

The Standards

The Standards contain the following information:

1. The learning outcomes that must be assessed in an appropriate examination
2. The indicative content of the syllabus for each outcome
3. The level of attainment necessary to pass an appropriate examination.

This information is presented in two sections:

1. A summary of the learning outcomes cross-referenced to the level of attainment required
2. Details of the indicative content for each learning outcome.

Outcomes and Level

Learning outcomes are classified by level. By level is meant **level of attainment**, defined in terms of the cognitive skills required to achieve each learning outcome. The following is based on Bloom's Taxonomy and shows successive levels of attainment, the abilities needed to reach this level and the types of verbs that might be used to frame examination questions and tasks.

K	KNOWLEDGE	ability to recall (e.g. facts, rules, definitions) (Action verbs: <i>List, State, Define, Outline</i>)
U	COMPREHENSION	ability to interpret, translate ideas, extrapolate (Action verbs: <i>Explain, Describe, Discuss, Interpret, Identify</i>)
A	APPLICATION	ability to apply general principles/rules in new situations (Action verbs: <i>Demonstrate, Apply, Operate, Illustrate, Employ</i>)
An	ANALYSIS	ability to break down information and make clear the nature of the component parts and their relationship to each other (Action verbs: <i>Distinguish, Investigate, Analyse etc</i>)
S	SYNTHESIS	ability to assemble a number of components in order to generate a new statement or plan (Action verbs: <i>Design, Create, Organise, Plan etc</i>)
As	EVALUATION	ability to judge the value of methods or materials by comparison with external criteria (Action verbs: <i>Judge, Evaluate, Appraise, Assess etc</i>)

Numbering

Standards are assigned their own reference numbers: Approved Examination Standard 1 or ApEx1, etc.

Learning Outcomes are also numbered according to the level of attainment required (K1, U1, U2, An1, etc.)

ApEx18 Real estate investments which are securities and derivatives

Summary of Learning Outcomes

Learning Outcomes are also numbered according to the level of attainment required (K1, U1, U2, An1, etc.)

SUMMARY OF LEARNING OUTCOMES

ApEx18 Real Estate Investments which are Securities and Derivatives		Level
ApEx18 Real estate investments which are securities and derivatives		
Candidates will be expected to:		
K	Demonstrate a knowledge of:	
K1	regulatory requirements affecting securities	Knowledge
K2	key features of offshore holding structures	Knowledge
K3	principles and methods of settlement and clearing, according to product types and market	Knowledge
K4	how and where securities trade and the key differences between each method	Knowledge
K5	regulatory requirements affecting derivatives	Knowledge
K6	principles, characteristics and operation of futures	Knowledge
K7	principles, characteristics and operation of options	Knowledge
K8	characteristics of typical products	Knowledge
K9	methods and organisations involved in the trading of products	Knowledge
K10	information sources and disclosure obligations	Knowledge
U	Demonstrate an understanding of:	
U1	key features and risks of typical securities	Comprehension
U2	principles and characteristics of new issues as applicable to the process of advising clients	Comprehension
U3	characteristics of typical real estate products	Comprehension
A	Demonstrate an ability to:	
A1	apply the key features of real estate securities	Application

Indicative Content for each Learning Outcome

ApEx18 Real Estate Investments which are Securities and Derivatives

Attainment Level	Outcome	Indicative Content
K Demonstrate knowledge of:	K1 Regulatory requirements affecting securities	K1.1 Issuers of securities – key obligations placed upon them, ie accounting and reporting requirements K1.2 Holders of securities – key obligations placed upon them, ie disclosure requirements K1.3 Securities trading organisations – key obligations placed upon them K1.4 Cross-border regulations – key elements of cross-border regulations that impact on advisers K1.5 UK Listing Authority – key elements of provisions affecting advisers
K Demonstrate knowledge of:	K2 Key features of offshore holding structures	K2.1 Other offshore holding structures, including but not limited to: 2.1.1 SIVs 2.1.2 SICs
K Demonstrate knowledge of:	K3 Principles and methods of settlement and clearing, according to product types and market	K3.1 Settlement and clearing in UK Markets – characteristics, operation, roles and responsibilities
K Demonstrate knowledge of:	K4 How and where securities trade and the key differences between each method	K4.1 Trading on regulated markets 5.1.1 London Stock Exchange Domestic Market K4.2 Other markets operated by recognised investment exchanges 5.2.1 AiM K4.3 Markets operated by authorised firms 5.3.1 OFEX K4.4 Awareness of trading OTC
K Demonstrate knowledge of:	K5 Regulatory requirements affecting derivatives	K5.1 UK regulations K5.1.1 Segregation of accounts K5.1.2 Wholesale and retail markets K5.1.3 FSA Conduct of Business Rules specific to derivatives K5.2 Market transparency, trade reporting and monitoring K5.3 International Accounting Standards (IAS 4)

K Demonstrate knowledge of:	K6 Principles, characteristics and operation of futures	K6.1 Features and characteristics of futures contracts
K Demonstrate knowledge of:	K7 Principles, characteristics and operation of options	K7.1 Features and characteristics of options contracts 7.1.1 Calls 7.1.2 Puts
K Demonstrate knowledge of:	K8 Characteristics of typical products	K8.1 Financial – characteristics, markets and uses, including leverage, of the following asset types: 8.1.1 Interest rates 8.1.2 Forex 8.1.3 Equities K8.2 Financial – characteristics, markets and uses, including leverage, of the following product types: 8.2.1 Swaps 8.2.2 Credit derivatives 8.2.3 Covered warrants 8.2.4 Structured Capital At Risk Products (SCARPs)
K Demonstrate knowledge of:	K9 Methods and organisations involved in the trading of products	K9.1 OTC 9.1.1 Products – swaps, options, forwards, contracts for difference (CFD), forward rate agreements (FRA) 9.1.2 How the products are traded and settled 9.1.3 Relevance of moving markets and the implications for market abuse K9.2 Exchange traded 9.2.1 How these products are traded and settled K9.3 Role of the clearing and settlement process K9.4 Principal exchanges and their key operating principles
K Demonstrate knowledge of:	K10 Information sources and disclosure obligations	K10.1 Periodic reporting by issuers K10.2 Ad hoc announcements K10.3 News services, RNS, PIPs and SIPs K10.4 Investment research and sales notes K10.5 Financial journalism K10.6 Transparency obligations of shareholders K10.7 Structure of accounting information and company balance sheets
U Demonstrate understanding of:	U1 Key features and risks of typical securities	U1.1 Shares 1.1.1 Features and characteristics of ordinary shares and non-voting shares 1.1.2 Features and characteristics of the main classes of preference shares 1.1.3 Dividends – ex-dividend and cum-dividend, calculation of net and gross dividends 1.1.4 Warrants and covered warrants

<p>U Demonstrate understanding of:</p>	<p>U2 Principles and characteristics of new issues as applicable to the process of advising clients</p>	<p>U2.1 Key features of the regulations and criteria for the listing of new issues 2.1.1 The role of UKLA 2.1.2 Admission to trading on regulated markets 2.1.3 Small and private issues U2.2 Mechanics of the listing process 2.2.1 Initial Public Offerings and subsequent issues 2.2.2 Underwriting – purpose, practice, rights and responsibilities 2.2.3 Stabilisation – acceptable market practices and purposes 2.2.4 Issue methods for equities</p>
<p>U Demonstrate understanding of:</p>	<p>U3 Characteristics of typical real estate products</p>	<p>U3.1 Property derivatives 3.1.1 Property Index Certificates (PICs) 3.1.2 Swaps 3.1.3 Property Index Forwards (PIFs) 3.1.4 Property Index Notes (PINs) 3.1.5 Risk reward profile 3.1.6 Pricing 3.1.7 Strategies</p>
<p>A Demonstrate an ability to apply:</p>	<p>A1 Apply the key features of real estate securities</p>	<p>A1.1 Real estate vehicles 1.1.1 Features and characteristics of the main types of listed vehicles, including but not limited to: 1.1.1.a REITs 1.1.1.b Listed property companies 1.1.1.c Offshore property investment companies 1.1.1.d Guernsey investment trusts 1.1.1.e Irish listed investment trusts 1.1.2 Feature and characteristics of the main types of unlisted vehicles 1.1.2.a Authorised property unit trusts 1.1.2.b Limited partnerships 1.1.2.c Jersey unit trusts 1.1.2.d Jersey property unit trusts 1.1.2.e Irish unit trusts 1.1.2.f Irish property unit trusts 1.1.3 Liquidity 1.1.4 Pricing 1.1.5 Asset value 1.1.6 Taxation 1.1.7 Whether trading at discount or premium A1.2 Commercial mortgage-backed securities 1.2.1 Features and characteristics, including spreads</p>