candidates should be able to:

Demonstrate knowledge of the benefits and costs of diversification in hedge fund investing. Including:

* Define funds of hedge funds.
* Understand the benefits and costs of diversification.
* Describe the four functions of fund of funds management.
* List the benefits to investing in funds of hedge funds.
* List the disadvantages to investing in funds of hedge funds.
* Evaluate how fund of fund managers add value.
* Discuss and determine the relationship between the number of funds in a portfolio and the level of diversification.
* Describe the process for identifying funds for an institutional portfolio or a fund of funds