

# **Annexure 7**

**CAIA-  
CHARTERED  
ALTERNATIVE  
INVESTMENT  
ANALYST USA**

## **CAIA- CHARTERED ALTERNATIVE INVESTMENT ANALYST USA**

**Candidates who want to obtain the Chartered Alternative Investment Analyst (CAIA) designation are required to clear both levels of CAIA exam in order become charterholders. The CAIA charter is one of the most desired professional designations for individuals who want to validate their expertise and advance their career and professional standing in the area of alternative investments. In order to obtain Chartered Alternative Investment Analyst status, candidates are required to pass the two levels of the CAIA exams.**

**These are highly competitive examinations which require intensive study, understanding and knowledge and therefore ensure that the CAIA charterholders are the most skilled individuals in their domain of expertise. In this article candidates can know all about CAIA Exam 2021 such as eligibility criteria, requirements, registration process, exam dates, exam structure, fee, study material and much more.**

### **CAIA Exam 2021: Overview**

<b>Item</b>	<b>Details</b>
<b>Name</b>	<b>Chartered Alternative Investment Analyst</b>
<b>Abbreviation</b>	<b>CAIA</b>
<b>Governing body</b>	<b>CAIA Association</b>
<b>Exam type</b>	<b>International charter</b>
<b>Test centre administration</b>	<b>Pearson VUE</b>
<b>Exam duration</b>	<b>5 hours (each)</b>
<b>Number of questions</b>	<b>CAIA level 1: 200 questions CAIA level 2: 100 questions</b>
<b>Question type</b>	<b>Multiple-choice type, constructed response type</b>

<b>Charter validity</b>	<b>No expiration; annual membership renewal required</b>
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### **CAIA Exam Eligibility**

**There are no specific CAIA requirements for eligibility as candidates from any academic or professional background can appear for the Chartered Alternative Investment Analyst exams. Despite this, there are certain CAIA requirements which candidates are expected to have met prior to giving the exam. Candidates are expected to have completed at least an undergraduate qualification (in any field) but must have an ardent interest in alternative investments and must be associated with an organization in the CAIA Association database. As the Chartered Alternative Investment Analyst (CAIA) exams are highly competitive in nature and require candidates to have a deep understanding of the subject matter, professionals who have worked in the domain of alternative investments or are graduates in a similar domain are the most eligible for this charter.**

### **CAIA Exam Requirements**

**In order to obtain the Chartered Alternative Investment Analyst credential, students need follow a number of steps for clearing the requisite exam and meet the CAIA requirements. These steps include:**

- The candidate must enroll to the CAIA program and register for any CAIA exam. As the two exams are to be cleared in chronological order, the candidate must register for CAIA exam : level 1 at the time of program enrollment. For CAIA exam: level 2 candidates, the enrollment fee is not necessary.**
- Upon registration for the exam, the candidate can select the preferred Pearson VUE testing centre as per his or her location. According to the availability at the selected test centre, candidates must select a test date within the requisite window for the specific CAIA 2021 exam.**
- In case the candidate wants to reschedule his or her exam, it can only be rescheduled to a different date within the same test window. Rescheduling must be done at least 72 hours prior to the appointed test and a test cannot be rescheduled to a different window or test cycle.**

- **Once the candidate clears the Chartered Alternative Investment Analyst level 1 exam, then he or she can clear CAIA level 2 at any point of time without adherence to any time constraints.**
- **Upon clearing both of the CAIA exams, the candidate will be sent a personal charter to the registered address after joining as a full member of the CAIA Association. In order to maintain the CAIA charter, candidates need to maintain their membership with the CAIA Association.**

### **CAIA Registration**

**The CAIA exams are conducted two times a year in two exam windows. In order to register for the CAIA exams, candidates must first meet the Chartered Alternative Investment Analyst requirements for eligibility. First time candidates need to enroll to the CAIA program and subsequently register for the CAIA exam for level 1.**

**In order to register for either of the CAIA exams or enrol for the program, candidates will need to fill out a number of details in order to create a CAIA account which includes personal, academic, and professional information. The CAIA registration can be carried out online and the last date for registration is August 9.**

### **CAIA Exam Dates**

**The CAIA 2021 exams will be administered at Pearson VUE testing centres in over 90 countries around the world. The CAIA exam 2021 will be offered two times in the year in two different testing windows:**

- **Late February/March**
- **September**

**As the charter exams for CAIA level 1 and CAIA level 2 are offered at Pearson VUE testing centres, candidates have the option of choosing their specific date of preference based on test centre availability within the offered testing windows. The windows for test dates offered for both of the CAIA 2021 exam levels are separate, with the window for CAIA level 1 preceding the window for Chartered Alternative Investment Analyst level 2.**

### **CAIA Exam Pattern**

**As the CAIA exams are highly intensive in nature, individuals must ensure their knowledge and understanding of the various constituent topics in order to pass the CAIA level 1 and CAIA level 2 exams. On an estimate which has been based on Chartered Alternative Investment Analyst candidate feedback, the CAIA Association states that at least 200 hours of study are required for each level exam, varying according to the individual students requirements. Both the CAIA exams comprise approximately 30% questions which require candidates do perform calculations. The CAIA exam 2021 for level 1 comprises 200 multiple choice questions which are divided amongst various subject areas as given below.**

### **CAIA Exam : Level 1 Structure**

<b>CAIA Level 1 Topic</b>	<b>weightage</b>
<b>Professional standards and ethics</b>	<b>15-20%</b>
<b>Introduction to alternative investments</b>	<b>20-25%</b>
<b>Real assets</b>	<b>10-20%</b>
<b>Hedge funds</b>	<b>10-20%</b>
<b>Private equity</b>	<b>5-10%</b>
<b>Structured products</b>	<b>10-15%</b>

**Risk management and portfolio management**

**5-**

**10%**

**The CAIA exam 2021 for level 2 comprises 100 questions, of which 70% are multiple choice questions and 30% are constructed response (essay-type) questions.**

### **CAIA Exam : Level 2 Structure**

<b>CAIA Level 2 Topic</b>	<b>Weightage</b>	
	<b>Multiple-choice question</b>	<b>Constructed response</b>
<b>Professional standards and ethics</b>	<b>0%</b>	<b>10%</b>
<b>Core and integrated topics</b>	<b>0%</b>	<b>10%</b>
<b>Asset allocation and institutional investors</b>	<b>8% - 12%</b>	<b>0% - 10%</b>
<b>Private equity</b>	<b>11% - 15%</b>	<b>0% - 10%</b>
<b>Real assets</b>	<b>13% - 17%</b>	<b>0% - 10%</b>
<b>Commodities</b>	<b>5% - 7%</b>	<b>0% - 10%</b>
<b>Hedge funds and managed futures</b>	<b>18% - 22%</b>	<b>0% - 10%</b>
<b>Structured products</b>	<b>5% - 7%</b>	<b>0% - 10%</b>
<b>Total</b>	<b>70%</b>	<b>30%</b>

### **CAIA Exam Syllabus - CAIA Level 1**

#### **Professional Standards and Ethics**

- **Professionalism**
- **Integrity of capital markets**
- **Duties to clients**
- **Duties to employers**
- **Investment analysis, recommendations and actions**
- **Conflicts of interest**

## **Introduction to Alternative Investments**

- **What is an alternative investment?**
- **The environment of alternative investments**
- **Quantitative foundations**
- **Statistical foundations**
- **Measures of risk and performance**
- **Foundations of financial economics**
- **Benchmarking and performance attribution**
- **Alpha, beta and hypothesis testing**
- **Regression, multivariate, and nonlinear methods**

## **Real Assets**

- **Natural resources and land**
- **Commodity forward pricing**
- **Commodities: applications and evidence**
- **Operationally-intensive real assets**
- **Liquid and fixed-income real estate**
- **Real estate equity investment**

## **Hedge Funds**

- **Structure of the hedge fund industry**
- **Macro and managed futures funds**
- **Event-driven hedge funds**
- **Relative value hedge funds**
- **Equity hedge funds**
- **Funds of hedge funds**

## **Private Equity**

- **Introduction to private equity**
- **Equity types of private equity**
- **Debt types of private equity**

## **Structured Products**

- **Introduction to structuring**
- **Credit risk and credit derivatives**
- **CDO structuring of credit risk**
- **Equity-linked structured products**

## **Risk Management and Portfolio Management**

- **Cases in tail events**
- **Investment process, operations and risk**
- **Due diligence of fund managers**
- **Portfolio management, alpha and beta**

## **CAIA Exam Syllabus - CAIA Level 2**

### **Asset Allocation and Institutional Investors**

**Asset allocation process and the mean-variance model**

**Tactical asset allocation, mean-variance extensions, risk budgeting, risk parity, and factor investing**

**The endowment model**

**Pension fund portfolio management**

**Sovereign wealth funds**

**The family office model**

### **Private Equity**

**Private equity market structure**

**Private equity benchmarking**

**Fund manager selection and monitoring**

**Private equity operational due diligence**

**Private equity investment process and portfolio management**

**Measuring private equity risk**

**The management of liquidity**



## **Real Assets**

**Real estate as an investment**

**Real estate indices and unsmoothing techniques**

**Investment styles, portfolio allocation and real estate derivatives**

**Listed versus unlisted real estate investments**

**International real estate investments**

**Infrastructure as an investment**

**Farmland and timber investments**

**Investing in intellectual property**

## **Commodities**

**Key concepts in commodity markets**

**Allocation to commodities**

**Assessing commodity investment products**

## **Hedge Funds and Managed Futures**

**Managed futures**

**Investing in CTAs**

**Relative value strategies**

**Hedge funds vs. directional strategies**

**Hedge funds vs. credit strategies**

**Volatility, correlation, and dispersion products and strategies**

**Hedge fund replication**

**Funds of hedge funds and multi strategy funds**

**Hedge fund operational due diligence**

## **Structured Products**

**Regulation and compliance**

**Structured products I vs. fixed-income derivatives and asset-backed securities**

## **Structured products II vs. insurance-linked products and hybrid securities**

**Top employers value the CAIA® Charter, and it is recognized globally as the highest standard of achievement in alternative investment education. Charterholders demonstrate their knowledge and interest in specific financial products known as alternative investments.**

**But, what kind of jobs are available to them? Let's take a look at some of the most common job titles for those who have earned the Chartered Alternative Investment Analyst<sup>SM</sup> designation. We'll describe these positions in alternative investment terms.**

### **Where CAIA® Charterholders Work**

**Many of the titles held by those with the CAIA designation appear at first to be the same as those of CFA® charterholders and other financial certifications or degrees. The difference is the investments they analyze or manage and where they work.**

**Alternative investments are assets other than stocks, bonds, and cash, such as private equity, hedge funds, real estate, derivatives, commodities, and more. You can find CAIA Charterholders in hedge funds, private practices and firms, investment management firms, companies, foundations and trusts, colleges and universities, pensions, and state and local governments, to name a few.**

### **Investment Analyst**

**Investment analysts analyze investment risk and return data, conduct performance attribution, carry out peer benchmarking, and perform investment operations tasks. CAIA Charter holders are good candidates for this position because of their specialized knowledge of alternative investments and risk management. Employers currently advertising for CAIA Charter holders for investment analyst positions on the CAIA Careers web page, maintained by CAIA Association, include equity divisions of wealth management firms, state and local government or higher education retirement funds, credit funds, ratings agencies, and venture capital firms.**

### **Investment Consultant**

**Investment consultants provide clients with investment products, advice, planning, or any combination of these. They formulate investment strategies, helping clients fulfil their needs and reach their financial goals. CAIA Charter holders bring alternative investment product knowledge and asset allocation skills to the role. A small sampling of the types of employers who hire CAIA Charter holders as investment consultants includes accounting and finance firms, consulting firms, global investing firms, life insurance companies, and firms specializing in audit, tax, and advisory services.**

### **Investment Advisor**

**Investment advisors provide investment guidance to clients in exchange for specific fees. They differ from stockbrokers, who earn a commission. Investment advisors often have what is called discretionary authority, which means they can act on behalf of their clients without formal permission. Clients and investment advisors usually formalize this authority as part of onboarding. A CAIA Charterholder's specialized knowledge in everything from ethics to structured products is valuable in this position. Investment advisors with the CAIA Charter can be found in mutual funds, investment banks, brokerages, private equity firms, and tax firms.**

### **Portfolio Manager**

**Portfolio managers are in charge of an investment fund or group of funds, making informed decisions for their clients based on expert insight and experience. They work with analysts, researchers, and**

**clients to stay current on the markets and business news. They make decisions to buy and sell assets throughout the day as the markets fluctuate. CAIA Charter holders demonstrate specialized knowledge on how to apply alternative investments to the decisions they make for their clients. Among the employers who hire CAIA Charter holders as portfolio managers are hedge funds, banks, financial services firms, brokerages, equity funds, and government or college and university pension plans. You can learn the skills you need to succeed in this position in this article.**

### **Investment Manager**

**Investment managers administer clients' funds, pooling their money into long-term investment strategies, including alternative assets. They differ from portfolio managers because they have a wider range of responsibilities; most are expected to have advanced degrees. Along with meeting with clients and evaluating investment options, they develop financial documents and reports, make projections for expected returns on investments, monitor economic factors, and manage or supervise analysts and other employees. Employers who hire CAIA Charterholders as investment managers include hedge funds, consulting firms, investment banks, and capital investment firms. You can get a broader view of this position [here](#).**

### **Credit Structurer**

**Credit structurers blend or repackage financial assets and complex transactions in the credit area (also an alternative investment). They manage product development, marketing, and risk analysis, and obtain approvals. This is a job role well suited to CAIA Charter holders. The types of employers who hire them include financial services firms, investment banks, private equity firms, and asset management firms.**

### **Managing Director or Senior Vice President**

**CAIA Charter holders often move up in their careers to hold managing director or senior vice president positions at private equity, capital investment, investment management, financial services, and hedge fund firms. They are responsible for the performance of their firms as determined by its board of directors and C-Level executives. They report to the CEO and even the company's chair or board of directors.**

### **Chief-Level Executive**

**Chief executives make the strategic decisions that drive the success and the direction of the organization. As such, C-level positions are viewed as the highest level of business success. Chief-level executive positions held by those with the CAIA designation can include chief information officer (CIO), chief financial officer (CFO), and senior investment officer. Their responsibilities vary based on the structure of the firm and the specific role. You can find CAIA Charter holders in these positions in higher education retirement funds, trust companies, global investment advisory firms, hospital systems, and mutual funds.**

### **Interested in Pursuing the CAIA® Charter as a Boost to Your Career?**

**it can make a difference when an employer is deciding between two otherwise equally qualified candidates. In that situation, the CAIA Charter could be your competitive advantage. Passing the CAIA exam and earning the CAIA charter takes hard work and dedication, but our CAIA exam prep study packages can help. It's a career move worth considering.**

**Build your career**

**Be wise**

**Be rich**

**Thank you**

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