candidates should be able to:

Demonstrate knowledge of the distribution of cash waterfall. Including:

* Explain the distribution of cash waterfall provision of a limited partnership agreement
* Recognize terminology associated with the cash waterfall provision (e.g., carried interest, hurdle rate, catch-up provision, vesting, clawback clause)
* Discuss factors (e.g., management fees, incentive-based fees) to consider in a fund’s compensation structure and the potential effects of decisions regarding compensation structure
* Discuss and calculate fund-as-a-whole carried interest and deal-by-deal carried interest
* Define and apply clawback provisions
* Compare and apply hard and soft hurdle rates and their sequences of distribution
* Discuss the potential effects of incentive fees on decision-making, and their optionlike nature