

<b>UNIT TITLE: SECURITIES</b>		
<b>Attainment Level</b>	<b>Learning Outcome</b>	<b>Indicative Content</b>
<b>Demonstrate an understanding of:</b>	The securities market structure, features, regulatory and trading environment	<ul style="list-style-type: none"> <li>• Role, structure and regulation of global securities markets <ul style="list-style-type: none"> <li>– Primary, secondary and dual listing</li> <li>– Exchange trading and over-the-counter (OTC) trading</li> <li>– Role of regulators, other supervisory bodies and trade associations</li> </ul> </li> <li>• Market participants and roles</li> <li>• Domestic markets: <ul style="list-style-type: none"> <li>– Issuing, listing, quotation, admission to market <ul style="list-style-type: none"> <li>○ UK Listing Authority</li> <li>○ PLUS Market</li> <li>○ AIM market</li> <li>○ Issuing securities without a prospectus</li> </ul> </li> <li>– Markets for trading: <ul style="list-style-type: none"> <li>○ Equities</li> <li>○ Government bonds</li> <li>○ Corporate bonds</li> </ul> </li> <li>– Other trading venues: <ul style="list-style-type: none"> <li>○ Multilateral Trading Facilities (MTFs)</li> <li>○ Systematic Internalisers</li> <li>○ Dark pools</li> </ul> </li> </ul> </li> <li>• International markets: <ul style="list-style-type: none"> <li>– Developed markets</li> <li>– Emerging markets</li> <li>– Foreign Exchange market</li> <li>– Structure and access considerations</li> </ul> </li> </ul>

<b>Demonstrate an ability to apply:</b>	Dealing principles and practice relevant to client investment activity	<ul style="list-style-type: none"> <li>• Dealing – domestic markets, rules and principles <ul style="list-style-type: none"> <li>– Best Execution</li> <li>– Aggregation and Allocation</li> <li>– Front running</li> </ul> </li> <li>• International markets - main differences in principles and practice</li> </ul>
<b>Demonstrate an understanding of:</b>	Clearing, settlement and custody principles and practice relevant to client investment activity	<ul style="list-style-type: none"> <li>• Clearing and central counterparty – UK process, duties, risks</li> <li>• Settlement: <ul style="list-style-type: none"> <li>– UK process</li> <li>– International Central Securities Depositories (CSDs)</li> </ul> </li> <li>• Custody of assets and client money</li> <li>• Relevance and impact of corporate actions</li> </ul>
<b>Demonstrate an ability to assess:</b>	The factors that influence market behaviour relevant to investment advice	<ul style="list-style-type: none"> <li>• Factors that influence market and individual security movements: <ul style="list-style-type: none"> <li>– Volume, liquidity and impact of trading activities – domestic and international markets</li> <li>– Derivatives market, interactivity of timed events, relationship with cash market</li> <li>– Research and ratings</li> <li>– Market Abuse regime</li> </ul> </li> <li>• Information and disclosure: <ul style="list-style-type: none"> <li>– Issuer reporting and announcements, corporate actions</li> <li>– Transparency obligations – transaction reporting, share ownership and disclosure, short selling</li> <li>– Market data convention</li> </ul> </li> </ul>
<b>Demonstrate an ability to analyse:</b>	The characteristics, features, behaviours and risks of securities in the context of the market for these products	<ul style="list-style-type: none"> <li>• Equities: <ul style="list-style-type: none"> <li>– Share classes</li> <li>– American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>– Comparative valuation measures and relevance</li> <li>• Debt securities: <ul style="list-style-type: none"> <li>– Domestic and international government securities</li> <li>– Corporate debt securities</li> <li>– Duration, interest rate movements, price/yield relationship</li> <li>– Credit ratings, creditor rankings</li> </ul> </li> <li>• Derivative substitutes: <ul style="list-style-type: none"> <li>– Warrants and covered warrants</li> <li>– Contracts for difference (CFDs)</li> </ul> </li> <li>• Collectives: <ul style="list-style-type: none"> <li>– Open and closed ended</li> <li>– Asset value, pricing and gearing</li> <li>– Asset cover, redemption yields</li> <li>– Investment management styles and fund selection</li> <li>– Passported products</li> </ul> </li> <li>• ETFs and structured products</li> <li>• Cash and cash equivalents</li> <li>• Foreign Exchange</li> </ul>
<b>Demonstrate an ability to apply:</b>	The relevant factors and considerations to decide and implement investment recommendations	<p><i>These standards include the requirement to COMBINE and APPLY the learning content from all units of the Appropriate Exam</i></p> <ul style="list-style-type: none"> <li>• Obtain the range of client information and subjective factors to understand their needs, wants, values and risk profile essential to planning</li> <li>• Synthesise client and relevant market information to provide the basis for assumptions and decisions</li> <li>• Analyse the advantages and disadvantages of the appropriate options</li> </ul>

- Select, recommend, explain and justify, and transact
  - Sources and use of research and other information
- Holding securities within an investment portfolio:
  - Direct holdings, indirect holdings and combinations
  - Role of derivative substitutes
  - Rationale, advantages and disadvantages
  - Impact on overall client objectives and priorities
  - Asset allocation factors and relationship to overall portfolio
  - Matching to client risk appetite
- Take account of relevant tax, accounting and costs considerations
- Comply with advice and dealing regulations specific to securities - COBS
- Client reporting requirements
- Communication, monitoring, review and maintenance of the portfolio to achieve the client's objectives, deal with change and respond to setbacks