CIPM Program Curriculum

The Certificate in Investment Performance Measurement (CIPM®) Program is based on an advanced body of knowledge that is continuously reviewed and updated by investment practitioners to ensure it reflects the competencies needed to succeed in the current financial climate.

These competencies guide the curriculum and exam development processes. Actual exam domain weights may vary slightly from year to year, and some topics are combined for testing purposes.

	LEVEL 1	LEVEL 2
ETHICS/PROFESSIONALISM	**15**	**15**

1. Ensure compliance with laws (local, national, and international as applicable), regulations and professional standards to fairly represent, interact with, and protect stakeholders.

2. Adhere to the CFA Institute *Code of Ethics and Standards of Professional Conduct* by following the principles in the *Standards of Practice Handbook* to ensure that one's actions and those of the firm are ethical and consistent with the best interests of the client and the benefit of society.

3. Communicate pertinent information clearly and concisely and in a manner that meets recipients' needs and supports informed decision-making.

	LEVEL 1	LEVEL 2
PERFORMANCE MEASUREMENT	**35**	**5–10**

1. Confirm the accuracy of data inputs (e.g., pricing, corporate actions), adhering to firm's policies, to accurately reflect the performance of the portfolio.

2. Select the appropriate portfolio return calculation methodology given the intended user, intended use, and the control of the timing of the cash flows to accurately reflect the performance of the portfolio.

3. Determine the performance policies (e.g., large cash flows, accounting practices, valuation methodologies, data integrity) appropriate to a given portfolio, asset class, or security to ensure that investment returns are fairly represented.

4. Measure the performance of a security, asset class, portfolio, or composite using appropriate calculation methodologies to inform investment decisions.

5. Select a valid benchmark that reflects the portfolio's objectives and constraints to measure relative performance.

6. Determine a portfolio's risk adjusted return using the appropriate risk measures to ensure the fair assessment of the portfolio.

7. Implement a composite construction methodology, that adheres to the GIPS® standards, to properly reflect the performance of an investment strategy.

	LEVEL 1	LEVEL 2
PERFORMANCE PRESENTATION	**15**	**10–15**

1. Prepare a performance presentation that fairly and accurately reports the past performance of the portfolio or the investment strategy to facilitate the investment decision-making process.

2. Evaluate a firm's policies for composite construction and for calculating and presenting investment performance in relation to the GIPS standards in order to assess compliance with the standards.

	LEVEL 1	LEVEL 2
PERFORMANCE ATTRIBUTION	25	15–20

1. Evaluate whether the benchmark is aligned with the investor strategy to provide an appropriate basis for risk and return attribution and identify benchmark misfit.
2. Apply the appropriate attribution methodology (e.g. multicurrency and multiperiod return attribution, fixed income attribution, attribution with leverage effects, etc.) to evaluate the performance and/or risk of a portfolio based on its strategy, composition, and objectives.
3. Analyze ex-post and ex-ante sources of return using the appropriate attribution methodology (e.g. transactions based attribution, holdings based attribution, etc.) to understand the impact of investment decisions on a portfolio or composite.
4. Analyze ex-post and ex-ante portfolio risk factors using the identified attribution methodology to understand the impact of investment decisions on a portfolio's or composite's risk profile.

PERFORMANCE APPRAISAL	10	15–20

1. Use appropriate appraisal tools which describe return and risk characteristics to evaluate the investment process.
2. Monitor the implementation of the investment strategy using risk and return tools to ensure adherence to the stated investment process.
3. Assess persistence of ex-post performance relative to ex-ante goals across different economic and market environments to identify investment skill (e.g. market timing, allocation, selection).

MANAGER SELECTION	0	30

1. Determine an appropriate investment strategy (e.g., active vs passive, factor based investing, etc.) for an asset class or portfolio, based on market characteristics, capital market expectations, and historical results, to ensure that capital is efficiently allocated.
2. Determine key selection criteria, based on the client's objectives and constraints, to ensure appropriate manager selection.
3. Analyze investment managers using quantitative (e.g. ratio analysis, appraisal reports) and qualitative (e.g. due diligence reports) factors to develop a list of suitable managers given the investor's objectives and constraints.
4. Evaluate investment managers with consideration to portfolio construction factors (e.g., interaction with other managers) to select the most appropriate investment manager for an investor.
5. Construct a portfolio of managers, based on historical risk and return considerations, manager due diligence reports, investment philosophy analysis, and investment interaction analysis, to achieve an investor's return goal given the risk constraints.
6. Monitor current investment managers using the key criteria for selection and the costs associated with keeping or replacing a manager to ensure their performance is consistent with the original decision to hire, and to inform manager retention decisions.