

Title	Outline the relationships between trustee products and individuals' needs		
Level	5	Credits	15

Purpose	People credited with this unit standard are able to demonstrate: <ul style="list-style-type: none"> – knowledge of trustee products and services and the needs they meet – understanding of investment asset classes, financial instruments, and investment services that are used in the ordinary course of managing trustee appointments – understanding of portfolio construction techniques, and – understanding of the concept of investment risk and return and its relevance to developing or implementing investment strategies.
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Classification	Financial Services > Financial Services - Professional Practice
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Available grade	Achieved
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Guidance Information

1 References

Administration Act 1969;
 Family Protection Act 1955;
 Law Reform (Testamentary Promises) Act 1949;
 Property Law Act 2007
 Property (Relationships) Act 1976;
 Protection of Personal and Property Rights Act 1988;
 Social Security Regulations (Long-term Residential Care) Regulations 2005;
 Status of Children Act 1969;
 Te Ture Whenua Maori Act 1993;
 Trustee Act 1956;
 Trustee Companies Act 1967;
 Wills Act 2007;
 Relevant trustee sector codes of conduct and practice;
 and all subsequent amendments and replacements.

2 Definition

Trustee or fiduciary – generic term covering situations where the individual is acting in any role as Trustee, Executor, Administrator, Attorney, Property Manager or Agent as the context or nature of the appointment may require.

3 Range

Assessments requiring application or demonstration of skills and knowledge may be performed using workplace evidence or evidence derived from simulation or scenario based activities.

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.

Outcomes and performance criteria

Outcome 1

Demonstrate knowledge of trustee products and services.

Performance criteria

- 1.1 Explain the key features, benefits, risks, and limitations of common trustee products and services.
- Range trustee products and services include but are not limited to – Wills and estate administration, Enduring Powers of Attorney, testamentary and inter vivos trusts, estate with immediate distribution, estate requiring on-going management.
- 1.2 Describe the purpose for which different trustee products are used and apply understanding to determine the suitability of a range of products for meeting the needs of individual clients.
- 1.3 Describe what product terms can be customised to meet particular client needs, explain what changes might be needed, and how those changes will contribute to satisfying the client needs.
- 1.4 Explain fee structures of common fiduciary appointments including establishment and on-going charges.
- 1.5 Explain key trustee services in terms of the timelines for both the establishment of, and on going engagement with, the service including the importance of undertaking a regular review.
- 1.6 Explain the process of preparation and execution of the documents to support common fiduciary appointments to meet a range of client needs and objectives.

Outcome 2

Demonstrate understanding of investment asset classes, financial instruments, and investment services that are used in the ordinary course of managing trustee appointments.

Performance criteria

2.1 Describe the main asset classes in terms of their characteristics.

Range asset classes include but are not limited to – equities (shares), fixed interest investments including government and non-government debt, property investments, cash; both domestic and international variations of an asset class are included where both are ordinarily available; characteristics include but are not limited to – benchmark and long term expected return, risk, liquidity, mix of investment gain between income and capital growth.

2.2 Describe the characteristics of different types of financial instruments.

Range financial instruments include but are not limited to – direct equities, direct bonds, managed investments; characteristics include but are not limited to – fee structures, liquidity, taxation, standard terms and conditions.

2.3 Describe the characteristics of investment in directly owned real estate.

Range characteristics include but are not limited to – liquidity, source of return, expenses, utility value.

2.4 Describe the characteristics of different types of investment services.

Range investment services include but are not limited to – custody, wrap platforms, Discretionary Investment Management; characteristics include but are not limited to – fee structures, liquidity, taxation, standard terms and conditions.

Outcome 3

Demonstrate understanding of portfolio construction techniques.

Performance criteria

3.1 Explain portfolio management theories in terms of asset allocation, diversification, and risk management.

3.2 Explain portfolio management approaches in terms of methodology and diversification benefits.

Range methodologies include but are not limited to – active/passive, value/growth, country and sector allocation.

Outcome 4

Demonstrate understanding of the concept of investment risk and return and its relevance to developing or implementing investment strategies.

Range investment risk includes but is not limited to – capital risk, cash flow risk, market risk, liquidity risk, negative returns, returns below inflation rate.

Performance criteria

4.1 Describe the nature of investment risks associated with different types of investment strategies.

4.2 Explain common processes and solutions for managing investment risk.

Range processes and solutions may include but are not limited to – diversification of asset classes and management styles such as active/passive, portfolio management and re-balancing, dollar cost averaging.

Replacement information	This unit standard was replaced by unit standard 31889.
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This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 February 2015	31 December 2022
Review	2	23 January 2020	31 December 2022

Consent and Moderation Requirements (CMR) reference	0003
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.