



Australian Government

FNSFPL609 Prepare advice in managed investments

Release: 1

FNSFPL609 Prepare advice in managed investments

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 5.0.

Application

This unit describes the skills and knowledge required to analyse client needs in regard to managed investments; and provide advice ethically, professionally and in compliance with industry regulations and codes of practice.

The unit applies to those who use well-developed interpersonal, communication and self-management skills when performing an advisory role in managed investments. The requirement to prepare advice may come from authorised representatives, including financial advisers, shareholders, financial organisations, stockbrokers, trustees, agents and intermediaries.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Financial planning

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Analyse client needs and risk profile	1.1 Analyse client needs using all information gathered and considering client's product expectations 1.2 Consult with authorised representative throughout analysis for further clarification where necessary according to organisational procedures 1.3 Identify need for specialist advice and ensure client is referred to appropriate adviser if required 1.4 Assess and confirm client's product risk profile according to

ELEMENT	PERFORMANCE CRITERIA
	expectations of cashflow and relevant taxation obligations.
2. Develop strategies and solutions for managed investment that meet client needs and risk profile	2.1 Identify legislative, regulatory and code of practice requirements relevant to products being offered 2.2 Determine required managed investment strategy based on analysis of managed investment products, client risk profile, and client needs 2.3 Conduct required research, analysis and product modelling and apply stress tests for changes in market conditions
3. Provide strategies and solutions to authorised representative	3.1 Draft required solution, plan, policy or transaction and provide to authorised representative 3.2 Explain proposed solution, plan, policy or transaction to authorised representative 3.3 Confirm details, terms and conditions of product and service with authorised representative 3.4 Disclose impacts and possible risks of solution, plan, policy or transaction according to organisational policies and procedures 3.5 Provide supporting written documentation and guide authorised representative through key aspects of documentation 3.6 Discuss and clarify concerns and issues that authorised representative has regarding proposed solution, plan, policy or transaction 3.7 Confirm understanding of proposed solution, plan, policy or transaction with authorised representative
4. Establish agreement and complete documentation process	4.1 Obtain authorised representative formal agreement and sign-off to proposed solution, plan, policy or transaction 4.2 Document fees, cost structures and timeframes for execution and processing 4.3 Ensure that proposal and required statutory and transactional documents are completed and signed off by client 4.4 Provide draft agreement and other appropriate documentation to authorised representative
5. Agree to arrangements for providing ongoing services	5.1 Prepare documentation of fees and costs for ongoing and specifically defined services according to organisational policies and procedures 5.2 Agree to type and form of ongoing service to be provided 5.3 Provide documented service arrangements to authorised representative for confirmation 5.4 Implement procedures for agreed ongoing service according to organisational policies and procedures

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Learning	• Extends knowledge of product features and applications of managed investment schemes relevant to current role using research and analysis
Numeracy	• Interprets financial product information and calculates client costs, risks and returns
Oral communication	• Articulates requirements using industry-specific language appropriate to audience and environment • Uses active listening and questioning techniques to confirm understanding and elicit information
Reading	• Interprets textual information from a variety of sources
Writing	• Uses industry-related terminology to complete and consolidate workplace documentation
Planning and organising	• Takes responsibility for the planning, sequence and priority of tasks within own workload to achieve effective and compliant outcomes • Applies systematic and analytical decision-making processes to determine and implement investment solutions that meet client needs and financial requirements
Self-management	• Takes personal responsibility for following policies, procedures and protocols to provide advisory services and documentation that comply with legal and organisational requirements
Teamwork	• Selects and uses the appropriate conventions and protocols when communicating with authorised representatives • Seeks and shares information, establishes agreement and maintains ethical service relationships • Adapts personal communication style to show respect for the values, beliefs and cultural expectations of others
Technology	• Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

No equivalent unit. Newly created unit.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSFPL609 Prepare advice in managed investments

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 5.0.

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- prepare accurate and ethical advice on managed investment products and/or services for at least two different clients.

In the course of the above, the candidate must:

- interpret and comply with industry regulations and codes of practice
- analyse client needs, financial situation and risk profile, and prepare appropriate strategies or solutions relating to managed investments
- implement the solution, plan, policy or transaction once agreed by the client and complete documentation.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

Generic knowledge

- economic environment, including:
 - characteristics and impact of economic and business cycles
 - interest rates and exchange rates
 - inflation
 - government monetary and fiscal policy
- operation of financial markets, including:
 - roles played by intermediaries and issuers
 - structure and interrelationships within financial markets
 - interrelationship between industry sectors
- financial products, including:

- concept of a financial product: general definition, and specific inclusions and exclusions
- types of financial investment products
- types of financial risk products
- aspects of ongoing service provision, including:
 - reporting on performance
 - communicating comprehensively and clearly
 - reviewing of solution, plan, policy or transaction.

Specialist knowledge

- legal environment, including disclosure and compliance covering:
 - role of the authorised representative or adviser
 - relevant legal principles relating to the Corporations Act, Australian Securities and Investments Commission (ASIC) Act, Privacy Amendment (Private Sector) Act, and Competition and Consumer Act
 - relationship between ethics and regulatory requirements, including good faith, utmost good faith, full disclosure of remuneration and fees, and other conflicts of interest that may influence authorised representative's recommendation
 - relevant industry standards and codes of practice
 - regulatory guidelines
 - internal and external complaints resolution procedures
- managed investment products, including:
 - range of products offered under managed investments schemes, or a specific product offered under a scheme, including:
 - equity trusts, fixed interest trusts
 - film schemes
 - primary production schemes
 - property trusts, real estate investment strategies, valuation techniques, property management
 - serviced strata schemes
 - time-sharing schemes
 - types of risks associated with managed investment products
- taxation issues in relation to managed investment products and markets in which they operate
- theories of investment, portfolio management and management of investment and risk, including:
 - investment concepts and strategies
 - identification of types of risk
 - client risk profile.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- organisational equipment, technology, software and peripherals
- managed investment product information.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>