**Occupational Certificate:**

**Financial Advisor**

**SAQA ID: 105026**

**Overview of Financial Advice**

**Module 1**

**NQF Level 5**

**13 credits**

**FACILITATOR GUIDE**

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1. DURATION AND STRUCTURE

## 1.1 Module Methodology

This course will introduce the learner to an overview of investment advice.

The learning process will be facilitated as follows:

There will be three contact sessions organised into the following general areas:

**Knowledge Topics**

1. Basic Economics
2. Application of Economic Principles to the Financial Services Sector
3. Current Affairs in the Financial Services Sector

**Practical skills topics**

1. Identification of needs for an individual at different stages of the financial Lifecycle

There is an abundance of prescribed activities that range from simple drills to analyses of data sets. (It is recommended that learners attempt as many of these exercises as possible. It will guarantee an improvement in the confidence levels relating to each of the topics covered)

DURING THE MODULE: One test (closed book) at the end of each learning Unit during the module will enable the learner to understand the overview of investment advice.

AT THE END OF THE MODULE: At the end of the programme, an internal summative assessment (closed book) will assess the understanding of all material covered during the programme.

## 1.2 Module grading

|  |  |  |
| --- | --- | --- |
| **ASSESSMENT** | **TOTAL MARKS** | **WEIGHTING** |
| Internal Summative Assessment | 100 | - |
| External Summative assessment | 100 | - |
| **TOTAL** |  | **100%** |

The written summative assessment is a 3-hour closed book assessment (exam).

There is no pre-seen case study.

**Requirements for the Successful Completion of the Programme:**

Learners must obtain a sub-minimum of 75% for each of the above components. To complete this module, learners must achieve a final mark of no less than 75%.

**2. Bibliography/References**

## Website Resources

## Learning unit 1

<https://www.iol.co.za/business-report/companies/uber-sa-announces-price-increase-by-5-18419404>

<http://www.treasury.gov.za/documents/mtbps/1998/all.pdf>

<https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/4376/Article%20-%20Reference%20turning%20points%20in%20the%20South%20African%20business%20cycle%20-%20Recent%20developments.pdf>

<https://courses.lumenlearning.com/baycollege-introbusiness/chapter/reading-the-business-cycle-definition-and-phases/>

<https://www.fin24.com/Economy/sa-in-longest-downward-business-cycle-since-1945-report-20181008> <https://countryeconomy.com/gdp/south-africa?year=2017>

<https://businesstech.co.za/news/finance/289132/south-africa-moves-out-of-recession/>

<http://www.statssa.gov.za/?p=9181>

<http://statisticstimes.com/economy/projected-world-gdp-ranking.php>

<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html>

<https://www.statssa.gov.za/cpi/documents/Transition%20to%20the%202009%201%20July%2008%20final.pdf>

<http://www.statssa.gov.za/cpi/documents/P0141.5%20-%202008%20-%20Total%20country.pdf>

<https://www.google.com/search?q=Consumer+Price+Index+The+South+African+CPI+Sources+and+Methods+Manual+15+March+2017&rlz=1C1GCEU_enZA836ZA836&oq=Consumer+Price+Index+The+South+African+CPI+Sources+and+Methods+Manual+15+March+2017&aqs=chrome..69i57.1317j0j4&sourceid=chrome&ie=UTF-8>

<https://businesstech.co.za/news/wealth/110605/what-the-rate-hike-means-for-your-bond/>

<https://www.resbank.co.za/MonetaryPolicy/MonetaryPolicyOperations/Pages/MonetaryPolicyOperations-Home.aspx>

<http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>

<https://www.oldmutual.co.za/docs/default-source/markets/budget-speech-2019/budget-2019-highlights.pdf?sfvrsn=2&_ga=2.240587843.1598871147.1560354368-1988865645.1560354368>

<https://www.southafricanmi.com/south-africas-fiscal-policy.html>

<https://www.businessinsider.co.za/lower-interest-rates-boost-shares-2019-6>

<https://www.businesslive.co.za/bd/markets/2019-08-01-hawkish-comments-from-us-fed-push-jse-lower/>

<https://www.businesslive.co.za/bd/markets/2019-08-01-hawkish-comments-from-us-fed-push-jse-lower/>

<https://www.cnbc.com/2019/04/10/americans-have-lost-500-billion-in-interest-after-financial-crisis.html>

**Learning unit 2**

<https://www.fin24.com/Money/MoneyManagement/INFOGRAPHIC-The-financial-planning-life-cycle-20151030>

<https://www.fanews.co.za/article/magazine-archives-fanews-fanuus/60/features-profiles/1320/the-impact-of-avocations-on-underwriting/10132>

**Learning unit 3**

<http://www.treasury.gov.za/twinpeaks/Press%20release%20Twin%20Peaks%20implementation%20March2018_FINAL.pdf>

<https://www.banking.org.za/news-media/association-news/financial-sector-conduct-authority-launch>

<https://www.fpi.co.za/documents/FPIMediumTermStrategicPlan(2016-2018).pdf>

<https://www.moonstone.co.za/continuous-professional-development-are-your-hours-adding-up/>

<https://www.fsca.co.za/Notices/Board%20Notice%20194%20of%202017.pdf>

<https://www.iol.co.za/business-report/companies/standard-bank-to-close-branches-across-the-country-25021118>

<https://www.iol.co.za/personal-finance/new-financial-regulator-will-better-protect-consumers-12319245>

<https://www.bizank.co.za/content_howitworks_overview.php>

# 3. Overall Module Objective

This qualification will improve learners’ understanding and application of the key foundations of investment advice as they apply to financial advice in the workplace.

The objectives of the learning programme include the following:

1. Imparting knowledge and skills to apply basic economic concepts in the financial advice process.
2. Outline the financial Lifecycle model and how the model can be used to identify and provide financial planning solutions to the needs of individuals.
3. Highlight the importance of regulation and the mutual benefits of an ethical culture to the financial services Industry and Clients.
4. Give an overview of key regulation changes in the financial services industry and how this will affect the Industry’s role players.
5. Analyse the changing consumer environment and give an insight into what the Industry needs to do to stay relevant to Clients’ needs.

Upon completing this qualification, graduating learners will be sufficiently prepared to pursue a career in investment advisory.

Each document in the qualification pack is prefaced by a set of learning objectives (to focus the learning process) and is concluded with exercises that will develop analytical skills and confidence in the learner.

**ICONS**

The Course Packs was compiled using symbols to assist the facilitator and the learner in identifying different requirements as they work through the manual. The following symbols indicate these different requirements:



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**4. Guidelines for Facilitators**

This Facilitators Guide is a resource, which will help you to:

* Understand the programme, its objectives, characteristics, and its requirements of you, the facilitator.
* Work through the qualification pack thoroughly in the early stages of delivering the modules.
* Develop your confidence and ability to deliver the material in a way that best suits your teaching style and method.

Three stages to follow:

* **Learning:** During the training, you may need to regularly refer to the course pack as it will provide you with a simple of methods to be used in the delivery of the training.
* **Prompting:** As you become more comfortable with the modules, you are encouraged to prepare a presentation using the Lesson Plan provided. This document has been written as a prompt sheet to remind you of the contents to be covered.
* **Creating:** You will inevitably reach a stage when you experience the facilitators’ guide as being “restrictive” and find that you can contribute many additional ideas to the delivery of this programme. Keeping the training content in line with the Lesson Plan is highly encouraged.

A key verb generally governs the notes. These are usually “Explain” or “Elicit”.

* **Explain:** this will be followed by the information you need to relay to the learner or group.

**Elicit:** You will be followed by the information you need to clarify to the group, either by asking them questions, asking for them to obtain further information or seeking their agreement and hence testing their understanding. How you “elicit” is completely up to you as the facilitator.

Several other keywords have been used, i.e. discuss, model, demonstrate, etc., which we trust is self-explanatory.

The manner and style you deliver the modules and your preferred selection in terms of the additional role-plays and exercises will affect the learners’ experience. Getting to know your audience is therefore recommended.

We recommend that if you have not completed the qualification as a learner, you should spend time reflecting on your own experiences as a Manager or as an Employee.

It will help you apply the contents of the programme to your own experiences and develop a level of authority on the subject.

Think about the various people who have reviewed your performance and how they did it. Think about the multiple people whose performance you have reviewed and how you went about doing it.

Generate examples and case studies of your own to illustrate points as you make them.

1. **Presentation of Content:**

* Understanding and explaining key concepts.
* Effective presentation skills, i.e. use of training aids, verbal and non-verbal communication.
* Summarising key points effectively and succinctly.

1. **Management of the Group:**

* Using facilitation skills to promote a positive, comfortable learning environment for each learner while maintaining appropriate control of the group process to achieve the learning objectives.
* Using questioning techniques that draw relevant information maximise group participation and check for understanding.
* Dealing with unplanned behaviour/events so that the objectives are still achieved.
* Managing time.

1. **Management of exercises/skills practices:**

* Providing sufficient rationale/instructions for exercises/skills practices to enable learners to carry out the activities and understand the purpose of each activity.
* Following the content arrangement in the Learner Guide in a proper sequence.

1. **Feedback Skills:**

* Analysing behaviours during role-plays accurately.
* Representing feedback accurately, meaningfully with appropriate evidences, i.e. using the same guidelines as in the workbook.
* Presenting feedback that highlights learning, involves learners in the process and applies specific actions.

1. **Facilitation of Skills Transfer:**

* Using relevant examples/analogies to link concepts/skills practices to job experience.
* Stressing the value of using the skills in the workplace and making it easy for learners to “transfer” this training.
* Drawing out connections from learners by using knowledge of the organisation, their job environment and responsibilities.
* Modeling the skills with energy and enthusiasm.

# 5. Feedback Skills for Facilitators

Feedback skills are critical throughout this programme; we have provided some guidelines to assist you.

**A) PROVIDE STRUCTURE:**

Providing structure means telling people what will happen next and what will be expected of them when it happens. This information will help them to relax and to prepare themselves.

Specifically:

* Give an overview of the feedback process at the beginning of the session.
* Give clear explanations of the next stage at major shift points, such as at the end of the introduction, group feedback, and individual feedback.
* Summarise the main conclusions reached by the group or individuals periodically, for example, the end of a graph slide or group feedback; the end of an individual’s feedback.

**B) SHIFT THE FOCUS OF POWER:**

In the face of objective data, the group can feel pretty powerless. The power rests with the data and with the person presenting it. It is essential to shift the focus of power away from the facilitator and towards the group.

**Specifically:**

* Providing structure will help the group feel some control of the session.
* Clarifying the purpose of the feedback will help the group to take some responsibility for the session (for example, the session is to help them make decisions, etc.)
* Getting the data up in front of the group as quickly as possible to avoid unnecessary delays (for example, over-explanation of behaviour definitions or pieces of research; or perception gap exercises).
* Encouraging the individual and group to take ownership of assessing their progress and development.

**C) BE QUICK:**

One of the advantages of Behaviour Analysis is that it can help someone decide on practical action for skill development relatively quickly.

It is because:

* It doesn’t go for the whole picture.
* It doesn’t explore why people behave in the way they do in great depth.
* Ensures that you move through feedback at the right speed and do not become “bogged down.”
* Focuses on the impact of someone’s behaviour rather than its causes; understanding impact motivates change.
* Moves from problem to solution; having established an area of concern or difficulty, exploring what can be done behaviourally will help.

**D) USE QUESTIONS:**

The role of the facilitator should be as a guide. It will involve some explanation; behaviours, explaining the slides; covering research models. But the behavioural style should be primarily a questioning one.

**Specifically:**

* Seek information to encourage the group to discuss the data, particularly use Seeking information to help the group evaluate their data and the impact of other people’s behaviour.
* Test Understanding to clarify the group’s understanding of the data and its meaning to them. Use it to challenge people who are avoiding or resisting messages from the data or the rest of the group.
* Seek Proposals from the group and individuals about how they could improve their effectiveness.

**E) BE SPECIFIC:**

As much as possible, be specific when you are giving feedback.

**Specifically:**

* Give specific examples of people’s behaviour when appropriate. It is beneficial to Defend/Attack behaviour when it is essential to let people know what was said. It is relevant for other behaviours and helps people relate the data to what happened.
* Avoid vague comments such as “That’s interesting” or “You might want to think about that”. If left in the air unexplained, Comments like these create the impression that you’re withholding (negative) information from the group. The locus of power will shift back towards you and away from the group.
* When members of the group are talking, ask them to be specific and give examples. If they are talking about their job, ask them to provide details.

**F) BE NON-EVALUATIVE:**

Because the source of the feedback is objective data, the facilitator cannot afford to be evaluative or judgmental in any way. The subjective opinion will undermine the data and confuse the group. When you’ve just spent an hour observing a group make a complete hash of activity or being irritated beyond measure by the level of someone’s Shutting Out behaviour, being non-evaluative and non-judgmental can be challenging.

**Specifically:**

* Avoid using words that betray your value judgments, for example: “That’s a good level of summarising there”; “If you shout out too much, you’re going to start irritating people”. Not only do these words express your opinion, but they also suggest to the group that there are “right answers” that you are judging them against.
* Get the group to do their evaluation. They may feel very different to you (found the Summarising tedious or the Shutting Out acceptable). They may feel precisely the same as you. Either way, how they feel is more important than how you feel.

**G) BE SOLUTION-CENTRED:**

Behaviour Analysis feedback is essentially solution-centred. Put it another way; Behaviour Analysis is about asking: “How could you be more effective?” rather than: “Why are you ineffective?” A common reason people initially take a long time giving Behaviour Analysis based feedback is that they focus too heavily on problems and often don’t switch to solutions, which means that it’s difficult to know where to stop! It also means that the person receiving the feedback has no way forward; they have been left with the problem.

As the facilitator, your role is to help people to:

* Identify areas where they have behaved inappropriately or not as effective as they could have.
* Ways in which they could change their behavioural strategy to be more effective.
* Specific skills that they can develop to carry out their new strategy and ways to develop these skills.

**H) BE NON-PRESCRIPTIVE:**

The emphasis must always be on the receiver of the feedback identifying his/her solution. There may be times when it is blindingly obvious to you what someone should do. If you tell them, the chances of them doing it are reduced. They will be more committed to the solution if they identify it themselves.

Specifically use:

* Seeking Proposal behaviour to encourage them to find solutions to issues that have arisen.
* Testing Understanding to clarify their proposal and as an alternative to disagreement if you think it is a poor solution.
* Building behaviour to modify the proposal to overcome any flaws that you have identified.

**I) INTEGRATE TO OTHER POINTS:**

The same issue will often arise at different points in the session: points raised during group feedback will re-emerge in someone’s feedback, or the same point is reflected in two different graph slide displays. When this happens, try to refer to what people have said earlier accurately.

It is essential because:

* It shows you have heard and respected what they said.
* It avoids needless repetition and thus saves time.
* It can allow you to go into the issue more deeply, using their earlier responses as a starting point.

**J) MAKE IT RELEVANT:**

With Behaviour Analysis based feedback, it is easy to become absorbed by the data and thus focus too heavily on the “snapshot” that the data represents. You must use the data rather than, as can sometimes happen, the data using you.

**Specifically:**

* Help the group to explore whether the data is typical of their behaviour in other situations.
* Explore problems they experience in their job situations to see if the data reflect them on display.
* Explore how they would like to be more effective in their present (and possible future) job situations.
* Identify action plans that are practical and which will be a step towards achieving greater effectiveness.

# 6. Preparing for Session

* Use the Session Preparation Checklist (see Addenda) as a guideline to ensure that all required resources and materials are available before the training session.
* The lesson plan will also assist in preparing for the session.
* The Attendance Register should be completed by all learners attending the training session.
* The facilitator must fill in the pre and post-assessment results at the end of the training session.

**INTRODUCTION**

Welcome everyone to the session. Give a general overview of the training topics you will cover during the entire training process.

[](https://www.google.co.za/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=2ahUKEwjeuuOHlZ_iAhWtAWMBHTVnD2kQjRx6BAgBEAU&url=http://www.pinterview.in/blog/2017/01/how-to-score-top-marks-in-a-group-discussion/&psig=AOvVaw2aT7J5W6OsrAQWj1-4Ddec&ust=1558065629589788)

**EXERCISE - ICE BREAKER**

To help set the atmosphere and put learners at ease using one of the following ice breakers.

a) Explain how you would like learners to introduce themselves.

b) Write the following on the flip chart:

* Who are you?
* What is your current job?
* Share some personal information about yourself.
* Suggest a ground rule for the day.
* What are your expectations and/or reservations for this session?

**Explain** what you mean by ground rules. They should think about likes/dislikes about training, i.e. confidentiality, cell phones off, no interruptions, keep to agreed breaks, etc.

**Explain** that unless people have thought about what they want to get out of a training session, they rarely achieve anything of value from the session. Expectations include getting answers to questions, learning new skills, hearing different opinions etc.

**Model** how long you want learners to take by introducing yourself using the questions on the flip chart. **Explain** that introductions should not take much longer than one to two minutes. These introductions can be carried out in a variety of ways.

**FACILITATOR TIP:**

Learners may have attended the learning programme together and know each other well. Here are a few variations that you can use for the ice breakers.

1. **Option One:**

Divide the group into pairs. Request the individuals to introduce themselves to their partners. Ask their partners to introduce them to the group.

1. **Option Two:**

Ask each individual to introduce themselves to the group.

1. **Option Three:**

Non-verbal introduction. You can use the icebreaker effectively if the learners know each other very well and do not want to do the usual introductions. Divide them into pairs. Demonstrate the introduction to them by doing a non-verbal introduction of yourself and asking them to tell you what you have “told” them about yourself. Give them two minutes each to introduce themselves. When you have returned to the larger group, get the partner to introduce the individual while the individual evaluates how accurately the partner introduces himself/herself. You can use this as a short discussion on the importance of non-verbal communication.

1. **Option Four:**

Unprepared introduction. You can use the icebreaker to demonstrate that even if we work with people day after day, we don’t often get to know them. Change the list on the flip chart to read: Name of person, what is their current job, some personal information about their family, their hobbies, and their favourite possession. Ask a learner to introduce another learner by using the above topics. The only rule is that they may not ask the learner the information; they simply have to guess. Once the learner has completed the introduction, ask the person they were introducing to supply the correct information where applicable. Also, ask them to share a ground rule and their expectations and capture this on the flip chart. Debrief by explaining how important it is to know your employees to manage their performance effectively.

**Review** the ground rules you’ve captured on the flip chart to ensure that everyone agrees with them. They can be extended as needed—place the flip chart on the wall.

**Summarise** the expectations and reservations. If expectations will not be covered in the session, highlight them and discuss how best to deal with it, i.e. build it in, discuss it with the particular learner, send them follow-up information, etc.

**ADMINISTRATIVE ARRANGEMENTS**

**Explain** the administrative arrangements with the group in terms of:

* Smoking arrangements;
* Breaks;
* Meals and refreshments;
* Starting and finishing times; and
* The importance of attending the full session.

**Elicit** whether any special arrangements need to be made regarding times, special meals, etc.

**TRAINING METHODOLOGY**

Explain the training methodology of the session, i.e. that the session is practical and experiential:

* Minimal theory just enough to cover principles, models and processes;
* Experiential learning as much as possible through participation as individuals (sharing their experiences in group discussions).

Explain that this session belongs to the learners and that they should feel free to question, argue constructively and ensure that they understand the process by the end of the session.

**WORKBOOKS**

Hand out the workbooks and explain how it is designed and how it should be used.

Tell the learners that the manuals are theirs and that to make their learning effective, they should feel free to make additional notes, jot down questions they have, or simply sketch diagrams that will help them link information.

Discuss how the workbook is designed and meant to be used by talking them through the information in the workbook.

**Learning programme contents and outcomes**

Explain the course outcomes and contents in context with the module.

**7. Facilitator Checklist**

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| **Preparation** | **Yes** | **No** |
| **Content Knowledge**  I have sufficient knowledge of the content to facilitate with ease. |  |  |
| **Application Knowledge**  I understand the program matrix and have prepared for program delivery accordingly. |  |  |
| **Ability to Respond to Learners Background and Experience**  I have studied the learner demographics, age group, experience and circumstances, and prepared for program delivery accordingly. |  |  |
| **Enthusiasm and Commitment**  I am passionate about my subject and have prepared my program delivery to create a motivating environment committed to success. |  |  |
| **Enterprise Knowledge**  I know and understand the values, ethics, vision, and mission of the service provider under the program’s auspices. I have prepared my program delivery, reporting and administrative tasks accordingly. |  |  |
| **Equipment Checklist**: |  |  |
| Learner Guides: 1 per learner |  |  |
| Learner Assessment Guides: 1 per learner |  |  |
| Writing material and stationery for facilitator and learner |  |  |
| Whiteboard and pens |  |  |
| Flip chart paper |  |  |
| Projector and screen |  |  |
| Notebook computer and program disk |  |  |
|  |  |  |
| **Documentation Checklist**: |  |  |
| Attendance register |  |  |
| Course evaluation |  |  |
| Learner course evaluation |  |  |
| Portfolios of evidence |  |  |
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**8. Lesson Plan**

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| **DAY ONE** | | |
| **Welcome and opening 8:30- 9:30** | | |
| **Activity** | Resources | Time minutes |
| Welcome | - | 5 |
| Ice breaker | Ice breaker | 10 |
| Introductions | Name tags | 10 |
| Expectations | Flip chart | 5 |
| Programme overview | Flip chart | 5 |
| SA learning environment | Flip chart/ Projector | 5 |
| Programme outcomes | Flip chart projector | 5 |
| Rules | Flip chart | 5 |
| Time management | Flip chart | 3 |
| Resources and facilities | - | 2 |
| Programme lay out & Assessments | Flip chart/ projector | 5 |

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| **Session One: Day One** | |
| **Session One: Introduction to Basic Economics and the concept of Economic indicators** | |
| **Session 1. Outcomes** | |
| * Define the Laws of Demand and Supply and discuss how equilibrium, shortages and surplus occur in a free market economy. * Distinguish movements along the supply and demand curves from shifts in supply and demand curves and the implications. * Discuss the circular flow of economic activity and the determination of Gross Domestic Product in an economy. * Outline the difference between nominal and real GDP and convert nominal GDP to real GDP using the GDP Deflator. * Discuss the movement of economic variables in each phase of the Business cycle. | * **Facilitator led discussions** * **Group Activity** |
| **Tips for facilitator-led discussions:**   * Facilitator to lead discussion by reading the introduction to the learning unit to learners in full to generate interest among leaners and to pique the interest of learners. * Facilitator to emphasise the definition of a concept by reading out the definition at the beginning and at the end of the concept. * Facilitator to ensure that learners can interpret the concepts of demand, supply, equilibrium and shifts in the curve when depicted on a graph.   **Tips for Group Activity:**   * The Group Activity is based on **Fig 8**, where learners should apply logic to explain the magnitude of price change when the supply change coincides with a shift in demand. Although not very important, the facilitator could ask Groups to draw supply and demand curves where a shift in demand is higher than a change in supply and explain the new equilibrium price and quantity. * The answer to the Group Activity is given at the end of this facilitator guide. |
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| Allow learners to reflect on the session |
| The facilitator needs to summarise and conclude the session. |

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| **Session Two: Day One** | |
| **Session 2: Economic Indicators** | |
| **Session Outcomes** | |
| * Discuss the concept and causes of inflation, deflation, disinflation, as well as the negative effects of inflation. * Describe the types of economic indicators and their relevance in economic analyses. | * **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * The definitions of inflation, deflation and disinflation should be emphasised as per the introduction. * Emphasis should be given to discussing the repo rate in the debate on monetary policy. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Three: Day Two** | |
| **Session 3: GOVERNMENT POLICY IN THE INVESTMENT ENVIRONMENT** | |
| **Session Outcomes** | |
| Explain how the government influences the economy through monetary and fiscal policy and the implications of the policies on the economy. (Discuss Monetary policy in the first session) | **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * Emphasis should be given to the discussion of the repo rate in the discussion on monetary policy. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Four: Day Two** | |
| **Session 4: GOVERNMENT POLICY IN THE INVESTMENT ENVIRONMENT** | |
| **Section Outcomes** | |
| Explain how the government influences the economy through monetary and fiscal policy and the implications of the policies on the economy (Discuss fiscal policy in the second session) | **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * The strategies at the Treasury’s disposal in an expansionary and contractionary monetary policy framework are critical and should be emphasised. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Five: Day Three** | |
| **Session 5: APPLYING THE FUNDAMENTALS OF ECONOMICS TO THE FINANCIAL SERVICES ENVIRONMENT** | |
| **Section Outcomes** | |
| Discuss the risk/return profile of major asset classes in the investment universe, their valuation and the impact of economic outcomes on the value of the asset classes (Discuss Money market and Bond market in the first session) | **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * The valuation of the different asset classes is meant to give learners a grasp of the nature of the assets in the investment. It is not vital that the learners claim the formulas. * Emphasis should be on the risk/return profile of the asset classes as well the relationship between their value and different economic outcomes. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Six: Day Three** | |
| **Session 6: APPLYING THE FUNDAMENTALS OF ECONOMICS TO THE FINANCIAL SERVICES ENVIRONMENT** | |
| **Section Outcomes** | |
| Discuss the risk/return profile of major asset classes in the investment universe, their valuation and the impact of economic outcomes on the value of the asset classes (Discuss the Stock Market and property market in the second session) | * **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * The valuation of the different asset classes is meant to give learners a grasp of the nature of the assets in the investment. It is not vital that the learners claim the formulas. Emphasis should be on the risk/return profile of the asset classes as well the relationship between their value and different economic outcomes. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Seven: Day Four** | |
| **Session 7: APPLICATION OF ECONOMIC PRINCIPLES TO FINANCIAL SERVICES SECTOR** | |
| **Section Outcomes** | |
| * Explain the difference between needs and wants. * Illustrate an individual’s basic needs and wants during the different phases of their life. * Apply the financial Life cycle model in real-life scenarios and identify factors that can cause deviation from the model. * Explain how attitudes and perceptions shape a person’s priorities in a financial plan. * Explain why an individual’s occupation, avocations and lifestyle can shape their wants and needs. | * **Facilitator led discussions** |
| Facilitator tips for leading the discussions:   * Take the learners through each bullet point of each stage in the financial life cycle, clearly depicting needs, income, and expenditure changes. The learners must grasp this as this is a cornerstone of the financial planning profession. |
| Tips for Group Activity:   * Facilitator to refer to model answer to the Group Activity first to have a clear picture of the direction that the Group Discussion must take. * The answer to the Group activity is given at the end of this facilitator guide. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Eight: Day Four** | |
| **Session 8: APPLICATION OF ECONOMIC PRINCIPLES TO FINANCIAL SERVICES SECTOR** | |
| **Section Outcomes** | |
| * Illustrate the dynamic nature of income and expenditure in the financial Life cycle model. * Analyse the impact of Lifestyle choice on a financial plan. * Identify the trigger events that ushers a new phase in a financial plan. * Provide solutions to the obstacles that can hinder reaching Lifestyle goals at different life stages. * Discuss the impact of the external environment on a financial plan. | * **Facilitator led discussions** |
| Tips for Group Exercise:   * Facilitator to refer to model answer to the Group Activity first to have a clear picture of the direction that the Group Discussion must take. |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Nine: Day Five** | |
| **Session 9: CURRENT AFFAIRS IN FINANCIAL SERVICES SECTOR** | |
| **Section Outcomes** | |
| * Analyse the regulatory structure of the financial services industry. * Illustrate the synergies between the role players in the financial services industry. * Give reasons for the need to change the regulatory framework in the financial services industry. * Discuss the implications of non-compliance by regulated entities in the financial services industry. * Show the role of professional bodies in the financial services industry. * Explain why Ethics are important and how Ethics are enforced in the Industry. * Explain the rationale behind continuous professional development and its contribution to a more professional industry * Assess the impact of the South African constitution regarding the right to information. * Outline the factors that have changed consumer behaviour in South Africa. * Analyse how changes in the consumer environment may affect the financial services industry. | * **Facilitator led discussions** |
| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Session Ten: Day Five** | |
| **Session 10: THE CONCEPT OF RISK IN INVESTMENTS** | |
| **Section Outcomes** | |
| * Apply the concept of risk related to investment planning. * Illustrate the different forms of investment risks. * Explain how historical returns are used as a factor in calculating the probable returns of investment assets. * Outline the importance of consideration of risk by an investor in investment decision making. * Categorise different investment assets in terms of their risk/return trade-off. * Define the concept of financial markets and their role in the economy. * Discuss how different economic indicators impact financial markets. * Identify Global factors that impact South African financial markets. * Summarise the information required to generate a Group investor profile and use the information to develop an investment proposal for the group. * Apply the concept of risk and return to recommend the appropriate investment for an investor. | * **Facilitator led discussions** * **Group exercise** |
| Facilitator tips for leading the discussions:   * Emphasis should be given to the factors that determine risk appetite given in the introduction to the concept. Learners must be comfortable with this information. * Intense discussion should focus on determining risk appetite as this is essentially what investment advice is all about. * The use of standard deviation as a measure is critical, and focus should be given to this section. * Discuss the example of determining the right investment choice in class. The solution to this activity has been included in the learner guide.   Tips for Group Activity:   * The actual responses given by the Group investor Kusile are highlighted in yellow. These should be used to come up with the investor’s risk profile. * The solution to the Group exercise is given at the end of this facilitator guide. Go through to make sense of what the Group activity is trying to achieve. |
| Tips |
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| Allow learners to reflect on the session | |
| The facilitator needs to summarise and conclude the session. | |

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| **Finishing the Programme** | |
| Programme evaluation | Allow the learner to evaluate the workshop using the provided forms |
| Next steps | Tell learners the next steps, training, assessment procedures |
| Assessments | Explain the assessment process to the learners |

# 9. Solutions to Formative Questions and Group Activities

# Learning Unit 1: Basic Economics

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| **Formative activity 1** | **Define the Laws of Supply and Demand.** | **2** |

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| **Answer** | The Law of supply states that the higher the price of goods (other factors remaining constant), the higher the quantity of a supplied good or service.  The Law of Demand states that the higher the price of goods (other factors remaining constant), the lower the quantity of a demanded good or service. |

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| **Formative activity 2** | **Discuss how equilibrium is achieved in the market and what causes a shortage or a surplus.** | **6** |

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| **Answer** | Market equilibrium occurs when supply and demand are equal. (2)  At any price higher than the equilibrium price, suppliers will supply more goods than what consumers will buy, resulting in a surplus. (2)  Any point below the Equilibrium Price P\* will result in disequilibrium. Consumers will demand more than suppliers resulting in shortages. (2) |

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| **Formative activity 3** | **Describe the concept of the circular flow of income in Economics.** | **4** |

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| **Answer** | The circular flow of income illustrates the equilibrium between income that is earned from production and the value of goods and services produced in an economy. |

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| **Formative activity 4** | **What is the difference between nominal and real GDP, and why is it essential to use Real GDP when analysing GDP Growth?** | **4** |

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| **Answer** | Nominal GDP measures the output of an economy without taking into account the effect of inflation in the calculation. Real GDP is nominal inflation-adjusted for inflation by the GDP deflator. (2)  Nominal GDP includes the effect of inflation and is not an accurate measure of the increase in the productive capacity of an economy. Real GDP provides an accurate picture of real production growth in an economy. (2) |

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| **Formative activity 5** | **Define the terms inflation, disinflation and deflation.** | **6** |

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| **Answer** | Inflation is the ***sustained*** and ***continuous*** rise in the general price level of an Economy. (2)  **Deflation**  It is the general decline in the prices of goods and services in an economy. (2)  **Disinflation**  The drop in the rate in the rate of inflation. (2) |

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| **Formative activity 6** | **Why is deflation considered a problem in the economy?** | **2** |

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| **Answer** | Deflation may indicate falling GDP as Businesses may be reducing prices to cope with falling demand which could trigger a contractionary phase of the business cycle leading to high unemployment.  ne mark for mentioning reduced demand and another mark for identifying a problem caused by GDP contraction. |

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| **Formative activity 7** | **What are the negative effects of inflation?** | **11** |

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| **Answer** | 1. Redistribution of wealth. Inflation results in a transfer of wealth or in other words, redistribute wealth between borrowers and lenders. Borrowers gain, and lenders lose and occur only if the inflation rate is higher. I mark for mentioning transfer of wealth, 1 mark for mentioning who the loser and the winner are and 1 mark for mentioning the condition for this to be satisfied. (3) 2. Erosion of purchasing power. Fixed income earners income is reduced in real terms as their income is fixed. (2) 3. Speculative behaviour. Loss of productive time and inefficient allocation of resources to speculation leads to low productivity and lower GDP in the economy. (3) 4. Bracket creep - Inflation adjusted increases may result in higher personal taxes if the Finance minister has no corresponding inflationary adjustment of tax brackets. (3) |

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| **Formative activity 8** | **Name and describe the three composite business indicators.** | **6** |

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| **Answer** | 1. Leading Business Cycle indicator: A composite piece of economic data used to predict future economic activity. 2. Composite Coincident Business cycle indicator: An index that is made up of economic indicators that occur at the same time as the current stage of the business cycle. 3. Composite lagging business cycle indicators: A composite economic indicator that confirms what has already happened in an economy. |

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| **Formative activity 9** | **Discuss how the SARB uses the three tools of monetary policy to influence the supply of money and interest rates in the economy.** | **9** |

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| **Answer** | 1. The repurchase order system or repo rate: By increasing the repo rate, borrowing becomes expensive, leading to lower private consumption, lower business borrowing, and ultimately lower inflation and GDP Growth. By cutting the repo rate, borrowing becomes cheaper, leading to higher private consumption and business borrowing, translating into high aggregate demand, higher inflation and GDP Growth. (3) 2. Open market transactions: SARB sells securities such as Government Bonds and Treasury Bills to control high inflation. It takes money out of the market. The lower money supply leads to high-interest rates, less private and business borrowing and lesser aggregate demand leading to drop-in inflation. To increase the money supply, SARB buys securities, which introduces more money into the market, thus increasing the money supply. It leads to a drop in interest rates, higher private and business borrowing and increased aggregate demand leading to higher GDP growth and higher inflation. (3) 3. Cash Reserve requirement/structural liquidity requirement 4. SARB raises the cash reserve requirement to reduce the money supply and credit creation leading to higher interest rates, lower aggregate demand by the private and business sector and lower inflation and GDP Growth. SARB reduction of the reserve requirement has the effect of increasing money supply and credit creation, leading to higher borrowing by the private sector and businesses resulting in higher aggregate demand, higher inflation and GDP growth. (3) |

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| **Formative activity 10** | **Convertible Bonds and inflation linked Bonds are two types of Bonds in the Bond market. Describe the features of these Bonds. Why would these Bonds be suitable to an investor?** | **4** |

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| **Answer** | * **Convertible Bonds:** This type of Bond gives the holder of the Bond (the investor) the right to convert the Bond into shares of the company that issued the Bond. An investor in this Bond could benefit by buying the company's shares if the company's economic fortunes look good. (2) * **Inflation-Linked Bonds:** The inflation-linked Bond adjusts the initially invested amount; the coupon rate is calculated on a fluctuating par value adjusted for inflation. This type of Bond provides investors a hedge against inflation in inflationary times. (2) |

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| **Formative activity 11** | **How does the stock market respond to positive and negative economic surprises in the Gross Domestic product assuming a closed economy and that all shares have a primary listing on the JSE and that they all earn income from the domestic market?** | **4** |

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| **Answer** | 1. A higher than anticipated economic performance is typically met with a rise in share prices as investors re-evaluate the future earnings of the shares of the companies that they are invested in. Higher economic growth than expected reflects higher demand of goods and services than previously anticipated. Companies become more profitable in economic booms and these expectations are reflected in the higher share prices after receipt of the news. (2) 2. Economic performance that is lower than expected tends to have a negative bearing on the JSE. In a contracting economy, consumers cut down on unnecessary expenditure which affects retailers and banks’ capacity to extend loans may be hampered by a declining industry where production has slumped. (2) |

# Learning Unit 2: Application of Economic Principles to the Financial Services Sector

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| **Group activity 1** | **Attitudes and values and their impact on financial planning. Analysis of Thabo’s Life concerning the Financial Life cycle model.** | **10** |

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| **Answer** | The financial Life cycle model states that Thabo’s Life should progress from entry into the workforce to getting married and having children. It is not the pattern that Thabo’s Life has taken. The jury is still out whether he will ever get married or not. As a result, the financial events related to being married and having children, such as buying a house, funding children’s education and ensuring that they are well catered for, have not occurred as yet in Thabo’s Life.  As a result of having no one who is financially dependent on him, Thabo does not have Life insurance, and his attitude to risk is different from a married person who has the welfare of their children at heart. It explains why he has a carefree attitude towards risk; for example, he knows fully well that he would not be covered as he to be disabled whilst pursuing his water diving activities.  Thirdly, Thabo is not prioritising his retirement planning as he plans to work well into his 70s if he lives to that age. The fact that his health may change such that he can no longer work when he is older does not seem to bother Thabo. The financial Life cycle stage expects that Thabo would retire earlier and get to do things that he could not do during his working life. In Thabo’s case, this is not the case.  In a nutshell, although the financial Life cycle model provides a vital framework in highlighting how Life events have a bearing on financial decision making, there are cases where this pattern is not followed in an individual’s life. Thabo’s life is a prime example of this case.  **Analysis of Lucy’s Life concerning the Financial Life cycle model**  Lucy is still in her early career and has a long time to invest in her financial windfall. She can invest in capital growth assets such as shares and listed property. She is fully employed and has no immediate need for income from the investment.  Lucy’s prior experience of the stock market based on her parents’ experience has permanently shaped her perception of the stock market. It will be tough to convince her to invest in growth assets, which would make sense according to the financial Life cycle model. It illustrates how perception and attitudes can cloud an investor’s financial decision making.  **Analysis of Andrew’s Life concerning the Financial Life cycle model**  Andrew is dependant on the financial cycle model and should be taking steps to ensure that his loved ones are protected from unexpected death, severe illness or disability. It is also clear that Andrew profoundly loves his family and will do anything to protect their livelihood. However, his deep-seated suspicion and dislike of the principle of insurance override his judgement and has led him to act irrationally by not taking an insurance cover. If he was to die prematurely or be disabled and not pay his mortgage contributions, his family risks being homeless with no income for day-to-day needs. |

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| **Group activity 2** | **Identification of needs for each case study is tabulated below.** | **20** |

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| **Answer** | | | |
|  | Peter | Obakeng and Agatha | Grant and Gill |
| Stage in the financial Life cycle | Dependants stage:   * Peter got married recently and expecting additional dependants. * He entered the workforce 5 years ago when he began his articles | Growth stage   * Kids have finished completed their first degrees and moved out * Expenses are at an all-time low, and income has increased significantly | Retirement stage   * Now retired |
| Income level | Growing | At its peak:   * Income from salary * Income from rented properties * Investment income from Unit Trust investment | Income has decreased and is now derived from accumulated assets. |
| Expenditure | High | Low | Low |
| Debt levels | Low (No car debt and mortgage repayments as yet) | Very Low debt: The three properties have been paid off | No major debt. Paid off the house was sold, and they are now living in a smaller apartment |
| Needs | * Emergency fund * A house for the whole family * A good and reliable car for the whole family * Good medical aid for the whole family * Risk protection: Retrenchment, Death, disability and severe illness cover * Education funding for the unborn twins * Medium-term to long term investments * Short term insurance to cover the car and household possessions * Estate planning to ensure security for loved ones in the event of timely death * Investing towards retirement. | * Retirement planning is a priority * Investment planning to grow existing and future investments * Death and Income protection cover * Estate planning is a priority * Short term insurance to protect physical assets * Comprehensive medical aid for the couple | * Investment planning in order to balance the goal of growing the accumulated retirement savings and at the same time minimise capital loss. * Medical aid that balances affordability and comprehensiveness of cover * Estate planning to ensure that their Estate is distributed as per their wishes. |
| Accumulation of assets | * The asset base is still low as no significant savings have been made * Peter is still to invest in property which is usually the biggest asset in an individual’s life. The emphasis is on building up savings to acquire assets. | * The asset base is very high. The couple has two income-producing properties as well as investments in the stock market. They have no major liabilities. The emphasis is on managing and growing assets. | * The asset base is being used to generate an income. Emphasis is on the preservation of assets to outlive retirement years |

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| **Formative activity 1** | **Describe the difference between needs and wants in the context of financial planning. When advising a Client, is it important to prioritise needs or wants?** | **4** |

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| **Answer** | A need is something that one needs to survive, for example, shelter (1).  A want presents a choice; for example, having decent accommodation is a need, but living in a mansion of 20 rooms for an unmarried individual can be described as a want. (1) When advising a client, it is essential to identify needs and provide solutions. (1)  If wants take priority over needs, it might result in inefficient allocation of financial resources, resulting in one not having enough to provide for needs that they cannot live without. (1) |

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| **Formative activity 2** | **“Income protection and being on a good medical aid plan should take precedence over Life insurance for a young working adult with no dependants to care of.” Do you agree or disagree with this statement? Give reasons for your answer.** | **5** |

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| **Answer** | The statement is correct according to the financial Life cycle model. (1)  The ability to earn an income is essential for young working adults. Because young adults typically have not accumulated assets that could generate an alternative income if they were not earning an income temporarily or permanently, it is essential to insure the income through disability cover and retrenchment cover. (3)  Life insurance becomes a priority when one has dependants who would need to be compensated for financial loss if the breadwinner was to pass away. (1) |

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| **Formative activity 3** | **In the financial Life cycle model, income typically is at peak during the growth stage and expenditure levels off or actually declines at this stage. What are the factors that lead to this scenario?** | **12** |

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| **Answer** | Income is at a peak during the growth stage because of the following factors:   * Work experience over the years and promotions result in higher income at this stage. (2) * Knowledge acquired through additional education gets rewarded by a higher income. (2) * Assets that have been acquired over the years generate an additional income, for example, properties acquired over the years that have been paid off. (2)   Expenditure levels off or declines due to the following factors:   * Children have now completed their education and are independent, which reduces household expenditure. (2) * Major debts such as mortgages have been settled. (2) * Experience gained in handling finances, such as budgeting skills developed in earlier years, results in effective financial management. (2) |

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| **Formative activity 4** | **A good financial plan should always include good budgeting skills and an emergency fund. Why are these two components of financial planning important?** | **4** |

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| **Answer** | Budgeting offers the following benefits in financial planning:   1. It enables one to identify sources of income and spending patterns and, in so doing, provides a platform to identify wasteful expenditures that could result in financial problems. (1) 2. It establishes good financial habits early, which will be useful in financial planning. (1)   An emergency fund benefits:   1. It serves as a pool to provide for unforeseen emergencies. 2. It eliminates the need to borrow to fund unexpected expenses, resulting in borrowing and an unending debt trap. |

# Learning Unit 3: Current Affairs in the Financial Services Sector

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| **Formative activity 1** | **What is the difference between advice and intermediary service?** | **5** |

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| **Answer** | Advice is the recommendation, guidance or proposal of a financial nature conveyed by any means to a Client or any group of Clients with a view of getting the client to purchase/invest in a financial product, conclude a financial transaction or vary or terminate an existing financial product. An intermediary service is any act other than the above, such as furnishing factual information about a financial product. (5) |

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| **Formative activity 2** | **Is advice relating to wills and trusts regulated by the FAIS Act? Give reasons for your answer** | **2** |

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| **Answer** | The FAIS Act does not regulate advice related to wills and Trusts as it does not fall under the definition of a financial product. (2) |

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| **Formative activity 3** | **What are the fit and proper requirements for a representative, and what are the consequences for failing to meet fit and proper requirements?** | **3** |

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| **Answer** | 1. Honesty and integrity 2. Competence (Experience, qualifications and pass regulatory exams, continuous professional development) 3. Operational ability   Failure to meet fit and proper requirements will result in debarment for a representative. |

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| **Formative activity 4** | **Give reasons on why it is vital to regulate the financial services sector.** | **3** |

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| **Answer** | 1. Financial services products’ benefit is intangible and cannot be measured like physical goods. It makes it difficult for clients to see the value, putting them in a vulnerable position. 2. The complexity of product features puts Clients in a vulnerable position, making it vital to protect them. 3. Regulation is essential to safeguard the integrity of the financial services industry, which would encourage the public to use its services to promote economic growth. |

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| **Formative activity 5** | **What is the main difference between regulation and Ethics?** | **2** |

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| **Answer** | The difference between regulation and Ethics is that the former is an external measure that is meant to dissuade and penalise behaviour that will harm the interests of the public. At the same time, ethics are defined by personal and business values that one believes in. |

# Learning Unit 4: The Concept of Risk in investments

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| **Group activity 4.4** | **The solution to Group Activity in 4.4:**  **Group investor profile.** | **8** |

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| **Answer** | * When taking the client’s ability to take risks into account, the score is 6. It places the client in the low volatility risk category. * The client has a short-term investment horizon of 3-5 years, seeks interest income distributions, and relies on the income every month. * In addition, the investment is almost all the client has in terms of wealth, and any capital loss would have a huge impact on their lives. * The client scored a 7 when the willingness to take risks is considered. It would place the client in the moderately low-risk category as far as willingness to take risks is concerned. * However, there is a huge anomaly in the client’s response. Although the client expects a 50% return in an extremely good year (a return which can only be achieved by investing in capital growth assets), the client is not willing to accept the risk of capital loss (the client can only take the worst return scenario of 0%) which is inconsistent with an investment that has the potential to give a 50% return in good years. * The client most certainly has a low-risk appetite. * The recommended asset selection would be money market instruments. Given the high degree of risk aversion, it is also recommended that the client be invested in a diversified portfolio of money market instruments. |

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| **Formative activity 1** | **Risk appetite involves balancing risk to achieve the client investment objectives. What are the investment risks that investors face when making investment choices? Briefly describe the nature of these risks.** | **5** |

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| **Answer** | * **Business Risk:** This is the risk that a business that an investor has invested funds in ceases to be a going concern due to a collapse in its operating model and goes bankrupt. (2) * **Volatility Risk:** This is the risk of an asset price going up and down in response to supply and demand, which are determined by company-specific and market-wide forces (2) * **Inflation risk:** The risk that an investment will underperform inflation and thus erode the purchasing power of the investor’s wealth (2) * **Interest rate:** This is the risk of Bond prices falling due to increases in the interest rates (2) * **Liquidity Risk:** The risk of substantial difficulty in finding a market for an asset that an investor holds or the risk of financial loss due to reduced marketability or financial restrictions imposed on a product (2) |

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| **Formative activity 2** | **Having considered the investment risks inherent in investments, give any three factors that an investor needs to consider in determining their risk appetite and briefly describe why these factors are important in the analysis.** | **6** |

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| **Answer** | * Investor’s age: The investor’s age may be used to gauge the client’s investment horizon. Generally, younger investors have a longer time to absorb any losses compared to elderly people, whose time is limited by advanced age. (2) * Investor’s personal circumstances: An investor’s station in life, as well as the proportion of the investment to their net worth, has a huge bearing on how much volatility they can absorb in their portfolio. (2) * Personal/natural attitude to risk: People who are naturally not comfortable with taking the risk will most likely not be comfortable with high volatility risk (2)   Any of the other factors discussed in the learner guide are acceptable. |

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| **Formative activity 3** | **An individual who is a natural risk-taker may not always be the best investment option to invest in highly volatile asset classes such as shares. Give two reasons why this statement is correct.** | **4** |

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| **Answer** | * Although natural risk-takers could be comfortable with taking on volatility risk in pursuit of high returns, it may be wise to disconnect this attitude to risk from their investment decisions. Firstly, the investor could have a short-term investment horizon, for example, an investment horizon of less than a year. It greatly amplifies the possibility of negative returns if high-risk assets are chosen. (2) * Secondly, if the investment is almost all the client's wealth, any capital loss could mean financial ruin to the investor. As such, the ability to take risk is much lower than the willingness to take the risk, and as a result, the client is better off in less risky investments. (2) |

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| **Formative activity 4** | **Inflation risk is not so apparent that it could negatively impact investor returns. Which asset class is most exposed to this risk in the long term? (1) What may an investor need to do to mitigate this risk.** | **2** |

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| **Answer** | * Money market investments have historically delivered returns that are sometimes lower than the inflation rate. (1) * An investor may need to increase his/her exposure to riskier assets. A good strategy that could be employed is to invest in balanced unit trust funds that have exposure to both shares and property and money market and Bond investments. (2) |