>
</tr>
<tr>
<td>UBS</td>
<td>Towers Watson</td>
<td>Morgan Stanley</td>
<td>FCA UK</td>
<td>Ontario Teachers</td>
</tr>
<tr>
<td>Barclays Capital</td>
<td></td>
<td>State Street</td>
<td>CIMA Cayman</td>
<td>CalPERS</td>
</tr>
<tr>
<td>Deutsche Bank</td>
<td></td>
<td></td>
<td></td>
<td>Harvard Management Co.</td>
</tr>
</tbody>
</table>
Top companies seek to hire CAIA Charterholders. (Sample job postings from the CAIA Career Center.)

<table>
<thead>
<tr>
<th>Company</th>
<th>Position</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPP Investment Board</td>
<td>Risk Management - Associate Industry certifications, such as a CFA, CAIA, or FRM</td>
<td>are a plus.</td>
</tr>
<tr>
<td>BNY Mellon</td>
<td>International Relationship Manager. CFA, CAIA or working toward preferred.</td>
<td></td>
</tr>
<tr>
<td>Ameriprise Financial</td>
<td>Senior Quantitative Research Analyst. CFA, CAIA, CIMA</td>
<td></td>
</tr>
<tr>
<td>UBS</td>
<td>Equity Investment Research - Manager. CIMA, CAIA, and/or CFA charter holders or candidates</td>
<td>will be looked favorably upon.</td>
</tr>
<tr>
<td>BlackRock</td>
<td>International Trading Manager. MBA, CFA, CAIA or CMT preferred</td>
<td></td>
</tr>
<tr>
<td>Citi</td>
<td>Senior Credit Specialist. CFA / CAIA / FRM / PRM is considered highly advantageous.</td>
<td></td>
</tr>
</tbody>
</table>
Career Value of the CAIA Charter

Why maintain an active CAIA membership? Here’s what Members say.

- **82.9%** To use the CAIA designation.
- **67.4%** To position myself for future career opportunities.
- **65.9%** To maintain my knowledge of alternatives and stay current in the industry.
- **45.9%** To network with other CAIA Members.
- **34.8%** To take advantage of CAIA Chapters’ educational and social events.
Member Benefits

- Use of CAIA marks in professional documents
- Chapter educational and networking events
- Global network of more than 8,000 Members
- Globally-recognized designation
- Knowledge Center at CAIA.org
- Self Evaluation Tool
- Ongoing Education
- CAIA Career Center
September 2016 Exam — Notable Dates

- **Early Registration**
  - Apr 1 – May 12, 2016

- **Regular Registration**

- **Level I Exam**
  - September 12-23, 2016

- **Level II Exam**
  - September 5-16, 2016
# Global Business Development Contacts

## AMERICAS

Millissa Allen, CAIA  
Amherst  
Managing Director of Business Development  
direct: +1 413 549 3324  
mallen@caia.org

Andrew Tetreault  
Amherst  
Business Development Manager  
direct: +1 413 549 3317  
atetreault@caia.org

Cody Durant  
Amherst  
Business Development Associate  
direct: +1 413 549 3313  
cdurant@caia.org

## ASIA-PACIFIC

Joanne Murphy  
Hong Kong  
Managing Director, APAC  
direct: +852 3655 0598  
jmurphy@caia.org

Wendy Leung  
Hong Kong  
Events, Candidate & Member Services Manager, Asia Pacific  
direct: +852 3655 0568  
wleung@caia.org

Peter Douglas, CAIA  
Singapore  
Principal  
direct: +65 6536 4241  
pdouglas@caia.org

## EUROPE, MIDDLE-EAST, AFRICA

Laura Merlini, CAIA  
Geneva  
Managing Director of Business Development  
direct: +41 796 154 491  
lmerlini@caia.org

Tammy Johnston  
London  
Administrative Assistant  
tjohnston@caia.org
The CAIA Charter
The Global Benchmark in Alternative Investment Education

www.caia.org