A3 Assessment Sheet

FEBRUARY 2023 | SCQF LEVEL 9 PRACTICAL INVESTMENT PLANNING

Text

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| Assessor name |  |
| Assessment date |  |
| Learner Name |  |
| Internal Verification |  |

# General Considerations

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| Checklist Requirement | Check | Notes |
| The evidence is compliant with FCA regulations and UK law |  |  |
| The evidence is compliant with Practical Financial Exams Limited’s policies, processes, and procedures (e.g. no breaches of our Malpractice Policy) |  |  |
| The evidence clearly demonstrates achievement of the relevant Performance Criteria. Assessors should consider in each case: “Would a reasonable person believe, solely on the basis of the evidence provided by the Learner, that they have achieved the relevant Learning Outcomes/Performance Criteria?” |  |  |
| The evidence is comprehensive, demonstrating the achievement of at least one full Criterion, not merely part of a Criterion, unless otherwise stated in the checklist. |  |  |
| Real-life client personal details are redacted/censored. |  |  |

# Professional Discussion

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| Performance Criterion | Number of Questions to Ask |
| 1.1 Deliver an effective, compliant, professional, structured telephone pitch meeting |  |
| 1.2 Demonstrate the ability to structure and control client meetings effectively |  |
| 1.3 Present and explain a set of disclosure documents, including the firm’s business model and how charges work |  |
| 1.4 Establish and agree SMART investment planning objectives with the client, including critical assessment of their potential achievability |  |
| 1.5 Critically assess and agree the risk profile of a retail client, as a combination of their attitude to risk and capacity for loss |  |
| 1.6 Explain to retail clients the main features, advantages, and disadvantages of the main investment strategies |  |
| 2.1 Produce a professional, compliant suitability report comprising a piece of innovative investment advice, the client’s objectives, the reasons why the advice is suitable, and any disadvantages of the advice |  |
| 2.2 Demonstrate the suitability of the advice via deterministic and/or stochastic cashflow models |  |
| 3.1 Professionally and compliantly present an innovative investment plan, along with corresponding regulatory supporting documents, answering any client questions, and gaining the client’s agreement to proceed with the advice |  |

# Talking Points and Roleplays

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| 1.1 Deliver an effective, compliant, professional, structured telephone pitch meeting | | |
| Roleplay | Short roleplay of a telephone pitch meeting (webcams turned off). |  |
| Talking Point | Tell me about a time you delivered an effective pitch meeting. As part of this, explain the structure you used, and how you knew the call was compliant. |  |
| Talking Point | Describe three soft skills you employed on the call, the impact on the client, and the extent it influenced the outcome of the call. |  |

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| 1.2 Demonstrate the ability to structure and control client meetings effectively. | | |
| Roleplay | Present the agendas you use to structure client meetings. This may be for either a fact-find or presentation meeting. |  |
| Roleplay | Demonstrate the effective management of a conversation with a vulnerable customer using the TEXAS and IDEA drills. |  |
| Roleplay | Demonstrate the effective summary/wrapping-up of a fact-find meeting, including explaining the next steps in the financial planning process. You may begin with the words “This brings us to the end of the meeting.” |  |
| Talking Point | Tell me what you would do if a client started taking the meeting off on a random tangent and you were starting to lose control. Also, tell me what you would do if you felt a client was exaggerating about their salary and bonus. |  |
| Talking Point | Describe three questioning techniques Financial Advisers may use to gather information from a client to populate a fact-find. |  |

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| 1.3 Present and explain a set of disclosure documents, including the firm’s business model and how charges work. | | |
| Roleplay | Present your firm’s Terms of Business to me. |  |
| Roleplay | Present your firm’s Customer Privacy Notice to me. |  |
| Roleplay | Present your firm’s advice process to me; what does my client journey look like? |  |
| Talking Point | Tell me about your firm’s charging structure. |  |
| Talking Point | Describe three soft skills you employ when presenting disclosure documents, the impact on the client, and the extent it influenced the outcome of the meeting. |  |

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| 1.4 Establish and agree SMART investment planning objectives with the client, including critical assessment of their potential achievability. | | |
| Roleplay | Educate me on SMART objectives. Draw out SMART onto a piece of paper or your screen and explain what SMART means, as if I was a client. |  |
| Talking Point | Tell me about how you establish, agree, and record your client’s needs and objectives. |  |
| Talking Point | Tell me about a time you critically assessed a client’s SMART objectives as achievable, or not. |  |

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| 1.5 Critically assess and agree the risk profile of a retail client, as a combination of their attitude to risk and capacity for loss. | | |
| Roleplay | Educate me on investment, risk, and risk profiling, as if I were a client with limited investment knowledge and experience, and you were preparing me to undertake a risk profiling exercise. |  |
| Talking Point | Tell me about a time you critically assessed and agreed your client’s attitude to risk; what were the processes involved, and how was it recorded? |  |
| Talking Point | Tell me about a time you critically assessed a client’s capacity for loss; what were the processes involved, and how was it recorded? |  |

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| 1.6 Explain to retail clients the main features, advantages, and disadvantages of the main investment strategies. | | |
| Roleplay | Educate me on the main features, advantages, and disadvantages of advised portfolios AND/OR managed portfolios AND/OR DFMs. |  |
| Roleplay | Educated me on the main features, advantages, and disadvantages of maintaining values-based and/or sustainable investment preferences. |  |
| Talking Point | Explain the main features, advantages, and disadvantages of advised portfolios AND/OR managed portfolios AND/OR DFMs AND/OR values-based investment AND/OR sustainable investment. |  |
| Talking Point | Critically compare the main features, advantages, and disadvantages of centralised and decentralised investment propositions. |  |

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| 2.1 Produce a professional, compliant suitability report comprising a piece of innovative investment advice, the client’s objectives, the reasons why the advice is suitable, and any disadvantages of the advice. | | |
| Talking Point | Tell me why you felt your recommended strategy was innovative. |  |
| Talking Point | In simple terms, explain the recommendation in your written assignment to me, and why you felt it was suitable for the client. |  |
| Additional competency-based ‘talking points’ to be discussed where innovation was not evident in the written assignment: | | |
| Talking Point | Tell me about a time when you produced an innovative piece of investment advice, and why you feel it is innovative. |  |
| Talking Point | You’ve produced evidence as part of your Portfolio Assignment to confirm you have the ability to plan innovatively. Tell me why you didn’t also plan innovatively for your Written Assignment. |  |

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| 2.2 Demonstrate the suitability of the advice via deterministic and/or stochastic cashflow models. | | |
| Roleplay | Present the cashflow models used in your Written Assignment as if I were the client, in the context of a presentation meeting. |  |
| Talking Point | Tell me why you used your chosen approach to cashflow modelling in your written assignment (e.g., deterministic, stochastic, historical, chosen software package). |  |
| Talking Point | Explain your rationale for the stress tests you included in your written assignment. |  |
| Talking Point | Explain the reasons for the assumptions for inflation and net return you used in your written assignment. |  |

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| 3.1 Professionally and compliantly present an innovative investment plan, along with corresponding regulatory supporting documents, answering any client questions, and gaining the client’s agreement to proceed with the advice. | | |
| Roleplay | Present the Key Features Illustration AND/OR Key Features Document AND/OR Key Information Document provided with your Written Assignment to me, as if I were the client. |  |
| Roleplay | Present the Key Investor Information Document AND/OR Fund Factsheet provided with your Written Assignment to me, as if I were the client. |  |
| Roleplay | Present the summary page of your Written Assignment to me, as if I were the client. |  |
| Talking Point | Briefly explain the PRIIPs rules to me. |  |
| Talking Point | Tell me what you would do if a client asked a question in relation to their recommendation that you didn’t know the answer to. |  |

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| Additional Notes |
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| Grade | Pass/Fail |