

Why CPWA® Certification?

The Certified Private Wealth Advisor® (CPWA®) certification is an advanced education and voluntary standard for financial professionals who serve or aspire to serve high-net-worth clients. It's designed for experienced professionals who seek the latest, most advanced knowledge and methods to address the sophisticated needs of clients with a minimum net worth of \$5 million. The CPWA® program goes beyond other investment and planning credentials to deliver a holistic, multidisciplinary approach. From executive compensation and business-owner strategies to estate planning techniques and considerations for family governance, the CPWA® program equips advisors with advanced knowledge and elevated skills to solve the most complex wealth challenges and stand out as trusted partners to high-net-worth families.

What Are the Benefits of CPWA® Certification?

- Deliver specialized expertise and skills to nurture stronger relationships with clients. 73% of CPWA® certified professionals manage more than half of their clients' total investable assets. Most notably, the expertise and skills acquired in the CPWA® certification process leads to the opportunity for better financial outcomes for HNW clients and their families.
- Acquire and retain HNW clients. Competition for wealthy households is fierce and HNW clients select advisors that align with their unique needs and values. The CPWA® certification gives advisors the edge they need to differentiate themselves, as 93.3% of CPWA®-certified advisors rate the certification as highly valuable.
- Advisors holding the CPWA® certification are more likely to manage \$1 billion or more in assets—an AUM level that indicates these advisors are highly skilled at attracting and serving HNW and \$5 million+ clients. As significant wealth continues to transfer to new generations, CPWA® certificants are well-positioned to successfully attract and retain new assets.
- Earn an elite education that is highly practical and applicable. The CPWA® curriculum is taught through a rigorous education program with distinguished academic instructors and savvy practitioner faculty.

About the CPWA® Body of Knowledge

- By obtaining the CPWA® credential, you are joining an elite group of wealth management professionals who possess a specific, technical body of knowledge.
- The CPWA® body of knowledge is determined by worldwide industry practitioners via a job task analysis study. It is updated every five to seven years. The current body of knowledge is a result of the 2024 job analysis and is summarized below:



The knowledge validated on the CPWA® Certification Exam and set forth in the Narrative Detailed Content Outline below reflects the knowledge deemed most relevant to the industry via the job analysis.

About This Document

The Narrative Detailed Content Outline was created to serve as a supplemental guide to the basic Detailed Content Outline provided in the CPWA® Candidate Handbook, which simply lists the knowledge statements and test weightings. Throughout the narrative, the verbs in sentences can provide insight to the depth of knowledge required of topics on the examination, as well as awareness to how candidates may be expected to demonstrate said knowledge on the exam. Definitions to some of the most commonly used verbs are provided below.

Apply | to make use of as relevant, suitable, or pertinent; to bring into action; use; employ

Analyze | to examine carefully and in detail so as to identify causes, key factors, possible results, etc.

Calculate | to determine or ascertain by mathematical methods; compute

Compare | to examine (two or more objects, ideas, people, etc.) in order to note similarities and differences

Define | to state the meaning of

Describe | to explain or identify the nature or essential qualities of

Determine | to conclude or decide, as after reasoning, observation, etc.

Differentiate | to make a distinction or point out the difference in or between

Estimate | to form an approximate judgment or opinion regarding the worth, amount, size, etc. of; calculate approximately

Evaluate | to determine or set the value or amount of; to judge or determine the significance, worth, or quality of; assess

Identify | to recognize; to correctly name; to associate with

Interpret | to give or provide the meaning of; to construe or understand in a particular way

Select | to choose in preference to another or others

Certification Examination Detailed Content Outline		Percentage of Exam
I. Human Dynamics		18%
A. Ethics		3 %
1. What constitutes full compliance with statutory and regulatory requirements 2. The rules pertaining to and consequences of violations of the Investments & Wealth Institute's Code of Professional Responsibility 3. The rules and expectations for proper use of the marks of the CPWA® certification/designation 4. The Investments & Wealth Institute's Code of Professional Responsibility As an organization, Investments & Wealth Institute's mission is to ensure quality service to the public by developing and encouraging high standards in the wealth advisory profession. This section assesses test takers' ability to apply a solid understanding of relevant statutory and regulatory requirements within the financial services space. In addition to being able to identify and describe relevant regulatory requirements to which they are subject, test takers should be able to classify client scenarios based on what regulations might apply and implement practices that comply with those regulations. Test takers should be able to recognize appropriate use of the CPWA® marks and be able to analyze ethical scenarios and to respond in accordance with the principles set forth in the Institute's Code of Professional responsibility.		
B. Behavioral Finance and Investor Psychology		6 %
1. The relevance of behavioral finance to financial decision-making 2. Common behavioral investor types (e.g., preservers, followers, independents, accumulators) and how to work with each effectively 3. Cognitive biases and mental heuristics related to existing beliefs and information processing concepts (e.g., anchoring and adjustment, availability, framing, outcome, recency) 4. Emotional biases and mental heuristics (e.g., loss aversion, overconfidence, self-control, status quo, endowment, regret aversion, affinity) 5. Methods of navigating cognitive and emotional biases 6. Impact of generational differences (e.g., earned vs. inherited wealth, Baby Boomers vs. Millennials) on financial decisions,, money beliefs, and values Theories of behavioral finance seek to account for investors' behavioral tendencies, mental heuristics, or cognitive and emotional biases that could interfere with making sound investment decisions. Test takers should be able to identify and explain the major elements of behavioral finance theory as well as generational differences and differences between earned versus inherited wealth and discuss their application in financial services contexts. Questions may assess how well financial advisors can identify the implications of various behavioral biases on decisions a client may make, and how to correct for or complement these tendencies. In addition, they may explore test takers' ability to determine investor personality types and the strategies advisors can select to optimize outcomes, considering clients' predispositions.		
C. Family Dynamics		9 %
1. Questions to ask and documents needed to develop a family profile 2. Key family roles, objectives, and strategies to tailor solutions to the family wealth level and needs (e.g. family office structure, governance models) 3. Entities used to manage family wealth (e.g., closely-held businesses, family foundations, LLCs, charitable organizations, etc.) 4. Tools used to help families adapt to change through generations (e.g., human capital, social capital, financial capital) 5. Tools used for effective family communication and governance (e.g., family meeting, mission statement) 6. Apply the financial planning process (e.g., steps, advanced strategies, implementation) 7. Methods, resources, and specialists for helping successfully navigate family conflict Effective high-net-worth wealth management is seldom a solitary enterprise—it almost always involves questions of intergenerational wealth transfer, values, legacy, and complex family dynamics. Whether you're working with a family business or in situations involving trusts, an ability to identify and successfully navigate family dynamics is essential. Also essential is a financial planning process that addresses effective communication and navigating family conflict. This section assesses test takers' ability to determine key family roles and positions and to evaluate roles and responsibilities in family organizations, trusts, and structures. Test takers should be able to identify and analyze the documentation necessary to develop a family profile and to articulate and implement the steps of the financial planning process. In addition to the ability to apply family office infrastructure, select the best fit among various options for family's wealth level and objectives, they should be able to assess and determine appropriate tools for navigating generational change and to implement them.		

II. Wealth Management—Technical Design	34%
A. Tax Planning	15%
1. Tax rate structures, estimated tax requirements, and income tax calculations for individuals 2. Tax implications for trust entities 3. Tax issues common for high net worth clients 4. Tax implications of various intra-family income-shifting strategies 5. Alternative minimum tax (AMT), how it is determined, and associated planning implications 6. The income tax deductions and limitations specific to charitable giving 7. Interest deductions and limitations for individuals 8. Investment interest expense classifications and limitations 9. Interest deductibility limits for passive and active business activities 10. Qualified dividend income rules and limitations 11. Wash sale rules 12. Components of capital gain taxation 13. Taxation of incentive stock options 14. Taxation of non-qualified stock options 15. Pass-through entities and their impact on tax liability 16. Passive loss treatment, limitations, carry-forwards, and disposition of passive activities 17. Like-kind exchange taxation and requirements 18. The tax implications of various insurance strategies 19. The tax implications of various retirement assets and strategies 20. Coordinating tax deductions and distributions (e.g., Roth 401(k), multiple retirement plans, cash balance plans, solo 401(k) vs. SEP IRA, maximizing use of HSA, 529 plans) Appropriate tax strategy is an important component of building and preserving wealth, and influences decision-making through many other aspects of wealth management. This section of the test assesses different kinds of taxes, requirements, deductions, and tax rates, as well as the implications of those taxes on various portfolio strategies including in retirement. Test takers should be able to recognize and explain the nature and implications of mortgage interest deductions and limitations, investment interest expense classifications and limitations, interest deductibility limits for active and passive business activities, qualified dividend income rules and limitations, and wash sale rules. Test takers should be able to calculate or determine income tax calculations and alternative minimum tax (AMT) exposure for high net worth clients, as well as to analyze the appropriateness of safe harbors, tax implications for trust entities, income tax deductions and limitations specific to retirement and retirement vehicles as well as charitable giving, capital gain taxation, taxation of non-qualified stock options, at-risk and other passive loss limitations and carry forwards, the treatment of passive losses and disposition of passive activities, and taxation of like-kind exchanges. In addition, questions may require evaluation of tax rate structures, intra-family income shifting strategies, planning implications associated with the alternative minimum tax (AMT), taxation of incentive stock options, especially with regard to regular versus alternative minimum tax (AMT) differences, and pass-through entities and their impact on tax liability.	
B. Portfolio Management	9%
21. Tax-aware investment strategies and the impact of investment taxation on long-term wealth accumulation 22. Tax-loss harvesting strategies and considerations for wash sale rules and replacement funds 23. The process of calculating after-tax returns 24. Portfolio benefits and risks of incorporating alternative investments 25. Alternative investment strategies, vehicles, and implementation 26. Problems, issues, and risks of illiquid and alternative investments 27. Portfolio risk management strategies for high net worth persons 28. Options strategies and tax consequences for portfolio management 29. Portfolio construction strategies, vehicles, asset location, and implementation 30. Portfolio immunization via asset-liability matching for individual portfolios 31. Understanding domestic and international economic conditions (e.g., inverted yield curve, monetary and fiscal policy, exchange rates) 32. Investing for a charitable entity or trust Portfolio management is the big picture view of wealth management, and the ability to harmonize approaches for wealth building and risk management with clients' resources and goals is critical. Test takers should be able to assess the impact on a portfolio and apply options and non-options hedging strategies, liability-driven investing, tax-loss harvesting, and after-tax return assumptions. In addition, this section of the test assesses test-takers' ability to evaluate tax-aware investment strategies, alternative investment strategies, vehicles, and implementation, and portfolio risk management strategies. They should be able to implement portfolio construction and immunization strategies, and appropriately assess domestic and international economic conditions. They should also be familiar with the rules around investing for charitable entities or trusts.	

C. Risk Management and Asset Protection	10%
1. Insurance coverage types and differences for the unique activities and assets of high net worth clients 2. Assessing appropriate insurance needs and levels of coverage specific to ultra high net worth clients 3. Broad-based asset protection strategies 4. The asset protection advantages and disadvantages of various legal entities and jurisdictions 5. Predator and creditor protection strategies (e.g., trust, entities, and 529 plans) 6. Understanding the concept of fraudulent conveyance 7. The legalities of asset protection strategies and entities (e.g., self-settled trusts, grantor trusts, dynasty trusts, domestic asset protection trusts, family LLCs, and FLP) 8. Income and asset protection strategies in marriage, death, and divorce 9. Fraud and cyber security (e.g., identity protection and digital asset management) The ability to defend high net worth clients' wealth from the inherent and unforeseen risks that threaten it is fundamental to wealth management. This section of the test explores themes of insurance, asset protection, and the types of legal entities and protection strategies. Test takers must be able to describe off-shore entities and self-settled trusts, and to apply a variety of insurance and asset protection strategies and issues of fraud and cyber security in accordance with the law. In addition, test takers should be able to evaluate insurance coverage, creditor and predator protection, and income and asset protection strategies for high net worth clients in a variety of life circumstances, including marriage, divorce, and death.	
III. Legacy Issues	21%
A. Charitable Giving and Philanthropy	8%
1. Differences in public charities and private foundations 2. Rules for and taxation of donor-advised funds 3. Rules for and taxation of contributions to and distributions from charitable lead trusts 4. Rules for and taxation of contributions to and distributions from charitable remainder trusts (e.g., CRAT, CRUT, NIMCRUT, NICRUT, Flip CRUT) 5. Unrelated business taxable income (UBTI) as it pertains to the taxation of the operation or investments of a public charity or private foundation 6. Rules and tax implications of charitable donations of various asset classes, property types, and ownership structure to public charities and private foundations Charitable giving offers high net worth clients an array of opportunities—the chance to meaningfully align their wealth and their values, as well as options for managing taxes and assets within a portfolio. This section of the test assesses test takers' ability to differentiate the advantages of public and private charities for a given client situation, as well as to determine an appropriate strategy relative to donor- advised funds. In addition, questions may require test-takers to evaluate the appropriateness of strategies that involve charitable lead trusts, charitable remainder trusts, public and private charities and private foundations, unrelated business taxable income (UBTI) within a private foundation context, and the charitable donation of various asset classes, with particular emphasis on the tax implications of each strategy to a given client scenario.	
B. Estate Issues and Wealth Transfer	13%
1. Incapacity planning strategies (e.g., powers of attorney, healthcare directives, living will, HIPAA) 2. The concept of powers of appointment 3. The various aspects of postmortem planning 4. Estate planning issues for non-traditional relationships and blended families 5. Proper titling and beneficiary designation strategies for effective tax planning 6. Probate estates and intestacy issues 7. Gift, estate, and generation skip tax (GST) rates and calculations 8. Deferring or shifting estate tax liability 9. Income in respect of a decedent (IRD) 10. Valuation discounts for gifting strategies, estate transfer, and estate tax minimization 11. Fiduciary and trustee issues for estate planning and administration 12. The advantages and disadvantages of various trusts for estate planning 13. Life insurance issues in the estate plan 14. Estate planning strategies when qualified retirement and IRA assets exist in the estate 15. Intra-family loans strategies and tax implications 16. The use of family partnerships in the estate plan 17. The impact of corporations and business assets in the estate plan 18. Estate planning strategies surrounding large illiquid assets (e.g., real estate, concentrated stock, closely held business) 19. Transfer of intangible assets (e.g., cryptocurrency, social media accounts, photographs)	

Although parts of estate planning often fall outside the specific responsibility of a wealth manager, the overall question of wealth transfer and end-of-life planning issues are essential to the work of the high net worth wealth advisor, effective portfolio management and to the relationship with the client. This section of the exam assesses test takers' ability to determine and where appropriate execute effective wealth management strategies specific to end-of-life and wealth transfer, including fiduciary issues, valuation discounts, and income in respect of a decedent. Test takers should be able to evaluate beneficiary and titling decisions across a spectrum of client scenarios, as well as taxation/tax liability, the use of trusts and life insurance, strategies involving qualified retirement and IRA assets, intra-family loans, partnerships, business assets, intangible assets and large, illiquid assets.

IV. Specialty Client Strategies

27%

A. Planning for Executives

9%

1. The planning implications of stock option award programs
2. Tax planning implications of exercises of both incentive and non-qualified stock options (e.g. basis, holding periods, and alternative minimum tax (AMT))
3. The advantages and disadvantages of Section 83(b) elections in option strategies
4. Different types of executive deferred compensation plans
5. The tax implications of executive deferred compensation plans
6. The evaluation and tax implications of equity compensation plans (restricted stock, phantom stock, and performance share plans)
7. Regulatory rules and restrictions governing a corporate executive's publicly held stock (e.g., short-swing profits, insider information, exercise window, and policies unique to the issuing company)
8. The value, risks, and tax implications of utilizing cashless collars in concentrated stock situations
9. The value, risks, and tax implications of utilizing prepaid variable forwards in concentrated stock situations
10. The value, risks, and tax implications of utilizing portfolio margin strategies in concentrated stock situations
11. The value, risks, and tax implications of utilizing exchange funds in concentrated stock situations
12. The value, risks, and tax implications of utilizing charitable remainder trusts in concentrated stock situations
13. The value, risks and tax implications of utilizing Section 10b-5(1) plans in concentrated stock situations
14. Strategies for using equity compensation awards for gifting

Executive compensation represents a significant issue for wealth managers focused on high net worth clients and presents an array of specific challenges. This section of the exam focuses on strategies that address stock options, deferred compensation plans, and concentrated stock situations. Test takers should be able to analyze Section 83(b) elections, rules and restrictions governing publicly held stock, the use of cashless collars, prepaid variable forwards, portfolio margin strategies, exchange funds, charitable remainder trusts, and Section 10b-5(1) plans, especially with regard to their value, risks, and tax implications. In addition, test takers should be able to evaluate the planning implications of stock option award programs, the exercise of incentive and non-qualified stock options, the different types of executive deferred compensation and equity compensation plans and related tax implications.

B. Planning for Closely Held Business Owners

10%

1. The financial issues associated with closely held businesses at various stages of the business lifecycle and business owner specific risk exposures
2. Closely held business succession and exit strategies (family, internal, external, charity)
3. Potential family conflict issues arising from closely-held business succession planning
4. Different types of business entity structures (e.g., C corp, S corp, LLC, partnership)
5. General taxation of different business entity structures resulting from ongoing operations
6. Types of buy-sell agreements and their respective funding strategies
7. Business valuation methods, uses, strengths, and weaknesses
8. When discounts or premiums may apply to a business valuation
9. The difference in valuation and sale structure based on the intended buyer (e.g., third parties, employees, family members, entity type)
10. The benefits and risks of business exit structures (e.g., private and public sales, recapitalization, employee stock ownership plan (ESOP) self-cancelling installment note, seller financing, and third-party private annuity)
11. Financial implications and tax treatment of business sales (e.g., private and public sales, recapitalization, employee stock ownership plan (ESOP), self-cancelling installment note, seller financing and third-party private annuity)

Closely held business owners are another significant population that high net worth advisors serve, and the intricacies of business planning in conjunction with their broader portfolio are considerable. This section of the test focuses on issues of taxation, valuation, succession, and business, sale, and exit structures. The exam will assess test takers' ability to compare and make appropriate recommendations about business entity structures with an understanding of tax implications, buy-sell agreements and their funding strategies, and valuation methods and their discounts or premiums. In addition, test takers should be able to evaluate the implications of financial issues across the business lifecycle, the sources of family conflict related to succession planning, an array of exit and succession strategies, differences in valuation and sale structure, and the risks and taxation thereof.

C. Retirement Management	8%
1. Qualified plan rules and structure (e.g., 401(k), Roth 401(k), profit sharing, defined benefit plan, cash balance pension plan, hybrid plans) including contribution limits for highly compensated persons 2. Wealth accumulation and decumulation strategies for retirement 3. Impact of sequence-of-returns on retirement contributions and distributions 4. Analytical forecasting techniques used in projecting retirement outcomes 5. The tax treatments of contributions to and distributions from various types of retirement plans and accounts 6. Sustainable withdrawal rate methodologies using various conditions and scenarios 7. Net unrealized appreciation (NUA) rules and applications 8. Strategies for Roth contributions, Roth conversion rules, and distributions 9. Distribution planning and requirements (e.g., trusts, required minimum distributions (RMD), and beneficiary designations, post-death distribution, qualified charitable distributions (QCD) 10. Retirement income strategies (e.g., Social Security, pensions, annuities)	
Retirement planning is a key issue for wealth managers across demographics, but the retirement concerns of the high net worth population offers a distinct array of strategic opportunities and challenges. This section of the exam focuses on distribution, asset location and withdrawal strategies, and issues specific to retirement plan products and retirement income strategies. Test takers should be able to determine how to address questions of return sequencing, analytical forecasting techniques, tax treatments, sustainable withdrawal rate determinations, Roth conversions, asset location, stretch IRA planning, and post-death distribution requirements relative to beneficiary type. In addition, test takers should be able to evaluate qualified plan rules and structures, asset accumulation strategies, and net unrealized appreciation (NUA) rules and applications to optimize clients' opportunity to achieve their stated goals including qualified charitable contributions.	

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DISCLAIMER: The Narrative Detailed Content Outline for the CPWA® Certification Examination was created to serve as a supplemental guide for the context in which the knowledge statements in the Detailed Content Outline (DCO) can be tested on the certification examination. This narrative is created to provide applicants with a list of examples of some content about which they may be responsible to know and is not intended as a comprehensive, all-encompassing guide to topics within the DCO. Some topics within the DCO may not be included in the narrative, and the Institute bears no legal or other responsibility for failure to include all possible specific examples of content under the DCO.

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