

CHP Study Guide



CERTIFIED HEDGE FUND PROFESSIONAL

CHP Level 2 Marketing & Sales Module: Study Guide



Sponsored by the Hedge Fund Group (HFG)

Certified Hedge Fund Professional (CHP) Study Guide

This study guide has been created for individuals studying for the Marketing & Sales Module of the CHP Level 2 Designation Program. Registration for the program opens twice a year, on January 15th for the Spring Session and July 1st for the Fall Session. Limited classes of 200 professionals are admitted into the program during each session. The CHP program is rigorous and continually improved to ensure that it is practical, current, and valuable to both participants and employers. The contents of the CHP Study Guide are as follows:

- I. Hedge Fund Group (HFG) Overview
- II. CHP Level 1 & Level 2 Details
- III. CHP Level 2 Marketing & Sales Timeline
- IV. CHP Level 2 Marketing & Sales Exam Preparation
- V. Required Reading
- VI. Six Modules and Corresponding Keywords
- VII. Sample Exam Questions
- VIII. Frequently Asked Questions (FAQ)

I. Hedge Fund Group (HFG) Overview



The Certified Hedge Fund Professional (CHP) exam is sponsored by the Hedge Fund Group (HFG), the largest international hedge fund association in the world with over 55,000 members. Members include multi-billion dollar hedge funds, hedge fund analysts, professors, consultants, third party marketers, prime brokerage professionals, and some of the leading hedge fund service providers in the industry.

The HFG has over 50 Hedge Funds and Fund of Hedge Funds professionals on its Advisory Board. The group continues to attract new members, some of whom will join the Board of Advisors who oversee the CHP Designation Program.

II. CHP Level 1 & Level 2 Details



The CHP Designation Program consists of two levels of testing. Level 1 certifies that you have mastered a certain breadth and depth of hedge fund industry knowledge to help you excel within your current hedge fund position or enter the hedge fund industry. The Level 2 exam, is a more advanced certification providing coursework and training in a specific area of the hedge fund industry such as due diligence, Fund Marketing & Sales, or Portfolio Analytics. While earning both Level 1 & 2 is not required to be considered a CHP Charter Alumni, you must complete Level 1 before registering for any Level 2 module.

III. CHP Level 1 & 2 Registration & Examination Timeline

The CHP Level 1 and Level 2 Programs open for registration on January 15th and July 1st of each year.

Fall 2011 Session

- | | |
|--------------------|--|
| • July 1, 2011 | Registration Opens for Fall 2011 Session |
| • December 1, 2011 | Examination Date |
| • January 1, 2011 | Grades Received |

Spring 2012 Session

- | | |
|--------------------|--|
| • January 15, 2012 | Registration Opens for Spring 2012 Session |
| • June 15, 2012 | Examination Date |
| • July 15, 2012 | Grades Received |

Fall 2012 Session

- | | |
|--------------------|--|
| • July 1, 2012 | Registration Opens for Fall 2012 Session |
| • December 1, 2012 | Examination Date |
| • January 1, 2012 | Grades Received |

Note: Registration for the CHP Designation Program is limited to just 200 professionals per session.

IV. CHP Level 2 Marketing & Sales Exam Preparation

A. Candidates should purchase all the reading materials and follow the outline provided within this study guide. The keywords provided on page 5 suggest some additional ideas on what to pay attention to in the readings, but they do not

cover everything that will be on the exam. The CHP exams are conceptual in nature and require more of an understanding than the ability to memorize facts, figures or calculations.



Preparation time required for this exam depends on each candidate's current knowledge, experience, reading speed and comprehension. We suggest 75-100 hours of reading/study time to prepare for the exam.

The Level 2 Marketing & Sales exam is offered 100% online, offering you the option to complete the exam from your place of work or from home as long as you have a reliable internet connection. To complete the exam in the allotted two hour time frame requires mastery of the core concepts covered in the required readings as well as mastery of main ideas that are tested in essay format. Those who have not read the required material may have difficulty in completing the exam within the 2 hour time limit and achieving a minimum score of 80% or better to pass this CHP Exam.

Level 2 Marketing & Sales Exam Composition

Topic	Number of Questions
Hedge Fund Distribution Channels	15 Multiple Choice Questions
Sales Fundamentals	15 Multiple Choice Questions
Influence & Persuasion	10 Multiple Choice Questions
Hedge Fund Marketing Best Practices	30 Multiple Choice Questions
Third Party Marketing Industry	5 Multiple Choice Questions
Capital Introduction Services	5 Multiple Choice Questions
Variable	2 Essay Questions

Additional Resources Policy

You will not need a calculator, ruler, or any graphing device for the Level 2 Marketing & Sales CHP exam. The formula-based questions concentrate on

identifying formulas and understanding their meaning, rather than performing actual calculations.

The Level 2 Exam and Completion of the Certification

All CHP candidates must pass the Level 1 exam before attempting the Level 2 exam. Completion of both Level 1 and Level 2 is not required. The Level 2 exam is administered on the same dates as the Level 1 exam. Upon successful completion of the Level 2 exam, the CHP Advisory Board confers the full CHP title upon the candidate.

V. CHP Level 2 Marketing & Sales Required Reading

A. Required Reading List (can be purchased at <http://HedgeFundBookstore.com>)

1. The Hedge Fund Book: A Training Manual for Professionals & Capital Raising Executives by Richard Wilson ISBN: 0470520639
2. The Sales Bible by Jeffrey Gitomer ISBN: 0471456292
3. Influence Science and Practice by Robert Cialdini ISBN: 0321-01147-3
4. Hedge Fund Marketing Best Practices by Richard Wilson (Provided by Hedge Fund Group at no cost upon registration)

Note: All chapters and page of these four books are required reading for this program. They are relatively quick reads and book #1 you have already reviewed for CHP Level 1.

VI. Overview and the Corresponding Keywords for Each Text

A. Review of Books

The books required for this program approach hedge fund marketing from three perspectives: direct hedge fund marketing and capital raising, sales best practices, and influence and persuasion tactics. The purpose of combining this diverse reading list is make sure that everyone who completes this program holds hedge fund marketing and capital raising knowledge as well as a baseline of marketing and sales abilities.

While preparing this program our team found that there is not one authoritative book or even white paper on hedge fund marketing and sales. To address this issue we have written the book, Hedge fund Marketing Practices and we will also be including video lectures and short hedge fund marketing and sales tips and tactics as part of the program.

E. Keyword Terms

Pension Funds
Foundations
Seed Capital
Incubator Funds
Family Offices
Emerging Managers
Institutional Consultants
Third Party Marketing
Capital Introduction
Influence & Persuasion
Social Proof
Authority
Reciprocity
Commitment & Consistency
Liking
Distribution Channels
Public Relations
Licensing
Assets Under Management Restrictions
Sales & Marketing
Buyer Needs
Credibility
Follow Up
First Impressions
Relationships
Marketing Campaigns
Questioning Techniques
Cold Calling

VII. CHP Level 2 Marketing & Sales: Sample Questions

Sample Essay Questions

1. Explain the differences in approach when marketing to family offices vs. institutional consultants? Please write in detail about the process you would take while raising capital in these two unique channels. Is there any overlap?
2. Create a marketing and sales plan for an emerging hedge fund manager with just a 4 year track record and \$80M in Assets Under Management

(AUM). Where would you suggest they try to raise capital and what methods or types of marketing materials should they use?

Sample Multiple Choice Questions

1. Which of the following types of investors would be most appropriate for a hedge fund with \$40M in AUM?
 - a. Family Offices
 - b. Incubators
 - c. Institutional Consultants
 - d. Pension Funds

2. Which of the following is not one of the principles of influence mentioned within Robert Cialdini's book: Influence: The Science of Persuasion?
 - a. Scarcity
 - b. Authority
 - c. Positioning
 - d. Reciprocation
 - e. Liking

3. Public Relations is not an option for hedge fund managers due to securities regulations.
 - a. True
 - b. False

VIII. CHP Program Frequently Asked Questions (FAQ)

Please see our ever-expanding Frequently Asked Questions (FAQ) page of our website here: <http://hedgefundcertification.com/FAQ.html>

Want to learn more about the CHP Program? Please visit <http://HedgeFundCertification.com>