

Annexure I – Syllabus Outline

NISM-Series-XIX-A: Alternative Investment Funds (Category I and II) Distributors Certification Examination

Objective of the Examination

The examination seeks to create a common minimum knowledge benchmark for persons working as Distributors or Placement Agents in Alternative Investment Fund domain in India and aims to enhance the quality of sales and distribution and enable better quality investor services. The examination focuses on Category I and Category II AIFs.

On successful completion of the examination the candidate should:

- Know the basics of alternative asset class and the Alternative Investment Funds (Category I and II) markets in India.
- Understand the following in detail:
 - General concepts prevalent in the AIF industry.
 - Structure, risk-return relationship, investment process, governance aspects, monitoring and exit strategies of AIFs.
 - Importance of fund due diligence, legal documentations and negotiation skills along with the assessment of risk & return by the investors.
 - Valuation process and methodologies followed by the AIFs for its investee companies.
 - Various taxation aspects for the fund and its investors.
 - Role and conduct of distributors in servicing the investors.
- Know the regulatory environment in which the AIFs (Category I and II) operate in India.

Functional Coverage

This examination is a voluntary examination.

Examination Specifications

The examination consists of 80 multiple choice questions and 5 case-based questions (each case having 4 questions). The assessment structure is as follows:

Multiple Choice Questions [<i>80 questions of 1 mark each</i>]	$80*1 = 80$
Case-based Questions [<i>5 cases (each case with 4 questions of 1 mark each)</i>]	$5*4*1 = 20$

The examination should be completed in 2 hours. The passing score for the examination is 60. There shall be negative marking of 25 percent of the marks assigned to a question.

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Syllabus Outline and Weightages

Unit No.	Unit Name	Weightage (%)
Unit 1	Overview of Alternative Investments	5
Unit 2	Alternative Investment Funds in India	5
Unit 3	Concepts in Alternative Investment Funds Industry	5
Unit 4	Regulatory Framework – Indian Context	10
Unit 5	Alternative Investment Fund Structuring	10
Unit 6	Risk and Return – Investor and Fund Perspective	10
Unit 7	Investment Process and Governance of Funds	10
Unit 8	Fund Due Diligence – Investor Perspective	15
Unit 9	Legal Documents and Negotiations – Investor Perspective	10
Unit 10	Fund Monitoring, Reporting and Exit	5
Unit 11	Valuation	5
Unit 12	Taxation – India specific	5
Unit 13	Good Practices	5