

# NIRI

# IR Credentialing

# Study Guide



## Contents

Section I. Introduction .....	3
Section II. What Makes NIRI’s Credential Programs Unique?.....	3
About The IR Foundations™ Certificate Program.....	3
About The IR Advanced™ Certificate Program.....	3
About The Investor Relations Charter (IRC)® Program.....	3
Section III. Who Should Use This Guide? .....	4
Section IV. How to Use this Guide.....	4
Section V. Domains Covered by this Guide .....	4
Section VI. Learning Objectives and Knowledge Check by Domain .....	4
Section VII. Real Exam Strategies .....	10
Section VIII. Sample Practice Tests.....	12
Section IX. Sample Self-Study Plan.....	12
Section X. Final Thoughts and Conclusion .....	13

## Section I. Introduction

Investor relations is a strategic management responsibility that integrates finance, communication, marketing, and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation.

By using this guide, you can structure your study plan, and apply your learning through exercises and real-world scenarios at your own place of work. This guide is not a substitute for hands-on experience but serves as a valuable resource in reinforcing your knowledge.

- **Clear Learning Objectives** – Each section outlines the key competencies you need to master.
- **Essential Concepts and Theories** – Covers the fundamental knowledge areas required in investor relations.
- **Scenario-Based Applications** – Helps reinforce real-world decision-making skills.
- **Knowledge Check Questions** – Allows you to assess your understanding of key topics.
- **Exam Strategies** – Includes tips to help you maximize your performance.

## Section II. What Makes NIRI's Credential Programs Unique?

NIRI's credentialing programs stand out in the industry for their rigorous competency-based approach, practical application of Investor Relations (IR) knowledge, and alignment with real-world challenges. They are specifically developed and designed by IROs, IR subject matter experts and volunteers, for professionals seeking to enhance and validate their strategic, financial, and communication skills in investor relations. By earning NIRI's credentials, participants demonstrate their commitment to excellence, and adherence to the profession's best practices.

### About The IR Foundations™ Certificate Program

The Investor Relations Foundations certificate program is designed to cover the core competencies and skills of the most foundational domains of investor relations. This certificate provides a solid knowledge base and competencies for professionals who are in their early- to middle-IR career journey.

The IR Foundations exam is two hours long and consists of 110 multiple choice questions. A passing score for the examination is 80 correct answers of 110 scored items.

### About The IR Advanced™ Certificate Program

The Investor Relations Advanced assessment-based certificate program is tailored for professionals with deeper expertise and advanced IR responsibilities. This program covers complex competencies and practices, regulatory and governance knowledge, and business insights helping seasoned practitioners validate their elevated knowledge and skills.

The IR Advanced exam is 90 minutes long and consists of 75 multiple choice questions. A passing score for the examination is 55 correct answers of 75 scored items.

### About The Investor Relations Charter (IRC)® Program

The Investor Relations Charter (IRC)® is the best-in-class charter geared towards IR professionals. It establishes a framework for what defines the profession of investor relations as well as providing IR professionals with the opportunity to demonstrate their core IR knowledge and skills, their expertise, and their commitment to answering the highest standards within the profession.

The IRC exam is three hours long and consists of 170 multiple choice questions. A passing score for the examination is 112 correct answers of 160 scored items. The remaining 10 unscored items are for pre-testing purposes and will not affect your score.

IR corporate professionals and IR counselors following the stackable pathway will earn the Investor Relations Charter with no additional exams if they successfully complete the IR Foundations and IR Advanced exams and acquire necessary work experience as outlined in the eligibility requirements of the program.

### Section III. Who Should Use This Guide?

This comprehensive study guide is designed for various professionals in the field of IR. It is particularly beneficial for IR professionals preparing for the IR Foundations, IR Advanced, or Investor Relations Charter (IRC)<sup>®</sup> exams, offering targeted resources to help them succeed.

Additionally, it serves corporate leaders who will also find value in this guide, as it offers a deeper understanding of how IR impacts business performance, enabling them to make informed decisions and drive organizational success.

### Section IV. How to Use this Guide

To enhance your skills effectively, start by reviewing each domain meticulously, identifying areas where improvement is needed. Engage in scenario-based exercises to hone your problem-solving abilities. Use knowledge checks and sample questions to gauge your understanding. Finally, apply the concepts to real-world incident response situations to solidify your learning and ensure practical application.

### Section V. Domains Covered by this Guide

- Domain 1: IR Strategy Formulation
- Domain 2: Corporate Messaging Development
- Domain 3: Investor Marketing and Outreach
- Domain 4: IR Planning, Implementation and Measurement
- Domain 5: Corporate Financial Reporting and Analysis
- Domain 6: Business Insight
- Domain 7: Strategic Counsel and Collaboration
- Domain 8: Capital Markets and Capital Structure
- Domain 9: Corporate Regulatory Compliance
- Domain 10: Corporate Governance
- Domain 11: ESG and Corporate Sustainability

### Section VI. Learning Objectives and Knowledge Check by Domain

#### Domain 1: IR Strategy Formulation

##### Learning Objectives

- Understand the role of IR within corporate strategy.
- Recognize the key responsibilities of IR professionals.
- Identify the components of an effective IR program.

##### Key Topics

- ✓ Defining IR Strategy and Goals
- ✓ Role of IR in Corporate Strategy
- ✓ Building an Effective IR Program
- ✓ Internal and External IR Stakeholders

### Scenario-Based Application

- *You are tasked with developing an IR strategy for a newly public company. What steps would you take to align with corporate goals?*

### Knowledge Check

- What is the primary goal of an IR program?
- Which stakeholders should be engaged first in an IR strategy?

## Domain 2: Corporate Messaging Development

### Learning Objectives

- Develop key messaging for earning calls and investor meetings.
- Understand regulatory requirements for corporate disclosures.
- Identify best practices in IR communications.

### Key Topics

- ✓ Developing and delivering key IR messages
- ✓ Earnings calls and press releases
- ✓ Regulatory disclosure requirements
- ✓ Crisis communication and reputation management

### Scenario-Based Application

- *A major news outlet publishes a misleading article about your company's financial health. What steps should you take to correct the narrative?*

### Practice Exercise

- Draft a sample press release summarizing quarterly earnings.

### Knowledge Check

- What is Regulation FD, and why is it important in IR?
- How should IR teams manage negative analyst reports?

## Domain 3: Investor Marketing and Outreach

### Learning Objectives

- Build and maintain strong investor relationships.
- Develop effective investor targeting strategies.
- Utilize different IR tools and technologies for engagement.

### Key Topics

- ✓ Identifying and Engaging Institutional and Retail Investors
- ✓ Investor Targeting and Roadshows
- ✓ IR Website Best Practices and Digital Communication
- ✓ Managing Activist Investors and Shareholder Engagement

### Scenario-Based Application

- *Your company is planning an investor roadshow. What factors should you consider in targeting the right investors?*

### Practice Exercise

- Analyze two investor profiles and determine which one would be a better strategic fit for your company.

### Knowledge Check

- What factors should be considered when segmenting investors?
- How can IR teams improve engagement with passive investors?

## Domain 4: IR Planning, Implementation and Measurement

### Learning Objectives

- Establish measurable IR objectives.
- Implement and assess IR strategies effectively.
- Develop crisis planning and communication strategies.

### Key Topics

- ✓ Setting Measurable IR Goals
- ✓ Implementing an IR Plan
- ✓ Evaluating the Effectiveness of an IR Program
- ✓ Crisis Planning and Communication

### Scenario-Based Application

- *You have been asked to develop performance objectives upon which you will be measured. List actionable objectives which can be measured in your role as an IRO.*

### Practice Exercise

- Review a sample IR Plan and identify key areas for improvement.

### Knowledge Check

- What metrics should be used to evaluate IR effectiveness?
- How can IR professionals prepare for a potential crisis?

## Domain 5: Corporate Financial Reporting and Analysis

### Learning Objectives

- Explain key financial concepts relevant to IR.
- Understand the basics of financial reporting and statements.
- Identify different market participants and their roles.

### Key Topics

- ✓ Financial Statements (Income Statement, Balance Sheet, Cash Flow)
- ✓ Key Financial Metrics and Valuation Methods
- ✓ Overview of Capital Markets
- ✓ The Role of Buy-Side and Sell-Side Analysts

### Scenario-Based Application

- *Your CEO asks you to explain why the company's stock price dropped after an earnings beat. How would you respond?*

### Practice Exercise

- Given a sample earnings report, identify three key takeaways for investors.

## Knowledge Check

- What does a company's P/E ratio indicate?
- How do institutional investors differ from retail investors?

## Domain 6: Business Insight

### Learning Objectives

- Understand how business functions align with investor relations strategy.
- Analyze financial statements to assess corporate performance.
- Apply economics, industry, and company insights to investor communications.

### Key Topics

- ✓ Business models and value creation strategies
- ✓ Financial statement analysis (income statement, balance sheet, cash flow)
- ✓ Economic indicators, industry trends, and competitive positioning
- ✓ Understanding operational drivers of financial performance

### Scenario-Based Application

- Your company is expanding into a new market. How should IR communicate the financial impact to investors?

### Practice Exercise

- Analyze two financial reports and identify key insights relevant to investors.

## Knowledge Check

- What is the relationship between free cash flow and investor confidence?
- How do economic indicators like inflation and interest rates impact IR strategy?

## Domain 7: Strategic Counsel and Collaboration

### Learning Objectives

- Serve as a strategic advisor to senior management and the board.
- Collaborate with legal, finance, and corporate communications teams.
- Develop the best practices for managing IR's role in corporate governance.

### Key Topics

- ✓ IR's role in advising the CEO, CFO, and board of directors
- ✓ Partnering with finance, legal, and corporate strategy teams
- ✓ Managing corporate disclosure policies and best practices
- ✓ Enhancing internal stakeholder alignment for IR effectiveness

### Scenario-Based Application

- Your CEO wants to adjust earnings guidance due to an unforeseen market event. How should IR provide strategic counsel?

### Practice Exercise

- Draft a briefing memo summarizing key investor concerns for senior leadership.

## Knowledge Check

- How should IR manage conflicting viewpoints from executives and investors?

- What are the key elements of an effective board-level IR presentation?

## Domain 8: Capital Markets and Capital Structure

### Learning Objectives

- Explain how capital markets function and impact investor behavior.
- Evaluate capital structure decisions and financing options.
- Manage stock liquidity, trading activity, and investor expectations.

### Key Topics

- ✓ Market structure, trading mechanisms, and stock performance factors
- ✓ Debt vs. equity financing strategies
- ✓ Share repurchases, dividends, and capital allocation
- ✓ Managing liquidity, stock volatility, and institutional ownership

### Scenario-Based Application

- Your company is planning a share buyback program. How should IR communicate rationale to investors?

### Practice Exercise

- Analyze the capital structure of two public companies and compare investor sentiment.

### Knowledge Check

- How do institutional investors influence capital allocation decisions?
- Calculate the weighted-average cost of capital.

## Domain 9: Corporate Regulatory Compliance

### Learning Objectives

- Understand regulatory frameworks affecting public companies.
- Ensure compliance with SEC reporting and disclosure requirements.
- Identify and mitigate risks related to financial and corporate disclosures.

### Key Topics

- ✓ SEC regulations, including Reg FD, 10-K, 8-K, and proxy statements
- ✓ Insider trading laws and compliance programs
- ✓ Regulatory reporting obligations for public companies
- ✓ Managing regulatory risks in investor relations

### Scenario-Based Application

- An executive unintentionally discloses non-public financial information at an investor event. What steps should IR take to mitigate compliance risks?

### Practice Exercise

- Review a sample 10-K filing and highlight key sections relevant to investor communications.

### Knowledge Check

- What is the purpose of Regulation FD (Fair Disclosure)?
- What is a company required to do when presenting a Non-GAAP financial measure in an earnings release?

## Domain 10: Corporate Governance

### Learning Objectives

- Explain corporate governance principles and their impact on IR.
- Develop best practices for engaging with board members and shareholders.
- Identify key governance trends and their implications for investors.

### Key Topics

- ✓ Board roles, responsibilities, and committee structures
- ✓ Shareholder rights, activism, and proxy voting
- ✓ Governance frameworks and disclosure best practices
- ✓ Investor expectations for corporate governance transparency

### Scenario-Based Application

- An activist investor is pressuring the company for governance changes. How should the IR professional manage the communication strategy?

### Practice Exercise

- Analyze two public companies' corporate governance structures and compare shareholder engagement strategies.

### Knowledge Check

- What are the key functions of an independent board of directors?
- How do proxy advisors like ISS and Glass Lewis influence governance decisions?

## Domain 11: ESG and Corporate Sustainability

### Learning Objectives

- Understand the role of ESG and Corporate Sustainability, and factors in investor decision-making.
- Identify key reporting frameworks and best practices.
- Communicate sustainability initiatives effectively to investors.

### Key Topics

- ✓ Sustainability frameworks (SASB, GRI, TCFD) and regulatory trends
- ✓ Investor expectations on ESG disclosures and sustainable investing
- ✓ Sustainability rating agencies and their impact on stock performance
- ✓ Communicating sustainability initiatives to investors

### Scenario-Based Application

- An institutional investor is pushing for greater climate risk disclosure. How should the IR team respond?

### Practice Exercise

- Evaluate a company's sustainability report and assess investor priorities.

### Knowledge Check

- What are the differences between SASB and GRI reporting frameworks?
- How should IR communicate long-term ESG strategy to investors?

## Section VII. Real Exam Strategies

Preparing for an exam requires more than just memorization. Participants need a strategy to manage time, analyze questions, and apply knowledge effectively. You can find herein general key exam taking strategies.

### Understanding the Exam Structure

The structure applies to all exams with variance in difficulty levels.

- Multiple-choice questions (MCQs) with moderate complexity.
- Scenario-based questions requiring applied knowledge.
- Some questions may have "best choice", "first step" answers, and while multiple options seem plausible and correct, only ONE option is correct and the most appropriate.
- Multiple-choice questions with more complex scenario-based questions with emphasis on real-world application, decision-making, and judgement.
- Questions may involve simple multiple questions, financial reports, investor relations scenarios, and compliance issues.

### Mastering Multiple-Choice Questions

- Read the question carefully
  - Identify keywords like "most effective," "first step," or "best approach."
  - Watch for negative phrasing, e.g., "Which of the following is *NOT* a key IR function?"
- Eliminate wrong answers
  - Answer options are plausible, but only one option is correct based on the information provided in the stem (question).
  - Cross out obviously incorrect choices to improve the odds of selecting the right one.
  - If two answers seem correct, look for the one that aligns with the content of the scenario, and matches IR best practices.
- Avoid overthinking
  - The questions are not designed to be tricky.
  - Avoid overthinking as questions include the necessary information.
  - Stay focused on the core IR principles. Do not assume additional details beyond what's provided in the stem (question).
  - Eliminate the thought of "this is how we do it at our company" because different sectors have different approaches.

### Approaching Scenario-Based Questions

- Scenarios can be a group of questions focused on one topic, or they can be a situation covered by one question.
- Read the entire scenario before looking at the answer options.
- Identify the main issue.
- Ask yourself: "What is the key decision the IR professional must make?"
  - Apply a step-by-step approach
  - Clarify the objective (e.g., crisis management, investor communication).
  - Consider IR best practices (e.g., transparency, regulatory compliance).
  - Choose the most strategic answer (not just a "technically correct" one).

#### Example Question:

*A company's stock price dropped after an earnings call despite strong financial results. Investors express concern. What is the best IR response?*

- A. Reassure investors that the company remains profitable and should not worry.

- B. Highlight long-term growth strategies and provide data-driven explanations.
  - C. Avoid commenting on stock price movements since IR cannot control the market.
  - D. Issue a press release emphasizing that the company exceeded analyst estimates.
- Best Answer: B. Why? It balances transparency and strategy, providing investors with data-backed explanations rather than avoiding the issue.

### Managing Case Study Questions

- Break down the scenario: Identify the core IR problem, such as disclosure issues, investor targeting, or regulatory compliance.
- Think like a decision-maker: What would a CFO, IRO, or investor expect as the most professional response?

### Example case study format

Scenario: A company is preparing an earnings call after a challenging quarter. Investors expect robust performance, but revenue fell 10% due to supply chain issues. How should IR manage messaging?

- A. Emphasize cost-saving measures and a long-term outlook.
  - B. Focus only on revenue decline without explaining context.
  - C. Blame external factors without addressing investor concerns.
  - D. Announce a share buyback program to distract from the revenue decline.
- Best Answer: A. Why? Balance transparency with a forward-looking strategy.

### General Exam-Taking Rules

- Do not over analyze exam questions
- Do not assume or add to the exam questions in your own mind
- Be in the present moment and answer the question in front of you
- Always think of best practices
- Look at the verbs, see what they tell you to do
- Beware of tasks inside of a larger process
- Transparency, fair treatment, ethics, DE&I, & Values.

### Time Management Tips

Effective time management is crucial for success in exams. One key strategy is to avoid spending too much time on any single question. If you're unsure about an answer, mark the question and move on to the next one, returning to it later if time permits.

It's also helpful to allocate one minute per multiple-choice question.

Another useful technique is the process of elimination. When stuck, try to remove the obviously incorrect answers and make an educated guess from the remaining options. Remember, it's better to attempt every question rather than leave any blank.

Lastly, prioritize answering easier questions first. Tackle the ones you feel most confident about before moving on to the more challenging ones. This approach ensures you secure as many points as possible early on and reduces the pressure as you progress through the exam.

### Test-Day Best Practices

To ensure success, it is crucial to follow a structured approach before, during, and after the exam.

Before the exam, thoroughly review your study guide without cramming new material at the last minute. Take a practice test under timed conditions to simulate the exam environment. Ensure you get enough sleep and stay hydrated, as mental clarity is essential.

During the exam, read each question twice before answering to avoid misunderstandings. Keep an eye on the clock to pace yourself effectively, and use logic and IR best practices to avoid overcomplicating your analysis of the question. Use the onscreen calculator and whiteboard if needed.

After the exam, note any difficult questions to review later and analyze what strategies worked well and what did not, to provide feedback when answering the post-exam evaluation survey.

### Section VIII. Sample Practice Tests

Practice tests are provided to help you feel familiar with the exam format, gauge your knowledge, and identify areas for improvement. Practicing under timed conditions will also help you pace your responses, so you don't have to rush during the real exam. The justifications provided for the correct response option can also help with understanding the best practices that transcend sectors.

[Credentialing Resources and Practice Tests](#) can be found in the IR Learning Center [here](#).

### Section IX. Sample Self-Study Plan

Update this plan to fit into your schedule and learning needs.

Review the Blueprint of the Intended Exam		
Review of the Complete IR Competency Framework		Flag the domains where you need a refresher
Read Suggested Resources		Limit your reading time to one domain per sitting
Used Additional Resources to Reinforce Learning		Identify all available resources: Archived webinars, Competency Suite, standards of practice, annual conference sessions, articles, etc.
Assign Completion Dates		Assign completion dates to complete your preparations and to take the test.
Notes		Add as many notes as possible along the way to help during final reviews.
Week 1	Domain 1 (14%)	IR Strategy Formulation
Week 2	Domain 2 (11%)	IR Planning, Implementation and Measurement
Week 3	Domain 3 (14%)	Corporate Messaging Development
Week 4	Domain 4 (13%)	Investor Marketing and Outreach
Week 5	Domain 5 (11%)	Corporate Financial Reporting and Analysis
Week 6	Domain 6 (8%)	Business Insight
Week 7	Domain 7 (8%)	Strategic Counsel and Collaboration
Week 8	Domain 8 (9%)	Capital Markets and Capital Structure
Week 9	Domain 9 (6%)	Corporate Regulatory Compliance
Week 10	Domain 10 (6%)	Corporate Governance
Week 11	Domain 11 (6%)	ESG & Corporate Sustainability
Take Timed Practice Test		
Break One Week Before Exam Date		
Take the exam		
Celebrate Your Accomplishment		

### Confidence Comes from Preparation!

To excel in your exam preparation, it is essential to practice answering questions under timed conditions to simulate the real test environment and improve your time management skills.

Focus on developing strong decision-making abilities, particularly for case studies, as these will assess your analytical and strategic thinking. Maintaining a calm demeanor is crucial; approach each question with the mindset of an experienced IR professional and a skilled test taker, ensuring you apply your knowledge effectively and confidently.

Investor relations is a fast-evolving field that demands a strategic mindset, financial acumen, and effective communication skills. By completing a NIRI credential program, you are taking the first step toward mastering the fundamentals of IR and preparing for further advancement in this dynamic profession.

The exams remain competency-based, meaning they assess real-world knowledge and application rather than just recall. They also provide you with a competitive advantage by equipping professionals like you with knowledge and practical application skills as you prepare for these exams.

We encourage you to continue your learning journey, earn your IR credentials, and engage with NIRI's extensive network of IR professionals.

Best of luck in your future career in investor relations!