# Investment planning

## Purpose

This unit enables financial planning professionals to develop in depth financial planning skills related to investments and the management of investment portfolios.

## 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:

| Summary of learning outcomes | |
|---|---|
| 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; |
| 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 theories and management styles; |
| 7. | Range of portfolio management services. |

## 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 from 1 September 2024 to 31 August 2025.
- Candidates will be examined on the basis of English law and practice in the tax year 2024/2025 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/learning/qualifications*
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page

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Published July 2024
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## 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**

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

Securities advice and dealing. London: CII. Study text J12.

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

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

All of the above texts can be found as electronic resources at: *www.cii.co.uk/learning/support/cii-study-texts/* (CII/PFS members only).

**Books/eBooks**

Frank Wood's business accounting. Frank Wood and Alan Sangster. 15th ed. Harlow, Essex: Pearson Education, 2021.

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

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

Accounting for non-accountants. 11th ed. David Horner. London: Kogan Page, 2017.*

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. 8th ed. Pauline Weetman. Harlow: Pearson, 2019.*

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.*

The Intelligent fund investor: Practical steps for better results in Active and Passive Funds. Joe Wiggins. Harriman House, 2022.

**Journals and magazines**

Financial adviser. London: FT Business. Weekly. Available online at *www.ftadviser.com*.

Financial times. London: Financial Times. Daily. Available online at *www.ft.com*.

Personal finance professional. London: CII. Four issues a year. Available online at *www.pfp.thepfs.org* (CII/PFS members only).

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*.

Money marketing. London: EMAP Publishing Limited. Weekly. Available online at *www.moneymarketing.co.uk*.

Further articles and technical bulletins are available at *www.cii.co.uk/learning/learning-content-hub* (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 exam guides from the last two sittings. Please visit *www.cii.co.uk/learning/qualifications* to access online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

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


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## Exam technique/study skills

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


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