

Standards for Alternative Investments

- Chartered Alternative Investment AnalystSM Review Courses
- LHABITANT Hedge Fund Seminar

The Alternative Investment industry needs trusted standards that demonstrate mastery of the fundamental concepts and tools for managing assets across the whole spectrum of alternatives, as well as forums allowing practitioners to keep up with the dazzling pace of financial innovation.

The mission of EDHEC Alternative Investment Education is to help professionals upgrade their skills to meet the challenges and take-up the opportunities of the rapidly expanding alternative investment universe.

As the exclusive official provider of Chartered Alternative Investment AnalystSM exam preparatory courses for Europe, EDHEC AI Education assists professionals in earning the industry's global educational standard.

As organiser of the LHABITANT Hedge Fund Seminars and custom programmes, EDHEC AI Education brings research advances and state of the art practices into the practitioner's portfolio of skills.

Pr Frédéric Ducoulombier, Director,
EDHEC Alternative Investment Education

The CAIA Designation: The global mark of



distinction in the alternative investment industry

"I have observed on a daily basis the value that participation in the CAIA programme can bring to a firm. The programme provides a common analytical foundation for our employees, making it easier for us to more effectively serve our institutional investors. As a result, we consider the CAIA programme required training for both investment and non-investment personnel."

*Jane Buchan, Managing Director,
Pacific Alternative Asset
Management Company*

> Explosive growth in the funds flowing into alternative investments, institutional investors' increased appetite for the various alternative vehicles and calls for greater regulation of hedge funds have heightened the need for professional standards in the alternative industry.

> In 1999, under the guidance of AIMA and CISDM, committed industry leaders undertook the task of creating a professional designation for alternative investment specialists. The result of their efforts is the Chartered Alternative Investment AnalystSM designation. The CAIA charter provides an independent certification of an individual's mastery of the concepts, tools and practices essential for understanding, selecting and managing investments in the alternative space.

While other programmes primarily deal with traditional asset classes, the CAIA curriculum concentrates on alternative investments and addresses their unique attributes in unparalleled breadth and depth.

The CAIA designation is the only global professional standard for the industry. The CAIA charter guarantees a high level of competence to customers, demonstrates commitment to the profession, and is the global mark of distinction for alternative investment specialists.



The CAIA Association

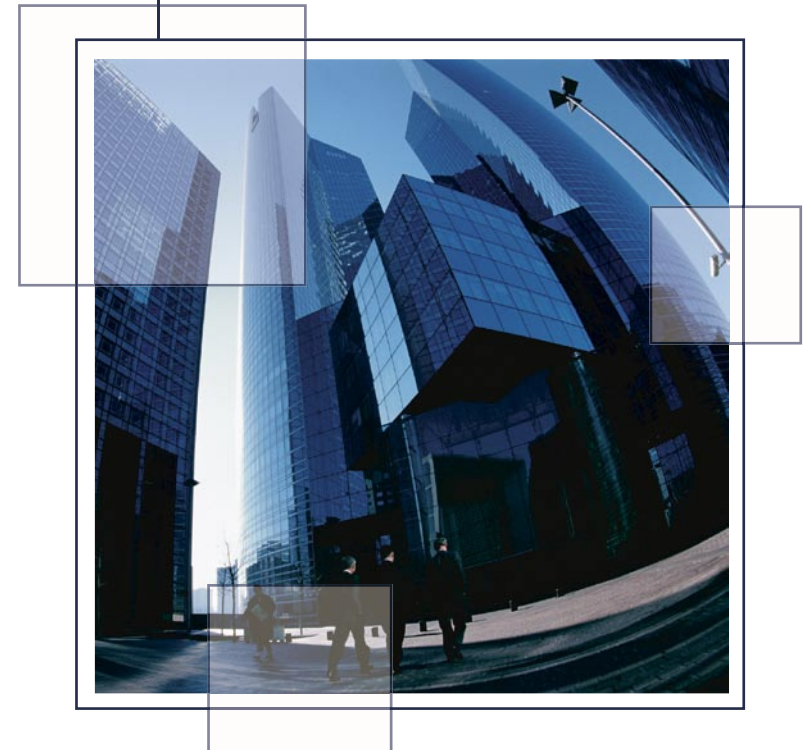
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The Chartered Alternative Investment Analyst AssociationSM is a not-for-profit, independent, professional organization serving the global alternative investment industry and is the sponsoring body for the CAIA charter. Its board of directors, advisory board and curriculum and examination committee bring together over thirty academics and leaders from the alternative investment community. Governance ensures that the CAIA programme remains balanced between academic insight and corporate relevance. Senior executives assisting the association include such figures as Alexander Ineichen of UBS Investment Research and Marc Anson of CalPERS – both CAIA Charterholders.

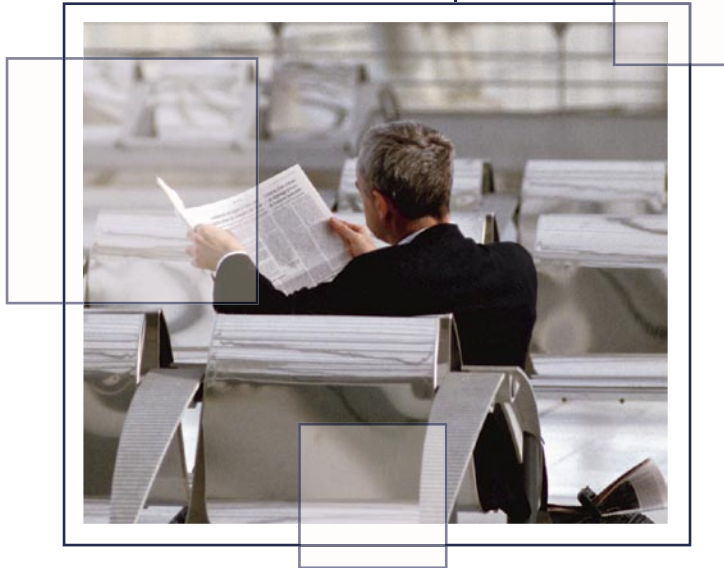
Candidates for the CAIA Designation

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The CAIASM programme appeals to a remarkable variety of professionals and institutions. CAIA candidates come from over 40 countries and include seasoned professionals looking to explore new areas within the AI markets, generalists wishing to add another asset class to their investment arsenal, and new industry participants seeking to establish a core understanding of alternative investments. The programme attracts fund managers and administrators; investment advisors, consultants and analysts; product, marketing and sales managers; accountants and auditors; lawyers; as well as compliance and back office personnel. Hundreds of institutional investors and financial intermediaries ranging from alternative investment boutiques to asset management and investment banking giants have sponsored participation of their executives in the programme and a growing number of firms require their AI specialists to undergo the CAIA training.



Board of Directors >>> Alexander Ineichen, CFA, CAIA, Global Head of Alternative Investment Strategies Research, UBS Investment Research >>> Florence Lombard, Executive Director, Alternative Investment Management Association >>> Thomas Schneeweis, Director, Centre for International Securities and Derivatives Markets **Advisory Board** >>> Jane Buchan, Pacific Alternative Investment Management Company, LLC >>> Garry Crowder, Lyra Capital, LLC and Starview Capital, LLC >>> Peter Douglas, CAIA, GFIA pte ltd >>> Alkesh Gianchandani, RiskMetrics >>> Bob Jaeger, Evaluation Associates Capital Markets >>> Harry M. Kat, City University, London >>> David McCarthy, Martello Investment Management >>> Matthew Moran, Chicago Board Options Exchange >>> Anthony Scamardella, New York Board of Trade >>> Jeffrey J. Scott, Union Bancaire Privée Asset Management, LLC >>> Edgar L. Sullivan, General Motors Corporation >>> Kathryn Wilkens, Worcester Polytechnic Institute >>> Gordon Yeager, Stanfield Capital Partners >>> Mark Yusko, Morgan Creek Capital Management, LLC



CAIASM Programme Curriculum

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Revised twice a year to include the latest developments in applied research and industry practices, the CAIA curriculum is divided into two distinct levels. Level I reviews the traditional tools of investment analysis and covers the fundamentals of each alternative class. Level II deals with alternative strategies in the context of risk management and asset allocation and covers a variety of advanced topics. Both levels incorporate issues of ethics and professional conduct.

"The CAIA programme is a well structured course that allows financial professionals with a broad array of educational backgrounds to move up the learning curve quickly and in a structured fashion. The programme is comprehensive and well balanced between academic and practitioner research."

*Alexander M. Ineichen, CAIA, CFA, Global Head of Alternative Investment Strategies Research UBS Investment Research;
Member of the CAIA Association Board of Directors*

Level I Traditional Investments and Professional Standards	Level I Foundations of Alternative Investments	Level II
<p>Traditional Markets and Instruments</p> <ul style="list-style-type: none"> • Quantitative Analysis • Traditional Markets • Fixed Income Securities • Equity Securities <p>Valuation and Investment Theory</p> <ul style="list-style-type: none"> • Basic Risk Return Relationship • Market Efficiency • Portfolio Management • Market Risk Management • Options and Pricing Models • Derivatives and Market Strategies <p>Ethical and Professional Standards</p> <ul style="list-style-type: none"> • Fundamental Responsibilities • Relationships with and Responsibilities to the Profession • Relationships with and Responsibilities to the Employer 	<p>Hedge Funds</p> <ul style="list-style-type: none"> • Introduction to Hedge Funds • Establishing a Hedge Fund Investment Programme • Due Diligence • Risk Management • Regulation and institutionalisation of Hedge Funds <p>Commodities and Managed Futures</p> <ul style="list-style-type: none"> • Introduction to Commodity Markets • Investing in Commodity Futures • Commodity Futures in a Portfolio Context • Managed Futures <p>Real Estate</p> <ul style="list-style-type: none"> • Valuation of Residential and Income-Producing Properties • The Secondary Mortgage Market • Real Estate Investment Trusts <p>Private Equity</p> <ul style="list-style-type: none"> • Introduction to Venture Capital • Investment Strategies • Performance Measurement 	<p>Professional Standards and Ethics</p> <ul style="list-style-type: none"> • Relationships with and Responsibilities to Clients and Prospects • Relationships with and Responsibilities to the Investing Public <p>Hedge Funds and Managed Futures</p> <ul style="list-style-type: none"> • Selected Hedge Fund Strategy: Convertible Arbitrage • Quantitative Trading Strategies <p>Venture Capital and Private Equity</p> <ul style="list-style-type: none"> • The Venture Capital Cycle <p>Real Estate</p> <ul style="list-style-type: none"> • Real Estate Investment Trusts <p>Advanced Topics in Alternative Investments</p> <ul style="list-style-type: none"> • Risk Management • Securitisation in Alternatives and Structured Products • Regulation and Taxation • Global Aspects
Curriculum as of July 2005		

Earning the CAIASM charter

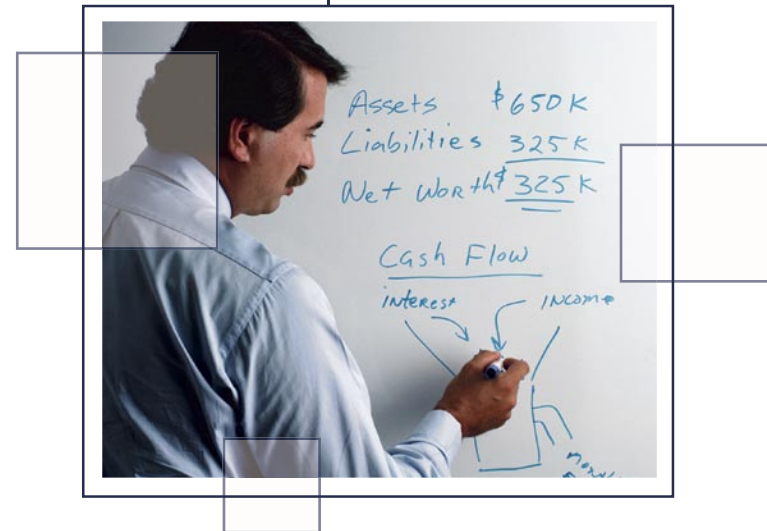
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The two CAIA examinations are offered semi-annually in February and June, giving candidates the opportunity to complete the CAIA programme within a single year. The exams are administered electronically at Prometric testing centres around the world and there are over thirty exam spots in Europe. Candidates can register through the association's website and choose their test date in the two week window of each exam session. The Level I exam is comprised of two sets of multiple choice questions, while Level II combines multiple choice and short essay questions. To become a CAIA charter holder, each candidate must successfully complete the CAIA Level II exam within three years of passing Level I, hold a Bachelor's degree and possess over one year of professional financial experience (or possess at least four years of experience), and agree to abide by the association's rules. Membership not only brings international recognition through the CAIA designation, but also increases industry networking and ongoing education opportunities.

Preparing for the CAIA examinations with the official course provider

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The CAIA Association has handpicked EDHEC Business School as its exclusive official provider of CAIA exam preparatory courses for Europe owing to the "excellent reputation" the school has earned within the alternative investment community. This privileged position is founded on the industry sponsored programmes conducted in the EDHEC Risk and Asset Management Research Centre, on the EDHEC Alternative Indexes, and on a team of professors who are regarded as international experts in traditional and alternative investment management. EDHEC Alternative Investment Education provides CAIA candidates with a range of study solutions to leverage their review efforts and take the examinations with the best chance of success.



“There are many books and articles that I have been meaning to read but never found the time for. The CAIA programme forced me to do so, and in the process, gave me new insights into the industry. For anyone who is serious about alternative investments, this programme is a must!”

Ken Stemme, CAIA, CFA, Director of Hedge Fund Investments, Northern Trust Global Advisors, Inc.

"I learned today that I passed level I of the programme! The course and study aids were of great help and I relied extensively upon EDHEC notes to support my general background reading. Many thanks for all your efforts in helping me to get through the first level. You had a big hand in it!"

Anita Bhatia, Associate, Schulte Roth & Zabel International LLP



EDHEC AI Education review solutions

Intensive Review Seminar

> Designed and delivered by experienced academics and practitioners, our courses consist of three days of intensive instruction for each level and take place one month before the exams in Europe's major financial capitals. Each seminar is prepared specifically for a given level and exam session and covers all key learning objectives in the curriculum using lectures, concept applications, and practice exam questions. Courses emphasise problem areas and provide insight and exam strategies to maximise preparation. During and after the course, participants have the opportunity to interact one-on-one with the instructors to address specific content questions.

Course participants receive the exclusive EDHEC AI Education Study Notes updated to the latest changes in the CAIA curriculum one month before the course. To allow for an early start in review work, we provide participants with the study notes for the previous exam session upon registration. Before the exam, course participants are given extra review aids in the form of a formula sheet of all the critical relations and equations for the test and a full length mock exam with detailed key. Last but not least, instructors are available electronically to answer remaining questions.

Participants in our review courses include employees from the following organisations:

Aforge Capital Management

Alteram

Anglo Irish Bank (Suisse) SA

Axa Multimanager

Banque Safdié SA

Citico Fund Services

Credit Suisse

Dawnay, Day Olympia Ltd.

Ferrier Lullin & Cie SA

LGT Capital Partners Ltd.

Merrill Lynch Investment Managers

Mirabaud et Cie

Natexis Asset Square

National Bank of Dubai

Pioneer Alternative Investments Ltd.

Schulte Roth & Zabel International LLP

Thames River Capital Ltd.

Tremont Capital Management Ltd.

Faculty

George Hübner

An affiliate professor with EDHEC Business School, Georges Hübner is the Deloitte Professor of Financial Management at the University of Liège and an associate professor at the University of Maastricht. He is also an invited professor at the Solvay Business School.

Pr Hübner has taught at executive and postgraduate levels in Europe, North America, Africa and Asia, and regularly delivers PRM/FRM preparation courses.

Pr Hübner's research has appeared in leading journals. His latest academic publications include papers in *The European Finance Review*, *The European Journal of Finance*, *The Journal of Banking and Finance*, *The Journal of Empirical Finance*, and *The Journal of Futures Markets*.

Pr Hübner received the Iddo Sarnat Award for the best paper published in *The Journal of Banking and Finance* in 2001. He has contributed chapters to numerous books on corporate and new venture finance, hedge funds and commodity trading advisors. He is the co-editor of a text on hedge fund strategies and performance forthcoming in the Wiley Finance Series.

Georges Hübner holds a graduate degree in business administration and a PhD in Management (Finance) from INSEAD.

Philippe Malaise

An associate professor at EDHEC Business School and an investment adviser for a defensive fund of hedge funds and several statistical arbitrage funds, Philippe Malaise has over 20 years of experience in financial markets and asset management.

Pr Malaise has created and headed three companies producing trading room and portfolio management software and has held executive director positions at five other European firms.

Philippe Malaise has taught at the postgraduate level and delivered executive education seminars on risk management and alternative investments. Within the EDHEC Risk and Asset Management Centre, Pr Malaise has participated in applied research projects for Eurex (Portable Beta and Portable Alpha Strategies) and Euronext (Benefits of Bond ETFs for Institutional Investors). Putting forward innovative ideas in the field of style analysis and performance attribution, Pr Malaise has designed a state of the art performance measurement tool for Europerformance (Fininfo Group). He has recently published in *The Journal of Alternative Investments* and in *The Journal of Portfolio Management*.

Philippe Malaise holds graduate degrees in engineering, international finance and financial mathematics.

Lionel Martellini

Lionel Martellini is Professor of Finance at EDHEC Business School and the Scientific Director of the EDHEC Risk and Asset Management Research Centre.

Pr Martellini oversees the Centre's six industry sponsored programmes which focus on asset allocation and risk management in the traditional and alternative universes. He has worked as a consultant in the fields of alternative investment, fixed income securities, quantitative finance and derivatives; he sits on the academic advisory board of Old Mutual Asset Managers' global equity market neutral strategy team.

Lionel Martellini has taught at executive and postgraduate levels in Europe, North America, and Asia.

Pr Martellini's research has been published in leading academic and practitioner journals and featured in major European and global business dailies. He is on the editorial advisory board of *The Journal of Portfolio Management* and on the editorial boards of *The Journal of Bond Trading and Management* and *The Journal of Alternative Investments*. Pr Martellini has co-authored reference texts on fixed income management and alternative investment and frequently delivers presentations at top asset management and alternative investment industry conferences.

Lionel Martellini holds graduate degrees in business administration, economics, statistics and mathematics, as well as a PhD in Finance from the Haas School of Business at UC Berkeley.





Study Notes

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 Concise yet thorough, the exclusive EDHEC AI Education Study Notes make the task of mastering the challenging CAIA curriculum manageable. Summarising all required readings and covering all learning objectives, the notes provide an in-depth and test-oriented treatment of the programme. Exam style question sets are provided at the end of each topic to test comprehension. The EDHEC AI Education Study Notes identify and elucidate the key concepts, thus helping candidates to focus their review efforts. Based on the latest update of the CAIA curriculum, these notes are packaged with our Intensive Review Seminars and may be purchased separately.

Exam Simulation Software

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 EDHEC AI Education is the exclusive distributor of KalmAI self-study products in Europe. Replete with hundreds of questions, the KalmPrep exam simulation software is a natural choice for candidates preparing for the CAIA exams solely through self-study and a valuable complement for participants in our review courses.

CAIA Preparatory Solutions
 Intensive Review Seminar

Level I – July 2005

London	June 8-10
Geneva	June 14-16
Paris	June 22-24

Level I – February 2006

London	January 4-6
Geneva	December 19-21
Paris	December 13-15

Level II – February 2006

London	January 11-13
Geneva	January 16-18

Course Fees

Level I review course:

€2,000 / £1395 + VAT where relevant

Level II review course:

€2,300 / £1595 + VAT where relevant
 Fees include the EDHEC AI Education Study Notes, all course documentation, refreshments, lunch and drinks.

Study Notes – Separate Purchase

€390 / £275 + VAT where relevant

Exam Simulation Software

Level I:

€250 / £175 + VAT where relevant

Level II:

€330 / £230 + VAT where relevant

Registration and Ordering

Email: Aleducation@edhec.edu

Tel: +33 493-187-819

Fax: +33 493-830-810

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Contents

This intensive one-day seminar builds upon Pr Lhabitant's recent work and incorporates the latest results of alternative investment research conducted within the EDHEC Risk and Asset Management Research Centre and other leading institutions. It addresses questions such as:

- > *Where is the hedge fund industry headed?*
- > *What are the biases in HF databases?*
- > *How to choose between the various HF indices?*
- > *How to build a representative benchmark?*
- > *What is the state of the art for analysing hedge fund risks and returns?*
- > *How to use advanced techniques to classify funds in a meaningful way?*
- > *How to use Value at Risk to measure risk and manage HF portfolios?*
- > *What advanced techniques can be used for risk budgeting and HF allocation?*
- > *How much to allocate to hedge funds?*
- > *How many hedge funds make a diversified portfolio?*

Outline

I. Mapping Hedge Fund Strategies

Sources of hedge fund performance

From databases to benchmarks and peer groups: Understanding the different databases – From databases to indices – From indices to benchmarks.

How to classify hedge funds in a meaningful way: Style Analysis and its applications – Clustering and correlation-based approaches.

II. Analysing Hedge Fund Risks

The dangers of regression-based approaches: Linear factor models – Change of strategy – Multi-factor models – The impact of missing factors – Dealing with non linearity – Option-based approaches.

Risk Measurement using VaR techniques: Calculating Value at Risk and understanding its sources – Style-based VaR vs. Monte Carlo VaR – Marginal VaR and Component VaR: their use in portfolio management – Understanding Extreme Risks.

III. Advanced Techniques for Risk Budgeting and Asset Allocation

Asset Allocation versus Risk Budgeting – Applications to diversification: How many funds make a diversified portfolio? – Performance and Risk attribution

LHABITANT Hedge Fund Seminar

The State of the Art in Fund

> Institutional money is fuelling the explosive growth of the hedge fund industry and creating historic opportunities for the fund of hedge fund business. This shift in the source of capital is also driving the coming of age of the industry and imposing new responsibilities and challenges upon hedge funds and multimangers.

Successful players will be those who are able to provide increasingly skilled and demanding clients with a cogent explanation of their investment and risk management processes, and to back their claims of value creation with quantitative analyses of relative performance and underlying risk factors.

Designed and delivered by one of the most respected practitioners and academics in the area, this intensive seminar offers insight into state of the art practices for implementing hedge fund programmes, controlling risk, and measuring and reporting performance and risks.

Presented in a highly accessible manner, the LHABITANT Hedge Fund Seminar equips participants with a workable knowledge of the techniques that should

be part of the toolkit of anyone investing in hedge funds or advising private and institutional clients on the inclusion of hedge funds in their portfolios.

Drawing on the expertise developed in the EDHEC Risk and Asset Management Research Centre, this seminar surveys hedge fund databases, indices, and benchmarks; introduces advanced analysis of hedge fund performance and risks; presents novel ways of classifying funds; and discusses risk management, asset allocation and hedge fund portfolio diversification.

Showing how to incorporate the latest results of alternative investment research into management processes and allowing participants to keep abreast of the best industry practices, the LHABITANT Hedge Fund Seminar appeals to fund of hedge funds managers and administrators; investment advisers and consultants; and institutional investors.

of Hedge Funds Management

A leading voice in the hedge fund industry

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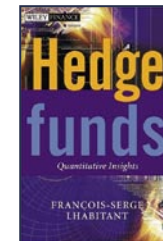
François-Serge Lhabitant is Associate Professor of Finance at EDHEC Business School, Professor of Finance at the University of Lausanne, and Senior Advisor to Kedge Capital Partners.

Before joining Kedge Capital Partners, he was a member of the senior management at the Union Bancaire Privée group (Geneva) and was in charge of the quantitative analysis and the management of dedicated hedge fund portfolios. Prior to that, Pr Lhabitant was a director at UBS/Global Asset Management and responsible for the quantitative modelling of hedge fund portfolios.

A seasoned instructor, Pr Lhabitant is regarded as an exceptional pedagogue who makes academic expertise accessible and real-life complexity manageable.

Pr Lhabitant's research has been published in leading academic and practitioner journals and featured in major European and global business dailies. He contributes to AGEFI, the leading Swiss financial newspaper, is a regular speaker at top industry events and the celebrated author of global bestsellers on alternative investments.

Pr Lhabitant holds graduate degrees in engineering, banking and finance and a PhD in Finance from the Ecole des Hautes Etudes Commerciales of the University of Lausanne.



Praise for Pr Lhabitant's latest book

«Lhabitant has done it again! Whereas most books on hedge funds are nothing more than glorified marketing brochures, Lhabitant's new book tells it how it is in reality. Accessible and understandable but at the same time thorough and critical.»

Harry M. Kat, Ph.D., Professor of Risk Management and Director Alternative Investment Research Centre, Cass Business School, City University

«François-Serge Lhabitant actually manages to make quantitative analysis 'approachable' - even for those less gifted with numbers. This book, like its predecessor, includes an unprecedented mix of common sense and sophisticated technique. A fantastic guide to the 'nuts and bolts' of hedge fund analysis and a 'must' for every serious investor.»

Barbara Rupf Bee, Head of Alternative Fund Investment Group, HSBC Private Bank, Switzerland

LHABITANT Hedge Fund Seminar
Geneva May 26
London June 23
London November 9

Fees
€2,000 / £1395 + VAT where relevant
Fees include documentation, refreshments, lunch and drinks.

Registration
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Tel: +33 493-187-819
Fax: +33 493-830-810

> EDHEC Business School has been offering management training and development programmes for a century and is amongst the 1% of institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, AMBA). EDHEC Business School is the largest school of management in France and offers the country's widest selection of English taught graduate degree courses. The school offers a leading Masters in Management programme, the noted THESEUS MBA, and six specialized M.Sc. courses including an MSc in Finance and the new MSc in Risk and Asset Management. EDHEC Business School's 14,000 alumni are active in 75 countries worldwide. > EDHEC Business School is recognized as a centre of excellence for applied research in asset management and alternative investment and several of its professors are regarded as international experts in the fields of asset management, fixed income securities, alternative investments and risk management.

> The Edhec Risk and Asset Management Research Centre's team of 28 researchers implements six industry sponsored programmes focusing on asset allocation and risk management in the traditional and alternative investment universes. The research centre maintains a website devoted to asset management research for the business community, www.edhec-risk.com, and has given rise to Edhec-Risk Advisory, Edhec Investment Research and Edhec Alternative Investment Education. Edhec-Risk Advisory is a consultancy advising institutional investors on risk management issues and offering a wide range of support services to fund managers. Edhec Investment Research supports institutional investors and asset managers in implementing the results of the Edhec Risk and Asset Management Research Centre's research. It proposes asset allocation services in the context of a "core-satellite" approach encompassing alternative investments.



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