

## Annexure I – Syllabus Outline

### NISM-Series-XIX-C: Alternative Investment Fund Managers Certification Examination

#### Objective of the Examination

The examination seeks to create a common minimum knowledge benchmark for AIF Managers and its key investment team. The examination focuses to enhance the quality of fund management activities in the AIF space and enables a better understanding of features of AIF products, investment valuation norms, fund governance processes, fund performance measurements, taxation aspects and related regulations.

On successful completion of the examination, the candidate should:

- Know briefly about the investment landscape and various types of investments (traditional and alternative asset classes).
- Understand the concepts of Informational Efficiency, Modern Portfolio Theory and Capital Market Theory.
- Understand the following in detail pertaining to managing of AIFs:
  - Suitability of AIF products and its role in portfolio diversification
  - AIF ecosystem, role of its various service providers
  - Role of Managers of AIFs and their key management team in performing fund management duties, governance of funds, managing conflict of interests etc.
  - Fund structure, fee structure, performance measurement techniques and its interpretations, importance and role of performance benchmarking
  - Various investment strategies involved, investment due diligence processes and governance structure in AIFs followed by investors
  - Code of Conduct of AIFs, Manager of AIFs and their key management team etc.
  - Legal documentations involved and importance of negotiations among stakeholders in AIF domain
  - Valuation techniques used, role of third-party registered valuers, fund monitoring and reporting
  - Various exit options available to AIFs
  - Various taxation aspects for the fund and its investors
- Know the regulatory environment in which the AIFs operate in India, such as SEBI (AIF) Regulations, FEMA, PMLA, SEBI (PIT) Regulations, SEBI (PFUTP) Regulations etc.

#### Examination Specifications

The examination consists of 90 multiple-choice questions and 6 case-based questions (each case having 5 sub-questions). The assessment structure is as follows:

<b>Multiple Choice Questions</b> [90 questions of 1 mark each]	90*1 = 90
<b>Case-based Questions</b> [6 cases (each case with 5 questions of 2 mark each)]	6*5*2 = 60

The examination should be completed in 3 hours. The passing score for the examination is 60% i.e. 90 marks out of 150. There shall be negative marking of 25 percent of the marks assigned to a question.

### Syllabus Outline and Weightages

Chapter No.	Chapter Name	Marks Allocated
1	Investments Landscape	2
2	Types of Investments	
3	Concept of Informational Efficiency	3
4	Introduction to Modern Portfolio Theory	
5	Introduction to Capital Market Theory	
6	Alternative Investment Funds in India and its Suitability	5
7	Alternative Investment Funds Ecosystem	5
8	Alternative Investment Fund Structuring	10
9	Fee Structure and Fund Performance	20
10	Introduction to Indices and Benchmarking	5
11	Investment Strategies, Investment Process and Governance of Funds	20
12	Fund Due Diligence – Investor Perspective	10
13	Legal Documents and Negotiations	10
14	Valuation	10
15	Fund Monitoring, Reporting and Exit	10
16	Taxation	20
17	Regulatory Framework	20
<b>Total Marks</b>		<b>150</b>