

## Annexure I – Syllabus Outline

### NISM-Series-XIX-B: Alternative Investment Funds (Category III) 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 III AIFs. NISM-Series-XIX-B is a voluntary examination.

On successful completion of the examination the candidate should:

- Know the basics of alternative asset class and the Alternative Investment Funds (Category III) markets in India.
- Understand the following in detail pertaining to Category III AIF:
  - Ecosystem of AIF (Category III) and role of its external service providers
  - Role of Category III AIFs as a Risk Management Tool
  - Fund structure, fee structure, performance measurement techniques and its interpretations, importance and role of performance benchmarking
  - Various investment strategies involved and investment due diligence process followed by investors
  - Concept of NAV, valuation techniques used and role of third-party registered valuers
  - Various taxation aspects for the fund and its investors, in both domestic and IFSC jurisdictions
  - Role and conduct of distributors in servicing the investors
- Know the regulatory environment in which the AIFs (Category III) operate in India.

#### 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 [80 questions of 1 mark each]	80*1 = 80
Case-based Questions [5 cases (each case with 4 questions of 1 mark each)]	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**

<b>Unit No.</b>	<b>Unit Name</b>	<b>Weightage (%)</b>
Unit 1	Overview of Alternate Investments	4
Unit 2	Growth of Alternative Investment Funds in India and Suitability of Category III AIFs	4
Unit 3	Introduction to Category III AIF Ecosystem	12
Unit 4	Category III AIF: Fund Structure and Service Providers	12
Unit 5	Regulatory Framework	15
Unit 6	Fees Structure, Fund Performance and Benchmarking	15
Unit 7	Category III AIF Investment Strategies and Due Diligence Process	8
Unit 8	Valuation	12
Unit 9	Taxation	10
Unit 10	Good Practices	8