



**CIWM<sup>®</sup>**

Certified International  
Wealth Manager

**Diploma Internazionale  
di Wealth Management**

**Programma CIWM<sup>®</sup> Final**

- **Wealth Management**
- **Relationship Management and Behavioural Finance**
- **Real Estate**

**Wealth Management**

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- 1. Assets categories**
  - 1.1 Stocks and stocks funds
  - 1.2 Bonds and bonds funds
  - 1.3 Real estates and real estates funds
  - 1.4 Alternative assets and hedge funds
  - 1.5 Cash and money market funds
  - 1.6 Pension fund
  - 1.7 Human capital
    - 1.7.1 Investor profile and human capital
    - 1.7.2 Definition and calculation of the FCF and NPV derived from human activity
    - 1.7.3 Correlation between human capital and assets classes
    - 1.7.4 Role of life insurances
- 2. Liabilities categories**
  - 2.1 Mortgages
  - 2.2 Operational liabilities
    - 2.2.1 Consumption needs
    - 2.2.2 Financial needs
  - 2.3 Other liabilities
- 3. Clients profiles**
  - 3.1 Return objectives
  - 3.2 Risk tolerance/aversion
  - 3.3 Time horizon
  - 3.4 Liquidity need
  - 3.5 Taxes
- 4. Client's assets and liabilities assessment**
  - 4.1 Base currency
  - 4.2 Assets description
  - 4.3 Liabilities description
  - 4.4 Revenue and evolution of the revenue
  - 4.5 Consumption and evolution of the consumption (operational liabilities)
  - 4.6 Surplus calculation
  - 4.7 Time horizon, opportunity costs and real options
  - 4.8 Marginal tax rate
- 5. Asset Allocation, portfolio choice and management styles**
  - 5.1 Expected return, expected volatilities, expected correlations of the assets categories
  - 5.2 Constraints of the client
    - 5.2.1 Situational constraints (liquidity needs, real estate, marginal tax rate, expected free cash flows)
    - 5.2.2 Non-situational constraints (value at risk local and global, minimum and maximum positions for a specific asset, level of debts)
  - 5.3 Construction of the efficient frontiers
    - 5.3.1 With situational constraints, with and without taxes
    - 5.3.2 With situational and non-situational constraints, with and without taxes
  - 5.4 Determination of the optimal portfolio and the corresponding asset allocation with the client
    - 5.4.1 Optimal portfolio for a given level of expected return
    - 5.4.2 Optimal portfolio for a given level of risk
    - 5.4.3 Optimal portfolio for a given level of value at risk
  - 5.5 Choice of the management style
  - 5.6 Tactical considerations regarding the implementation of the optimal portfolio
  - 5.7 Periodical review of the assumptions and cooperation with the research and economic forecast departments
- 6. Products choice**
  - 6.1 Criteria that a product must satisfy
  - 6.2 Tax considerations
  - 6.3 Insurance-linked products
  - 6.4 Integration of the products
- 7. Ongoing control**
  - 7.1 Intervention criteria
  - 7.2 Use of new information to modify strategies
  - 7.3 Assessment of the intervention and documentation

**Relationship management and Behavioural Finance**

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- 1. Generation, accumulation and preservation of wealth through different cultures**
  - 1.1 A review of the common understanding of wealth**
    - 1.1.1 In western Christian culture (the Roman Catholic legacy, the Protestant legacy)
    - 1.1.2 In non-European cultures (Middle East and the Arab world, Far East)
  - 1.2 Private wealth and the community: notes on the social positioning of the wealthy in the cultural environments**
    - 1.2.1 The wealthy and his social consideration and status
    - 1.2.2 Wealth and power: a multicultural review
    - 1.2.3 The moral meaning and the social impact of a loss of wealth
  - 1.3 Anthropology of wealth: symbols and outward manifestations of wealth in the cultural environment**
  - 1.4 The ethics of wealth in the cultures under review: private affairs versus public burden**
- 2. The effective handling of the customer relationship in the wealth management business**
  - 2.1 Information as the main asset for a wealth manager**
    - 2.1.1 Sources of information and their critical evaluation
    - 2.1.2 Data mining techniques
  - 2.2 Organizing and using information: the customer database**
    - 2.2.1 Structuring your customer database
    - 2.2.2 Criteria for an effective database segmentation
  - 2.3 Drawing and implementing a viable customer relationship development strategy**
    - 2.3.1 Setting objectives
    - 2.3.2 Planning actions
    - 2.3.3 Verifying achievements
  - 2.4 The daily handling of the relation**
    - 2.4.1 Person to person
    - 2.4.2 Telephone
    - 2.4.3 Internet related media
  - 2.5 Communication and negotiation**
    - 2.5.1 Customer first: learn to listen
    - 2.5.2 Negotiating with your customer: the art of consensus building
    - 2.5.3 A flexible negotiation method: the transactional analysis
    - 2.5.4 Deciphering your customer: the problem of semantics in a multicultural business milieu. One language, many dictionaries
    - 2.5.5 Communicating unpleasant news
    - 2.5.6 Time may come to say "Enough"
- 2.6 A relationship's cycle of life and the brand power in the wealth management business**
  - 2.6.1 The cycle of life of a relation
  - 2.6.2 Expanding the span of life of a relation: winning the customer loyalty
  - 2.6.3 Brand, brand building strategies, brand loyalty
  - 2.6.4 The effects of branding on the cycle of life: the power of brand
- 3. Knowledge and organization in the business segment of wealth management**
  - 3.1 Customer originated processes**
    - 3.1.1 Production and delivery of services in a customer originated process
    - 3.1.2 The wealth management service as a customer originated process
  - 3.2 Knowledge set in motion in the production of a wealth management service**
  - 3.3 Organization models in the business**
- 4. Individual investors' behaviour**
  - 4.1 Introduction to the psychology of an investor**
  - 4.2 Common biases of investors**
    - 4.2.1 Reliance on stereotypes
    - 4.2.2 Overconfidence
    - 4.2.3 Conservatism
  - 4.3 Specific biases of individual investors**
    - 4.3.1 Loss aversion
    - 4.3.2 Money illusion
    - 4.3.3 Dividend illusion
    - 4.3.4 Naïve diversification
  - 4.4 Specific behaviour of individual investors**
    - 4.4.1 Hope maximization or how good can things get?
    - 4.4.2 Regret minimization or how bad can things get?
    - 4.4.3 Investor's objectives, risk tolerance and decision making process
    - 4.4.4 Self attribution bias

**Real Estate Valuation and Analysis**

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**1. Valuation of Real Estate**

**1.1 Traditional Methods**

- 1.1.1 Sales Comparison Approach
- 1.1.2 Cost Approach
- 1.1.3 Income Capitalisation Approach
- 1.1.4 Relative Land Value
- 1.1.5 Market Value as a Combination of Income and Cost Approach

**1.2 Hedonic Valuation**

**1.3 Real Estate Indices**

- 1.3.1 Appraisal-based Indices
- 1.3.2 Averages of Transaction Prices
- 1.3.3 Hedonic Models
- 1.3.4 The Repeat Sales Method
- 1.3.5 Real Estate Securities Indices

**2. Integration of Real Estate into the Multi-Asset Portfolio**

**2.1 Introduction**

**2.2 Return and Risk of Real Estate**

- 2.2.1 Return and Risk with Appraisal-based Indices
- 2.2.2 Return and Risk with Average of Transaction Prices
- 2.2.3 Return and Risk with Real Estate Securities Indices

**2.3 Correlation between the Returns on Various Asset Classes**

- 2.3.1 Correlation with Appraisal-based Indices
- 2.3.2 Correlation with Hedonic Indices

- 2.3.3 Correlation with Real Estate Securities Indices

**3. Financing of Real Estate**

**3.1 Financial Structure of Real Estate Investors: Debt and Equity**

- 3.1.1 Constrained and Unconstrained Households
- 3.1.2 The Usage of Mortgage in the Investment Strategy

**3.2 Mortgage Contract Features**

- 3.2.1 The Mortgage as an Asset/Liability Class
- 3.2.2 Building Blocks of Mortgage Contracts
- 3.2.3 National Idiosyncrasies of Mortgage Design
- 3.2.4 Payment Smoothing
- 3.2.5 Contract Design and the Tilt Problem

**3.3 Mortgage Valuation and Pricing**

- 3.3.1 Valuation of a Risk-free Mortgage
- 3.3.2 Valuation of a Mortgage in an Environment of Interest Rate Uncertainty
- 3.3.3 Valuation of an Ideal Adjustable Rate Mortgage
- 3.3.4 Prepayment and Other Option-like Clauses
- 3.3.5 Pricing credit risk

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