

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:

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

Entry and 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 2014 and April 2015 sessions. Candidates will be examined on the basis of English law and practice in the tax year 2014/2015 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 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

Reading list

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

These will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

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/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to www.cii.co.uk/knowledge.

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 are included as electronic resources within AF4 RevisionMate (www.revisionmate.com).

Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

Books (and ebooks)

Financial calculations. Sarah Dingley-Brown. Totnes, Devon; SDB training. Annual.

The investments suite. Sarah Dingley-Brown. Totnes, Devon; SDB training. Annual.

Law reform and financial markets. Kern Alexander and Niamh Moloney (eds). Cheltenham, Gloucs.: Edward Elgar, 2011.

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

The theory and practice of investment management. 2nd ed. Frank J Fabozzi.

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

Financial markets and institutions. Peter Howells and Keith Bain. 5th ed. Harlow, Essex: Pearson Education, 2007.

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.

Modern portfolio theory and investment analysis: international student version. 8th ed. Edwin J Elton et al. New York: John Wiley, 2010.

The Financial Times guide to investing. Glen Arnold. FT Prentice Hall, 2010. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Financial Times guide to using and interpreting company accounts. Wendy McKenzie. 4th ed. FT Prentice Hall, 2009. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

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

Accounting for non-accountants: a manual for managers and students. Graham Mott. 8th ed. Kogan Page, 2012. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Frank Wood's business accounting, Vol 1 and Vol 2. 12th ed. Ft Prentice Hall Financial Times, 2011. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

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.

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

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

Investors Chronicle. London: FT Business. Weekly.

Investment week. London: Incisive Media. Weekly. Also available online at www.investmentweek.co.uk.

Money management. London: FT Business. Monthly.

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 and Personal Finance Society members only).

Reference materials

Lamont's financial 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/knowledge (CII/Personal Finance Society members only).

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf.

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.

Zurich tax handbook. A Foreman, G Mowles. Harlow [Essex]: Pearson Education. Annual.

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 for 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 examination guides are available (for members only) via www.cii.co.uk/knowledge.

Exam technique/study skills

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