

Award in Investment Planning

Objective

At the end of this unit, candidates will be able to demonstrate knowledge and understanding of:

- main macro-economic factors that impact upon investment returns;
- cash deposits, government securities and corporate bonds;
- equity-based investment and property investment;
- collective investment products and alternative investments;
- the risks faced by investors and the importance of asset allocation.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the main macro-economic factors that impact upon investment returns.	4
2. Describe the importance of main economic indicators.	2
3. Describe the main features of cash deposit investments.	3
4. Understand the main features of government securities and corporate bonds.	4
5. Understand the main features of equity-based investment products.	6
6. Understand the main features of property investment.	3
7. Understand the main features of collective investment products and alternative investments.	3
8. Understand the risks and returns faced by investors and how an investor's risk profile is determined.	6
9. Describe the importance of asset allocation in the investment process.	5
10. Describe other main issues that impact upon investment planning.	4
11. Understand ethical considerations in investment and financial advice.	2
12. Apply investment knowledge to a given set of circumstances.	8

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 42 multiple choice questions (MCQs) and 2 case studies, each comprising 4 MCQs. 1 hour is allowed for this examination.
- This syllabus will be examined from 1 May 2023 to 30 April 2024.
- This PDF document is accessible through screen reader attachments to your web browser and has been designed to be read via the speechify extension available on Chrome. Speechify is an extension that is available from <https://speechify.com/>. If for accessibility reasons you require this document in an alternative format, please contact us on online.exams@cii.co.uk to discuss your needs.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
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- 1. Understand the main macro-economic factors that impact upon investment returns.**
 - 1.1 Describe the main long-term socio-economic factors.
 - 1.2 Describe the effect globalisation has on investment returns.
 - 1.3 Describe the role of government and central banks.
 - 1.4 Explain balance of payments and its effects on government and central banks.
 - 1.5 Describe the economic, investment and business cycles.
 - 1.6 Describe the role of financial investment in the economy.
- 2. Describe the importance of main economic indicators.**
 - 2.1 Describe the main economic indicators.
- 3. Describe the main features of cash deposit investments.**
 - 3.1 Describe the main features of cash deposit investments.
- 4. Understand the main features of government securities and corporate bonds.**
 - 4.1 Describe the main features of government securities and corporate bonds.
 - 4.2 Describe investment returns and risk of government securities and corporate bonds.
 - 4.3 Describe the principles of taxation of government securities and corporate bonds.
- 5. Understand the main features of equity-based investment products.**
 - 5.1 Describe the characteristics of equity-based investment.
 - 5.2 Describe the use of investment ratios in evaluating equity-based investment.
 - 5.3 Describe how market behaviour influences client investment decisions.
 - 5.4 Describe the main components of company accounts that affect investment returns.
 - 5.5 Describe the main stock market indices and their use as benchmarks.
- 6. Understand the main features of property investment.**
 - 6.1 Describe the main characteristics of residential and commercial property as an asset class.
 - 6.2 Describe the typical vehicles for holding residential and commercial property indirectly.
- 7. Understand the main features of collective investment products and alternative investments.**
 - 7.1 Describe the main features of collective investment schemes.
 - 7.2 Describe the main features of alternative investments.
- 8. Understand the risks and returns faced by investors and how an investor's risk profile is determined.**
 - 8.1 Describe the factors that help to determine an investor's risk tolerance.
 - 8.2 Describe the main types of risk for investors.
 - 8.3 Describe how an investor's risk tolerance is assessed.
- 9. Describe the importance of asset allocation in the investment process.**
 - 9.1 Describe the importance of asset allocation in the investment process.
- 10. Describe other main issues that impact upon investment planning.**
 - 10.1 Describe other main issues that impact upon investment planning.
- 11. Understand ethical considerations in investment and financial advice.**
 - 11.1 Describe the role of ethical and socially responsible investment.
 - 11.2 Describe the importance of delivering positive customer outcomes when providing financial advice.
- 12. Apply investment knowledge to a given set of circumstances.**
 - 12.1 Apply the full range of client information and recommend appropriate investment options to a particular client situation.

Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII study texts

Award in Investment Planning. London: CII. Study text. AWP

Books (and ebooks)

Investment planning. Chris Gilchrist. The adviser's guide series. 2010. (London, Taxbriefs).

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

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

The Financial Times guide to investing. 4th edition. Glen Arnold. FT Prentice Hall, 2020.

Periodicals

Personal finance professional (previously Financial solutions). London: CII. Six issues a year.

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

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

Reference materials

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2013.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (ciigroup.org/login). Details of how to access Revisionmate are on the first page of your study text. It is recommended that you only study from the most recent version of the examination guide.

Exam technique/study skills

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

* Also available as an eBook through eLibrary via www.cii.co.uk/eLibrary (CII/PFS members only).