

Question #1 of 9

Question ID: 1458800

In a 2-and-20 hedge fund fee structure, the "2" refers to a hedge fund's:

- A)** incentive fee.
 - B)** management fee.
 - C)** hurdle rate.
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Question #2 of 9

Question ID: 1463676

A private equity provision that requires managers to return any periodic incentive fees resulting in investors receiving less than 80% of profits is a:

- A)** high water mark.
 - B)** drawdown.
 - C)** clawback.
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Question #3 of 9

Question ID: 1458803

Which private capital fund waterfall structure involves distributing profits as each investment is sold and subsequently shared according to the partnership agreement?

- A)** Deal-by-deal waterfall.
 - B)** Whole-of-fund waterfall.
 - C)** European waterfall.
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Question #4 of 9

Question ID: 1458801

Victrix is a hedge fund that has a 3-and-15 fee structure. Compared to hedge funds with 2-and-20 fee structures, Victrix charges higher:

- A) redemption fees.
 - B) incentive fees.
 - C) management fees.
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Question #5 of 9

Question ID: 1458796

Compared to a traditional mutual fund, a hedge fund is *more likely* to feature:

- A) lower leverage.
 - B) higher liquidity.
 - C) higher fees.
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Question #6 of 9

Question ID: 1458797

Compared to traditional investments, alternative investments are *most likely* to be more:

- A) transparent.
 - B) liquid.
 - C) leveraged.
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Question #7 of 9

Question ID: 1458798

Alternative investments *most likely* have which of the following characteristics compared to traditional investments?

- A) Higher levels of regulation and transparency.
 - B) Lower leverage and higher liquidity.
 - C) Unique legal structures and tax treatments.
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Question #8 of 9

Question ID: 1458802

Hedge fund management fees are *most* commonly structured as a percentage of:

- A)** invested capital.
 - B)** committed capital.
 - C)** assets under management.
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Question #9 of 9

Question ID: 1458799

When compared to traditional investments, alternative investments are characterized by:

- A)** more regulation and transparency.
- B)** less liquidity of assets held.
- C)** less concentrated portfolios.