

Topic List CWM Certification Program

BUILDING WEALTH MANAGERS OF TOMORROW

CWM[®]
Wealth Management
Chartered Wealth Manager
AAFM Board Certification[™]

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CWM® Curriculum

The CWM Education Program focuses on sharpening three components:

- (a) Knowledge
- (b) Skills
- (c) Application.

(a) Knowledge: The students get the latest updates and learn about the opportunities of wealth management, with specific relevance to Asia. They appreciate the market dynamics influencing wealth management and gain an overview on the latest innovations in financial products in wealth management they also gain an insight to global best practices and achieving success in wealth management Understand the options and issues in wealth planning.

(b) Skills: Students develop skills in building wealth management solutions for clients, ability to present wealth management concepts and strategies confidently through customer friendly language and also the ability to create strategies to build effective relationship with clients Create and/or increase their capability to think strategically by using a structured process.

(c) Application: The program through its rigors and practical orientation prepares the students to apply the concepts and skills developed in the program in actual work environment. The outcome of this applied education is a complete “WEALTH MANAGER” who is ready for the rigors of the Wealth Management Industry. Which are the units under the CWM® Certification Education Program?

The Curriculum of CWM® Consist of two levels:

Level 1: Foundation Level Consisting of 10 Units.

Level 2: Advanced Level Consisting of 10 Units.

The candidate has to go through the above 20 Units through an Authorized Education Provider either through Class Room Mode or Distance Learning Mode and clear the requisite exams as per the pathway chosen to complete the academic requirements of the Board of Standards. The completion of the academic criterion ensures that the candidate has the requisite knowledge and skills to work as a Wealth Manager.

Foundation Level – Level 1

UNIT NO.	UNIT NAME
UNIT 1	CONCEPT OF WEALTH MANAGEMNT
UNIT 2	INDIAN AND GLOBAL FINANCIAL SYSTEM
UNIT 3	INVESTMENT VEHICLES OF WEALTH MANAGEMENT
UNIT 4	MEASURING INVESTMENT RISK AND RETURNS
UNIT 5	CONCEPT OF INSURANCE AND RISK MANAGEMENT
UNIT 6	ROLE OF WEALTH MANAGEMENT IN BANKING
UNIT 7	LEGALITIES IN WEALTH MANAGEMENT
UNIT 8	TAX LAWS FOR WEALTH MANAGEMENT
UNIT 9	LIFE CYCLE MANAGEMENT
UNIT 10	INTERGENERATIONAL WEALTH TRANSFER & TAX PLANNING

Advanced Level – Level 2

UNIT NO.	UNIT NAME
UNIT 1	EQUITY ANALYSIS
UNIT 2	ALTERNATIVE INVESTMENT PRODUCTS IN WEALTH MANAGEMENT
UNIT 3	REAL ESTATE VALUATION AND ANALYSIS
UNIT 4	BEHAVIORAL FINANCE IN WEALTH MANAGEMENT
UNIT 5	RELATIONSHIP MANAGEMENT BY A WEALTH MANAGER
UNIT 6	LOAN & DEBT MANAGEMENT
UNIT 7	PORTFOLIO MANAGEMENT STRATEGIES
UNIT 8	INTERNATIONAL TAXATION AND TRUST PLANNING
UNIT 9	WEALTH MANAGEMENT PLANNING
UNIT 10	ADVANCED WEALTH MANAGEMENT

Level 1

**Unit I — CONCEPT OF WEALTH
 MANAGEMENT**

Course Objective:

This unit would serve as stepping stone for a prospective investment professional in the basic understanding of the Wealth Management concept. The unit would cover the Wealth Management Process, Client Interaction Process, Time Value of Money Applications, Personal Financial Statements, and Cash Flow Management. The unit would further focus on dynamics of Wealth Management Industry especially in the context of global space.

The last part of the unit would help the wealth manager in knowing the future of the future of Wealth Management Industry in India.

Topic List Unit - I

- ✓ Wealth Management
- ✓ Wealth Management Process
- ✓ Personal Financial Statements
- ✓ Time Value of Money
- ✓ Annuities and Capital Budgeting Techniques
- ✓ Management of Loan and Depreciation
- ✓ Wealth Management Industry
- ✓ Wealth Management in India
- ✓ Trends in Wealth Management

**Unit II — INDIAN AND GLOBAL
 FINANCIAL SYSTEM**

Course Objective:

For a professional like a wealth manager or investment advisor an understanding of financial markets and systems is of prime importance. This unit would enable the Wealth Management professional get a basic understanding of the Global and Indian Financial System. This unit would also cover the fundamental aspects of financial markets operating across the globe. The unit would enable the investment professional in acquainting with the history and origination of the International Financial Markets, Global Financial Institutions, regulatory institutions, Monetary and Economic System. The objective of the unit is to enable a wealth manager to predict the change in Client's Investment Portfolio as per the changes in the Economic Environment.

Topic List Unit - II

- ✓ An Overview of the Global Financial System
- ✓ Introduction to the Indian Financial System and Markets
- ✓ Regulatory Structure in India
- ✓ The International Regulatory Framework and Financial Institutions
- ✓ Economic Unions
- ✓ Economic Indicators
- ✓ Economic Policies
- ✓ National Income Accounting
- ✓ Trade Policies and BOP
- ✓ The Reforms in the Financial System
- ✓ How to Choose Country for Investment
- ✓ Risk and Surveillance in Markets

Unit III — INVESTMENT VEHICLES OF WEALTH MANAGEMENT

Course Objective:

The unit would focus on the plethora of investment ideas i.e. products which a wealth manager could to his clients in order to build the portfolio .The unit would encompass the concept, structure, returns measurement (income and/or capital gains), tradability, liquidity and legal issues of the major investment vehicles.

Topic List Unit - III

- ✓ Understanding Investments
- ✓ Types of Bank Deposits
- ✓ Investment in Equity
- ✓ Fixed Income Instruments
- ✓ Real Estate
- ✓ Mutual Fund
- ✓ Derivatives
- ✓ Small Savings Scheme
- ✓ Other Investments Products

Unit IV — MEASURING INVESTMENT RISK AND RETURNS

Course Objective:

The unit would focus on making an investment professional understand the concepts of return for an asset in general and portfolio in particular. The wealth manager would be able to understand and calculate the different return measures which are helpful for assessing the performance of various asset classes like Equity and Mutual Funds. Overall the endeavor of the unit would be to harness the skills of the investment professional with regard to understanding investor's ability to take risk and willingness to take risk and identify optimal portfolio allocation considering the client's risk taking abilities and financial goals.

Topic List Unit - IV

- ✓ Introduction to Return
- ✓ Complexities of Return
- ✓ Introduction to Risk
- ✓ Measuring Risk
- ✓ Portfolio Risk and Return
- ✓ Managing Risk
- ✓ Risk Adjusted Returns

Unit V — CONCEPT OF INSURANCE AND RISK MANAGEMENT

Course Objective:

This unit would enable the wealth manager understand the knowledge requirements relating to risk analysis in detail. It introduces the investment professional to risk analysis and insurance decisions in Protection Planning in a Wealth Management Plan. The wealth professional would use the facets of Wealth Planning for clients' with regard to exposures to risks mortality, health, disability, property, liability, and long term care. A Wealth Manager would then be in a much better capacity to protect the client against these exposures.

Topic List Unit - V

- ✓ Insurance and Risk Analysis
- ✓ Insurance Contract and Legal Liability
- ✓ Life Insurance – Analysis of Life Cover, Strategies and Products
- ✓ General Insurance - Property, Health and Liability Insurance
- ✓ Regulatory Framework of Insurance
- ✓ Insurance Mathematics
- ✓ Wealth Planning and Life Insurance

Unit VI — ROLE OF WEALTH MANAGEMENT IN BANKING

Course Objective:

A wealth manager would be not being thorough in wealth management unless he understands Banking and its working. The focus of this unit is just that .The wealth manager would be able to gain an in depth understanding of the banking industry, its processes and its products currently prevailing in the Indian Market in this unit.

Topic List Unit - VI

- ✓ Introduction to Banking
- ✓ Banking and the Economy
- ✓ Global Regulation of Banking
- ✓ International Banking
- ✓ Anti-Money Laundering and Due Diligence
- ✓ Bank - Customer Relationship
- ✓ Type of Bank Deposits
- ✓ Mode of Withdrawals and Transfer of Funds
- ✓ Retail Banking
- ✓ Meaning and Definitions of PA and NPA
- ✓ Security Creation and Lending Schemes
- ✓ Borrowers Profile Analysis

Unit VII — LEGALITIES IN WEALTH MANAGEMENT

Course Objective:

Legal rules and regulations governing every industry, wealth management business is no different especially considering the function of managing money the wealth management business does. This unit would highlight some of the most important statutes and regulations affecting businesses, families, and individuals which a wealth manager should be aware of in his role of managing and accumulating wealth.

Topic List Unit - VII

- ✓ Introduction to Law
- ✓ Meaning and Essentials of a Contract
- ✓ Law of Agency
- ✓ Formation of Companies
- ✓ Various Acts
- ✓ Islamic Sharia Banking
- ✓ Investor Complaint Redressal Mechanism in India
- ✓ Investment Advisor Regulations

Unit VIII — TAX LAWS FOR WEALTH MANAGEMENT

Course Objective:

The performance of every investment decision is evaluated as per the Post Tax Returns of the portfolio. So to say the least taxation issues play a very important role in devising a wealth plan for a client (it is one of the investment constraints). This unit enables the students to understand the Tax Structure in India, to compute tax under various heads of income, to gain a deep understanding of the techniques employed for tax planning.

Topic List Unit - VIII

- ✓ Introduction to Tax
- ✓ Introduction to Income Tax
- ✓ Residential Status and Tax Incidence
- ✓ Heads of Income and Income under the Head Salary
- ✓ Income from House Property
- ✓ Income from Business and Profession
- ✓ Capital Gain Tax
- ✓ Income from Other Sources
- ✓ Clubbing of Income
- ✓ Set Off and Carry Forward of Losses
- ✓ Deductions from Gross Total Income
- ✓ Tax Planning, Tax Avoidance, Tax Evasion and Tax Management
- ✓ Filling of Tax Return

Unit IX — LIFE CYCLE MANAGEMENT

Course Objective:

This unit would explain the concept of life cycle management including retirement planning for an investment professional. The wealth manager would gather an in depth knowledge in understanding Life Cycle Issues at the time of devising the Wealth Management Plan for the client. The emphasis is on the process of wealth creation and the reviewing retirement planning strategies for clients.

Topic List Unit - IX

- ✓ Financial Life Cycle
- ✓ Wealth Creation
- ✓ Basics of Retirement Planning
- ✓ Retirement Benefits
- ✓ Defined Benefit Plans
- ✓ Defined Contribution Plans
- ✓ Superannuation and Other Retirement Plans
- ✓ Group Life and Health Insurance
- ✓ Retirement Needs Analysis
- ✓ Retirement Income Streams
- ✓ Life Cycle Investment Advise Model

Unit X — INTERGENERATIONAL WEALTH TRANSFER AND TAX PLANNING

Course Objective:

In Wealth Management space the concept of Wealth transfer and preservation has gained as much importance as wealth accumulation. Few things are more important to an individual than planning his or her estate. This unit would help the wealth manager in understanding how Estate Planning can guide the client in determining who will receive his wealth at his death, how much of his wealth will go to the government in taxes, and whether his property will pass through a probate estate or through a trust.

On completion of this unit the investment professional should be able to give advice on Estate Planning, Trust Planning while taking into account the taxation of the above strategies.

Topic List Unit - X

- ✓ Will
- ✓ Intestate Succession
- ✓ Transfer of Property
- ✓ Trust
- ✓ Private Trusts
- ✓ Special Type of Trusts
- ✓ Society as a Form of Charitable Organization
- ✓ HUF

Level 2

Unit I — EQUITY ANALYSIS

Course Objective:

Equity as an asset class always features as the first choice in almost every portfolio due to various reasons. Considering the importance Equity possesses in investment management space this unit would focus at enabling the investment professional understand the various aspects of Equity. The unit would help the investment professional in analyzing the equity and its related products in a much comprehensive way. The unit would enhance the knowledge of the wealth manager regarding this premier asset class so that it would help him to extensively market and then convert the equity related needs of the clients in conjunction with risk and return parameters.

Topic List Unit - I

- ✓ Equity Markets and Structures
- ✓ Fundamental Analysis
- ✓ Industry Analysis
- ✓ Company Analysis
- ✓ Models of Equity Valuation
- ✓ Technical Analysis
- ✓ Type of Charts
- ✓ Technical Indicators
- ✓ Other Technical Indicators
- ✓ Theories of Technical Analysis

**Unit II —ALTERNATIVE INVESTMENT
PRODUCTS IN WEALTH
MANAGEMENT**

Course Objective:

This course aims at explaining and discussing the importance of alternative assets in a client's portfolio. As the market for Alternatives is still naïve in India we would try to focus on how inclusion of alternate assets has affected the risk and return composition of global clients. The unit would also focus on studying the various alternate channels of investment and their applicability in India.

Topic List Unit - II

- ✓ Derivatives-Options and Swaps
- ✓ Alternate Assets
- ✓ Hedge Funds
- ✓ Commodities and Managed Futures
- ✓ Private Equity
- ✓ Credit Derivatives
- ✓ Structured Products
- ✓ Alternatives and Risk Mitigation
- ✓ Alternate Assets in India

Unit III — REAL ESTATE VALUATION AND ANALYSIS

Course Objective:

The purpose of the unit is to make an investment professional gain an understanding of the economic forces that drive Real Estate asset and how the niche characteristics of real estate can provide an excellent fitment in a client's portfolio. The unit would encompass the concepts, tools, and techniques for evaluating individual real estate assets. The Unit would also feature the different mechanisms through which a wealth manager can guide his client with respect to this asset class-Direct and Indirect.

Topic List Unit - III

- ✓ Introduction to Real Estate
- ✓ Categories of Real Estate
- ✓ Real Estate Indices
- ✓ Real Estate Financing
- ✓ Real Estate Markets and Analysis
- ✓ Real Estate Valuation
- ✓ Issues in Real Estate Valuation
- ✓ Real Estate Investment Trust (REIT) and REMS
- ✓ Integration of Real Estate in a Portfolio
- ✓ India's Real Estate Sector

Unit IV — BEHAVIORAL FINANCE IN WEALTH MANAGEMENT

Course Objective:

This unit is focused on behavioral and psychological factors which influences the investment decision making of a client. This unit would further exemplify how the client behavior changes to different situations prevailing in the financial markets which would help a wealth manager in evaluating how to handle and manage the client's responses. The unit would also include case studies covering the behavioral biases shown by the clients and how a wealth can approach and mitigate the same.

Topic List Unit - IV

- ✓ Introduction to Behavioral Finance
- ✓ Heuristics and Biases
- ✓ Anomalies - Economic Behavior
- ✓ Anomalies - Market Prices & Returns
- ✓ Group Behavior
- ✓ Investment Style and Behavioral Finance
- ✓ Cases on Behavioral Biases

Unit V — RELATIONSHIP MANAGEMENT BY A WEALTH MANAGER

Course Objective:

Relationship management is the back of wealth management business so the concept of Customer relationship management (CRM) is a widely implemented by wealth management business outfits for managing relationship and interactions with customers, clients and sales prospects. The unit discusses techniques to find, attract, and win new clients, nurture and retain those the wealth manager already has, entice former clients back into the fold, and reduce the costs of marketing and client service.

Topic List Unit - V

- ✓ Introduction to CRM
- ✓ Types of CRM
- ✓ Understanding Relationships
- ✓ CRM Implementation
- ✓ Creating Value for Customers
- ✓ Customer Portfolio Management
- ✓ Customer Relationship Management and Customer Experience
- ✓ Managing Customer Life Cycle - Customer Acquisition
- ✓ Managing Customer Life Cycle - Customer Retention
- ✓ Managing Networks for Customer Relationship Management Performance
- ✓ Managing Investor and Employee Relationships
- ✓ Information Technology for Customer Relationship Management
- ✓ Advanced Selling Skills

Unit VI — LOAN & DEBT MANAGEMENT

Course Objective:

The course would intend to make the investment professional a One POINT contact for the client within the investment business by capturing the debt side of the client's portfolio. The unit would cover the loan management fundamentals and the various types of loans available to different set of borrowers in general and within India's context in particular. The unit would also enable a wealth manager understand in brief the credit process to be followed before disbursing a loan in India as per the regulations. The unit would also feature some part on how debt consolidation can fit in the overall portfolio management of the client.

Topic List Unit - VI

- ✓ Introduction to Credit
- ✓ Types of Credit Facilities to Individuals
- ✓ The Credit Process
- ✓ Credit Bureaus in India
- ✓ Debt Consolidation
- ✓ Financial Mathematics of Loan
- ✓ Working Capital Finance
- ✓ Redressal Mechanism
- ✓ Tax Implications of Loans

Unit VII — PORTFOLIO MANAGEMENT STRATEGIES

Course Objective:

The unit would serve as a foundation for understanding of Portfolio Management process of an individual. This unit would cover the fundamental concepts of risk and return and their application in the context of overall portfolio of a client which would help the wealth manager in making efficient asset allocation with respect to client's risk and return objectives. This endeavor of the unit would be to guide the investment professional in drafting the Investment Policy Statement which is one of the most important tool of investment advisory arena. The latter part of the book would feature the various portfolio managing strategies both for Equity as well as Debt.

Topic List Unit - VII

- ✓ Introduction to Portfolio Management
- ✓ Investment Risk
- ✓ Types of Investment Returns
- ✓ Measures of Risk
- ✓ Managing Risk through Diversification
- ✓ Asset Pricing Models
- ✓ Asset Allocation
- ✓ Equity Portfolio Management Strategies
- ✓ Fixed Income Portfolio Management
- ✓ Rebalancing Strategies
- ✓ Asset Liability Management of Individual Investors

Unit VIII — INTERNATIONAL TAXATION AND TRUST PLANNING

Course Objective:

The unit would help the financial market and investment management professional in assessing the applicability of various taxation aspects for an individual investor before deciding on the portfolio allocation of the client in the international space. The unit would cover the tax structures in few of the prominent investment zones across the globe like US, UK, Singapore and Mauritius. The latter part of the unit would make an investment professional understand in requisite detail the implications of Tax treaties applicable for an Indian client with respect to these investment centers. Lastly the unit would throw some light on the taxation for NRI clients and on tax planning through trust for clients.

Topic List Unit - VIII

- ✓ Introduction to International Taxation
- ✓ Income Tax Structure in Different Countries
- ✓ Double Taxation in India
- ✓ Major Tax Treaties in India
- ✓ Transfer Pricing in India
- ✓ Taxation of NRIS
- ✓ Tax Planning Through Trust

Unit IX — WEALTH MANAGEMENT PLANNING

Course Objective:

This unit covers the different aspects of wealth management business across the globe. It focuses on analyzing and studying the various key profitability drivers like Clients, Products, Distribution and Organization of any wealth management business and how each of the drivers can impact the efficiency of the business. The unit would also feature the wealth management landscape in India and with specific focus on different business models

Topic List Unit - IX

- ✓ Wealth Management in Current Era
- ✓ Wealth Management Landscape and Outlook in India
- ✓ Profitability Trap of Wealth Managers
- ✓ Key Profitability Drivers
- ✓ Clients as Profitability Driver
- ✓ Products as Profitability Driver
- ✓ Distribution Channels as Profitability Driver
- ✓ Organization Structure as Profitability Driver
- ✓ Technology and Operations as Profitability Driver
- ✓ Business Operating Models
- ✓ Wealth Management Models in India
- ✓ Conclusion of Wealth Management Business Models

Unit X — ADVANCED WEALTH MANAGEMENT

Course Objective:

This unit builds upon the foundations in Wealth Management concepts covered under CWM®. The unit would provide an excellent platform to the wealth manager for constructing a comprehensive Wealth Plan for his client with specific focus on each of the 6 steps of the wealth management process covered in Level 1. This unit would make the investment professional understand the application of the each of the earlier units through different enriching live case lets.

The unit would also provide handful tools drafted by AAFM India (Performa for Portfolio Review) which can be used by an investment professional right from the start till the end of the wealth management process.

Topic List Unit - X

- ✓ Understanding the Wealth Management Process
- ✓ Identify and Clarify the Current Situation
- ✓ Identify Goals and Objectives
- ✓ Analyze Financial Issues and Opportunities
- ✓ Developing the Wealth Management Plan
- ✓ Implementation and Review of the Wealth Management Plan
- ✓ Case Studies on different Aspects of Wealth Management