CIMA Core Body of Knowledge

Why CIMA Certification?

The Certified Investment Management Analyst® (CIMA®) program is an advanced, global professional certification for investment advisors and consultants.

CIMA-certified professionals represent a variety of financial services industry roles—including, but not limited to, investment consultants, financial advisors, wealth advisors, analysts, financial planners, brokers, corporate executives, and product and service wholesalers.

No matter their industry roles, CIMA-certified advisors stand for more:

- They integrate a recognized, complex body of knowledge into their daily practices.
- They demonstrate commitment to fiduciary standards and ethics when providing objective guidance to individual and institutional investors.
- They use their advanced technical portfolio construction and practice management skills to experiment with new technologies, processes, and applications to evolve the financial industry.

CIMA-certified advisors raise the bar both in their personal practices and the profession at large.

About the CIMA Body of Knowledge

By obtaining the CIMA credential, you are joining an elite group of investment industry professionals who possess a specific, technical body of knowledge.

The CIMA body of knowledge is determined by 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 2023 job analysis and is summarized below:

Critical knowledge related to country-specific regulations, tax laws, and fiduciary standards is taught and assessed by registered education providers during undergraduate, graduate, or executive education, a mandatory step in obtaining the credential. The knowledge validated on the global CIMA 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 and that is universally applicable (non-specific to geographic location).

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 *CIMA Candidate Handbook*, which simply lists the knowledge statements and test weightings.

Throughout the narrative, the verbs in sentences can provide limited insight to the depth of knowledge required of topics on the examination, as well as insight to how candidates may be expected to demonstrate said knowledge on the exam. Definitions[1] 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*

DISCLAIMER: The Narrative Detailed Content Outline for the CIMA 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.

Appendix A

Certification Examination Detailed Content Outline	Percentage of Exam
I. FUNDAMENTALS	**15%**
A. Statistics and Methods	**6%**
Basic statistical concepts (e.g., probability, sampling from a population, hypothesis testing)	
Basic statistical measures (e.g., measures of central tendency, dispersion, variability, skewness, kurtosis)	
Interpretation of potential investment outcomes from probability models and computational algorithms (e.g., normal distribution, Monte Carlo simulations, machine learning)	
Concepts regarding statistical relationships (e.g., correlation, regression, and multiple regression), their interpretation and application	
Time series concepts, methods, and interpretation (e.g., trend analysis, seasonality, mean reversion, multi-period forecasting, smoothing)	
Methods and concepts pertaining to calculation of time value of money (e.g., nominal and effective interest rates, compounding, discounting, rate of return, present and future value)	
Analyzing and interpreting data is the cornerstone of investment consulting. This section will assess test takers' ability to apply a sound understanding of fundamental statistical concepts to identify trends and/or draw conclusions from different types of data (which could be presented in table or graph format). In addition to defining and calculating basic statistical measures, and properly accounting for the time value of money. Test takers should be able to calculate and differentiate between measures of central tendency as well as measures of dispersion. Test takers should be able to calculate probability concepts such as variance or expected value, as well as be able to operate and assess methodologies and models such as Monte Carlo simulations and computational algorithms to test hypotheses and interpret results. Test takers should be able to analyze correlation statistics and various regression models, and evaluate data for compliance with model assumptions. Questions in this section also may assess test takers' ability to analyze time series and trend data using knowledge of relevant characteristics and theories.	
B. Applied Finance and Economics	**5%**
Major areas of economic thought including Keynesian economics, Austrian school economics, and monetarism	
Economic concepts and principles (e.g., supply and demand, micro and macro-economic theory)	
Monetary and fiscal policy (e.g., role of central banks, interest rates [determination of, nominal and real], yield curve, velocity of money, taxation, government spending)	
Stages of a business/economic cycle, including expansion, peak, contraction, and trough; price level environments/concepts, including inflation, deflation, and stagflation; and the effect of monetary and fiscal policy on business/economic cycles	
Macroeconomic measurements, including leading, coincident, and lagging gross domestic product (GDP) indicators and price level indicators	
Demographic effects on economies	
Global economy and trade (e.g., comparative and absolute advantage; balance of payments; roles of the International Monetary Fund, World Bank, and World Trade Organization)	
Global currency concepts (e.g., global exchange rate system, spot and forward exchange rates, hedging, dollarization, currency pegs, fixed and floating rates, special drawing rights)	
The concepts and principles within the disciplines of applied finance and economics inform and influence each other, as well as the markets. An advisor's role is to be able to observe, anticipate, and prepare clients for the influence that one principle has on the other. This section of the test will assess knowledge of major economic concepts and principles that are fundamental to market analysis. Test takers should be able to define and compare the major areas of economic thought, as well as describe concepts pertaining to global economic theory, trade, and currency valuation. Questions in this section may assess knowledge of monetary and fiscal policy that affect stages of business/economic cycles, and test takers should be able to describe each stage. Test takers also should be able to understand and interpret macroeconomic measurements.	

C. Global Capital Markets History and Valuation	4%
Global traditional and alternative asset class returns, risks and correlations	
Interest rates and inflation in developed and emerging markets, including history of government/sovereign defaults	
Equity valuation in developed, emerging, and frontier markets (e.g., cyclical and secular bull and bear markets, ranges of equity valuation over time, access and reliability of information)	
Long-term linkages between economic growth and capital market return	
Understanding the history of asset performance can serve as a baseline for assessing the current environment and crafting future expectations. This section of the test will assess knowledge of developed and emerging global capital markets. Test takers should be able to describe historic government and corporate defaults, and their impact on current interest rates and inflation. Test takers should be able to estimate values for equities, as well as calculate equity and fixed income returns, over time and within various types of markets/economies and market trends/cycles. Questions in this section may also assess test takers' understanding of the relationship between economic growth and capital market return.	
II. INVESTMENTS	**25%**
A. Investment Vehicles	**3%**
Features of investment vehicles (e.g., exchange-traded products [ETPs], open- and closed-end mutual funds, separately managed accounts [SMAs], annuities, limited partnerships, real estate investment trusts [REITs])	
Concepts in evaluating investment vehicles (e.g., cost, transparency, liquidity, legal structures, holdings, tax treatment, performance metrics, and governance)	
Trends in the use of different investment vehicles and the impact of their wide adoption on markets	
Knowledge of investment structures and their potential impact on tax treatment, liquidity, ownership rights, etc., is critical for advanced portfolio construction and monitoring. This section of the test will assess knowledge of the structure of various investment vehicles. Test takers should be able to describe and differentiate the various investment vehicles as related to cost, transparency, liquidity, tax treatment, and other distinct characteristics. Questions also may assess test takers' abilities to evaluate specific investment vehicles with consideration to their unique characteristics in case scenarios.	
B. Equity	**6%**
Equity types (e.g., common stocks, preferred stocks)	
Equity valuation methods, including intrinsic valuation models (e.g., discounted cash flows), relative valuation models (e.g., price-earnings ratio, growth rate, market equity to book equity ratio, Q ratio), and liquidation models	
Equity indices (e.g., price-weighted, cap-weighted, equal-weighted, fundamentally-weighted)	
Potential benefits and risks of international equity diversification in a portfolio	
Changes in correlations between equity sectors, countries, and regions	
Equities often are viewed as the biggest driver of growth in client portfolios. This section of the test will assess knowledge of concepts related to equity investments. Test takers should be able to analyze the risk and return expectations of equity investments based on their unique characteristics such as size, style, geography, capital structure, etc. Test takers should be able to describe various equity valuation methods and broad equity market valuation methods, as well as be able to apply the methods to analyze case scenarios. Test takers should be able to differentiate among global indexes and common index construction methodologies, as well as to evaluate potential benefits and risks of international equity diversification in a portfolio. Questions in this section also may assess test takers' abilities to describe changes in correlations of investment returns.	

C. Fixed Income	6%
Types of fixed income securities (e.g., government, sovereign, municipal, corporate, money-market instruments, convertibles, high-yield, asset-backed, inflation-protected, bank loans)	
Features of fixed income instruments (e.g., priority of claims with capital structure; fixed or floating rate coupons; call features; maturity; issue size; original issue and secondary market)	
Pricing of fixed income securities (e.g., interest rates, changes in interest rates, discounts and premiums, inflation-adjusted valuation, duration)	
Fixed income indices and benchmarks	
Potential benefits and risks in international fixed income diversification	
Metrics for fixed income analysis and screening (e.g., liquidity, credit quality; yield spread; yield curve; current yield to maturity, yield to call, yield to put, yield to worst; Macaulay and modified durations, and convexity)	
Fixed income investments play an important role in both institutional and individual clients' portfolios. This section of the test will assess knowledge of concepts related to fixed income investments. Test takers should be able to describe the differences between various types of fixed income securities with respect to their unique characteristics such as basic features, coupon structures, payment methods, options, etc. Test takers should be able to analyze pricing of fixed income securities within case scenarios as well as be able to analyze securities overall using appropriate fundamental analysis and valuation or screening techniques. Questions in this section also may assess test takers' abilities to describe common indexes and benchmarks as well as to evaluate potential benefits and risks of international fixed income in a portfolio.	
D. Alternative Investments	**5%**
Distinctions between alternative investment strategies and assets (e.g., absolute return, merger arbitrage, long/short, managed futures, dedicated short bias, market neutral, event-driven, reinsurance, global macro, private equity, venture capital, private debt, infrastructure, digital assets)	
Forms of ownership (e.g., share classes, limited partnership, mutual fund, exchange-traded funds, fund of funds, direct and indirect ownership)	
Types of investors (e.g., qualified purchasers, accredited investor)	
How alternative assets may fit into client's overall asset allocation and may perform differently from traditional assets	
Concepts in evaluating alternative investment strategies (e.g., correlation, transparency, liquidity, leverage, compensation/fee structures, listed and unlisted, hedge fund vs. marketable vs. redeemable security structures, significance of third-party custodianship and independent auditing, heightened due diligence, carried interest, preferred return)	
Alternative investment indices and metrics (e.g., IRR, terminal value)	
Digital assets: definition, major digital assets, trends in their use, potential benefits and risks	
Alternative investments can offer diversification benefits to investors, but they come with unique characteristics and features that must be reconciled before placement within client portfolios. This section of the test will assess knowledge of concepts related to alternative investments. Test takers should be able to define and differentiate the characteristics of various alternative investment strategies and structures, including digital assets. Test takers should be able to describe the potential benefits and risks of using alternative investment strategies in portfolio construction and the investors to whom they are available and best suited. Questions may assess test takers' abilities to evaluate alternative investments in case scenarios using knowledge of concepts related to investment strategy, liquidity, benchmarking, and share class implications.	
E. Options, Futures, and Other Derivatives	**2%**
Futures and forward contracts, pricing, valuation, and applications (e.g., hedging risk)	
Characteristics and concepts regarding options contracts, pricing, and valuation; basic options strategies; put writing, call writing, protective puts, covered calls, straddles, spreads, and collars; put-call parity; option-linked securities (e.g., callable bonds, convertibles, warrants)	
Other derivatives in a portfolio (e.g., swaps, swaptions, warrants)	
Notional funding (e.g., impact of leverage on portfolio return and risk; initial vs. maintenance margin calls; margin leverage ratios)	

Differences between hedging and speculating	
Derivatives and derivative strategies can be effective and efficient tools for helping investors manage risk and portfolio exposures. This section of the test will assess knowledge of concepts related to options, futures, and other derivatives within a broader portfolio. Test takers should be able to define characteristics, funding, and features of options, futures, and other derivatives. Questions in this section may assess test takers' abilities to evaluate strategies to enhance returns and/or manage risk in a case scenario using knowledge of these investment types and the differences between hedging and speculating.	
F. Real Assets	**3%**
Benefits of real assets to portfolios (e.g., structure, performance, use as a hedge against inflation, correlation, diversification)	
Forms of ownership (e.g., direct and indirect, master limited partnerships, REITs) and their characteristics (e.g., liquidity, structure, transparency, leverage, compensation)	
Real asset indices and metrics	
Real assets offer investors an expanded opportunity set for crafting portfolios; they offer unique attributes such as inflation hedging potential and portfolio diversification. This section of the test will assess knowledge of concepts related to real assets. Test takers should be able to describe the differences in characteristics, ownership, market access, or impact on asset allocation or portfolio performance among various real assets and their indices – including the distinctions between specialty assets (e.g., agricultural properties, mineral rights, water rights) and more traditional real assets (e.g., commercial and residential real estate; precious metals; commodities). Questions in this section may also assess test takers' ability to apply real asset market valuation methods or to analyze real asset market cycles and dynamics in case scenarios.	
III. BEHAVIORAL FINANCE, PORTFOLIO THEORY & CONSTRUCTION	**25%**
A. Portfolio Theories and Asset Pricing Models	**5%**
Modern portfolio theory (MPT) assumptions, key aspects and criticisms of MPT, capital allocation line, capital market line, and diversification effects	
Capital asset pricing model (CAPM) including systematic (market risk) and non-systematic (idiosyncratic risk) and security market line (SML)	
Multi-factor models, including most common factors, size, value, growth, momentum, macroeconomic factors	
Arbitrage pricing theory (APT)	
Efficient market hypothesis: weak, semi-strong, and strong	
Financial economists have developed influential theories of how financial markets function and the fundamentals of asset pricing. Investment professionals may incorporate these theories into their investment models and forecasts. This section of the test will assess knowledge of investment theories and models that have become fundamental to market analysis, asset pricing, asset allocation, and general investment strategy. Test takers should be able to describe each theory, defining key principles and related concepts, as well as identify pros and cons of the models when applicable. Questions may assess test takers' abilities to apply knowledge of the theories in data analysis to draw assumptions, or to use the models to explain portfolio performance in case scenarios.	
B. Behavioral Finance Theory	**6%**
Cognitive biases and mental heuristics related to existing beliefs (e.g., confirmation bias, cognitive dissonance) and information processing concepts (e.g., framing, mental accounting)	
Emotional biases and mental heuristics (e.g., loss aversion, overconfidence)	
Common behavioral investor types (e.g., preservers, followers, independents, accumulators) and how to work with each effectively in practice	
Methods of overcoming cognitive and emotional bias, including goals-based investing and implementing systematic processes	
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. This section of the test will assess knowledge of behavioral finance theory. Test takers should be able to define common cognitive and emotional biases, mental heuristics, and behavioral investor types. Questions may assess test takers' ability to apply this knowledge to identify methods for overcoming bias and select appropriate systems and strategies to meet client objectives in case scenarios.	

C. Investment Philosophies and Styles	**6%**
Investment styles, including fundamental analysis, technical analysis, and factor approaches	
Benefits/risks of multi- and single-factor portfolios	
Socially responsible investing (SRI); environmental, social, and governance (ESG); impact investing; benefits/risks of such strategies; history, trends, and the challenges investors face when implementing such strategies	
Tax-aware investment strategies (e.g., tax efficiency, deferral vs. exemption, implementation of tax-efficient strategies, asset location by account type)	
Technical analysis (e.g., trend analysis, supply/demand analysis, momentum indicators)	
Investment philosophies and styles provide the framework for developing investment strategies. This section of the test will assess test takers' knowledge of an array of investment styles and how philosophies and styles (a) inform strategy and (b) impact portfolio construction and performance. Test takers should be able to describe key concepts pertaining to factor-based indexing, including the use of single and multi-factor strategies in portfolio design. Additionally, test takers should be able to describe key concepts pertaining to active and passive investing. Test takers also should be able to identify the benefits and risks, as well as describe the tax consequences associated with all the philosophies and styles referenced above. Test takers should be able to analyze case scenarios and identify the most appropriate philosophy or style to apply to reach specified outcomes. Questions in this section also may assess test takers' ability to appropriately evaluate and implement characteristics, concepts, benefits/risks, and historical trends of socially responsible investing.	
D. Portfolio Construction	**8%**
Portfolio optimization methods (e.g., mean-variance optimization, Black-Litterman method)	
Risk budgeting (e.g., risk factors, traditional asset-based vs. risk-based asset allocation approaches)	
Uses/advantages/disadvantages of value-at-risk (VaR), Monte Carlo simulations, and other stress-testing methodologies	
Benefits and risks of using leverage in a portfolio	
Advisors can use a number of approaches and techniques to build, model, optimize and manage portfolios. Test takers should be able to apply the concept of risk budgeting, as well as related concepts such as risk factors (e.g., equity, bond, currency, macro/environmental, commodity, inflation, etc.), traditional asset-based vs. risk-based allocation approaches, and risk-parity investment strategies. Test takers should be able to analyze when it is more appropriate to use value-at-risk (VAR) or Monte Carlo simulations when evaluating investment management models, demonstrating an understanding of the uses, advantages, and disadvantages of each. Questions also may assess test takers' abilities to determine when it is most applicable to utilize scenario and stress test methodologies and the appropriate application of the use of leverage in a portfolio.	
IV. Performance Analysis	**10%**
A. Risk Concepts and Measurement	**5%**
Types of risk (e.g., market risk, loss of principal, inflation, liquidity, geo-political, currency, sovereign, interest rate, credit, reinvestment, shortfall, sequencing, leverage)	
Strengths and weaknesses of different risk measures (e.g., standard deviation, tail risk, downside risk, beta)	
Active risk (i.e., tracking error)	
Risk comes in many forms, and mitigating risk for clients means identifying its source and characteristics. Advisors must apply knowledge of concepts pertaining to risk to compare the ability, willingness, and/or need to assume risk in portfolios. Test takers should be able to define or identify types of risks as well as differentiate between the concepts of risk and uncertainty. They should also be able to explain the strengths and weaknesses of different risk measures. Questions in this section also may assess test takers' ability to evaluate tracking error in case scenarios.	
B. Performance Measurement and Attribution	**5%**
Investment return calculation (e.g., income, capital appreciation, absolute and relative performance, rolling period returns, time-weighted vs. dollar-weighted rates of return (i.e., internal rate of return [IRR], yield to maturity), arithmetic vs. geometric average returns, private equity return measurements [e.g., PME], alternative return measures)	

Strengths and weaknesses of different types of risk adjustment analysis (e.g., Jensen's alpha, R-squared coefficient, Sharpe ratio, Sortino ratio, information ratio, Treynor ratio)
Benchmarking methods (e.g., types of benchmarks, using indexes, attributes of effective benchmarks, use of peer groups, customization)
Attribution analysis methods, including returns-based and holdings-based attribution, sources of return and risk, factor-based methods, asset allocation vs. security selection
Database survivorship and reporting biases
Advisors and consultants can add significant value for their clients by analyzing how and why an investment performs the way it does. Assuring accurate and meaningful measurement and assessing investment performance is a fundamental advisor responsibility. This section of the test will assess test taker's knowledge of performance measurement and attribution. Test takers should be able to define concepts pertaining to investment return and apply those concepts to calculate investment return in case scenarios. Test takers should be able to analyze risk-adjusted measures using knowledge of the strengths and weaknesses of various types of analysis. Test takers may be asked to demonstrate knowledge of the attributes of an effective benchmark, as well as the advantages and disadvantages of various benchmarking methods, to determine the most appropriate benchmarks for measuring individual managers or monitoring a client's portfolio. Test takers should be able to complete attribution analysis on a client's portfolio in case scenarios using a variety of methods. Questions in this section may require knowledge of database survivorship and reporting biases and their impact on the fund industry.

V. Portfolio Implementation and Consulting Process	**25%**
A. Investments & Wealth Institute *Code of Professional Responsibility*	**4%**
Investments & Wealth Institute *Code of Professional Responsibility*	
As an organization, Investments & Wealth Institute's mission has been to ensure quality service to the public by developing and encouraging high standards in the investment advisory profession. As standards for fiduciary responsibility continue to rise, the Institute's *Code of Professional Responsibility* is more relevant than ever. All organization members and CIMA certificants are subject to the *Code*. This section of the test will assess test takers' awareness of industry ethics, the universal concept of fiduciary, and knowledge of the *Code's* principles and their abilities to apply them in case scenarios. The preamble, principles set forth in the *Code*, and concepts expanded upon in the Guidance for the *Code* are all subject to test.	
B. Client Discovery and Investment Policy Statements	**6%**
Defining client (individual, family, entity) and client goals/portfolio purpose to include in an investment policy statement (e.g., spending policy, time horizon, risk capacity, risk tolerance, asset allocation, diversifying concentrated positions, tax concerns, liquidity, target rate of return)	
Investment-related concepts to cover in an investment policy statement (e.g., investment, risk, and tax management strategies, rebalancing approach, passive to active spectrum, location of assets)	
Governance and ethics-related concepts to cover in an investment policy statement (e.g., disclosures, duties and responsibilities, monitoring, criteria for selecting or replacing manager(s), restrictions and preferences)	
Unique client circumstances or objectives may call for a specific investment approach. By establishing agreed upon guidelines and parameters for portfolio design and implementation, a well-written and regularly reviewed IPS can help advisors and clients manage expectations. It formally documents clients' investment objectives and constraints. This section of the test will assess concepts pertaining to client discovery and test takers' knowledge of common, universal components of an IPS. Test takers should be able to define and describe client-specific, investment-related, and governance-and ethics-related concepts that could be included in an IPS. Questions in this section also may assess test takers' ability to determine the most appropriate asset allocation methodology to meet client goals in case scenarios, thus demonstrating knowledge of concepts related to various asset allocation methodologies (such as strategic, tactical, and/or dynamic) and their portfolio implications.	
C. Investment Implementation Approaches	**5%**
Asset allocation methodology (e.g., strategic vs. tactical asset allocation, core and satellite strategy, total return, yield, risk-return tradeoffs)	

Managing accumulation and distribution for individuals and entities	
Investment management models such as goals-based investment management and liability-driven strategies (e.g. portfolio immunization, cashflow matching)	
Relationship between time horizon and expected return vs. terminal value result of investment management models	
Diversifying concentrated positions (e.g., single stock)	
Once the advisor and client have come to understand one another and set broad parameters for their work together, the advisor must get more specific about how to use the available resources to meet the client's objectives. This section of the test will assess concepts related to investment implementation approaches, from applications of asset allocation methodologies to resolving concentrated positions in the existing portfolio. Advisors must evaluate questions of accumulation and distribution based on the realities of client time horizons, assets and liabilities, and desired objectives. They must properly differentiate between applicable investment management models and help clients make appropriate selections to meet their goals. They must appropriately manage the relationship that exists between time horizon and expected return vs. terminal value results of the investment management model selection.	
D. Manager Search, Selection, and Monitoring	**6%**
Components of manager due diligence (e.g., philosophy, process, people)	
Performance evaluation of manager (e.g., consistency of performance, style drift, alignment with investment objectives, active share)	
Manager styles and investment vehicle structures	
The advantages and disadvantages of a multi-manager approach	
A key role for many advisors and consultants is helping clients select and review investment managers. This section of the test will assess test takers' knowledge of current best practices in manager search, selection, and monitoring. Test takers should be able to describe elements of performing due diligence in the manager search process, such as the four "Ps": People, Process, Portfolios, and Performance. Test takers should be able to (a) apply research to evaluate individual managers, (b) identify clues that reveal the managers' styles and whether they are likely to perform as expected, and (c) select the best manager to meet specified outcomes in case scenarios. They should be able to discuss the advantages and disadvantages of a multi-manager approach.	
E. Portfolio Review and Revisions	**4%**
Performance review and adjustments in relation to benchmarks, client goals, economic cycle, and market environment	
Evaluating/updating the universe of available investment categories and vehicles	
Rebalancing methodologies and considerations	
Financial services is a dynamic and ever-evolving landscape. There is an ongoing need for advisors to monitor and regularly review the portfolio and managers they've selected relative to benchmarks, goals, the economic cycle, and market environment. They must stay aware of new investment categories, vehicles, and techniques. In addition, rebalancing is an essential portfolio management technique used to ensure that risk exposures and target asset allocations are maintained appropriately. This section of the test will assess the elements of an effective performance review, articulating a coherent process for making appropriate adjustments, as well as knowledge of rebalancing methodologies (e.g., time-based, range-based) in the context of considerations to IPS guidelines and constraints communicated by the client such as costs, timing, and taxation. Test takers should be able to evaluate scenarios in which performance review might require an adjustment to the previous strategy, as well as identify the most appropriate rebalancing strategies to account for the effectiveness of the portfolio and/or plan in consideration of client goals in case scenarios.	
Totals	**100%**

Conclusion

By passing the CIMA certification examination, you are validating for your peers, your clients, and yourself that you possess the technical knowledge needed to navigate the entire portfolio construction and investment consulting process, in compliance with ethical standards and relevant laws and regulations. With this knowledge, you can confidently and competently engage in the following tasks[2]:

- Complete client discovery and create an investment policy statement
  Gather information related to the clients' situation, including goals and objectives, time horizon, constraints, etc. Evaluate economic and capital market assumptions against clients' expectations for meeting goals. Incorporate knowledge of behavioral investment types to communication. Engage clients in the creation of the IPS to document objectives, constraints, and agreed-upon parameters for portfolio design and implementation. Regularly review the IPS for compliance and modify as necessary.

- Implement the investment approach
  Determine the asset allocation methodology and use it to diversify concentrated stock positions and manage accumulation and distribution for individuals and entities. Evaluate the appropriate investment management model for the client's situation and manage the relationship between time horizon and expected return as opposed to terminal value, accordingly.

- Conduct manager search, selection, and monitoring
  Establish criteria for conducting a manager search including both qualitative and quantitative variables. Perform ongoing due diligence and monitor performance relative to appropriate benchmarks, peer groups, and expectations.

- Review and revise portfolios
  Regularly review and refresh clients' goals, objectives, and constraints based on client-specific criteria. Review portfolio performance in relation to market and economic conditions. Make portfolio adjustments within IPS guidelines considering costs, timing, and taxation given clients' circumstances.

Questions? Please contact the Certification Department at certification@i-w.org or +1 303-770-3377, option 2. Visit **www.investmentsandwealth.org/CIMA** for more information.

Endnotes:

1. Dictionary.com
2. List is not exhaustive, but represent examples of commonly performed tasks