

## **Buoyant European markets boost growth of alternative certification**

By *Anonymous*

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Increased commitments to non-traditional asset classes by institutional investors have translated into a bumper year for the European alternative investment industry.

Funds flowing into private equity, real estate, hedge funds and commodities have reached all-time highs. In 2005, funds raised by European venture capital funds more than doubled to EUR 60bn. Investment in commercial real estate shot up 40% to EUR 141.7bn, and assets under management at hedge funds grew 26% to EUR 274bn.

Fuelled by a European boom, 2005 was also the best year ever for the alternative industry's global educational standard as the two exams leading to the Chartered Alternative Investment Analyst designation drew over 1,500 professionals worldwide.

Sponsored by the CAIA Association, a not-for-profit and independent organisation established in 2002, the CAIA charter attests to an individual's mastery of the concepts, tools and practices essential for managing alternative vehicles such as real estate, private equity, hedge funds, commodities and managed futures. The certification appeals to professionals seeking to enter the alternative investment arena and to seasoned practitioners looking to explore new asset classes and techniques.

More than 4,000 individuals from over 50 countries have received or are seeking the professional designation that is becoming the alternative investment industry's hallmark of excellence.

"While 55% of registrants come from North America, Europe has recorded the fastest year on year growth of all regions and now accounts for one third of candidates. Switzerland, the United Kingdom, and France make up the bulk of the numbers and the Benelux region, Germany and Italy are also significant contributors of candidates," explains Professor Frédéric Ducoulombier of EDHEC Alternative Investment Education.

Since the CAIA Association handpicked EDHEC two years ago to serve as its exclusive provider of preparatory courses in Europe, the French business school has trained professionals from over 100 leading institutions across Europe.

'So far CIOs, fund managers, analysts, consultants and research heads have been dominant in the classrooms, but we have also helped product, marketing and sales managers, as well as legal and compliance personnel, prepare for the exams,' says Ducoulombier.

While pass-rates continue to drop (according to the CAIA Association, less than two-thirds of the Level II candidates who sat the exams at the last session passed), professionals attending the EDHEC review courses have achieved 90% success.

'Some 94% of the participants in our last advanced prep seminar are now eligible to receive the CAIA charter,' stresses Ducoulombier.

Guaranteeing a high level of competence for increasingly demanding investors and getting ahead of competitors are the main drivers of institutional support for the CAIA programme. According to the CAIA Association, candidates represent over 700 organisations including financial intermediaries, institutional investors, family offices, and industry regulators. Imitating financial institutions that send whole teams of professionals through the programme, the US SEC has recently integrated the CAIA curriculum into their internal alternative investment training system.

EDHEC is organising review seminars for the September 2006 CAIA exams in London and Paris.

Background notes: Chartered Alternative Investment Analyst. Founded in 2002, the CAIA Association is sponsored by the Alternative Investment Management Association (AIMA) and the Centre for International Securities and Derivatives Markets (CISDM) - two organizations providing global leadership for alternative investment professionals by setting the highest standards in alternative investment education, professional conduct and advocacy programs.

The CAIA Association sponsors the Chartered Alternative Investment Analyst designation, the first and only professional certification for the global alternative investment industry.

The CAIA curriculum is designed to provide investment professionals with a broad base of knowledge in traditional and modern alternative vehicles, including real estate, private equity and commodities, as well as hedge funds and managed futures.

The programme's diverse curriculum appeals to investment advisors, consultants and analysts, fund managers and administrators, accountants, lawyers, academics as well as compliance and back office personnel. Candidates include seasoned professionals looking to explore new areas within the Alternative Investment space, generalists wishing to add another asset class to their investment arsenal, and new investment professionals seeking to establish a core understanding of the sector's unique fundamentals.

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