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EIS | EQUALIFIED INVESTMENT STRATEGIST

Syllabus

Module 1: The Investment Profession, Ethics and Regulation

- Role and purpose of investment research in capital markets.
- Buy-side, sell-side and independent research.
- Responsibilities, competencies and qualities of a research analyst.
- The research workflow: idea generation, analysis, valuation, recommendation and monitoring.
- Investment product, fund research and manager selection roles in asset managers, wealth firms, banks and distributors.
- Ethical foundations of investment research.
- Conflicts of interest: identification, management and disclosure.
- SEBI (Research Analysts) Regulations, 2014: registration, qualification and conduct.
- SEBI (Investment Advisers) Regulations, 2013 and the separation of advice from distribution.
- Disclosure requirements in research reports.
- Material non-public information and insider trading regulations.
- Research on social media and digital platforms.
- Case studies in research misconduct.

Module 2: Financial Markets and Regulators

- Structure of the Indian financial system.
- Primary and secondary markets.
- Stock exchanges, clearing corporations and depositories.

- Market participants: FPIs, DIIs, mutual funds, insurers, PMS, AIFs, distributors, wealth platforms and retail investors.
- Trading, settlement and market microstructure.
- Market indices: construction, methodology, rebalancing and uses.
- GIFT IFSC and international market access.
- Regulators: SEBI, RBI, IRDAI, PFRDA and IFSCA.
- Listing obligations and disclosure requirements.
- Takeover, buyback and delisting regulations.
- Foreign portfolio investment framework.
- Corporate governance requirements for listed companies.

Module 3: Economics and Quantitative Methods

- Macroeconomic indicators: GDP, inflation, employment and industrial output.
- Business cycles and their impact on sectors and earnings.
- Monetary policy, interest rates and liquidity.
- Fiscal policy, government borrowing and the Union Budget.
- Balance of payments, exchange rates and capital flows.
- Global macroeconomic linkages and geopolitical risk.
- Building a top-down macro view for investment research.
- Time value of money: present value, future value, annuities and perpetuities.
- Return measures: holding period, annualised, time-weighted and money-weighted returns.
- Descriptive statistics: central tendency, dispersion, skewness and kurtosis.
- Correlation and regression: simple and multiple regression.
- Time-series analysis: trends, seasonality, random walks and mean reversion.

Module 4: Financial Reporting and Statement Analysis

- Financial reporting framework in India: Companies Act, 2013 and Ind AS.

- Revenue recognition.
- Leases.
- Financial instruments and expected credit loss.
- Business combinations, consolidation and associates.
- Reading the annual report, notes to accounts and auditor's report.
- Business activities and the three financial statements.
- Analysis of the income statement.
- Analysis of the balance sheet.
- Analysis of the cash flow statement.
- Ratio analysis: profitability, efficiency, liquidity, solvency and returns.
- DuPont analysis and return on capital.
- Working capital and cash conversion cycle.

Module 5: Earnings Quality and Forensic Accounting

- Quality of earnings and quality of cash flows.
- Aggressive revenue recognition and expense capitalisation.
- Off-balance-sheet items and contingent liabilities.
- Related-party transactions and governance red flags.
- Auditor changes, qualifications and resignations.
- Promoter pledging, cross-holdings and group structures.
- Beneish M-score, Altman Z-score and Piotroski F-score.
- Case studies of accounting failures in India and globally.

Module 6: Industry and Company Analysis

- Industry life cycle.
- Porter's five forces.
- Market sizing: top-down and bottom-up.

- Key industry drivers and leading indicators.
- Cyclical, defensive and growth industries.
- Disruption, technology and changing industry structure.
- Business model analysis.
- Competitive advantage and economic moats.
- Management quality and capital allocation.
- Promoter and ownership analysis.
- Corporate governance assessment.
- Analysis of earnings calls, investor presentations and disclosures.
- Channel checks, primary research and expert interviews.

Module 7: Financial Modelling and Forecasting

- Principles of building a financial model.
- Model structure, assumptions and integrity checks.
- Revenue build: volume, price and mix.
- Cost, margin and operating leverage forecasting.
- Capital expenditure, depreciation and working capital.
- Integrated three-statement model.
- Scenario and sensitivity analysis.
- Earnings revisions and consensus estimates.
- Common modelling errors and best practices.

Module 8: Equity Valuation

- Fundamental principles of valuation.
- Cost of equity and cost of capital.
- Dividend discount models.
- Free cash flow to the firm and free cash flow to equity.

- Terminal value: growth and exit-multiple methods.
- Residual income, EVA and MVA.
- Sum-of-the-parts valuation.
- Reverse DCF and market-implied expectations.
- Relative valuation and peer selection.
- Price multiples: P/E, P/B, P/S and dividend yield.
- Enterprise value multiples: EV/EBITDA, EV/Sales and EV/Invested Capital.
- Valuation of IPOs and newly listed companies.
- Mergers, acquisitions, demergers and buybacks.
- Target price setting and rating frameworks.

Module 9: Sector-Specific Research

- Banks: NIM, asset quality, credit cost, capital and P/ABV valuation.
- NBFCs and housing finance companies.
- Insurance companies: embedded value and VNB.
- Asset managers, brokers and capital market companies.
- Information technology and services.
- Consumer and retail.
- Pharmaceuticals and healthcare.
- Automobiles and auto components.
- Metals, mining, oil and gas.
- Infrastructure, real estate and cement.
- Telecom, media, internet and utilities.

Module 10: Fixed Income and Derivatives

- Bond basics, characteristics and markets.
- Government securities, corporate bonds and money market instruments.

- Bond pricing, yields and yield to maturity.
- Term structure of interest rates and yield curve analysis.
- Duration, convexity and immunisation.
- Credit analysis and credit spreads.
- Credit ratings and rating agencies.
- Forwards, futures, options and swaps.
- Option pricing: binomial and Black-Scholes models.
- Option Greeks and implied volatility.
- Hedging and risk management with derivatives.

Module 11: Technical and Quantitative Analysis

- Principles, uses and limitations of technical analysis.
- Dow Theory and trend analysis.
- Chart patterns and trend reversals.
- Technical indicators: moving averages, RSI, MACD and Bollinger Bands.
- Volume, breadth and market sentiment indicators.
- Factor investing: value, momentum, quality, size and low volatility.
- Quantitative screening and stock selection.
- Backtesting and its pitfalls.
- Combining fundamental, technical and quantitative views.

Module 12: Risk, Return and Behavioural Finance

- Measurement of risk and return.
- Capital Asset Pricing Model and the Security Market Line.
- Arbitrage Pricing Theory and multifactor models.
- Efficient Market Hypothesis: weak, semi-strong and strong forms.
- Market anomalies and inefficiencies.

- Heuristics and cognitive biases.
- Emotional biases.
- Analyst biases: anchoring, confirmation, overconfidence and herding.
- Market bubbles, crashes and sentiment cycles.
- Debiasing techniques for analysts and investment committees.

Module 13: Portfolio Construction and Performance Evaluation

- Investment objectives and constraints.
- Asset allocation: strategic, tactical and dynamic.
- Diversification and correlation.
- Markowitz mean-variance optimisation and the efficient frontier.
- Portfolio construction for equity, debt and multi-asset mandates.
- Portfolio revision, rebalancing and transaction costs.
- Sharpe ratio, Treynor ratio and Jensen's alpha.
- Information ratio, tracking error and Sortino ratio.
- Performance attribution.
- Building model portfolios for different investor profiles.
- Core and satellite portfolio construction.
- Combining active, passive and factor products.
- Multi-asset and goal-based solutions.
- Investment committees and house views.

Module 14: Investment Products, Mutual Funds and ETFs

- Product manufacturers: AMCs, PMS providers, AIF managers, insurers, banks and issuers.
- Distributors, investment advisers, wealth managers, banks and digital platforms.
- Product categories: pooled, managed, structured, insurance-linked, pension and alternative products.

- Product regulation across SEBI, RBI, IRDAI, PFRDA and IFSCA.
- Structure of a mutual fund: sponsor, trustee, AMC, custodian and registrar.
- SEBI categorisation and rationalisation of mutual fund schemes.
- Index funds, ETFs and fund of funds.
- Direct and regular plans, expense ratios and exit loads.
- Riskometer and risk classification.
- Fund research metrics: rolling returns, risk-adjusted returns, capture ratios, consistency and drawdowns.
- Portfolio analysis: holdings, concentration, turnover, overlap and style drift.
- Debt fund analysis: duration, credit quality, yield to maturity and liquidity.
- ETF analysis: tracking error, tracking difference, liquidity and iNAV.

Module 15: Alternative Investments, PMS, AIFs and SIFs

- Overview of alternative investments.
- Private equity and venture capital.
- Private credit.
- REITs and InvITs.
- Hedge fund strategies.
- Portfolio Management Services: discretionary, non-discretionary and advisory.
- PMS fee structures, performance fees and high-water marks.
- Alternative Investment Funds: Category I, II and III structures.
- Fund terms: commitments, drawdowns, hurdle rates, carried interest and distribution waterfalls.
- Specialised Investment Funds: structure, strategies and investor eligibility.
- Comparison of mutual funds, SIFs, PMS and AIFs.
- Liquidity, lock-ins, valuation and reporting of private funds.
- Performance measurement: IRR, TVPI, DPI and benchmarking of private funds.

Module 16: Structured, Insurance and Pension Products

- Structured products and market-linked debentures.
- Payoff analysis, embedded options and capital protection.
- Issuer risk, credit risk and liquidity in structured products.
- Unit-linked insurance plans, endowment and annuity products.
- National Pension System and retirement products.
- Fixed deposits, small savings schemes and bank products.
- Gold products: ETFs, funds and sovereign gold bonds.
- International and GIFT IFSC products for Indian investors.

Module 17: Manager Research and Product Due Diligence

- Purpose and process of manager research.
- Investment philosophy, process, people, portfolio and performance.
- Returns-based and holdings-based style analysis.
- Performance attribution and persistence of performance.
- Skill versus luck in fund performance.
- Fees, costs and value for money.
- Operational due diligence: governance, controls, valuation, custody and service providers.
- Red flags in fund managers and products.
- Fund and manager scorecards and ratings.
- Selection, monitoring, watch lists and termination of managers.

Module 18: Product Design, Governance and Distribution

- Investment product life cycle: concept, design, launch, review and closure.
- Identifying investor needs and the target market.
- Product structuring, pricing and fee design.
- Product approval committees and product governance frameworks.

- Product risk classification and stress testing.
- Suitability and appropriateness.
- Distribution channels, commissions and conflicts of interest.
- Mis-selling, investor grievances and redress.
- Building and reviewing a product shelf.

Module 19: Taxation of Investments and Investment Products

- Income-tax Act, 2025: key provisions for investors.
- Taxation of equity, debt and hybrid investments.
- Capital gains: holding periods, rates and indexation.
- Taxation of mutual funds, ETFs and fund of funds.
- Taxation of PMS investments.
- Taxation of AIFs: pass-through status and fund-level taxation.
- Taxation of structured products, bonds and market-linked debentures.
- Taxation of insurance and pension products.
- Tax-efficient product selection.

Module 20: ESG, Data and AI in Investment Research

- ESG investing approaches.
- Material ESG factors by sector.
- Business Responsibility and Sustainability Reporting (BRSR).
- ESG ratings and their limitations.
- Integrating ESG into valuation and recommendations.
- Financial databases and research platforms.
- Company filings, exchange data and alternative data.
- Python for data analysis and research automation.
- Natural language processing of filings and earnings calls.

- Generative AI tools for research: uses and limitations.
- Verification, data integrity and responsible use of AI in research.

Module 21: Research Writing, Recommendations and Communication

- Types of research reports: initiation, update, results, thematic and sector reports.
- Fund research notes, product due-diligence reports and product approval papers.
- Structure of a research report.
- Investment thesis, catalysts and key risks.
- Rating, target price and recommendation rationale.
- Mandatory disclosures and disclaimers.
- Presenting a stock pitch.
- Presenting a product recommendation.
- Defending research before an investment committee.