Investment principles and risk

R02 2018–19 edition

Web update 3: 19 March 2019

Please note the following update to your copy of the **R02** study text:

Chapter 1, section C3C, page 1/44

Changes to certain FSCS compensation limits apply from 1 April 2019. Please amend the 'Fund managers and insurance companies' row in table 1.17 to read as follows (amendment in **bold**) from this date:

Fund managers and insurance companies	• The structures and legislation governing fund management companies and insurance companies should greatly reduce the risks of investing through these institutions, but events such as the demise of Equitable Life suggest that advisers cannot completely ignore this risk. • The Financial Services Compensation Scheme (FSCS) provides protection up to a maximum of **£85,000** for investments.

Chapter 8, key points, page 8/29

Please also amend the following key point:

Many investment clients will be placing sums in excess of the **£85,000 covered by the Financial Services Compensation Scheme (FSCS).** An important aspect of provider selection is therefore capital security in the event of the failure of a product provider.