

PRACTICAL
FINANCIAL
EXAMS

Practical Investment Planning

Qualification Specification

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Qualification Objective

To develop the competence and capability of UK retail investment advisers, including the soft skills involved in client interactions, and in the synthesis of professional investment advice.

This is achieved via the study and practise of investment planning and its corresponding soft skills; and assessed via a portfolio of a written assignment and work-based evidence, supported by a professional discussion.

Entry Guidance

While there are no formal entry requirements for this exam, it is expected that Learners have completed their Level 4 Diploma with the CII, CISI, or LIBF. Furthermore, it is assumed that Learners are currently working either as a financial adviser, or in a related support role.

Learning Outcomes and Performance Criteria

The Learning Outcomes and Performance Criteria comprise the Practical Investment Planning syllabus.

- The Learning Outcomes are the overarching abilities and skills that will have been achieved
- The Performance Criteria are the ways that the achievement of each Learning Outcome must be demonstrated by the Learner

While the Practical Investment Planning study text is written to address the Learning Outcomes in detail, the assessment is based on the Performance Criteria, not the textbook or any other learning support materials.

These Learning Outcomes and Performance Criteria will be tested between January 2021 and December 2021, based on English law and practice in the relevant tax year unless otherwise stated, and on the legislative position at the time of the assessment.

Upon completion, Learners will be able to:

1. Deliver effective, compliant, professional, structured telephone pitch meetings and face-to-face/virtual fact-find meetings to retail investment clients

- 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. Synthesise professional, compliant, suitable investment plans for retail investment clients

- 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. Present professional, compliant, suitable investment plans for retail investment clients

- 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

About Your Assessment

Unlike traditional financial planning qualifications, the Practical Investment Planning qualification is assessed via a **Portfolio of Evidence**. This is constructed of a **written assignment** and **work-based evidence**, supported by a **professional discussion**.

We believe that this triangular approach adequately tests the achievement of all Learning Outcomes and Performance Criteria. Learners have twelve months to complete the three assessments.

Once enrolled, Learners will meet with an Assessor via Microsoft Teams, who will reaffirm what is required to achieve the Practical Investment Planning qualification. At the end of this induction, the Learner will be provided with their written assignment, and the twelve-month clock will begin. Learners are therefore advised not to leave everything until the last minute, or they risk running out of time. Where this is unavoidable, Learners should refer to our Access Arrangements and Reasonable Adjustments policy.

Learners should submit their assessments in the following order:

1. Their written assignment
2. Their work-based evidence

This is because if **innovation** is not evident in their written assignment, Learners must evidence that they can plan innovatively via work-based evidence.

Once these assessments have received passing grades, the professional discussion can be arranged, which allows Learners to demonstrate the authenticity of their evidence and provide evidence to fill any gaps elsewhere in the portfolio. The primary objective of the professional discussion is to support the written assessment and work-based evidence in demonstrating the achievement of all three Learning Outcomes.

Resubmissions and reassessments are dealt with under our Reassessment Policy.

Marking Criteria and General Considerations

Learners' evidence is assessed against comprehensive checklists which break down the Learning Outcomes and Performance Criteria and provide descriptions and examples of pass-standard evidence.

Pass/fail criteria is binary. Either the Learning Outcomes and Performance Criteria have been achieved, or they have not, and the Learner must pass all Performance Criteria to pass.

Learners are responsible for planning, building, structuring, and editing their own portfolios, so everyone will have different evidence. It is therefore crucial for Learners and Assessors to understand what constitutes pass-standard evidence.

Each piece of evidence submitted must meet the following general standards of quality:

- 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 must be redacted/censored.
- One piece of evidence may be used as evidence for the achievement of multiple Learning Outcomes and/or Performance Criteria.

The burden of proof is on the Learner to convince the Assessor – via their portfolio, including their written assignment, work-based evidence, and professional discussion – that they have achieved the Learning Outcomes.

Written Assignment

The written assignment involves the Learner being provided with a completed fact-find document. The Learner is then expected to produce a written suitability report and the relevant regulatory supporting documents to justify their advice.

Practical Financial Exams Limited has produced two fact-finds, and they will be assigned to Learners at random. Both fact-finds are of a similar complexity and allow for the recommendation of innovative investment planning solutions. Learners are not permitted to collaborate with anyone else in the construction of their assignment. This would fall under our Malpractice Policy.

The objective of the written assignment is to evidence the achievement of Learning Outcome 2.

As per Learning Outcome 2, Learners must 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, and demonstrate the suitability of the advice via deterministic and/or stochastic cashflow models. This is based on the fully completed fact-find provided.

To pass the assessment, the report must be **professional, compliant, innovative, and suitable**. Where **innovation** is not evident but everything else is, the assignment will pass, but the ability to produce an innovative plan must be evidenced via a piece of additional work-based evidence. Where the report is not professional, compliant, or suitable, the assignment will not pass at all.

Within the context of the written assignment, we consider the terms "professional", "compliant", "innovative", and "suitable" as follows:

| | |
|---------------------|---|
| Professional | <ul style="list-style-type: none">• The report is well-structured and easy to understand and navigate |
| Compliant | <ul style="list-style-type: none">• The content of the suitability report is sufficiently compliant with COBS 9.4• The recommendations are sufficiently justified according to the regulation in COBS 9.2 and guidance in COBS 9.3• The report is in keeping with the Conduct Rules as detailed in COCON 4.1, and the FCA Principles for Business in PRIN 2.1• The report is accompanied by relevant regulatory support documents• The report is accompanied by a list of documents which would be included on the client file, were this a real case |
| Innovative | <ul style="list-style-type: none">• It is evident that the Learner has approached the assignment creatively, with an inventive take on investment planning |
| Suitable | <ul style="list-style-type: none">• The recommendations are appropriate for the client, and sufficiently justified• The report contains deterministic and/or stochastic cashflow models which evidence the suitability of the advice |

These definitions are applied to written assignments as follows:

| Checklist Requirements | Example pass-standard evidence |
|--|---|
| The content of the suitability report is sufficiently compliant with COBS 9.4 | <ul style="list-style-type: none"> • The report contains the client’s objectives, the reasons why the advice is suitable, and any disadvantages of the advice. • Where an investment bond or other type of life assurance-based investment has been recommended, there is a statement of why that particular policy would best meet the client’s objectives. <p><u>Links</u> COBS 9.4 Suitability reports - FCA Handbook</p> |
| The recommendations are sufficiently justified according to the regulation in COBS 9.2 and guidance in COBS 9.3 | <ul style="list-style-type: none"> • The report sufficiently justifies the recommendations; it is convincing. And the recommendations have the potential to enable the client to meet their stated SMART objectives. • There is evidence of critical evaluation within the report, such as brief details of products considered and discounted, and the reasons for this. • Where appropriate, each “reason why” is linked back to the client’s objectives and/or other information the fact-find. • The recommendations consider the client’s investment knowledge and experience, financial situation, investment needs and objectives, time horizon, attitude to risk, and capacity for loss. <p><u>Links</u> COBS 9.2 Assessing suitability - FCA Handbook COBS 9.3 Guidance on assessing suitability - FCA Handbook</p> |
| It is evident that the Learner has approached the assignment creatively, with an inventive take on investment planning | <p>Innovative solutions may include, for example:</p> <ul style="list-style-type: none"> • Tax wrapper diversification • The use of structured products, smoothed funds, or non-standard, but regulated, retail investment products • A mix of different and complementary investment strategies, perhaps to reduce risk or help manage pound-cost ravaging • A different format of cashflow modelling <p>“Innovation” does not mean “weird” or “whacky”. However, the fact-finds we’ve produced provide a great deal of flexibility for a creative approach, and we want to see Learners embrace this and use it to demonstrate their technical knowledge and critical understanding of investment planning. We don’t just want to see a single fund recommended, for example.</p> <p><i>Where the assignment has not been approached creatively, Learners will be required to justify that they can take an innovative approach to investment planning in their work-based evidence.</i></p> |
| The report is well-structured and easy to understand and navigate | <ul style="list-style-type: none"> • The report contains a summary page at the beginning. • The report has clear headings and spaces between paragraphs. • The report follows a logical structure; it does not jump from one point to the next but flows naturally from point to point. • The report is 25 pages or less. |

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| | <ul style="list-style-type: none"> • The report is written in Layman’s terms and any unavoidable jargon is clearly explained. • The report is written in a professional, legible font such as Ariel, Verdana, or Calibri, size 10-12, and in black. |
| The report is in keeping with the Conduct Rules as detailed in COCON 4.1, and the FCA Principles for Business | <ul style="list-style-type: none"> • The report is factually correct • The advice in the report is professional, suitable, and justified • The fact-find has been adequately analysed and evaluated • The report is clear, fair, and not misleading <p><u>Links</u> COCON 4.1 Specific guidance on individual conduct rules - FCA Handbook PRIN 2.1 The Principles - FCA Handbook</p> |
| The report contains deterministic and/or stochastic cashflow models which evidence the suitability of the advice | <ul style="list-style-type: none"> • The report includes deterministic and/or stochastic cashflow models which demonstrate at least in theory that the investment plan has the potential to meet the client’s needs and objectives. • Stress tests evidence that while the recommendations have the potential to meet the client’s needs and objectives, this is not guaranteed. • Cashflow models are not overcomplicated and are suitable for the level of sophistication of the client. • Cashflow model outputs are clearly explained. • Where relevant, inflation, personal taxation, and charges are factored into the model. • All assumptions are justified, such as regarding inflation, charges, and net return. |
| The report is accompanied by relevant regulatory support documents | <ul style="list-style-type: none"> • KIDs, KIIDs, KFIs, and KFDs where relevant, depending on whether the recommended products are PRIIPs or non-PRIIPs. • Fund factsheets for all recommended funds. |
| The report is accompanied by a list of documents which would be included on the client file, were this a real case. | <p>A list confirming (where relevant):</p> <ul style="list-style-type: none"> • Client agreement / statement of engagement • Disclosure documents • Customer Privacy Notice • Client ID verification • Completed fact find • Risk profiling evidence • Research • Product and fund literature • Suitability report • Application forms / data capture forms • Call/meeting recordings • Suitability report agreement to proceed • Ongoing advice agreement • Confirmation the transaction has completed • Any additional relevant information |

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| | <ul style="list-style-type: none">• Any supplementary conversations with the client• Their business card and CV• The signed client declaration• The adviser's brochure used to explain the customer journey <p>And a short explanation of what each of these are.</p> |
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Work-Based Evidence

The Practical Investment Planning qualification is aimed at financial planning professionals, and those in related support roles. Furthermore, the qualification is of a vocational nature. The work-based evidence assessment enables Learners to implement their newfound technical knowledge and soft skills into their day-to-day work and use this as evidence for the achievement of the Learning Outcomes.

This may include, but is not limited to, suitably redacted:

- Testimony from customers
- Evidence from line managers
- Learners' own reflective statements considering how well they had applied soft skills in client interactions, and the lessons they learned
- File review outcomes
- Client meeting observation outcomes

Where evidence is difficult to obtain, which may be due to limitations in their day-to-day role, Learners can book time with an Assessor not involved in the candidate's assessment to roleplay and/or hold structured discussions which can be recorded and used as work-based evidence.

Work-based evidence should be submitted in the form of a written report, perhaps two sides of A4, detailing each Performance Criterion, the evidence submitted, and an explanation of how each piece of evidence evidences the achievement of one or more of the Performance Criteria. The report should be accompanied by all the evidence referenced within it.

Where evidence is provided in the form of audio and/or video recordings, or transcripts thereof, Learners must specify the relevant minutes/timings of the recording, and/or pages of the transcript, which they believe evidence their achievement of the specific Performance Criteria. Audio and/or video recordings, or transcripts thereof, with no minutes/timings, risk being rejected by Assessors.

The objective of the work-based evidence is to evidence the achievement of Learning Outcomes 1 and 3.

Learners must gather at least **two** pieces of work-based evidence for each Performance Criterion. It is up to the Assessor whether a piece of evidence is acceptable.

Where fewer than **three** pieces of evidence have been provided for a Criterion, additional evidence will be required to be presented in the professional discussion.

Learners' own reflective statements are not enough to be counted as one of the minimum two pieces of evidence **but may be counted as the third**.

Where evidence is video or audio-based, the Learner's confidence must be evident. If it appears the Learner is reading from a script, or the evidence presented demonstrates anything less than consummate professionalism as the result of many hours of practice of the soft skills learned in the study text, it will not be acceptable.

| Criterion | Example pass-standard evidence |
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| <p>1.1 Deliver an effective, compliant, professional, structured telephone pitch meeting</p> | <ul style="list-style-type: none"> • A recording or transcript of a real-life pitch meeting, with the client’s personal details redacted/edited out, which demonstrates: <ul style="list-style-type: none"> ○ Compliance with COBS 4.8 ○ Compliance with FCA Principle for Business 7 (clear, fair, not misleading) ○ An effective, professional way to speak, including pitch, volume, speed, tone, enunciation, and sincerity ○ Numerous verbal and non-verbal indicators of active listening ○ Effective questioning techniques enabling sufficient information to be gathered for a fact-find meeting to be booked ○ The ability to control and direct the meeting, not let the client control it ○ An explanation of one or more fact-find preparation strategies • Alternatively, a recording or transcript of a roleplay to this effect • A line manager statement confirming that the Learner has done this. • A customer feedback statement or questionnaire confirming that the Learner has done this. • The Learners’ own reflective statement confirming how they approached the call, and the outcome. • The learner’s pitch meeting notes, ideally in the client’s own words and using the client’s phrases. <p><u>Links</u> COBS 4.8 Cold calls and other promotions that are not in writing - FCA Handbook PRIN 2.1 The Principles - FCA Handbook</p> |
| <p>1.2 Demonstrate the ability to structure and control client meetings effectively</p> | <ul style="list-style-type: none"> • The production of a written agenda the Learner uses in fact-find, presentation, and/or review meetings. • A video/audio recording or transcript of a real-life or roleplay fact-find, presentation, and/or review meeting, with the client’s personal details redacted/edited out, which demonstrates meeting control and logical structure, via following a set agenda and bringing the meeting back to the agenda if conversation becomes irrelevant. • Furthermore, the effective management of different types of client responses such as exaggerations and answering questions with questions. • The use of the TEXAS and IDEA drills when working with clients who could be on the vulnerability spectrum. • A line manager statement confirming the Learner exercised control and that the meeting was suitably structured. • A customer feedback statement or questionnaire confirming that the meeting was controlled and structured well by the Learner. • The Learners’ own reflective statement confirming how they controlled and structured the meeting, including the mechanisms and |

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| | <p>strategies used, examples of the actions taken by the Learner when the client went off on a tangent, and which is evident that the meeting was suitably controlled and structured.</p> <ul style="list-style-type: none"> • A fact-find meeting observation with this aspect of the meeting graded “effective” or equivalent. |
| <p>1.3 Present and explain a set of disclosure documents, including the firm’s business model and how charges work</p> | <ul style="list-style-type: none"> • A video/audio recording of the Learner presenting and explaining a set of disclosure documents, including the firm’s business model and how charges work. This should include all relevant points covered under the Disclosure Documents section of the Practical Investment Planning textbook, such as data protection. As an alternative to a video/audio recording or transcript, a video/audio recording or transcript of a real-life client meeting or roleplay to this effect. Explanations should be clear, concise, and compliant, with any unavoidable jargon explained, and the benefits/drawbacks of each part of the disclosure documents explained. • A line manager statement confirming the Learner compliantly and competently explained the firm’s disclosure documents, including the firm’s business model and how charges work. • A customer feedback statement or questionnaire confirming that, having been through the disclosure documents with the Learner, they fully understand them, including the firm’s business model and charging structure, and that they felt the Learner went through them in a clear, concise, engaging, and comprehensive way. • A script written by the Learner detailing exactly what they would say in a real-life interaction with a client to present and explain a set of disclosure documents, including the firm’s business model and how charges work. • A fact-find meeting observation with this aspect of the meeting graded “effective” or equivalent. |
| <p>1.4 Establish and agree SMART investment planning objectives with the client, including critical assessment of their potential achievability</p> | <ul style="list-style-type: none"> • A video/audio recording or transcript of the Learner: <ul style="list-style-type: none"> ○ Educating a client on inflation ○ Explaining the SMART method to a client ○ Letting the client explain their objectives in their own words ○ Confirming with the client whether objectives are realistically potentially achievable • A line manager statement confirming the Learner compliantly and competently established and agreed SMART investment planning objectives with a client, including critical assessment of their potential achievability • A customer feedback statement or questionnaire confirming that, having discussed their objectives with the Learner, that they fully understand what SMART objectives are, and that they feel their SMART objectives are accurate and complete. • Detailed notes recording SMART objectives by the Learner, in the client’s own words • Cashflow models and/or mathematical formulae evidencing the realistic potential achievability of SMART objectives. |

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| | <ul style="list-style-type: none"> • Written critical evaluation of the realistic potential achievability of SMART objectives, including justification for any assumptions used such as inflation, charges, personal taxation, and investment returns. • A fact-find meeting observation with this aspect of the meeting graded “effective” or equivalent. • The Learners’ own reflective statement confirming how they explained and established a client’s SMART financial objectives, what they’ve learned, and how they would do things differently in future. |
| <p>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</p> | <ul style="list-style-type: none"> • A video/audio recording or transcript of the Learner: <ul style="list-style-type: none"> ○ Educating retail clients on the main asset classes, the relationship between risk and reward, and how risk profiles are assessed. Explanations should be balanced, clear, concise, and compliant, with any unavoidable jargon explained. ○ Questioning the client on their knowledge and experience of investment matters ○ Employing multiple methodologies to assess attitude to risk, such as questionnaires, indicative minimum and maximum gain/loss figures, written descriptions of the different risk profiles, and example asset allocations. ○ Agreeing attitude to risk with the client ○ Explaining capacity for loss to the client • A video/audio roleplay is just as acceptable. • A line manager statement confirming the Learner compliantly and competently critically assessed and agreed the risk profile of a retail client, as a combination of their attitude to risk and capacity for loss. • A customer feedback statement or questionnaire confirming that, having discussed their risk profile with the Learner, that they understand the main asset classes, the relationship between risk and reward, and how risk profiles are assessed, sufficiently to put them in an informed position to agree their risk profile with the Learner, and that they are confident in the assessment of their risk profile. • Detailed notes recording the risk profiling process by the Learner, in the client’s own words, including risk profiling tool outputs. • The Learners’ own reflective statement confirming how they established and agreed a client’s risk profile, what they’ve learned, and how they would do things differently in future. • A fact-find meeting observation with this aspect of the meeting graded “effective” or equivalent. |
| <p>1.6 Explain to retail clients the main features, advantages, and disadvantages of the main investment strategies</p> | <ul style="list-style-type: none"> • A video/audio recording of the Learner presenting and explaining the main features, advantages, and disadvantages of the main investment strategies, including CIPs, advised portfolios, managed portfolios, DFM solutions, and ethical/religious investment preferences. Explanations should be balanced, clear, concise, and compliant, with any unavoidable jargon explained, and the main benefits/drawbacks of each strategy explained. • As an alternative to a video/audio recording, a recording or transcript of a real-life client meeting or roleplay to this effect. |

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| | <ul style="list-style-type: none"> • A line manager statement confirming the Learner compliantly and competently explained the main features, advantages, and disadvantages of the main investment strategies. • A customer feedback statement or questionnaire confirming that, having been through the the main features, advantages, and disadvantages of the main investment strategies, they fully understand them and were able to make an informed decision as to their preference, and that they felt the Learner went through them in a balanced, clear, concise, engaging, and comprehensive way. • A script written by the Learner detailing exactly what they would say in a real-life interaction with a client to present and explain the main features, advantages, and disadvantages of the main investment strategies. • The Learners’ own reflective statement confirming how they explained the investment strategies to a client, and established their preference, what they’ve learned, and how they would do things differently in future. • A fact-find meeting observation form with this aspect of the meeting graded “effective” or equivalent. |
| <p>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</p> | <p>The achievement of this Criterion is fully evidenced via the written assignment. No further evidence is required. However, where innovation was not evident in the written assignment, Learners may provide any one of the following as evidence:</p> <ul style="list-style-type: none"> • A real-life suitability report, with client details redacted, which has been graded “effective” or “suitable” which involves an innovative solution, with an accompanying explanation of why the Learner thinks the solution is innovative. • A line manager statement confirming the Learner produced an innovative piece of investment planning which was graded “effective” or “suitable”, with an accompanying explanation of why the Line Manager thinks the solution is innovative. <p><i>This is only required where innovation was not evident in the written assignment.</i></p> |
| <p>2.2 Demonstrate the suitability of the advice via deterministic and/or stochastic cashflow models</p> | <p>The achievement of this Criterion is fully evidenced via the written assignment. Where no cashflow model is provided, or if it fails the checklist requirements, the written assignment will fail. No further work-based evidence is required.</p> |
| <p>3.1 Professionally and compliantly present an innovative investment plan,</p> | <ul style="list-style-type: none"> • A video/audio recording or transcript of the Learner presenting an investment recommendation to a real-life client, or in a roleplay scenario, which includes answering client questions and gaining the client’s agreement to proceed with the advice. • The Learner’s presentation meeting notes. |

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| <p>along with corresponding regulatory supporting documents, answering any client questions, and gaining the client's agreement to proceed with the advice</p> | <ul style="list-style-type: none"> • A presentation meeting observation with the overall meeting graded "effective" or equivalent. • A line manager statement confirming the Learner professionally and compliantly presented 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. • A customer feedback statement or questionnaire confirming that, having had their advice presented to them, they understand the reasons why the advice is suitable, and any disadvantages of the advice, so that they were in a sufficiently informed position to determine whether they wanted to take the advice or not. • The Learners' own reflective statement confirming how they delivered a presentation meeting, answered client questions, and gained the client's consent to proceed with the advice, what they've learned, and how they would do things differently in future. |
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Examples of Complete Work-Based Evidence

Portfolio A – Matt

Matt has recently started a role as a Trainee IFA at a large firm with a couple of others. As part of the firm's T&C scheme, it has required them to complete the Practical Investment Planning qualification before they can go out and see clients.

Matt enlists the help of his fellow new-starts to undertake recorded roleplays with him using Microsoft Teams, which form the bulk of his work-based evidence, with accompanying notes, scripts, and reflective statements.

| Evidence | Learning Outcomes |
|---|-------------------------|
| Audio recording of a roleplay pitch meeting, with accompanying notes, and a reflective statement from Matt (3 pieces of evidence) | 1.1 |
| Video recording of a roleplay fact-find meeting, with Matt's meeting agenda, Disclosure Documents 'script', SMART objectives notes, risk profiling notes, investment strategies 'script', and a reflective statement from Matt for the full meeting (3 pieces of evidence for each Criterion) | 1.2, 1.3, 1.4, 1.5, 1.6 |
| Video recording of a roleplay presentation meeting, with accompanying notes, and a reflective learning statement from Matt (3 pieces of evidence) | 3.1 |

This portfolio provides three pieces of evidence for each Learning Outcome. Assuming Matt met the requirement for innovation in his written assignment, his Professional Discussion would consist of one competency-based question for each Performance Criterion.

This is a potential route that could be taken for anyone not actively working as an Investment Adviser, such as paraplanners, BDMs, and anyone else in a related support role.

Portfolio B – Claire

Claire is an experienced sole trader IFA and would like to develop her soft skills so has decided to undertake the Practical Investment Planning qualification. Rather than using recording equipment, she prefers a more paper-based and real-life approach. Furthermore, as a sole trader there is no one she can engage with for roleplaying exercises, and she does not have a line manager.

Note – where this is the situation with a Learner, and where that Learner would like to undertake recorded roleplays for their work-based evidence, this can be arranged with Practical Financial Exams Limited for a fee.

| Evidence | Learning Outcomes |
|--|-----------------------------------|
| A customer feedback questionnaire covering all Performance Criteria | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 3.1 |
| Pitch meeting notes with a reflective statement from Claire | 1.1 |
| Fact-find meeting agenda, Disclosure Documents ‘script’, SMART objectives notes, risk profiling notes, investment strategies ‘script’, and a reflective statement from Claire for the full meeting | 1.2, 1.3, 1.4, 1.5, 1.6 |
| Presentation meeting notes with a reflective statement from Claire | 3.1 |

This portfolio provides three pieces of evidence for each Learning Outcome. Assuming Claire met the requirement for innovation in her written assignment, her Professional Discussion would consist of one competency-based question for each Performance Criterion.

Portfolio C – Donald

Donald joined a small IFA firm a year ago as a Trainee and has since achieved Competent Adviser Status. However, he’s not as comfortable as he’d like to be interacting with clients, so decides to undertake the Practical Investment Planning qualification. He’s not got anyone he can roleplay with, but he gets regular performance evaluations under the firm’s T&C scheme.

| Evidence | Learning Outcomes |
|---|-----------------------------------|
| A statement from Donald’s line manager covering all Performance Criteria | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 3.1 |
| Pitch meeting notes with a reflective statement from Donald | 1.1 |
| Fact-find meeting agenda, Disclosure Documents ‘script’, SMART objectives notes, risk profiling notes, investment strategies ‘script’, and a fact-find meeting observation form completed by Donald’s line manager graded “effective” for each relevant part of the meeting | 1.2, 1.3, 1.4, 1.5, 1.6 |
| Presentation meeting notes with a presentation meeting observation form completed by Donald’s line manager graded “effective” | 3.1 |

This portfolio provides three pieces of evidence for each Learning Outcome. Assuming Donald met the requirement for innovation in his written assignment, his Professional Discussion would consist of one competency-based question for each Performance Criterion.

Professional Discussion

A professional discussion is a recorded, structured, one-hour conversation with an Assessor conducted via Microsoft Teams or Zoom. It includes, but is not limited to, the following:

- Competency-based questions related to the achievement of the Learning Outcomes.
- Small roleplay elements, particularly where work-based evidence of soft skills is lacking.
- An opportunity for Learners to present additional evidence of the achievement of the Learning Outcomes outside their written assignment and work-based evidence.

The content of the professional discussion will depend on the portfolio of the written assignment and work-based evidence already presented. Where sufficient evidence has been gathered within the written assignment and work-based evidence for specific Learning Outcomes, the professional discussion will focus more on the Learning Outcomes where evidence is lacking.

Unless otherwise stated, the professional discussion will feature **one** competency-based question or short roleplay for each Performance Criterion, or **three** where there are fewer than three pieces of work-based evidence for a Criterion.

To pass, the Learner must convince the Assessor that the Learning Outcomes have been achieved. It is up to the Assessor whether a Learner's answer is sufficient. Where any answer is insufficient, for which there may be legitimate reasons, the Assessor may ask an alternative question where available, and/or re-word the question to make it relevant to the Learner, so as to allow the Learner to provide an answer but without providing an unfair advantage.

Where the Learner is unable to answer the required number of questions to a satisfactory standard for any one Performance Criterion, the evidence for that Criterion will be insufficient and the Learner will not pass the overall assessment.

Given the personal nature of the questions, and the infinite number of possible answers, it is not practical to produce a set of model answers. However, the following principle should apply in addition to the General Principles explained earlier in this document:

Learners should answer the question asked, followed by an explanation of why their answer helps to evidence the achievement of the Learning Outcomes.

E.g.

Assessor – *“Tell me about your firm’s charging structure”*

Learner – *“For investment business, we charge a fixed fee of £3,000 plus ongoing of 1% per annum. On a net investment of £100,000 this is approximately £1,000 per annum, and this will increase proportionally if the client’s portfolio increases due to investment returns. This evidences the achievement of Performance Criterion 1.3 because the ability to explain our charging structure is a key part of this.”*

Where discussions are perhaps more general, and based on established technical knowledge or soft skills, Assessors should refer to the relevant parts of the Practical Investment Planning study text.

| Criterion | Example pass-standard evidence |
|---|---|
| <p>1.1 Deliver an effective, compliant, professional, structured telephone pitch meeting</p> | <p>Short roleplay of a telephone pitch meeting (webcams turned off).</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Tell me about a time you delivered an effective pitch meeting • Explain how you know it was compliant • Tell me about the soft skills you employed • Tell me about the impact of your soft skills on the call • Tell me how you ensured a logical structure to the meeting • What was the outcome of the call, and why do you think this was the outcome? |
| <p>1.2 Demonstrate the ability to structure and control client meetings effectively</p> | <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Present the agendas you use to structure client meetings • 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 • Tell me what you would do if you felt a client was exaggerating about their salary and bonus • Tell me a time when you used questioning techniques to gather information from a client to populate a fact-find • Tell me how you would wrap up a meeting |
| <p>1.3 Present and explain a set of disclosure documents, including the firm’s business model and how charges work</p> | <p>Short roleplay of a presentation of some key parts of the disclosure documents, such as FCA regulation, independent/restricted advice, and the complaints procedure.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Tell me about your firm’s charging structure • Explain your firm’s business model • Tell me about a time when you presented a set of disclosure documents, including how you did it, and its effect on your relationship with the client • Explain the soft skills you use when presenting disclosure documents |
| <p>1.4 Establish and agree SMART investment planning objectives with the client, including critical assessment of their potential achievability</p> | <p>Short roleplay of a presentation of some key parts of the SMART objective setting process, including drawing out SMART onto a piece of paper and explaining what SMART means.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Tell me about how you establish and agree your client’s needs and objectives • Explain how you record your clients’ SMART objectives for the firm’s records • Tell me about a time you critically assessed a client’s SMART objectives as achievable, or not |

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| <p>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</p> | <p>Short roleplay of the Learner educating the client on investment, risk, and risk profiling.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Explain how you would ensure a client was in a sufficiently informed position to undertake a risk profiling exercise • 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? • What were some of the soft skills you employed throughout this process? • Tell me about a time you critically assessed a client’s capacity for loss; what were the processes involved, and how was it recorded? • Explain to me your understanding of “critical assessment” in the context of risk profiling |
| <p>1.6 Explain to retail clients the main features, advantages, and disadvantages of the main investment strategies</p> | <p>Short roleplay of the Learner educating the client on the main features, advantages, and disadvantages of the main investment strategies.</p> <p>Short roleplay of the Learner educating the client on ethical and religious investment.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Explain how you would ensure a client was in a sufficiently informed position to provide you with a personal preference for their investment strategy • Describe how you would explain the advantages and disadvantages of an advised/managed/DFM portfolio to a retail client • Explain your firm’s investment process; does it have a CIP, if so, what is it? |
| <p>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</p> | <p><i>Only one competency-based question should be asked.</i></p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Explain to me how you approached your written assignment • Tell me why you felt your recommended strategy was innovative • Explain to me your creative process for the formatting and layout of your written assignment • In simple terms, explain the recommendation in your written assignment to me <p><i>Additional question only to be asked where innovation was not evident in the written assignment.</i></p> <ul style="list-style-type: none"> • Tell me about a time when you produced an innovative piece of investment advice, and why you feel it is innovative. |

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| <p>2.2 Demonstrate the suitability of the advice via deterministic and/or stochastic cashflow models</p> | <p>Only one competency-based question should be asked.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Explain to me why you feel the cashflow models you've used in your written assignment help demonstrate the suitability of your advice • Tell me why you used your chosen approach to cashflow modelling in your written assignment • Explain your rationale for the stress tests you included in your written assignment • Explain the reasons for the assumptions for inflation and net return you used in your written assignment |
| <p>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</p> | <p>Short roleplay of a part of a presentation meeting, using the client's written assignment and corresponding regulatory supporting documents.</p> <p>Competency-based questions:</p> <ul style="list-style-type: none"> • Explain why you have submitted these regulatory supporting documents with your written assignment • Tell me about a time when you closed a piece of investment business with a client / gained the client's agreement to proceed • Tell me about a time you effectively answered a client's question regarding their recommendation within the fact-find meeting • 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 • Tell me about the process you used when cashflow modelling for your assignment, and why you made the creative decisions you did |

How We Support Our Learners

Practical Financial Exams Limited supports Learners in the following ways:

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| Study text | The Practical Investment Planning study text is the core of Learners' study. It has been written specifically to address the Learning Outcomes and Performance Criteria in plain English, with technical terms explained, by an investment planning specialist and highly experienced training consultant. |
| E-mail Helpline | Learners are able to e-mail contact@practicalfinancialexams.co.uk anytime to have their questions answered. Practical Financial Exams Limited aims to respond within 48 hours. This allows for clarification of anything in the syllabus that Learners do not understand, or for guidance in constructing their Portfolio. At our discretion, we may hold virtual meetings with Learners via Microsoft Teams. Full terms of service are available on our website. |
| Blog | We regularly publish articles in our Blog, freely available via our website, which aim to help you in your assessment preparation. |

Learners who may require additional support can get in touch at contact@practicalfinancialexams.co.uk and we will explain the additional support services available.

Scientific Calculator

Learners are likely to require a scientific calculator as they progress through their studies. The model recommended by Practical Financial Exams Limited is the Casio fx-82MS because of its simplicity and two-line display.

If you can't get it quickly or cheaply, e-mail us at contact@practicalfinancialexams.co.uk and we'll recommend a suitable alternative.