

Title	Demonstrate and apply knowledge of economic factors to provide investment solutions		
Level	5	Credits	5

Purpose	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate knowledge of economic factors that impact investor perceptions; – demonstrate knowledge of economic factors that impact investment products; and – apply knowledge of economic factors that impact investor perceptions and products to provide investment solutions to clients.
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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

Code of Professional Conduct for Financial Advice Services;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Markets Conduct Act 2013;
 Financial Services Legislation Amendment Act 2019;
 Income Tax Act 2007;
 KiwiSaver Act 2006;
 Trustee Act 1956;
 Trustee Amendment Act 1988;
 relevant industry codes of conduct;
 and all subsequent amendments and replacements.

2 Definition

Investor perceptions – investor's attitudes to investment that may be influenced by a wide range of factors such as return expectations, tolerance to volatility of income and capital, investor time frame and investment term, restrictions on redemptions or withdrawals, cultural background, level of financial understanding, previous personal experience.

3 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 economic factors that impact investor perceptions.

Performance criteria

1.1 Describe factors in the economic environment that impact investor perceptions.

Range factors may include but are not limited to – official cash rate, rate of inflation, economic and political events, natural disasters, legislative and regulatory changes.

1.2 Explain how these factors impact investor perceptions.

Outcome 2

Demonstrate knowledge of economic factors that impact investment products.

Performance criteria

2.1 Describe factors in the economic environment that impact investment products.

Range factors may include but are not limited to – official cash rate, rate of inflation, economic and political events, natural disasters, legislative and regulatory changes, investor perceptions.

2.2 Explain how factors in the economic environment affect investment products.

Outcome 3

Apply knowledge of economic factors that impact investor perceptions and products to provide investment solutions to clients.

Performance criteria

3.1 Develop investment solutions that meet client needs using knowledge of economic factors that impact investor perceptions and products, and changes to them.

Range factors may include but are not limited to – official cash rate, rate of inflation, economic and political events, natural disasters, legislative and regulatory changes, investor perceptions.

3.2 Explain the reasoning for selected investment solutions.

Replacement information	This unit standard and unit standard 31862 were replaced by skill standard 40656.
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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	23 January 2020	31 December 2027
Review	2	29 May 2025	31 December 2027

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>.