

PRIVATE MARKETS FOR ADVISORS

TOPIC OUTLINE

OVERVIEW

Access to private markets is no longer limited to institutional investors and the ultra-high-net-worth. This online, assessment-based certificate program provides the foundational knowledge and skills that you need to competently educate high-net-worth clients on private markets and evaluate their use in diversified portfolios. As a result of taking this course, you can more confidently decide when and how to use these investments to advance your HNW clients' goals as well as differentiate yourself as an advisor.

Course Structure

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| Six modules | <ul style="list-style-type: none"> • Module 1: Introduction to Private Markets • Module 2: Private Equity • Module 3: Private Credit • Module 4: Private Real Assets • Module 5: Structural Evolution • Module 6: Asset Allocation & Portfolio Construction |
| Completion requirements | <ul style="list-style-type: none"> • View the content • Pass the module quizzes with a score of 70% or higher |
| Estimated completion time | <ul style="list-style-type: none"> • 12 hours for required content and additional readings |
| Continuing Education (CE) credit | <ul style="list-style-type: none"> • 12 premier CE credits for CIMA®, CPWA®, and RMA® certifications • 12 credits for CFP® certification |

Course Objectives

Upon completion, learners in the course will be able to:

1. Explain the features and benefits of private markets
2. Differentiate between private market alternatives
3. Identify the risk and return expectations for these unique investments
4. Outline the evolution of investment vehicles and the associated structural trade-offs
5. Explain how to incorporate private markets into a diversified portfolio to meet client goals and objectives

Module Topics

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| Module 1: Introduction to Private Markets |
| Course welcome and overview |
| The case for why it is important to increase your knowledge of private markets |
| Introduction to the private market investments covered in this course (private equity, private credit, real assets) |

Historical use of private markets by institutions and family offices

Product evolution that has contributed to the shift of access from qualified purchasers to qualified clients and accredited investors

Module 2: Private Equity

Overview of the three main types of private equity

Definition, use, and benefits of venture capital

Definition, use, and benefits of growth equity

Definition, use, and benefits of buyouts (leveraged buyouts and equity buyouts)

Historical risk and return, growth and AUM of markets, and efficient-frontier analysis of private equity

Key features of private equity investments, including investor qualifications, minimums, capital calls, cash drag, tax reporting, liquidity, and J-curve

Types of fees that can apply to private equity funds

Private equity performance measures, including internal rate of return (IRR), total value to be paid (TVPI), residual value to be paid in (RVPI), distributions to be paid in (DPI), and public market equivalent (PME)

Tax considerations

Public versus private equity risk, including liquidity, transparency, pricing, leverage, and concentration

The importance of and opportunities for diversification

Module 3: Private Credit

Brief history in the shift in lending since the Global Financial Crisis

Capital structure hierarchy (“the cap stack”)

Overview of the main private credit strategies (direct lending, mezzanine, distressed)

Role within a portfolio (income with capital preservation, return enhancement, alternative yield)

Historical risk and return, growth and AUM of markets, and efficient-frontier analysis of private credit

Overview of structures that provide access to private credit

Public versus private credit risk, including interest rate risk, default risk, call risk, and liquidity

Module 4: Private Real Assets

Characteristics, benefits, and risks of private real estate

Characteristics, benefits, and risks of infrastructure

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| Common types of infrastructure and the definition of brownfield versus greenfield classifications and direct very indirect investments |
| Characteristics, benefits, and risks of natural resources, including energy, farmland, timberland, and mining and minerals |
| Historical risk and return, growth and AUM of markets, and efficient-frontier analysis of real assets |
| Investing strategies (core, core-plus, value-add, opportunistic) |

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| Module 5: Structural Evolution |
| Description of the evolution of private market investment vehicles: QP funds, feeder funds, and registered funds |
| Features and benefits of registered funds, including interval funds and tender offer funds |
| Features and benefits of private real estate investment trusts (REITs) and business development companies (BDCs), and master limited partnerships (MLPs) |
| Types of access, including secondary investments and co-investments |
| Key features of private investment vehicles, including investor qualifications, minimums, capital calls, cash drag, tax reporting, and liquidity |
| Types of fees, including investment management fees, performance fees, acquired fund fees, and other fees |
| Tax considerations |
| Liquidity features and inherent costs of registered funds, specifically interval and tender offer funds |
| Evaluating registered funds, including the importance of the fund manager due to the large dispersion of return between top and bottom quartile private market funds |
| Due diligence |

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| Module 6: Asset Allocation & Portfolio Construction |
| The challenging market environment conditions for which private market investments can help solve |
| Long-term capital market assumptions |
| Historical use of private markets by institutions and family offices |
| The roles private equity, private credit, and private real assets can play in portfolios |
| The growth of registered funds |
| How to consider the use of private markets in relation to client goals and objectives |
| Due diligence |
| Two client case studies: a demonstration of asset allocation strategies that include private market investments |

