

Benefits of the CIMA[®] Certification According to an Independent Advisor

Agenda:

1. CIMA Overview by Lara Davies, IMCA Director of Industry Relations
2. Benefits of the CIMA Certification, Brian Ullsperger, Managing Director, WTAS LLC

June 22, 2011

IMCA[®]

investment management consultants association

- IMCA was established in 1985 to deliver the premier investment consulting and wealth management credentials and world-class educational offerings—membership, conferences, research, and publications.
- In addition to organizing cutting-edge educational conferences, IMCA also administers the **Certified Investment Management AnalystSM (CIMA[®])** and **Certified Private Wealth Advisor[®] (CPWA[®])** certification programs.

IMCA By The Numbers

(As of April 2011)

- 8,100 members
- Membership renewal rate of 92% annually
- Membership growth rate of 4% annually
- Percentage of members who are “extremely satisfied” with member benefits rose seven percentage points in 2010
 - Average AUM is \$272M
 - Advisor Firm Type: National Full Service Brokerage (61%); Independent B-D, RIA, or Dually Registered (20%); Regional or Bank B-D (17.2%);
 - Experience: 10+ years experience (77%); 20+ years experience (35%)
- More than 6,400 CIMA and CIMC certificants
- More than 400 CPWA designees
- 2011 IMCA Annual Conference, May 16-18, The Bellagio Resort, Las Vegas, NV; 5 specialty conferences in 2011
- Almost 4,000 conference attendees in 2010

Source: IMCA/Cerulli Associates Advisor surveys, 2010

IMCA's CIMA Certification

- The American National Standards Institute (ANSI) awarded IMCA accreditation under the ANSI international standard (ISO/IEC 17024) for the Certified Investment Management Analyst certification.
- Since the inception of ANSI's Personnel Certification Accreditation Program in 2003, the Institute has accredited 33 personnel certification bodies for 79 scopes in a range of industry sectors.
- The CIMA certification is the first internationally accredited financial services certification in the United States.



ANSI Accredited Program
PERSONNEL CERTIFICATION
#1005

Benefits of CIMA Certification

- **Greater AUM:**
 - The average IMCA professional manages more than \$272 million in assets
- **Greater Client Retention:**
 - The average IMCA professional retains 98.7 percent of clients during a recession
 - The average IMCA professional works with 200 clients, both individual and institutional
- **Greater Client Acquisition:**
 - The average IMCA professional grows his or her client base at 6 percent per year
- **Advisor Retention through Greater Knowledge, Confidence and Success:**
 - 97 percent of certificants value their IMCA credential enough to renew their license every two years
 - 92 percent of members value their membership enough to renew every year
- **Superior Experience and Education:**
 - 77 percent of certificants have more than 10 years of experience in investment management and consulting
 - 24 percent of certificants have a master's degree or higher

Major Topic Areas for CIMA Certification

I. Make portfolio recommendations based on modern portfolio theory and post-modern portfolio theory

- Analyze the components of returns
- Analyze risk and beta
- Recommend asset selection and allocation
- Formulate and recommend tax-efficient strategy
- Apply behavioral finance theory

II. Develop and recommend an investment policy for a client (individual or institutional)

- Explain the components of an investment policy statement (IPS)
- Prepare IPS and make recommendations for clients

III. Analyze performance measurement and recommend the selection of managers

- Analyze performance measurement and attribution
- Perform manager search and selection

IV. Analyze and recommend specific investments

- Assess fixed-income markets
- Assess equity markets
- Analyze alternative investments and derivatives

V. Analyze ethical and legal implications

- Apply ethical considerations, including IMCA's *Code of Professional Responsibility*
- Identify legal considerations, including fiduciary responsibilities

Steps to Earning the CIMA Certification

The CIMA certification program is the only credential designed specifically for financial professionals who want to attain a level of competency as an advanced investment consultant. The CIMA professional integrates a complex body of investment knowledge to provide objective investment advice and guidance to individuals and institutions. That knowledge is applied systematically and ethically to assist clients in making prudent investment decisions. The CIMA certification program requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics.

There are five steps you must complete to earn the certification:

1. Submit [CIMA Certification Program Application](#), fee, and undergo background check.
2. Pass the online [Qualification Examination](#).
3. Schedule into and complete education program with [Registered Education Provider](#) - currently The Wharton School, University of Pennsylvania.
4. Submit [Certification Examination Application](#) and fee and pass the online Certification Examination.
5. Sign licensing agreement, submit initial certification fee, and agree to adhere to IMCA's [Code of Professional Responsibility](#), [Standards of Practice](#), and [Rules and Guidelines for Use of the Marks](#).

CIMA Certification Educational Partner and Upcoming Schedule

Dates	Location
June 26, 2011 - June 30, 2011	San Francisco
Sep. 22, 2011 - Sep. 26, 2011	San Francisco
Oct. 3, 2011 - Oct. 7, 2011	Philadelphia
Dec. 5, 2011 - Dec. 9, 2011	Philadelphia



<http://www.imca.org/main/do/CIMAeducation>

CIMA Fee Schedule

The CIMA certification program offers a flexible, pay-as-you-go system that allows a candidate to budget accordingly and progress at his/her own pace. The cost for certification can range anywhere from approximately \$7,000 to more than \$8,000, depending on a candidate's preferences. Prices are subject to change, and details regarding current fees are outlined below:

- 1. CIMA Certification Program Application Fee**
 - \$105 current IMCA members; \$500 nonmembers
 - \$500 with IMCA membership (\$395 annual membership, \$105 application fee)
- 2. Qualification Examination Fee**
 - First-time testing fee included in application fee
 - Fee for each retake attempt is \$125 for current IMCA members, \$175 for nonmembers
 - Pre-study resources are available for additional fees, and members receive discount prices
- 3. Registered Education Providers Education Program Fees**
 - The Wharton School—\$6,500 (includes room and board)
- 4. Certification Examination Fee**
 - \$475 current IMCA members; \$675 nonmembers
 - Fee for each retake attempt is \$475 for current IMCA members, \$675 for nonmembers
- 5. Initial Licensing Fee**
 - \$105 current IMCA members; \$500 nonmembers

Studying for the Qualification Exam

Study Materials

It is recommended that candidates begin studying topics listed on the “Detailed Content Outline” in the Candidate Handbook (www.IMCA.org/main/do/CIMAHandbook). Study materials can be purchased in the open marketplace, i.e., bookstores, Amazon.com, IMCA.org, publishers, etc. IMCA specifies topics to be covered by the Registered Education Program Providers and topics to be tested, but it cannot require specific texts to be used.

Materials Provided by IMCA:

- **Candidate Handbook**-Candidates should start with the “Detailed Content Outline” in the Candidate Handbook specific to each exam to target subjects on which to focus.
(http://www.imca.org/cms_images/file_1045.pdf)
- **IMCA’s Code of Professional Responsibility**-(http://www.imca.org/cms_images/file_31.pdf)
- **IMCA’s Standards of Practice**-(http://www.imca.org/cms_images/file_34.pdf)
- **Financial Math Formula Sheet**-(http://www.imca.org/cms_images/file_1044.pdf). The formula sheet used in the examination is not labeled; therefore candidates should know how to identify and apply the formulas, plus texts necessary to describe formula application if the formulae are not familiar to the candidate.

CIMA Qualification Exam Study Resources

Materials Provided by IMCA: (continued)

- **Calculator Resources**--Candidates should also familiarize themselves with an acceptable financial calculator. Guidance for using non-programmable calculators can be found on the independent Web sites: eLearnAbout - (<http://www.elearnabout.com/streaming-videos.php>) or Calculator Tutorial Index (http://www.tvmcals.com/calculator_index).
- **CIMA Qualification Examination Online Review Course:** Organized around the topics of the qualification exam, this tool provides online tool provides an overview of key concepts as well as practice exam drills so candidates can familiarize themselves with the exam format and level of expectations. This program is best for candidates who are familiar with the material that will be covered on the exam but would like to get more comfortable with the exam set-up and practice exam drills. Eleven-month access to this program is available to IMCA members for \$395 and to nonmembers for \$595. (<http://www.imca.org/main/do/CIMAqualification>)
- **Essentials of Investment Consulting Certificate Program:** This online course provides an opportunity to gain fundamental knowledge of core topics related to the investment consulting process. The EIC learning platform incorporates a comprehensive set of educational content and self-evaluation tools that can be completed at one's own pace over a six-month period. This tool is best for candidates who have not had much experience with investment consulting and would like a more in-depth overview of the materials. Eleven-month access to this program is available to IMCA members for \$595 and to nonmembers for \$795. Special group pricing and customization options are available; contact Lara Davies at ldavies@imca.org or 303.850.3081 for more information. (<http://www.imca.org/main/do/CIMAqualification>)

CIMA Qualification Exam Study Resources

Materials Provided by IMCA: (continued)

- **Introduction to CIMA Certification Program Self-Study Texts:** The four books in this set cover concepts essential to the CIMA certification: Performance Measurement and Evaluation; Math for Investment Consultants; Investment Policy and the Asset Allocation Process; and Manager Search and Selection This tool is best for candidates who have some knowledge of investment consulting but would like to learn the concepts essential to the CIMA certification in a book format. Members can purchase the set for \$95, nonmembers for \$145 (books cannot be purchased separately).
(<http://www.imca.org/main/do/CIMAqualification>)
- **Study Groups:** IMCA members can take advantage of the special LinkedIn group to prepare, study, and collaborate with others for the qualification exam.

IMCA's resources are designed to help candidates focus their study, but they are not meant to provide exhaustive coverage of all topics on the Qualification and Certification Examinations. Candidates are also encouraged to review college-level texts on investments, behavioral finance, asset allocation, regulations, investment policy development, manager search and selections, and performance measurement. It is also recommended candidates familiarize themselves with the CIMA Candidate Handbook, the IMCA Code of Professional Responsibility, IMCA's Standards of Practice, and the financial math formula sheet. This document and a more detailed list of recommended titles can be found at www.imca.org/main/do/CIMAqualification.

CIMA Qualification Exam Study Resources

Outside Materials:

The following are outside resources that may be helpful. They are listed only as a representative sample of texts available and are not to be considered as recommendations.

- Text on investments (e.g., Bodie, Kane, and Marcus, *Essentials of Investments* or Gitman and Joehnk, *Fundamentals of Investing*)
- Text on behavioral finance (e.g., Nofsinger, *The Psychology of Investing*)
- Text on asset allocation. (e.g., Gibson, *Asset Allocation*)
- Readings or textbook chapters on regulations (e.g., Haas and Howard, *Investment Adviser Regulation in a Nutshell*; Hazen, *Securities Regulation in a Nutshell*; Hallman and Rosenbloom, *Private Wealth Management*)
- Text/chapters on investment policy development (e.g., Boone and Lubitz, *Creating an Investment Policy Statement*; Burroughs, *Investment Policy Guidebook for Trustees*)
- Text/chapters on manager search and selection (e.g., Travers, *Investment Manager Analysis: A Comprehensive Guide to Portfolio Selection, Monitoring, and Optimization*)
- Text/chapters on performance measurement (e.g., Lawton and Jankowski, *Investment Performance Measurement: Evaluating and Presenting Results*)

CIMA Qualification Exam Study Resources

Outside Materials: (continued)

Additional Outside Textbooks:

- A number of additional textbooks are listed on IMCA's Web site that may also be of help. Some of the texts have been used to reference exam item answers. These additional outside texts can be found at www.IMCA.org/cms_images/file_1043.pdf.

Outside Tutors:

- The following providers offer CIMA examination review, tutoring, and/or overview services to candidates and interested individuals. (**Note:** *As a candidate, you may be contacted with information about their services. IMCA makes no assertion regarding the quality or knowledge of these providers. The providers offering these resources have no knowledge of the examination items included on the qualification or certification exams.*)

Pierre Lemaire, ABD, CAIA[®]
Beta Educational Services, LLC
856.866.1555
www.betaeducation.com/CIMA

John Nersesian, CIMA[®], CIS, CPWA[®], CFP[®]
<http://www.nuveen.com/WealthManagement/CIMARegistration/IntroCIMA.aspx>

CIMA Study Guide for Qualification Exam

CIMA Certification Study Guideline for Qualification Examination (10–15 hours per week)

<u>Week</u>	<u>Subject</u>	<u>Suggested Resources</u>
1	Financial math	Financial Math Formula Sheet (IMCA Web site), math tutorials, text books
	Analyze components of returns	Investment text
2-3	Recommend asset selection and allocation	Asset allocation text
4-5	Formulate and recommend tax-efficient strategies	Investment text with tax discussions
6-7	Components of investment policies	Investment policy text/readings
8-9	Performance measurement and manager selection	Financial math, investment text/calculator tutorials
10-14	Investment recommendations and analysis	Investment texts
	Fixed income	
	Equities	
15	Legal and ethical implications	IMCA <i>Code of Professional Responsibility</i> , specialty texts
	Review	
Take the Qualification Examination		

CIMA Study Guide for Certification Examination

CIMA Certification Study Guideline for Certification Examination (10–15 hours per week)

Table #1

The Certification Examination is cumulative and requires review of all previously studied materials as well as classroom lecture material and exercises. Subjects listed in the “Detailed Content Outline” in the *Candidate Handbook* should be studied carefully as the topics listed below are summaries.

<u>Week</u>	<u>Subject</u>	<u>Suggested Resources</u>
1	Analyze components of returns	Review previously studied material
	Effects of taxes and transaction costs on returns	Investment text/tax references
2-3	Analyze risk and beta	Investment text, financial math
4-5	Recommend asset selection and allocation	
	Forecast expected returns	Investment texts
	Analyze and recommend efficient portfolio selection	Asset allocation text/investment text
6-7	Formulate and recommend tax-efficient strategies	Investment text
	Apply behavioral finance	Behavioral finance text

CIMA Study Guide for Certification Examination

CIMA Certification Study Guideline for Certification Examination (10–15 hours per week)

Table #2

The Certification Examination is cumulative and requires review of all previously studied materials as well as classroom lecture material and exercises. Subjects listed in the “Detailed Content Outline” in the *Candidate Handbook* should be studied carefully as the topics listed below are summaries.

<u>Week</u>	<u>Subject</u>	<u>Suggested Resources</u>
8-9	Components of investment policies	Investment policy text/readings
	Investment policy preparation and recommendation	Investment policy statement books/readings
10-11	Performance measurement and manager selection	Texts/readings that cover manager selection
	Analyze risk-adjusted measures	Investment texts
	Analyze benchmarks	Investment and asset allocation texts
	Perform attribution analysis	Investment texts
12-14	Investment recommendations and analysis	
	Analyze uses of duration and convexity	Investment texts, fixed income texts
	Alternative investments and derivatives	Investment texts, specialty texts
14	Legal and ethical implications	IMCA Code of Professional Responsibility, specialty texts
15	Review	

Take the CIMA[®] Certification Examination

CIMA Renewal Requirements

The CIMA certification must be renewed every two years. By successfully completing IMCA's certification renewal requirements, CIMA professionals demonstrate to the public that they are individuals who have voluntarily agreed to meet high standards of professionalism.

Steps for Renewal:

1. Complete and report a minimum of 40 hours of continuing education (CE) credit, including two ethics hours.
2. Pay a certification renewal fee for your next two-year certification renewal period.
3. Sign and submit the compliance disclosure and agree to continued adherence to *IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks*.

CIMA Testimonials

- *“The CIMA credential first and foremost provided me with a much deeper understanding of the complexities involved with investments and modern portfolio theory, thereby giving me confidence through knowledge. The professional knowledge and confidence obtained through the experience is complemented by the prestige and recognition from peers, clients, and prospective clients. I would highly recommend obtaining the CIMA certification.”*
-Glen E. Danahey, KeyCorp Nonprofit Services, Cleveland, OH
- *“My involvement with IMCA and attaining my CIMA certification has been the single most important career builder for me. It enabled me to be considered for senior management roles. As a senior leader it gave me the knowledge that made me more client-focused.”*
-Bill Taylor, Pioneer Investments, Boston, MA

Benefits of the CIMA Certification, Brian Ullsperger, Managing Director, WTAS LLC

\$272M average assets under management

\$1.6 trillion in total client assets

258 is the average number of clients for an advisory team or practice

IMCA Member Benefits

IMCA is the community for advanced investment consulting and wealth management professionals. IMCA members receive a significant return on their \$395 annual investment.

Subscriptions to IMCA's world-class, peer-reviewed educational content:

- *Investments & Wealth Monitor*, a bi-monthly educational magazine;
- *IMCA Research Quarterly*, featuring proprietary, in-depth research analyzed and reported in collaboration with Cerulli Associates;
- *Journal of Investment Consulting*, an academic publication focused on empirical, graduate-level research;
- *IMCA Case Study Connections*, an electronic publication presenting an institutional or high-net-worth client situation along with two potential solutions written by advisors and consultants;
- *Legislative Intelligence*, an electronic newsletter providing updates and information on legislation and regulations;
- *IMCA Insight*, a bi-weekly e-newsletter featuring industry news and educational content.

IMCA Member Benefits

- **Subscription to *BusinessWeek* magazine**
- **Substantial discounts on education and certification offerings**, including conference registration, application and relicensing fees, and *IMCA Audio Broadcasts*.
- **Members-only access to premier Web-based content and resources**, including model RFP forms, customizable questionnaire templates, and hundreds of online peer-reviewed articles.
- **Networking opportunities through IMCA's LinkedIn group**
- **Affinity programs with online content or software providers**, including Horsemouth.com, premium subscription to Roubini.com, and IPS AdvisorPro[®].

IMCA Conferences

- **IMCA 2011 New York Consultants Conference**, Attendance–800
February 7-8, 2011, New York, NY
- **IMCA 2011 Spring Specialty Conference**, Attendance–250
March 7-8, 2011, Aventura, FL
- **IMCA 2011 Annual Conference**, Attendance–1,900
May 16-18, 2011, Las Vegas, NV
- **IMCA 2011 Advanced CIMA® Workshop: The Best of Wharton**, Approximate Attendance–225
July 18-19, 2011, Philadelphia, PA
- **IMCA 2011 Advanced Wealth Management Conference**, Approximate Attendance–450
October 10-11, 2011, Chicago, IL
- **IMCA 2011 Winter Specialty Conference**, Approximate Attendance–200
December 5-6, 2011, Vail, CO

In a recent survey, the majority of IMCA members rated IMCA conferences “better” or “much better” than other industry events.

Best of IMCA Advanced IMCA Content Delivered Locally

New this year, IMCA is offering “Best of IMCA” workshops in addition to its national and specialty conferences. This series of six one-day seminars was created in collaboration with top finance faculty of The Wharton School, University of Pennsylvania and leading investment and wealth advisory practitioners. Best of IMCA seminars are approved for up to 6.5* hours of CIMA[®], CPWA[®] and CFP[®] (pending approval) continuing education credit.

Six locations have been selected for the 2011 series launch and include:

- **Toronto, Ontario, Canada** – *April 12*
- **Vienna, VA (Washington, DC area)** – *April 27*
- **Irvine, CA (Los Angeles, CA area)** – *June 1*
- **Dallas, TX** – *June 23*
- **Houston, TX** – *Date TBD*
- **San Francisco, CA** – *Date TBD*

**Subject to change, which may affect the total number of hours delivered.*

www.bestofimca.org

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