



# Certified International Wealth Manager (CIWM)

## Final Examination Syllabus

### Wealth Management

#### 1 Basic concepts

- 1.1 Comparing outcomes of investments
- 1.2 Utility functions and indifference curves
- 1.3 Expected utility approach
- 1.4 Expected utility and the mean-variance framework

#### 2 Asset and liabilities categories

- 2.1 Assets and funds
- 2.2 Alternative assets
- 2.3 Structured products
- 2.4 Liabilities

#### 3 Clients profiles

- 3.1 Setting return objectives
- 3.2 Time horizon
- 3.3 Liquidity need
- 3.4 Taxes
- 3.5 Keep the profile alive

#### 4 The financial plan: Assessing the client's assets and liabilities

- 4.1 Pro forma financial statements
- 4.2 Base currency
- 4.3 Assets
- 4.4 Liabilities

**4.5 Revenues and the evolution of revenues**

**4.6 Consumption and growth in consumption**

**4.7 Cash surplus**

**4.8 Taxation**

**4.9 Financial analysis**

**5 Asset allocation, portfolio choice and management styles**

**5.1 Constraints of the client**

**5.2 Construction of the efficient frontiers**

**5.3 Determination of the optimal portfolio and the corresponding asset allocation with the client**

**5.4 Periodical review of the assumptions, co-operation with the research and economic forecast departments**

**6 Funds selection**

**6.1 Advantages and disadvantages of mutual funds**

**6.2 The fund selection process**

**6.3 Tax considerations**





# Relationship Management

## 1 Introduction

## 2 The basis of interpersonal relationship

### 2.1 Rationale and structure of the interpersonal relationship

### 2.2 Effectiveness vs. Efficiency

### 2.3 The psychological contract

### 2.4 The Family Business case

## 3 The Effectiveness Side

### 3.1 Being effective in managing a WM relationship

### 3.2 Highlights on basics and effectiveness

### 3.3 Reading on effectiveness

## 4 Efficiency

### 4.1 Being efficient in managing a WM

### 4.2 Highlights on efficiency

### 4.3 Readings on efficiency



# Real Estate Valuation and Analysis

## 1 Valuation and indices of real estate

### 1.1 Valuation methods

### 1.2 Real estate indices

## 2 Integration of the real estate in the mixed-asset portfolio

### 2.1 Introduction

### 2.2 Return and risks of real estate

### 2.3 Correlation between the returns on various asset classes

### 2.4 Determining the share of real estate in optimal portfolios

### 2.5 Conclusion

## 3 Financing of real estate

### 3.1 Introduction: equity and debt in real estate investment

### 3.2 Mortgages and real property collateral

### 3.3 Market for mortgage debt: Volumes and coupon rates

### 3.4 Financial structure of real estate investors: Debt and equity

### 3.5 The basic stock/flow mechanics of a mortgage

### 3.6 Mortgage contract features

### 3.7 Mortgage valuation and pricing





## **Behavioural Finance**

### **1 The Decision theory**

#### **1.1 Introduction**

#### **1.2 Prospect theory**

#### **1.3 Expected Utility**

#### **1.4 Mean-variance analysis**

#### **1.5 The optimal asset allocation**

### **2 Product design**

#### **2.1 Introduction**

#### **2.2 Case study “ladder pop”**

#### **2.3 Optimal production design**

### **3 Behavioural biases**

#### **3.1 Introduction**

#### **3.2 Information selection**

#### **3.3 Information processing**

#### **3.4 Decision**

#### **3.5 Feedback**

### **4 Diagnostic**

#### **4.1 A case study**

#### **4.2 Construction and use of the questions**

#### **4.3 Knowledge and investment experience**

#### **4.4 Psychology and emotions**

#### **4.5 Client’s diagnostic profile**

#### **4.6 Conclusion**

## **5 Dynamic asset allocation**

### **5.1 Investment horizon**

### **5.2 Rebalancing**

### **5.3 Conclusion**

## **6 Risk profiling**

### **6.1 Introduction**

### **6.2 A case study**

### **6.3 The risk cube**

### **6.4 Questionnaire**

### **6.5 Portfolio Construction**

### **6.6 Reporting**

### **6.7 Conclusion**

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