

Investment planning

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

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

- Economic environment and its impact on investment performance and investment decision making;
- Main features, risks and returns of direct financial investments, collective investments and other investments;
- Individual company performance and company accounts;
- Measurement and management of risk and returns;
- Main principles governing how to construct an investment portfolio;
- Range of investment management services, how their performance is evaluated, and their regulatory environment.

Assumed knowledge and understanding: It is assumed that the candidate already has the knowledge and application skills gained from a study of unit J06 Investment principles, markets and environment of the Diploma in Financial Planning and from study of the Certificate in Financial Planning. This knowledge and understanding will be called upon in this examination unit.

Important notes

- This syllabus will be examined in the October 2008 and April 2009 sessions. Candidates will be examined on the basis of English law and practice in the tax year 2008/2009 unless otherwise stated.
- The general rule is that the exams are based on the English legislative position three months before the date of the exams.
- Candidates should refer to the CII update website www.cii.co.uk/updates for the latest information on changes to law and practice and when they will be examined.

Reading list

The following list provides details of various publications which may assist with your studies. Periodicals and publications will be of value in ensuring candidates keep up to date with developments and in providing a wider coverage of syllabus topics. Any reference materials cited are authoritative, detailed works which should be used selectively as and when required.

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.

CII/PFS members can borrow most of the study materials from CII Knowledge Services and may be able to purchase some at a special discount. For further information on lending and discounts go to www.cii.co.uk/knowledge.

Investment planning. London: Chartered Insurance Institute. Case study workbook AF4.

Additional reading

Collective investment schemes – onshore and offshore: a step by step practical approach. Bristol: SDB Training. Annual.

Financial market analysis. David Blake. 2nd ed. Chichester, West Sussex: John Wiley, 2000.

Financial planning for the individual: a guide to investment and personal finance. Simon Philip. 8th ed. London: Gee, 2002.

Guide to lump sum investment. Liz Walkington. 12th ed. London: Kogan Page, 2000.

Investment appraisal and financial decisions. Steve Lumby, Chris Jones. 6th ed. London: Thomson Learning, 1999.

Investment principles, markets and environment. London: Chartered Insurance Institute. Coursebook J06.

Investments. William F Sharpe, Gordon J Alexander, Jeffery V Bailey. 6th ed. Upper Saddle River, New Jersey: Prentice-Hall International, 1999.

Modern portfolio theory and investment analysis. 6th ed. New York: John Wiley, 2002.

Reference materials

The Financial Times guide to investing: the definitive companion to investment and the financial markets. Glen Arnold. Harlow [England]: Pearson Education, 2004.

Lamont's glossary: the definitive plain English money and investment dictionary for the finance professional and money-minded consumer. Barclay W Lamont. 9th ed. Surbiton, Surrey:

Lamonts Glossary Ltd, 2004. Also available online at www.cii.co.uk/knowledge/dictionaries (CII/PFS members only).

PFS focus. London: CII Knowledge Services. Comprehensive archive of PFS publications, including technical and regulatory bulletins and technical tips. Available online at www.cii.co.uk/knowledge/pfs (CII/PFS members only).

Periodicals

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

Financial Solutions. London: Personal Finance Society. Six issues a year. Also available online at www.cii.co.uk/knowledge/financialsolutions (CII/PFS members only).

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

Investment Adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Investors Chronicle. London: FT Business. Weekly.

Investment Week. London: City Financial Communications. Weekly.

Money Management. London: FT Business. Monthly.

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

Examination guides

You are strongly advised to study these before the examination. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on 020 8989 8464.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements. You will also find advice at www.cii.co.uk/knowledge/careersupport (CII/Personal Finance Society members only).

For a more interactive approach, you should consider: Winning the brain game. London: The CII, 2006. CD-ROM.