

40654

Apply knowledge of the investment environment and concepts to provide investment services

Kaupae Level	5
Whiwhinga Credit	5
Whāinga Purpose	<p>This skill standard is intended for people who want to work as a financial adviser in the provision of investment advice services.</p> <p>This skill standard will provide learners with the knowledge and skills to provide investment services using knowledge of the investment environment and concepts.</p> <p>This skill standard can be used in programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Investment. [Ref: 2315-3].</p>

Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
1. Provide investment services to meet client needs.	a. Take reasonable steps to prepare client on the investment advice process and check for understanding.
	b. Apply knowledge of the regulatory framework when providing investment services.
	c. Apply knowledge of investment concepts when providing investment services.
	d. Analyse the features, benefits, risks, and limitations of investments and services to identify those that meet the needs and circumstances of the client.
	e. Apply knowledge of the key participants and roles in investment organisations when providing investment services.
2. Select appropriate investment portfolio to meet client needs.	a. Explain investment portfolio management theories and management approaches.
	b. Select appropriate investment portfolio for client based on client needs.

Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria***Assessment specifications:***

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available to a licenced financial advice provider or requiring a licence to use.

Any use of digital advice tools or artificial intelligence will need to be in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

Client also includes potential clients. *Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

Evidence of three examples of how the regulatory framework related to the provision of investment services has been applied is required.

Ngā momo whiwhinga | Grades available

Achieved.

Ihirangi waitohu | Indicative content

Regulatory framework as it applies to financial services and the provision of investment services

- legislation
- regulations
- codes of conduct and/or practice.

Investment products

- Discretionary Investment Management Service (DIMS)
- debt security
- equity security
- managed investment service
- derivative
- direct bonds
- crypto currencies.

Investment concepts

- Broad concepts with required calculations
 - inflation.
 - time cost value of money.
 - present value of a future lump sum.
 - regular payment required to create a future value.
 - regular payment from a current lump sum.

- Investment concepts, portfolio management theories and approaches
 - Diversification
 - Volatility
 - Correlation
 - Attribution
 - Underlying assets
 - Return potential
 - Exchange rate
 - Management style
 - Sustainability and ethical considerations.
- Client considerations
 - investment horizon
 - risk level
 - income generation
 - growth potential
 - portfolio implementation and ongoing management
 - liquidity
 - fees and expenses
 - tax considerations.

Investment risk and management

- capital
- concentration
- currency
- financial
- market
- liquidity
- negative returns
- returns below inflation rate.
- diversification of asset allocation and management style
- risk insurance
- derivative products
- currency management
- dollar cost averaging.

Features, benefits, risks, and limitations of investments and services

- voluntary savings scheme
- direct securities
- managed securities
- real property.

Key participants and roles

- portfolio manager
- market analyst
- Chief Investment Officer
- trustee supervisor
- scheme manager.

Rauemi | Resources

- Anti Money Laundering/Counter Financing Terrorism Act 2009
- [Code of Professional Conduct for Financial Advice Services](#)
- Consumer Guarantees Act 1993
- Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf \(fma.govt.nz\)](#)
- Fair Trading Act 1986
- [Financial Markets Authority - Developing cyber resilience for financial advice providers \(July 2024\)](#)
- Financial Markets Authority - [Understanding Artificial Intelligence in Financial Services \(July 2024\)](#) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
- Financial Markets Conduct Act 2013
- Income Tax Act 2007
- ISO 22222 Personal Financial Planning - Requirements for personal financial planners, available from <https://www.iso.org>
- KiwiSaver Act 2006
- Privacy Act 2020
- Relevant industry codes of conduct
- Trusts Act 2019;
and their subsequent amendments or replacements.

Pārongo Whakaū Kouna | Quality assurance information

Ngā rōpū whakatau-paerewa Standard Setting Body	Ringa Hora Services Workforce Development Council
Whakaritenga Rārangi Paetae Aromatawai DASS classification	Service Sector > Financial Services > Financial Services - Professional Practice
Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga CMR	0112

Hātepe Process	Putanga Version	Rā whakaputa Review Date	Rā whakamutunga mō te aromatawai Last date for assessment
Rēhitatanga Registration	1	29 May 2025	N/A
Kōrero whakakapinga Replacement information	This skill standard replaced unit standard 31859.		
Rā arotake Planned review date	31 December 2030		

Please contact Ringa Hora at qualifications@ringahora.nz to suggest changes to the content of this skill standard.