

CFA® Coaching program - Overview

January 6 2012



Mumbai Office/ Classroom:
502-505, Sai Chambers, Next to BEST Bus Depot,
Opp. Santacruz (E) Rly. Stn.
Mumbai – 400055

Tel: +91 – 9833191904
Email: bindumadhavan@ace3levels.com

Agenda/ Talking points

- Introductions
- The CFA ® Institute - Overview
- Coaching Program Overview/ structure
- Key highlights and benefits
- Testimonials
- CFA Program – Details - Appendix

Ace3Levels – Overview

- India based Financial Learning company focused on:
 1. Coaching for CFA®/ FRM®/ Professional Exams
 2. Financial Finishing School
 3. Corporate Training/ Learning
- Founded in 2006 by Krishnamurthy Bindumadhavan, CFA, FRM who is also the Chief Learning Officer
- Offices in Mumbai, New Delhi, Hyderabad and Singapore
- Trained over 1000 professionals to date
- Team of 20 trainers - Experienced practitioners and/ or leading academics from across the world
- Leverage international best practices and learning's to offer highly interactive, practice oriented learning
- In the field of CFA®/ FRM® coaching we are a leader in India
 - Comprehensive 15 – 18 week coaching classes as well as 3 day seminars
 - Prep Course Provider partner of GARP (FRM) and CFA Institute (CFA program)
- Corporate Training/ Learning:
 - Face to Face classes as well as Computer Based Self Paced Learning modules
 - Customized learning programs to meet the needs of the BFSI sector along two broad tracks:
 - Financial Analyst/ Technical track
 - Marketing/ Non-finance track

Brief introduction of Founder/ CLO



- Kris or Bindu Bindumadhavan, CFA
 - BE, MBA
 - Received the CFA charter in 2002; Also awarded FRM title
 - Worked for Capital One, a top 10 US bank for 8 years
 - 5+ years of prior experience in Banking technology, primarily with TCS
 - Career goal: Launch successful entrepreneurial ventures in eLearning and Analytics
 - Moved to India in May '05 after 10 years in US/ Singapore
 - Love to travel, read books

- Inspiration comes from feedback of friends and an innate passion for teaching!
 - Provided tips/ inputs to friends appearing for the CFA exam, which were well received

 - Strong interest in teaching and sharing my learning's
 - Ran successful workshops on NPV modeling, Richmond, USA, 2000 - 2005
 - Volunteer teacher, Henrico County schools, USA, Economics/ Finance, 1999 - 2005
 - Taught Financial Education seminars for Adults in Richmond, Virginia, 2002 - 2005
 - Teaching Assistant for undergraduate university students at UK, USA 1997 – '99
 - Instructor of the year award for teaching excellence, Tata Unisys (now part of TCS)

The CFA® Institute - Overview

- CFA Institute is based out of Charlottesville, Virginia
 - Formerly known as AIMR
 - Global, Non-profit organization
 - Over 80,000 members world-wide
 - Leads the investment profession globally by setting the highest standards in ethics, education and professional excellence

- Globally recognized gold standard in investment management
 - Global in design and outlook
 - Rigorous broad based intensive self study graduate level program
 - Benefits include:
 - International recognition and competitive advantage in job market
 - Solid knowledge base and skill sets
 - Respect and Credibility
 - Connections – over 69,000 charter holders across the globe!

- Exam consists of 3 levels, sequential program, self study driven, based on reading assignments designed by the CFA Institute

- Candidate body of knowledge
 - Grounded and shaped by current practice – through rigorous analysis and surveys

- 10 broad areas: TVM, Stats, FSA, Bonds, Stocks, Derivatives, PM, Alternative Investments, Econ, Ethics

- Please visit www.cfainstitute.org for complete details on fees/ datelines/ etc.

The CFA® Exams – India/ Asia Perspective

- Designation widely recognized across Asia (Singapore/ HK/ Dubai/ etc.)
- Growing candidate body in India fueled by the rapid entry of multinational organizations seeking to tap into India's huge analytical talent pool
- Who can give the exam?
 - Graduates of any discipline (including Engineering / Medicine/ Pharmacy/ etc.) can appear for the exams
 - Graduate in India context means completing at least a 3 year B. Com or B.A. program
 - No Work Experience requirements for appearing for the exams
 - Final Year students may also register to give the Level I exams
- Can we appear for the exams in India?
 - At present candidates need to travel to a nearby location (Kathmandu/ Singapore/ Dubai/ etc.)
 - Travel arrangements and costs are the candidates responsibility
- To obtain the charter candidates need to gain 4 years of relevant work experience and sequentially pass all 3 levels of the CFA exams
- Job prospects depend on educational background, experience and progress towards CFA designation; Selected examples from past students include:
 - CA with 2 years experience after passing Level I got a job that paid over Rs. 12 Lakhs per annum in Delhi
 - MBA (FMS) after Level II pass got a job in Private Equity firm at Mumbai with pay package of Rs. 9 Lakhs
 - Commerce Graduate after Level I got a job in equity research at Mumbai with a pay package of Rs. 4+ Lakhs
 - Engineering Graduate after passing Level II was able to obtain a analytical role with a multinational company in Bangalore at a pay package of Rs. 4.5 Lakhs
 - Please note that these examples are provided to give you an indication of the career opportunities; actual role and pay package that a person gets will depend on a number of other factors as well (such as economic outlook, interpersonal and other soft skills, relevance of experience, location, type of organization, etc.)

Ace3Levels – How are we different?

- **Unrelenting focus on Financial Learning!**

- **Our Instructors are a cut above the rest!**

At Ace3Levels we believe that teaching excellence holds the key to success!

1. Qualifications/ Expertise: All of our instructors have given and cleared the exams for which they are teaching (and may hold other advanced degrees)
2. Industry Experience: Our Instructors are professionals who teach in the context of how a concept is applied in industry, which enables students to better understand and importantly quickly recall concepts on the exam
3. Teaching Ability: All our Instructors share a common trait - Flair for Teaching!

- **Our high quality content means effective and efficient use of your time!**

1. Powerpoint slides that capture key points from the curriculum readings
2. Illustrative spreadsheets that show step by step how to solve typical exam level problems (including calculator tips)
3. Extensive homework assignments (calibrated to exam difficulty)
4. Exam Time Review Notes – captures all the key concepts, formulas in one place and importantly illustrate where and how to apply specific concepts
5. Mock Tests – Receive analysis on strengths/ opportunities
6. Recorded Sessions – Backup for missed classes and revision of topics

Coaching Program - Overview

Program spans over 1500 problems modeled after past exams and textbook

- Broken out into 18 modules, each of approx. 4 hours
- Key concepts and illustrative problems will be covered in class
 - We do not assume any prior knowledge of finance/ quant (or other topics) other than a basic familiarity with accounting terminology (such as balance sheet, working capital, etc.)
- Review notes will be provided in the form of power point slides, word documents and excel spreadsheets
- Comprehensive problem sets will also be provided (in Word document and online quiz format)
 - Over 50 problems for each module
 - Important to solve problems independently to gain the right skills and confidence
- Includes three sample exams in classroom in “simulated” exam conditions!
 - Additional three sample exams will also be provided for candidates to work on
- Receive instantaneous feedback on the sample exam and suggestions around areas of opportunity (based on sample examination results)
- Interactive and collaborative environment
 - Share learning’s and learn/ benefit from the experience of other candidates

CFA Level I - Program structure

1. FSA - Part 1 (Introduction, Ratio Analysis, Inventory Analysis)
2. FSA - Part 2 (Depreciation Analysis, Contingent Liabilities, Leases)
3. FSA - Part 3 (Deferred Tax Analysis, Cash Flow Analysis)
4. FSA - Part 4 (Other Topics)
5. Quant – Part 1 (TVM, Basic Statistics, Probability Concepts, Distributions)
6. Quant – Part 2 (Bayes Theorem, Confidence Intervals, Hypothesis testing)
7. Economics
8. Economics (Cont.); Corporate Finance
9. Corporate Finance (Cont.)
10. Ethics and Professional Standards
11. Equity Analysis - Part 1 (Intro, Valuation Models)
12. Equity Analysis - Part 2 (Growth Stocks, P/E, Other Topics)
13. Debt Analysis- Part 1 (Introduction, Yield Calculations, Duration, Convexity)
14. Debt Analysis - Part 2 (Term Structure, Spot, Forward Rates, Other Topics)
15. Derivatives Analysis – Part 1 (Forwards, Futures, Options)
16. Derivatives Analysis – Part 2 (Swaps) and Alternative Investments
17. Portfolio Management
18. Comprehensive review of key topics and Exam Tips

CFA Level II - Program Structure

1. FSA - Part 1 (Basics/ Review, Pension Plan, Intercorporate investments, Business combinations, SPE's, Multinational operations, Global considerations)
2. FSA - Part 2 (Sustainable CF's, Operating vs. Investing vs. financing CF's, Non-recurring items, Analysis of operating CF and detection of earnings manipulations)
3. Economics (Foreign Exchange, Parity conditions, International asset pricing, Monetary policy, etc.)
4. Quant (Basics of Correlation and Regression analysis, Multiple Regression, Issues with regression analysis including heteroskedasticity, serial correlation, Multicollinearity)
5. Corporate Finance – Part1 (Capital Budgeting, Cost of Capital, Corporate governance)
6. Corporate Finance – Part 2 (Capital structure/ leverage, Dividend policy, Mergers, Restructuring)
7. Ethics and Professional Standards (Code of ethics, Guidelines, Soft dollar standards, fair dealing, prudent investor rule, relevant case studies)
8. Basics of Asset Valuation (Basic concepts, Equity valuation, Equity markets, Innovations in the Capital Markets, Swaps/ Convertibles/ Embedded derivatives)
9. Sample Examination #1
10. Equity Analysis - Part 1 (Concepts, Industry analysis and Competitive strategy, Emerging market considerations, Company analysis and stock valuation)
11. Equity Analysis - Part 2 (ROE considerations, Valuation models including: Dividend Discount, Free CF and Price multiples, Residual income model, Accounting considerations, Value based metrics)
12. Debt Analysis- Part 1 (General principles, Term Structure, Bonds with embedded options)
13. Debt Analysis - Part 2 (MBS including: passthrough's, CMO's, stripped securities, ABS including: HELOC, Auto loan, Student loan, SB, CC, CDO, Valuation of MBS and ABS)
14. Derivatives Analysis – Part 1 (Forwards and Futures including market overview, pricing and valuation; Basics of options)
15. Derivatives Analysis – Part 2 (Options pricing principles, Binomial model, Black Sholes Merton model Swap markets and contracts including: pricing and valuation, Interest rate derivatives, Embedded derivatives)
16. Portfolio Management (CAPM, Index models, APT and Multifactor models, Active PM, PM process and Investment statement development)
17. Sample Examination #2
18. Comprehensive review/ Exam Tips www.ace3levels.com

CFA Level III - Program structure

1. Introduction/ Risk Management
2. Portfolio Management – Part 1 (Private Wealth Management)
3. Portfolio Management – Part 2 (Private Wealth Management)
4. Portfolio Management – Part 3 (Behavioral Finance)
5. Portfolio Management – Part 4 (BF/ Institutional)
6. Portfolio Management – Part 5 (Capital Market Considerations, Economic Considerations)
7. Risk Management
8. Essay Writing Workshop
9. Ethics and Professional Standards
10. Equity Analysis - Part 1
11. Equity Analysis - Part 2
12. Fixed Income Considerations- Part 1
13. Fixed Income - Part 2
14. Fixed Income – Part 3
15. Derivatives Analysis – Part 1
16. Derivatives Analysis – Part 2
17. Alternative Investments
18. Comprehensive review of key topics and Exam Tips

Program is designed to maximize your chance of succeeding on the exam!

S.No.	Key Benefits	Comments
1	➔ Focused instruction and comprehensive notes	In depth review of critical concepts and illustrative problems
2	➔ Home work problems	Practice and continuous feedback to fine tune your skills
3	➔ Sample exams: enable identification of opportunity areas	Guidance around effectively managing your time to maximize the chance of success on the exam
4	➔ Tips and test taking strategy	Get insights and suggestions on how to succeed on the exam from a charter holder
5	➔ Input and perspectives of fellow candidates	Learn and share your experiences with fellow candidates to get the edge on the exam!
6	➔ Mentoring and support from Charter holder	Charter holder will answer your questions in person and over email right up to the exam date

The Ace3Levels Advantage

- 1) Cost effective, comprehensive, world class coaching***
- 2) Features “live” classes by charter holders who have passed the exams***
- 3) Extensive problem sets modeled after past exam questions and continuously updated materials***

Importance of planning – charting your path towards success on the exam!

- Planning is critical
 - We help you identify your areas of strength and opportunity
 - Map strengths/ opportunities against topics by weight
 - Bring a larger focus on opportunity areas that carry high weight age (but also thoroughly review areas of strength that carry high weight age as well)

- Discipline is key
 - You need to put in the hours to complement the structured program to ensure success
 - We suggest 8 – 12 hours of work per week at home to support the 4 hours of class time

- Review materials covered, assigned readings, notes, problems
 - Comprehensive review of entire curriculum (including problem solving)
 - Especially in areas that you are not familiar or strong in

- Exam questions keep changing every year
 - Best bet is to master the CBOK
 - Fully understand the concepts and their application to problem solving

- Sample examinations practice
 - 2 sample exams will be provided in test setting
 - Additional 2 sample exams will also be provided

Analysis and inputs at every step to optimize your study time and maximize your chances of success!

Sample Testimonials and Feedback!

"I found the CFA Level 1 Coaching program to be very beneficial, including the problem solving sessions. In addition, it provided a platform to meet people with similar interests to network and share learning's. Wanted to let you know that I have cleared Level 1!"

- Pratima Rawal, M. Sc. (Finance)
Valuations Analyst,
Goldman Sachs, Bangalore

"I have cleared Level 1. Thanks for your help. I really liked the rigor and discipline of this (structured) program, which motivated me to work hard and do my best. Given my engineering background, I particularly gained a lot from the lucid and comprehensive coverage of Financial Statements Analysis."

- Gaurav Bamania, B. Tech (IIT),
Derivatives Strategist,
Helios Capital Management, Mumbai

"Thanks very much for your guidance, support and excellent coaching. I passed level 1 and look forward to your continued guidance for level 2."

- Navneesh Malhan, MBA (FMS)
Analyst/ Manager,
Private Equity Company, Mumbai

Sample Testimonials and Feedback!

"I have passed and it means a lot to me. Thanks! I am glad that I attended your 2.5 day seminar - really helped me to understand where to focus. Also since you had covered some of the more complex and important topics I felt comfortable with what were otherwise absolutely new areas for me."

□ Vipul Seth

"I did clear the exam and I would like to thank you for the extra momentum and push that your sessions added to my preparation."

□ Shalin Shroff

"Glad to inform you that I have been able to clear my level 2 Exam. I am now looking forward to level 3 coaching."

□ Akanksha Channana, New Delhi

"I am glad to inform that I have cleared the CFA level – 1. Thank you very much for your guidance, clarity of explanation and extensive problem sets"

□ Ravi Roshan

Sample Testimonials and Feedback!

“ I have cleared the Level 1 exams under your guidance and need your guidance for preparing for Level 2 and clearing Level 2 as well ”

□ Bhavesh Kamdar, Mumbai

"I have passed Level 1. Thanks for your help and guidance"

□ Siddharth Kapoor, Mumbai

“Many thanks for your guidance. I passed Level 1. I particularly value the conceptual clarity, program structure, and homework.”

□ Saurabh Dwivedi, MBA (IIM, Calcutta), Investment Bank, Mumbai

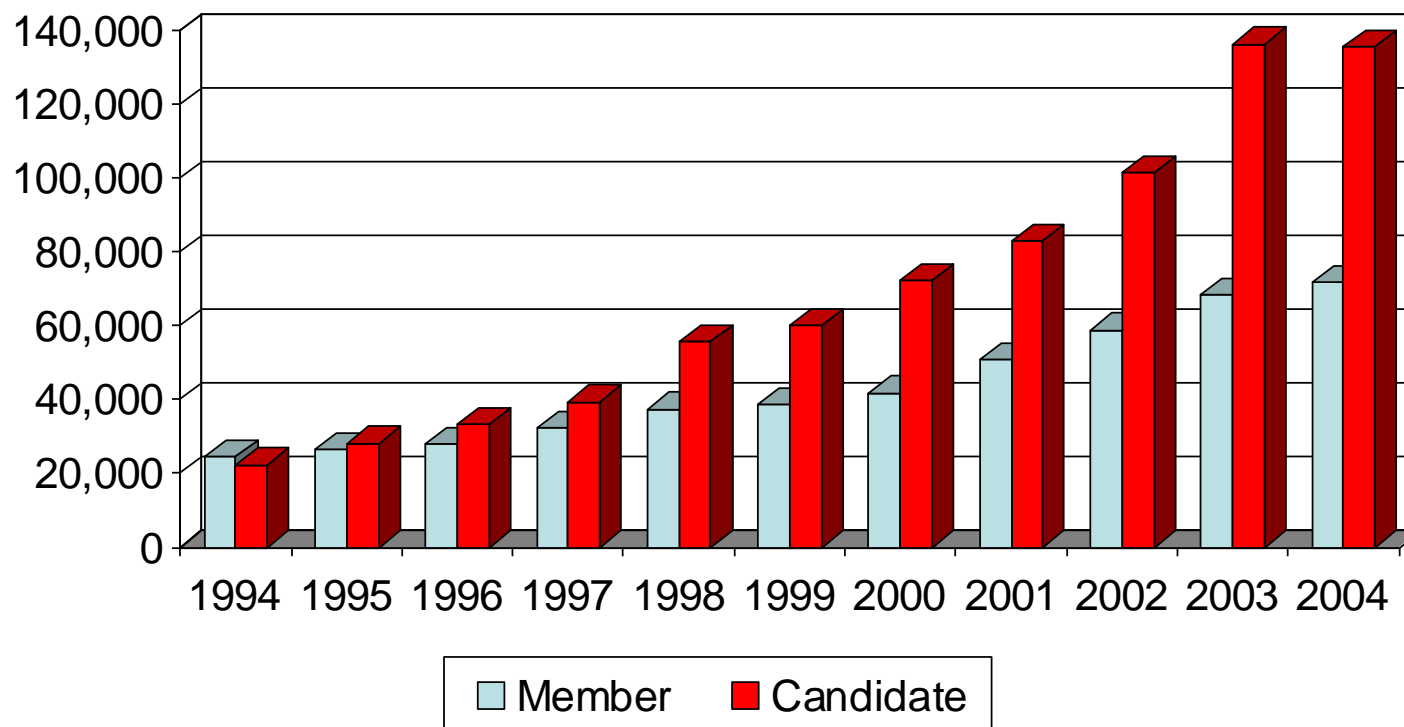
“Thanks very much for your guidance and coaching. I passed level 1 and look forward to your continued guidance for level 2.”

□ Dipti Mehta, Mumbai

CFA program - Details

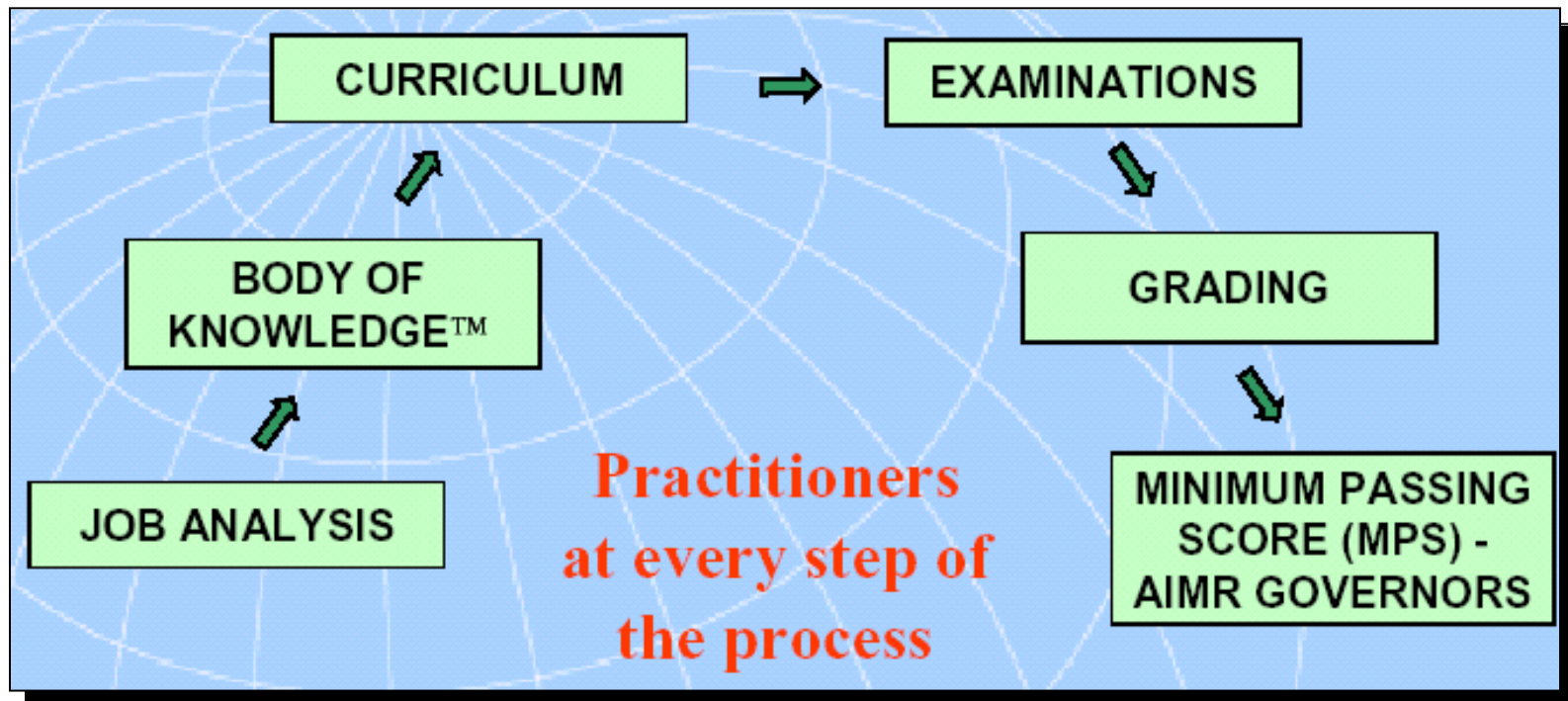
- A rigorous self-study distance learning-based program that leads to a globally recognized designation
- Accreditation Process
- Requirements for Award of the Charter
 - Sequentially pass Level I, II and III exams
 - Have 4 years of relevant professional experience
 - Provide professional references (Level III)
 - Apply for CFA Institute Membership
 - Submit professional conduct statement

Phenomenal growth in membership and candidate pool driven primarily by global dynamics



Components of the Program

- Involves practical and relevant education for investment and other finance professionals



The program is consciously designed to be at the cutting edge of practice – immediate benefits

- The learning process is tied to current practice trends
- Extensive Job analysis done every five years involving thousands of practitioner surveys helps answer the question: “What knowledge and skills are relevant in investment decision making today”?
- Candidate Body of Knowledge (CBOK), Curriculum, Learning Outcome Statements (LOS), and exams are all based on the results of this survey and analysis

What are the benefits of giving the exam?

- The Charter is a globally recognized and portable standard of competence and integrity for investment professionals
- Knowledge across core areas of the investment industry
- Respect and credibility in the investment community

The charter also bestows some tangible benefits

- Greater earning power; in the U.S., the CFA premium is about \$40k (+25%)
- Career opportunities in a competitive environment
 - Charter holders gain global mobility
 - Outsourcing: investment-related jobs are already flowing to India and the trickle is expected to turn into a stream soon!
 - Jobs opportunities with investment brokers, investment/commercial banks, mutual funds, consulting companies, etc.

Exam is comprehensive and rigorous across all three levels

- Based on assigned readings and LOS
 - Average time to answer is limited
 - Level I: 1.5 minutes for each of 240 questions
 - Levels II and III: Each question is timed
 - Exam type:
 - Level I is 100% multiple choice
 - Level II is 100% item set
 - Level III is 50% item set, 50% essay
- **Item sets are like mini case studies**