



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



The CIM[®] Professional Competency Profile sets out the knowledge, skills and abilities of professionals awarded the Chartered Investment Manager designation.

The Competency Profile is the criteria for all aspects of the CIM[®] certification program at CSI. It defines the parameters under which the program is defined and was created through a comprehensive analysis of the environments in which CIM[®] designation holders work. This analysis, traditionally referred to as a job or task analysis, allows CSI to identify what CIM[®] designation holders do and must know in their daily work. From this analysis, the resulting competencies of CIM[®] holders are confirmed and validated by industry experts and CIM[®] designation holders through the use of focus groups and surveys.

This CIM[®] Competency Profile is composed of 11 competencies and 36 sub-competencies. It has been developed to consider both retail and institutional portfolio management competence requirements.

The Competency Profile is used to set the requirements for course curriculum, examination format and coverage, relevant work experience and continuing education requirements for the CIM[®] designation. Specifically, the Competency Profile identifies core competencies, related sub-competencies and the knowledge and skills required to demonstrate those core and sub-competencies. With the combination of competencies and knowledge and skills, the Competency Profile reflects not only what a CIM[®] portfolio manager must know, but also what they can do by applying that knowledge.

Candidates for the designation can use the Competency Profile to assess their personal work experience against the requirements to earn the designation and after certification, to identify areas for future professional development. CSI has prepared an Experience Assessment Tool based upon the competency profile to be used by supervisors to validate a candidate's work experience. The holder of the CIM[®] designation must be able to perform a minimum of 22 of the sub-competencies included within the CIM[®] Competency Profile. It should be noted that some competencies are relevant to both retail and institutional portfolio managers while others are only relevant to either retail or institutional portfolio managers.

Employers in the financial services industry can use the Competency Profile to verify the skill set required of portfolio managers and as a tool for communication of their employees' expertise to clients.

This Competency Profile is reviewed periodically to ensure that it remains aligned with the role of portfolio managers.



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



A competent Chartered Investment Manager is able to create and manage a suitable portfolio of investments selected in the best interests of the client or within the investment guidelines and restrictions of a fund, abiding by relevant laws, regulations and codes of ethics pertaining to discretionary portfolio managers.

Core Competencies Relevant to All Portfolio Managers	
<ol style="list-style-type: none"> 1. Abide by the laws and regulations pertaining to portfolio management. 2. Access financial information to conduct analysis to determine security selection. 3. Construct a portfolio of securities for clients and/or funds. 4. Evaluate performance against objectives and appropriate benchmarks to report on portfolio performance. 5. Manage a portfolio of clients and/or fund securities. 	
Core Competencies Most Relevant to a Retail Portfolio Manager	Core Competencies Most Relevant to an Institutional Portfolio Manager
<ol style="list-style-type: none"> 6. Discover a client's portfolio including financial resources, investment experience, needs, goals, time horizon, tax status and risk tolerance. 7. Create an investment policy statement (IPS) based on the client's profile. 8. Build and maintain a book of discretionary business (managed accounts). 	<ol style="list-style-type: none"> 9. Participate in the creation of new fund mandates. 10. Support the implementation of comprehensive fund compliance and risk control processes and procedures. 11. Provide client support activities related to pooled fund institutional investor clients.



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



The following five competencies are relevant to both Retail and Institutional Portfolio Managers.

Core Competency	Sub Competency	Knowledge and Skills
I. Abide by the laws and regulations pertaining to portfolio management.	1.1 Serve the best interest of clients.	<ul style="list-style-type: none"> Codes of Ethics (CIM[®]) and standards of conduct for Registered Representatives Principles of securities legislation
	1.2 Apply rules pertaining to the exercising of discretionary authority with respect to managed accounts.	<ul style="list-style-type: none"> Principles of fiduciary relationships The standards of conduct that advisors should apply in their relationships with clients IIROC rules pertaining to opening, maintaining, closing and supervising managed accounts
	1.3 Observe high standards of ethics and conduct in dealings with clients and in the transaction of business.	<ul style="list-style-type: none"> Ethical and unethical practices and conduct in securities trading The values on which the RR code of ethics is based



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
2. Access financial information to conduct analysis to determine security selection.	2.1 Interpret (internal or external) financial statements.	<ul style="list-style-type: none"> • Statement of financial position • Statement of changes in equity • Statement of cash flows • Notes to the financial statements and the auditor's report
	2.2 Perform fundamental, economic, industry and company analysis to help determine individual security selection recommendations.	<ul style="list-style-type: none"> • Macroeconomic factors that affect investor expectations and the price of securities • Industry Classifications and their impact on a company's stock valuation • Factors involved in performing company analysis to determine whether a company represents a good investment • Analysis of a company's financial statements using trend analysis and external comparisons • Ratios: liquidity ratios, risk analysis ratios, operating performance ratios, and value ratios, and evaluate company performance using these ratios
	2.3 Perform fundamental analysis of individual securities.	<ul style="list-style-type: none"> • Calculation and interpretation of the intrinsic value of a stock using the dividend discount model • Evaluation of investment quality of preferred shares and summarize preferred shares • Valuation, term structure and pricing of debt securities • Bond price volatility (duration and convexity) • Due diligence of mutual funds, hedge funds, real estate and private equity • Insurance based investment products



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
	2.4 Perform technical /statistical analysis to help determine individual security selection.	<ul style="list-style-type: none"> • Fundamental and technical analysis • Tools used in technical analysis • Market theories explaining stock market behaviour
3. Construct a portfolio of securities for clients and/or funds.	3.1 Align the client/fund portfolio with the components of the investment policy statement or the fund mandate.	<ul style="list-style-type: none"> • Investment policy statement (content and purpose) • Combining securities in a portfolio • Risk and return • Correlation, beta and alpha • Asset mix categories • Portfolio management styles of equity and fixed-income managers
	3.2 Ensure trade orders are executed consistent with best execution requirements.	<ul style="list-style-type: none"> • Under best execution requirements • Trading and settlement procedures for equity transactions • Types of buy and sell orders
	3.3 Ensure bundled trades are fairly allocated to clients or fund.	<ul style="list-style-type: none"> • Definition of bundled trades • Fair bundled trade allocation according to UMIR rules.
4. Evaluate performance against objectives and appropriate benchmarks to report on portfolio performance.	4.1 Evaluate dollar-weighted and/or time-weighted returns.	<ul style="list-style-type: none"> • Dollar and time weighted returns
	4.2 Apply performance attribution analysis.	<ul style="list-style-type: none"> • Performance attribution
	4.3 Compare returns to the level of risk taken to earn those returns (i.e. risk adjusted returns).	<ul style="list-style-type: none"> • Risk-adjusted rates of return: <ul style="list-style-type: none"> – Sharpe Ratio – Jensen's Alpha – Treynor Ratio



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
5. Manage a portfolio of client and/or fund securities.	5.1 Monitor the performance of a portfolio of investments.	<ul style="list-style-type: none"> • Steps in monitoring and evaluating portfolio performance in relation to the market, the economy and the client • Portfolio performance evaluation • Mutual and hedge fund performance measurement
	5.2 Manage Investment Risk.	<ul style="list-style-type: none"> • Investment risk measurement • Using diversification to reduce risk • Using options to reduce risk • Using futures to reduce risk
	5.3 Conduct portfolio re-balancing if necessary.	<ul style="list-style-type: none"> • Benefits of asset allocation • Strategic asset allocation and types of ongoing asset allocation techniques • Active and passive management • Key aspects in selecting a rebalancing strategy • Benefits and costs of a rebalancing strategy • Changing a portfolio asset mix using derivatives
	5.4 Review client/fund profile with client and make changes to the investment policy statement (IPS) if appropriate.	<ul style="list-style-type: none"> • Content and purpose of an investment policy statement (IPS) • Purpose of an investment policy statement (IPS)



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



The following three competencies are most relevant for a Retail Portfolio Manager.

Core Competency	Sub Competency	Knowledge and Skills
6. Discover a client's profile including financial resources, investment experience, needs, goals, time horizon, tax status and risk tolerance.	6.1 Practice best standards in relation to know your product and know your client requirements.	<ul style="list-style-type: none"> • The "Know Your Client" rule within the context of suitability • The circumstances in which suitability of a client account must be re-assessed • Know your Product rules • Relationship disclosure information • Elements that must be included in the client disclosure document • Circumstances in which "Know Your Client" information requires an update.
	6.2 Provide capital markets information and advice to clients.	<ul style="list-style-type: none"> • The role of financial markets in the Canadian financial services industry • Types of financial instruments and their benefits and risks • Operational aspects of auction markets and dealer markets
	6.3 Inform clients of the nature of the discretionary relationship.	<ul style="list-style-type: none"> • Client Relationship Model (CRM 1 and 2) • Types of managed accounts



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
7. Create an investment policy statement (IPS) based on the client's profile.	7.1 Establish investment objectives and time-horizon.	<ul style="list-style-type: none"> Investment objectives and constraints Using investment objectives in creating an investment policy statement (IPS) for a client
	7.2 Recommend a strategic asset allocation for clients.	<ul style="list-style-type: none"> Benefits of asset allocation Strategic asset allocation versus the types of ongoing asset allocation techniques Active and passive management
	7.3 Identify client restrictions and constraints.	<ul style="list-style-type: none"> Evaluation of investment objectives and constraints Use of investment objectives in creating an investment policy statement (IPS) for a client
	7.4 Identify taxation considerations.	<ul style="list-style-type: none"> Features of the Canadian income tax system Tax treatment of interest, dividends and capital gains (and losses) Tax consequences of investment redemptions, The four types of withdrawal plans and the appropriate use of each plan for an investor Tax considerations of investing in segregated funds Calculate capital gains and capital losses Calculation of income tax payable Strategies for minimizing tax liability Tax deferral plans Basic tax planning strategies (advantages/disadvantages)



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
8. Build and maintain a book of discretionary business (managed accounts).	8.1 Develop a business plan.	<ul style="list-style-type: none"> • Elements of a business plan • Effective prospecting (e.g. cold calling, client referrals, direct mail) • Target or niche markets • Effective written and oral presentations
	8.2 Contact clients in accordance with firm procedures and practices and regulatory policies.	<ul style="list-style-type: none"> • Regulatory (IIROC and/or securities commissions) and corporate rules and guidelines regarding external communication • Appropriate print and internet marketing materials
	8.3 Conduct meetings, lectures, seminars, and forums with clients and potential clients.	<ul style="list-style-type: none"> • Advisor and the firm value propositions • Client contact software to record and set up meetings, phone conferences • Niche markets and effective marketing plans to reach those markets • Written and oral presentations to clients and facilitation of promotional seminars • Advanced question asking skills and techniques • Impact of new and pending legislation and regulation • Behaviour observation techniques • Sale closure techniques



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



The following 3 competencies are most relevant to an Institutional Portfolio Manager.

Core Competency	Sub Competency	Knowledge and Skills
9. Participate in the creation of new fund mandates.	9.1 Assist product development department in the identification and scoping of potential new investment mandates and/or products.	<ul style="list-style-type: none"> • Key steps in the process of analyzing the potential for, and developing, new investment products • Importance of a thorough assessment of the potential market size for a new investment • Challenges associated with developing a market assessment
	9.2 Lead in the due diligence to use in-house or external portfolio management expertise.	<ul style="list-style-type: none"> • Legal and regulatory issues that must be considered in developing a new investment product • Key information required to prepare a financial forecast for the new product
	9.3 Lead in the creation of appropriate investment guidelines and restrictions for the new fund.	<ul style="list-style-type: none"> • Purpose of investment guidelines and restrictions for an investment product • Critical importance of having a well-defined investment policy for an investment product
	9.4 Assist in the creation of sales and marketing materials for new funds.	<ul style="list-style-type: none"> • Regulatory (MFDA and/or securities commissions) and corporate rules and guidelines regarding external communication • Appropriate print and internet marketing materials
	9.5 Participate in road shows and presentations, webinars, client interviews.	<ul style="list-style-type: none"> • Firm and fund value propositions • Written and oral presentations to clients and facilitation of promotional seminars
	9.6 Write periodic (monthly, quarterly) fund reports discussing investment strategy, performance attribution and market/sector outlook.	<ul style="list-style-type: none"> • Canadian/International economic systems • Writing Skills • Investment strategy analysis



CIM[®] PROFESSIONAL COMPETENCY PROFILE (2017)



Core Competency	Sub Competency	Knowledge and Skills
10. Support the implementation of comprehensive fund compliance and risk control processes and procedures.	10.1 Assist with the implementation and maintenance of appropriate real-time risk control and investment restriction monitoring processes and procedures.	<ul style="list-style-type: none"> • Regulatory compliance requirements for mutual and pooled funds • Investment monitoring procedures
11. Provide client support activities related to pooled fund institutional investor clients.	11.1 Preparation of periodic pooled fund investment and fund compliance reports to satisfy institutional investor needs and requirements.	<ul style="list-style-type: none"> • Regulatory Compliance requirements for pooled funds • Regulatory compliance requirements for mutual funds • Client contact software to record and set up meetings, phone conferences
	11.2 Delivery of pooled fund investment presentations to institutional investor client investment committees as requested.	<ul style="list-style-type: none"> • Presentation Skills • Oral and written communication skills
	11.3 Establish effective electronic communication protocols and secure data transmission facilities with the pooled fund's institutional investor's respective custodians and/or fund accountants.	<ul style="list-style-type: none"> • Institutional settlement process • Problems with institutional trade processing