Investment planning

Learning Outcomes

At the end of this unit, candidates will be able to:

Evaluate the complex needs of clients and recommend appropriate solutions based upon detailed understanding and analysis of the:

1. **Economic environment and its impact on investment performance and investment decision making;**
2. **Features, risks and returns of direct financial investments;**
3. **Features, risks and returns of collective investment products, including alternative investments;**
4. **Individual company performance and company accounts;**
5. **Types and measurement of risk and returns;**
6. **Main principles governing how to construct an investment portfolio, investment styles and the management of risk and return;**
7. **Range of portfolio management services and their regulatory environment.**

Entry guidance

It is assumed that the candidate already has the knowledge gained from a study of unit R02 Investment principles and risk or equivalent and/or J10 Discretionary investment management.

Important notes

- **This syllabus will be examined in the October 2017 and April 2018 sessions.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.**
- **The general rule is that exams are based on the English legislative position three months before the date of the exams.**
- **Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:**
  1. **Visit www.cii.co.uk/qualifications**
  2. **Select the appropriate qualification**
  3. **Select your unit on the right hand side of the page**

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Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services.
CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Discretionary investment management. London: CII. Study text J10.

Investment principles and risk. London: CII. Study text R02.

Investment planning. London: CII. Case study workbook AF4.

All the above texts are included as electronic resources within AF4 RevisionMate (www.revisionmate.com).

Books

Accounting for non-accountants: a manual for managers and students. 9th ed. Graham Mott. Kogan Page, 2013.*

Financial calculations. Sarah Dingley-Brown. Annual. Totnes, SDB Training.

Frank Wood's business accounting. Frank Wood and Alan Sangster. 12th ed. Harlow, Essex: Pearson Education, 2012.

International investment law: a handbook. Marc Bungerberd, et al. Oxford: Hart Publishing, 2015.

Investments. 10th global edition. Zvi Bodie, Alex Kane, Alan J. Marcus. Berkshire: McGraw-Hill, 2014.

Investments: principles and concepts. Charles P Jones. Wiley, 2014.

Mastering financial calculations: a step-by-step guide to the mathematics of financial markets instruments. 3rd ed. Bob Steiner. Harlow: FT Prentice Hall, 2012.*

Modern portfolio management: from Markowitz to probabilistic scenario optimisation. Goal-based and long-term portfolio choice. Paolo Sironi. London: Risk Books, 2015.*

Modern portfolio theory and investment analysis: international student version. 8th ed. Edwin J Elton et al. New York: John Wiley, 2011.

Personal financial planning manual. Haywards Heath: Bloomsbury Professional. Annual.

The basics of finance: an introduction to financial markets, business finance, and portfolio management. Frank Fabozzi. London, Wiley, 2010.*

The Financial Times guide to making the right investment decisions: how to analyse companies and value shares. 2nd ed. Michael Cahill. Prentice Hall/Financial Times, 2010.

The Financial Times guide to investing. 3rd edition. Glen Arnold. FT Prentice Hall, 2014.

The Financial Times guide to using and interpreting company accounts. Wendy McKenzie. 4th ed. Harlow, Essex: Pearson Education, 2010.

Investment trusts: unlocking the City's best kept secret. John Baron. London: FT/Pearson, 2013.

The theory and practice of investment management. Frank J Fabozzi. New Jersey: Wiley, 2011.

Ebooks

The following ebooks are available through Discovery via www.cii.co.uk/discovery (CII/PFS members only):

Accounting for non-accountants. 10th ed. David Horner. London: Kogan Page, 2014.

Basic financial accounting. 4th ed. Willen Bosua, Madri Schute. Claremont: Juta and Company Ltd., 2015.

Finance: a quantitative introduction. Piotr and Lucia Staszkiewicz. Amsterdam: Academic Press, 2015.

Financial accounting: a concepts-based introduction. David L. Kolitz. Abingdon, Oxon: Routledge, 2017.

Financial accounting: an introduction. 7th ed. Pauline Weetman. Harlow: Pearson, 2016.

Investment risk management. Greg Filbeck, H. Kent Baker. New York: Oxford University Press, 2015.

Investor behaviour: the psychology of financial planning and investing. H. Kent Baker. Hoboken, New Jersey: Wiley, 2014.

Portfolio management: a strategic approach. John Wyzalek, Ginger Levin. Boca Raton: Auerback Publications, 2015.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Financial times. London: Financial Times. Daily. Also available online at www.ft.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Investment adviser. London: Financial Times Business. Weekly. Also available via www.ftadviser.com.

Investor's chronicle. London: Financial Times Business. Weekly. Also available at www.investorschronicle.co.uk.

Investment week. London: Incisive Financial Publishing. Weekly. Available online via www.investmentweek.co.uk.

Money management. London: FT Business. Monthly. Also available via www.ftadviser.com.

Money marketing. London: Centaur Communications. Weekly. Also available online at www.moneymarketing.co.uk.

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII/PFS members only).

Reference materials

Collective investment schemes. Timothy C Cornick. Sweet and Maxwell. Updated by installments.

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via www.cii.co.uk/lamont (CII/PFS members only).

St James's Place tax guide. Walter Sinclair. Basingstoke, Hampshire: Palgrave Macmillan. Annual.*

Tolley's tax guide. Arnold Homer, Rita Burrows. London: LexisNexis Butterworths. Annual.

Tolley's tax planning. London: LexisNexis. Annual.

* Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available via www.cii.co.uk/pastexamguides (CII/PFS members only).

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).

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