



CERTIFIED HEDGE FUND PROFESSIONAL

## **CHP LEVEL 2 – MARKETING & SALES STUDY GUIDE**



Sponsored by the Hedge Fund Group (HFG)

## **CERTIFIED HEDGE FUND PROFESSIONAL (CHP) STUDY GUIDE**

Please use study guide to assist in preparation for the CHP Level 2 – Marketing & Sales designation exam. The CHP program is rigorous and continually improved to ensure that it is practical, current, and valuable to both participants and employers.

Registration for the CHP program is open year round with examinations offered every quarter. Admittance to exam dates is limited to the first 150 professionals.

The content of the CHP Level 2 – Marketing & Sales Study Guide 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 Examination Preparation
- V.** CHP Level 2 – Marketing & Sales Required Reading
- VI.** Examination Modules and Corresponding Keywords
- VII.** Chapter Tips and Focuses
- VIII.** Sample Exam Questions
- IX.** 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 100,000+ 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 is a 100% online continuing education course. The CHP consists of two levels of testing, Level 1 and Level 2. 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.

Level 2, a more advanced certification, provides coursework and training in a specific area of the hedge fund industry such as due diligence, marketing/sales, investor relations, or analytics. While completing Levels 1 & 2 is not required to be considered a CHP Alumni, you must complete Level 1 before registering for or taking the exam for any Level 2 module.

### 4 STEP CERTIFICATION PROCESS



## III. CHP LEVEL 2 PROGRAM TIMELINE

Registration for the CHP program is open year round, and examinations are held annually on the 10<sup>th</sup> of each month.

After passing the examination for CHP Level 1, you are welcome to schedule your examination date. There is no deadline to schedule your examination, and you can take as long as you need. Simply reply to the examination results email from Level 1, or the Welcome email for Level 2 to select your examination date.

Please note that, as with Level 1, the deadline to select your exam date is the 2 weeks before the examination date. For example, to schedule yourself for the January 10<sup>th</sup> examination date, an email, phone call, or chat message must be received by December 27<sup>th</sup> with a request to sit for the January 10<sup>th</sup> exam.

Here are the examination dates and scheduling deadlines each year:

<b>EXAM DATE:</b>	<b>SCHEDULING DEADLINE:</b>
<b>January 10<sup>th</sup></b>	<i>December 27<sup>th</sup></i>
<b>February 10<sup>th</sup></b>	<i>January 27<sup>th</sup></i>
<b>March 10<sup>th</sup></b>	<i>February 24<sup>th</sup></i>
<b>April 10<sup>th</sup></b>	<i>March 27<sup>th</sup></i>
<b>May 10<sup>th</sup></b>	<i>April 26<sup>th</sup></i>
<b>June 10<sup>th</sup></b>	<i>May 27<sup>th</sup></i>
<b>July 10<sup>th</sup></b>	<i>June 26<sup>th</sup></i>
<b>August 10<sup>th</sup></b>	<i>July 27<sup>th</sup></i>
<b>September 10<sup>th</sup></b>	<i>August 27<sup>th</sup></i>
<b>October 10<sup>th</sup></b>	<i>September 26<sup>th</sup></i>
<b>November 10<sup>th</sup></b>	<i>October 27<sup>th</sup></i>
<b>December 10<sup>th</sup></b>	<i>November 26<sup>th</sup></i>

After the examination is completed, answers are graded and results are sent out within one month. Results will be sent via email on the 10<sup>th</sup> of the following month.

#### **IV. CHP LEVEL 2 MARKETING & SALES EXAM PREPARATION**



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.

**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.

**CHP 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, however, to be a CHP Level 1 Designation holder.

The Level 2 exam is administered on the same dates as the Level 1 exam (aforementioned in this study guide). Upon successful completion of the Level 2 exam, the CHP Advisory Board confers the full CHP title upon the candidate. At that time, the full CHP designation is available for participants to use.

**LEVEL 2 MARKETING & SALES EXAM COMPOSITION**

<b>Topic</b>	<b>Number of Questions</b>
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

## V. CHP LEVEL 2 MARKETING & SALES REQUIRED READING

A. **REQUIRED READING LIST.** Texts can be purchased anywhere and 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)

## VI. OVERVIEW AND THE CORRESPONDING KEYWORDS FOR EACH TEXT

### A. REVIEW OF BOOKS

Please Note: All chapters of these four books are required reading for this program. They are relatively quick reads and the book by Richard Wilson was reviewed for CHP Level 1.

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 to ensure 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.

### B. KEYWORD TERMS

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

**Have more questions about the program?** Please see our ever-expanding Frequently Asked Questions (FAQ) page of our website here: <http://hedgefundcertification.com/FAQ.html>

**Want to contact our team?** You can reach us with our information below:

**The Hedge Fund Group (HFG)**  
3300 NW 185<sup>th</sup> Ave, Suite 108  
Portland, OR 97229  
Office: 503-922-2752  
[Team@HedgeFundCertification.com](mailto:Team@HedgeFundCertification.com)