

Annexure 4

**Level 2- ALL HIGH-LEVEL
COURSES TO BE EFFICIENT
FUND MANAGER**

**C.F.A- CHARTERED
FINANCIAL ANYALIST
(INTERNATIONAL)**

What Is a Fund Manager?

A fund manager is responsible for implementing a fund's investing strategy and managing its portfolio trading activities. The fund can be managed by one person, by two people as co-managers, or by a team of three or more people.

Fund managers are paid a fee for their work, which is a percentage of the fund's average assets under management (AUM). They can be found working in fund management with mutual funds, pension funds, trust funds, and hedge funds.

Investors should fully review the investment style of fund managers before they consider investing in a fund.

What's a Fund Manager?

Understanding Fund Managers

The main benefit of investing in a fund is trusting the investment management decisions to the professionals. That's why fund managers play an important role in the investment and financial world. They provide investors with peace of mind, knowing their money is in the hands of an expert.

While a fund's performance may have a lot to do with market forces, the manager's skills are also a contributing factor. A highly trained manager can lead their fund to beat its competitors and their benchmark indexes. This kind of fund manager is known as an active or alpha manager, while those who take a backseat approach are called passive fund managers.

Fund managers generally oversee mutual funds or pensions and manage their direction. They are also responsible for managing a team of investment analysts. This means the fund manager must have great business, math, and people skills.

The fund manager's main duties include meeting with their team, as well as existing and potential clients. Since the fund manager is responsible for the success of the fund, they must also research companies, and study the financial industry and the economy. Keeping up to date on trends in the industry help the fund manager make key decisions that are consistent with the fund's goals.

Before investing in a fund, investors should review a fund manager's investment style to see if it is compatible with their own.

The Path to Fund Management

To qualify for a position in fund management—mutual funds, pension funds, trust funds, or hedge funds—individuals must have a high level of educational and professional credentials and appropriate investment managerial experience. Investors should look for long-term, consistent fund performance with a fund manager whose tenure with the fund matches its performance time period.

Most fund managers often pursue a chartered financial analysts (CFA) designation as a first step in becoming the head stock-picker for a portfolio. CFA candidates undergo rigorous coursework pertaining to investment analysis and portfolio management.

Typically, these analysts assist portfolio managers with individual research on investment ideas and subsequent buy, sell, or hold recommendations. After a number of years working for the fund, familiarity with fund operations and management style aid in the analyst in a career path. Successful CFAs build a quality case for an internal promotion to manager if the opportunity arises.

Responsibilities of Fund Managers

Fund managers primarily research and determine the best stocks, bonds, or other securities to fit the strategy of the fund as outlined in the prospectus, then buy and sell them.

At larger funds, the fund manager typically has a support staff of analysts and traders who perform some of these activities. Multiple managers at some investment companies oversee client money, and each may be responsible for a portion or make decisions via committee.

Some other responsibilities of the fund manager include preparing reports on how well the fund is performing for clients, developing reports for potential clients to know the risks and objectives of the fund, and identifying clients and companies who may make good fits as clients.

KEY TAKEAWAYS

- **A fund manager is responsible for implementing a fund's investment strategy and managing its trading activities.**

- **They oversee mutual funds or pensions, manage analysts, conduct research, and make important investment decisions.**
- **Most fund managers are highly educated, have professional credentials, and possess management experience.**
- **Fund managers fall into two categories: active managers and passive managers.**

Active vs. Passive Managers

Active fund managers try to outperform their peers and the benchmark indexes. Managers who engage in active fund management study trends in the market, analyze economic data, and stay current on company news.

Based on this research, they buy and sell securities—stocks, bonds, and other assets—to rake in greater returns. These fund managers generally charge higher fees because they take on a more proactive role in their funds by constantly changing their holdings. Many mutual funds are actively managed, which explains why their fees are generally high.

Passive fund managers, on the other hand, trade securities that are held in a benchmark index. This kind of fund manager applies the same weighting in their portfolio as the underlying index. Rather than trying to outperform the index, passive fund managers normally try to mirror its returns. Many exchange-traded funds (ETFs) and index mutual funds are considered passively managed. Fees for these investments are generally much lower because there isn't a lot of expertise involved on the part of the fund manager.

CFA (CHARTERED FINANCIAL ANALYST)

About the CFA® Program

The CFA designation has become known as the symbol of professional excellence within the

Global

investment community. Around the world, employers and investors recognize the CFA designation as the definitive standard for measuring competence and integrity in the fields of portfolio management and investment analysis. The CFA Program, administered by CFA Institute, sets the global standard for investment industry knowledge and ethical behavior. The CFA curriculum covers concepts and skills you will use at all stages of your career connecting academic theory with current practice and ethical and professional standards to provide a strong foundation of advanced investment analysis and

real-

world portfolio management skills. In the competitive, rapidly evolving profession of investment management, few achievements will say more about CFA Institute commitment to knowledge and high ethical standards than earning the CFA charter. Employers who understand the dedication that the CFA Program requires often make the CFA charter an eligibility requirement for senior-level positions and frequently are willing to pay for their employees to participate in the program. Many investors include the CFA charter in the criteria they use to select the firms and individuals who manage their financial assets. Earning the CFA demonstrates mastery of a broad range of practical portfolio management and advanced investment analysis skills that will open doors at any stage of your career. Overview The CFA Program consists of a series of three examinations (Levels I, II, and III) that must be taken in succession. The exams are offered only once annually in June, with the exception of Level I candidates, who also have the option of sitting for the exam in December. A minimum of 250 hours of preparation per CFA exam level is recommended, although some candidates will need more or less time, depending on their individual backgrounds and experience. There is no limit to the number of times you can take each exam, a

and you can take as much time as you need to complete the program. The CFA curriculum is dynamic and changes annually to meet the nature and complexity of the global investment profession. **Candidate Eligibility Requirements**

To be eligible to enter the CFA Program, you must:

⊖ Hold bachelor's (or equivalent) degree ⊖

⊖ or be in the final year of your bachelor's degree program ⊖

⊖ or have four years of qualified, professional work experience ⊖

⊖ or a combination of work and college experience that totals at least four years ⊖

⊖ Meet the professional conduct admission criteria by completing the professional conduct inquiry and signing the candidate responsibility statement

⊖ Be prepared to take the exams in English ⊖

⊖ Have a valid international travel passport (required for enrollment and exam registration) CFA Exam Format ⊖

Level I exams: multiple choice

Level I multiple choice questions are crafted with each of the incorrect responses (distracters) carefully constructed to represent common mistakes in either calculation or logic. A Level I examination consists of 240 questions to be completed in a six-hour time frame.

Level II exams: item set The Level II CFA exam consists of 20 item sets — 10 on the morning session of the exam and 10 on the afternoon session. Item sets are sometimes called “mini-cases.” Each item set on the CFA exam consists of a vignette (or case statement) and six multiple choice items (questions).

Level III exams: item set and essay The Level III exam uses the essay format in the morning, and the item set format, with 10 item sets, in the afternoon. The Level III essay exam is given in the morning session and has a maximum score of 180 points. The essay exam typically has 10–

15 questions, and questions may have multiple parts. The points for each question and each question part are given in the exam.

Exam Topic Area Weights

Topic Area	Level I	Level II	Level III	-----
Ethical and Professional Standards	15 %	10 %	10 %	
Investment Tools	50 %	30-60 %	0 %	
Corporate Finance	8 %	5-15 %	0 %	
Economics*	10 %	5-10 %	0 %	
Financial Reporting and Analysis	20 %	15-25 %	0 %	
Quantitative Methods	12 %	5-10 %	0 %	
Asset Classes	30 %	35-75 %	35-45 %	
Alternative Investments	3 %	5-15 %	5-15 %	
Derivatives	5 %	5-15 %	5-15 %	
Equity Investments	10 %	20-30 %	5-15 %	
Fixed Income	12 %	5-15 %	10-20 %	
Portfolio Management and Wealth Planning	5 %	5-15 %	45-55 %	
Total	100 %	100 %	100 %	

***Economics is part of Portfolio Management at Level III.**

CFA Program Benefits

The CFA Program provides a strong foundation of the skills and knowledge needed to succeed in today's competitive world of investing and finance. Candidates for the CFA Program include students entering the investment field, professionals increasing their expertise and marketability, and people making a career change into the investment p

profession from other disciplines. Whatever your reason for enrolling, when it comes to accessing opportunities in the investment profession, there's no equivalent to earning the CFA charter. You won't find a more cost-effective or well-respected credential program that better prepares you to meet the challenges of today's world of professional investing. ↵

Global Recognition With a six-decade history of maintaining a rigorous focus on globally relevant investment knowledge, the CFA Program is the most widely known and respected investment credential in the world. ↵

Career Advantage Employers recognize the CFA charter as the definitive standard by which to measure the competence, integrity, and dedication of serious investment professionals. Stand out at every stage of your career. ↵

Practical Skills the CFA Program curriculum focuses on the practical knowledge and current skills necessary in the global investment management profession. These skills are immediately useful on the job. ↵

Community Earning the CFA charter places you in the company of an elite group of nearly 90,000 respected investment professionals. Access to their collective expertise, networks, and resources is an invaluable asset.

Becoming a CFA Charter Holder To earn a CFA charter, you must: Have four years of qualified investment work experience, become a regular member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct, apply for membership to a local CFA member society, and complete the CFA Program by passing level I, II & III exams.

Our

live preparation courses are the best choice for you. We move step by step with every candidate through the live lectures, in class practice problems, in class financial calculator practice, in class module & mock exams in addition to self study options (sch

weser material) that includes
Test Bank (more than a 1000 practice problems), video lectures & workbook online access, practice exam books (a total of 6 mock exams) to guarantee that everyone has thoroughly understood the material and is ready for the CFA exam.

Chartered Financial Analyst

Recognized worldwide Average salary 10 lakhs p.a. Lead top companies like JP Morgan Chase as Investment Banker, Portfolio Manager, Risk Manager Grab a recognized position in global finance industry ≤ 3 years Free to work in any country of the world. 45% global pass rate Appear for each level when you're prepared Can be easily pursued alongside a full-time job.

AGAIN, THE syllabus details—

MCQ based examination

Exam split in 2 sessions of 2 hours 15 minutes each

Explore Core Curriculum Topics

Ethical and Professional Standards

The focus of this topic is ethics, related challenges to ethical behavior, and the role ethics and professionalism play in the investment industry. We provide a framework to support ethical

decision-making and examine CFA Institute Code of Ethics and Standards of Professional Conduct and Global Investment Performance Standards (GIPS®).

Weight Given Across Levels

Level I	Level II	Level III
15–20	10–15	10–15

Quantitative Methods

In this section, we explore quantitative concepts and techniques used in financial analysis and investment decision making. We present descriptive statistics for conveying important data attributes, such as central tendency, location, and dispersion, and introduce characteristics of return distributions. The section also considers probability theory and its application in quantifying risk for investment decision making.

Weight Given Across Levels

Level I	Level II	Level III
6-9	5–10	0

Economics

In this section, we introduce analysis of fundamental concepts of supply and demand for individual consumers and firms. We also cover the various market structures that firms operate in as well as macroeconomic concepts and principles, including aggregate output and income measurement, aggregate demand and supply analysis, and analysis of economic growth factors. The section concludes with coverage of the business cycle and its effect on economic activity.

Weight Given Across Levels

Level I	Level II	Level III
6-9	5–10	5–10

Financial Statement Analysis

Here we provide a thorough explanation of financial reporting procedures and the standards that govern financial reporting disclosures, with an emphasis on basic financial statements and how alternative accounting methods affect those statements and the analysis of them. We examine primary financial statements and provide a general framework for conducting financial statement analysis.

Weight Given Across Levels

Level I	Level II	Level III
11-14	10-15	0

Corporate Issuers

(Known in 2020 as Corporate Finance)

In this topic, we provide an introduction to corporate governance as well as investing and financing decisions. We present an overview of corporate governance along with a framework for understanding and analyzing corporate governance and stakeholder management. We also highlight the growing impact of environmental and social considerations in investing. We cover how companies make use of leverage and manage their working capital to meet short-term operational needs.

Weight Given Across Levels

Level I	Level II	Level III
6-9	5-10	0

Equity Investments

Here we explore the characteristics of equity investments, security markets, and indexes and explain how to analyze industries, companies, and equity securities as well as the use of basic equity valuation models. Global equities are important for meeting longer-term growth and diversification objectives.

Weight Given Across Levels

Level I	Level II	Level III
11-14	10-15	10-15

Fixed Income

In this topic, we explain how to describe fixed income securities and their markets, yield measures, risk factors, and valuation measurements and drivers. We also cover calculating yields, values of fixed income securities, the securitization of assets, the fundamentals of bond returns and risks, and basic principles of credit analysis.

Weight Given Across Levels

Level I	Level II	Level III
11-14	10-15	15-20

Derivatives

In this section, we build the conceptual framework for understanding the basic derivatives and derivative markets. We then introduce essential features and valuation concepts for forward commitments such as forwards, futures, swaps, and contingent claims. Finally, we examine arbitrage, a critical concept that links derivative pricing to the price of the underlying asset.

Weight Given Across Levels

Level I	Level II	Level III
5-8	5-10	5-10

Alternative Investments

This topic explores alternative investments, including hedge funds, private equity, real estate, commodities, and infrastructure. We cover the use of alternative investments for diversifications and higher returns. In this curriculum, we define alternative investments and the characteristics they have in common.

Weight Given Across Levels

Level I	Level II	Level III
7-10	5-10	5-10

Portfolio Management and Wealth Planning

In this topic, we explain the fundamentals of portfolio and risk management, including return and risk measurement and portfolio planning and construction. We examine the needs of individual and institutional investors along with the range of available investment solutions. The capital asset pricing model is used to identify optimal risk in portfolios.

Weight Given Across Levels

Level I	Level II	Level III
8-12	10-15	35-40

CFA Placement In India: Scope, Careers Options,

CFA Placements in India - Chartered Financial Analyst (CFA) has gained a lot of popularity in India over the years. The number of CFA's in India has been increasing at a rate of 30% for the last 7 years and currently, India is the 3rd largest market for CFA after China and USA. The CFA placements in India are done at a larger scale in the financial industry. The CFA professionals who complete all three levels of CFA exams in India are in high demand as they are skilled financial experts. In this article, we will discuss the CFA placements in India, their salary structure and scope.

Scope of CFA in India

CFA is not specified to any particular asset class as it is a very generic finance course. CFA covers every industry in an in-depth basis in terms of its core uses and fundamentals. Hence, CFA professionals have a lot of scope and responsibilities. Their boundaries are not limited to just equity or bonds or real estate or derivatives.

The scope of CFA is huge and a person can pick their own choice of interest and specialize in that. Some of the career scopes for CFA professionals are quality data analyst, consultant, trader, real estate, fixed income, investment banking etc. The CFA professionals can also widen their scope if they acquire other skill sets connected to the industry.

CFA Placements in India - Career Options

After completing CFA programme, the placements of CFA in India are done in various job roles that is listed below:

- **Equity Analyst**
- **Equity Research Associate**
- **Finance Manager**
- **Chartered Financial Analyst**
- **Research Analyst**
- **Credit Analyst**
- **Senior Financial Analyst**
- **Business Analyst**
- **Investment Banker**
- **Portfolio Manager**
- **Personal Financial Advisor**

Abroad

CFA Charter holders have many job opportunities abroad, especially in the US and the UK. They can also work in other financial hubs such as Hong Kong, Singapore, and Switzerland. The global recognition of the CFA charter makes it easier for Charter holders to find jobs in many countries around the world.

Overall, opting for the CFA program can be a valuable investment in your career in finance, providing you with a strong foundation of knowledge, skills, and ethics, and enhancing your professional opportunities. 78% of candidates say that the CFA program made difference in their compensation growth.

Build your career

Be wise

Be rich.

Thank you

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