| Technical Qualification | |
|---|---|
| # T Level Technical Qualification in Finance - Investment Banking and Asset and Wealth Management Analyst assessment | Level **3** |
| **Task 1: Asset and Wealth Management Products and Services** | |
| **Pre-release Material** | |

Paper Reference (s)

XXXX/XX

PXXXXXA

## Instructions for Pre-release

This pre-release material contains information for the completion of the supervised assessment for Task 1.

This material should be released to students **one** week before the supervised assessment is scheduled.

Students are advised to spend no more than two hours familiarising themselves with the contents of the pre-release material.

This pre-release material must be issued to students on a timetabled/set date so they can prepare for the supervised assessment.

This pre-release material is specific to each series and must only be issued to students who have been entered to take the task in the relevant series.

It should not be returned to Pearson.

Materials for the supervised Assessment for Task 1 must be issued to students on the timetabled date specified by Pearson.

## Instructions for Learners

Read the following information carefully. It contains the information you need to prepare for the Task 1 supervised assessment.

In the Task 1 supervised assessment you will be given a customer case study. Use this pre-release information to prepare by making sure that you know and understand it. You will then be given Task 1 to complete under supervised conditions.

## Pre-release brief

You work as an assistant to an adviser at Hogsmill Wealth Management, provider of wealth management advice to individual and institutional clients.

Part of your role is to assist the adviser in preparing financial advice for new and existing clients. This week you will be preparing a report containing advice for a new client and to do this you need to be familiar with the range of products which are available to clients.

## Pre-release information

The products available are:

| |
|---|
| Collective investments – unit trusts / Open Ended Investment Companies (OEICS) |
| Investment Trusts |
| Venture Capital Trusts |
| Individual Savings Accounts (ISAs) |
| Insurance company investment bonds |
| Private endowments |
| Self-invested personal pensions (SIPPS) |
| Stakeholder personal pensions |

The investment funds available are:

**Blended / "ready-made" funds**

| Fund name | Performance last year | Annual management charge |
|---|---|---|
| Fund A Growth  Risk rating 2/7 | 2.09% | 0.70% |
| Fund B Growth Risk rating 4/7 | 3.86% | 0.78% |
| Fund C Growth  Risk rating 5/7 | 5.3% | 0.75% |
| Fund D Growth  Risk rating 6/7 | 5.64% | 0.83% |
| Fund E Distribution | 4.86% | 0.55% |

**"Hand-picked" funds selected by the Hogsmill Wealth Management Investment Committee**

**Active funds**

| Fund name | Performance last year | Annual management charge |
|---|---|---|
| Fund 101 - European Opportunities | 4.50% | 0.86% |
| Fund 102 - Balanced Managed | 9.18% | 0.7% |
| Fund 103 - Long-Term Global Equity | 14.47% | 0.80% |
| Fund 104 - Real Return Income | 6.84% | 0.85% |
| Fund 105 - Global Dividend Income | 6.04% | 0.92% |
| Fund 106 - IM Asian Equity Plus | 16.93% | 1.04% |
| Fund 107 - UK Dynamic | -17.55% | 0.67% |
| Fund 108 - UK Absolute Return | 2.43% | 1.05% |
| Fund 109 - Emerging Markets | 12.73% | 0.90% |

| Fund name | Performance last year | Annual management charge |
|---|---|---|
| Fund 110 - Strategic Bond | 6.22% | 0.73% |
| Fund 111 - UK Ethical Equity | -2.47% | 0.65% |
| Fund 112 - Sustainable Future Global Growth | 32.30% | 0.89% |
| Fund 113 - UK Smaller Companies | 15.22% | 1.36% |
| Fund 114 - Global Investors UK Mid Cap | 10.93% | 0.63% |
| Fund 115 -  Ethical Bond | 7.74% | 0.55% |
| Fund 116 - European Equity | 16.58% | 0.80% |
| Fund 117 - UK Equity | -6.94% | 0.82% |

**Passive funds**

| Fund name | Performance last year | Annual management charge |
|---|---|---|
| Fund 118 - Consensus 100 | 9.84% | 0.24% |
| Fund 119 - Continental European Equity Index | 8.79% | 0.06% |
| Fund 120 - Corporate Bond Index | 7.84% | 0.12% |

**Other funds**

| Fund name | Performance | Charges |
|---|---|---|
| Fund 121 - Smaller Companies Venture Capital Trust | Target dividend – 7% | Initial charge 3% |
| Fund 122 - Investment Trust | Growth last year – 2.8% | Share price – 911p<br>NAV per share – 980p |

**Please note that each of the selected funds is provided by a different fund manager.**

**Hogsmill Wealth Managment's approach to financial planning**

Where appropriate to the product, these funds can also be held within ISA, SIPPS or insurance company bond wrappers.

The stakeholder personal pension provider has a clause to say investment in stakeholder personal pensions can only be in the blended/"ready-made" funds.

In addition to the annual management charges made by the fund managers, for the management of money invested in individual funds, Hogsmill Wealth Management makes an additional charge of 1.5%.

It is company policy that not less than 20% of an investment is placed into an individual fund.

Hogsmill Wealth Management offers two levels of service to its investment clients:

- Premium service for those investing over £250K which includes:
    - discretionary investment services
    - access to individual fund managers.
- Standard service for those investing over £150K which includes:
    - investment in a range of portfolio-based investment funds, selected by the Hogsmill Investment Committee.

<table>
<tr><td colspan="2">Technical Qualification</td></tr>
<tr><td><h1>T Level Technical Qualification in Finance</h1><h1>Investment Banking and Asset and Wealth Management Analyst Assessment</h1></td><td rowspan="3">Level<br>3<br><br>Total Marks<br>48<br><br>Controlled Hours<br>3</td></tr>
<tr><td>Task 1: Asset and Wealth Management Products and Services</td></tr>
<tr><td>This document contains guidance for the assessment due to take place for the above task.<br><br>The set task must be taken under supervised conditions.<br><br>This set task must be undertaken between [Day Month YYYY] and [Day Month YYYY].</td></tr>
</table>

# Instructions for Students

In this task you will need to refer to:

- The range of asset and wealth management products and funds given to you in the pre-release.
- The set task brief and customer case study information provided in the resource booklet.

The same range of asset and wealth management products and funds that you familiarised yourself with in the pre-release have been published again in the Set Task Brief for this task.

Read all the information carefully.

Plan your time and submit all required evidence at the end of the supervised period.

Your centre will advise you of the timings of the supervised period.

You will complete this assessment under supervision and your work will be kept secure during any breaks taken. Internet access is not allowed.

You must work independently throughout the supervised assessment period and should not share your work with other students.

**You have *3 hours* to complete this task.**

# Outcomes for Submission

You need to submit the following:

- a PDF document containing your response Activity 1.

Your evidence must be saved in PDF format.

Use these naming conventions:

**Task_1_Assetandwealthmanagement_[Registration number #]_[surname]_[first letter of first name]**

# Task 1

# Set Task Brief

The adviser you work for has an appointment with a new client tomorrow. The adviser has asked you to prepare a report for the new client on their behalf.

The adviser has provided you with the following information:

| | |
|---|---|
| Client name(s) | Simon |
| Marital status | Civil partnership |
| Age(s) | 45 |
| Dependents | None. In the event of death, Simon's estate will pass to his partner George. In the event of death of both Simon and George, their money has been left to be divided between five charities. |
| Link to company | Recommended by Sara (existing client). |
| Reason for meeting | Simon has just received an inheritance of £300K.<br>He has recently become self-employed and is considering his pension arrangements.<br>Simon wants advice on these two areas and also to consider his existing financial arrangements. |
| Employment | Self-employed running a marketing company.<br>20 years as Civil Servant, left this employment six months ago. |
| Income | £70K per annum. |
| Existing investments | £45K in cash ISA. |
| Attitude to risk | Simon has a medium attitude to risk. He is happy to take part in annual reviews of his investments. He has no particular preference for ethically-based investments. |

| | |
|---|---|
| Further information | • The inheritance came from his uncle.<br>• He has not used his ISA allowance for this year.<br>• There are no plans to take an income from any investments in the foreseeable future.<br>• He plans to buy a holiday lodge in the next two years and expects to spend in the region of £50,000 on this. The interest on his cash ISA is currently paid at 0.75% pa. He asks whether or not this money should be transferred into funds which have a better potential for growth as he plans to use the cash ISA to fund this project.<br>• Simon is new to self-employment but believes he has a legal obligation to contribute to a pension scheme. At present he is able to contribute only £100 per month towards his retirement. In his last role he had a pension where he was guaranteed a certain level of pension in retirement and he would like a pension similar to this again if possible.<br>• Simon would like to know what options he will have to withdraw his pension contributions when he retires. |

**The products available are:**

| |
|---|
| Collective investments – unit trusts / Open Ended Investment Companies (OEICS) |
| Investment Trusts |
| Venture Capital Trusts |
| Individual Savings Accounts (ISAs) |
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**Please note that each of the selected funds is provided by a different fund manager.**

## Activity 1

Using the range of information provided in the pre-release and the client case study, produce a report for Simon in which you:

- Analyse Simon's asset and wealth management needs in relation to his:
  - existing financial arrangements
  - new capital
  - retirement plans.
- Provide advice for a portfolio that you believe will best meet Simon's investment needs
- Provide a rationale for the advice you have given.

In your response you should refer to:

- the key features of each of the products in the portfolio you have constructed
- the potential risks and benefits of each product and investment choice.

The report should be produced as a professionally written report, using technical and non-technical language as appropriate to the individual customer.

**Total for Task 1: 48 marks**

# Task 1 Mark Scheme

| **Task 1 - Suitability of the advice given for the existing investments** | | | | |
|---|---|---|---|---|
| **Indicative content and marker guidance** | | | | |
| **Existing investment advice** | | | | |
| Learner investment recommendations will recognise:<br>- the cash ISA will not grow sufficiently in time to provide all the funds to purchase the holiday home<br>- the cash ISA should not be switched into a stocks and shares ISA considering the timescale in which the funds will be required. | | | | |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–3** | **4–6** | **7–9** |
| Analysis of the customers' existing investment needs | No rewardable material | The analysis of the customer's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer's needs; some significant gaps or omissions are present<br>- Partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- thorough and detailed application of understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–2** | **3 - 4** | **5 - 6** |
| Suitability of advice provided for the existing investments | No rewardable material | The proposal:<br>- Partially meets the customer's needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Mostly meets of the customer's needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Entirely meets the customer's needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. |
| **Task 1 - Suitability of the advice given for the investment of new capital** | | | | |

| Indicative content and marker guidance | |
|---|---|
| **New capital investment advice** | |
| - the capital investment from the legacy should be placed in unit trust / OEIC collective investment<br>- use should be made of this year's ISA allowance<br>- a maximum of five funds should be selected for the unit trust / OEIC collective investment | - the same or different funds should be selected for the investment being placed in the ISA wrapper<br>- all funds selected should be in line with the client's medium attitude to risk<br>- all funds selected should be with the intention of capital growth |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1–3 | 4–6 | 7–9 |
| Analysis of the customers' existing investment needs | No rewardable material | The analysis of the customer's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer's needs; some significant gaps or omissions are present<br>- Partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1–2 | 3 - 4 | 5 - 6 |
| Suitability of advice provided for the existing investments | No rewardable material | The proposal:<br>- Partially meets the customer's needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Mostly meets of the customer's needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Entirely meets the customer's needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. |

| Task 1 - Suitability of the advice given for the pensions/retirement needs |
|---|
| **Indicative content and marker guidance** |
| **Pensions advice** |
| - the option of a defined benefit pension is not available to the client<br>- the correct pension would be a stakeholder personal pension<br>- the pension contributions should be placed in blended / ready-made funds<br>- the funds selected should be in line with the client's medium attitude to risk |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | **0** | **1–3** | **4–6** | **7–9** |
| Analysis of the customers' pension / retirement needs | No rewardable material | The analysis of the customer's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer's needs; some significant gaps or omissions are present.<br>- Partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | **0** | **1–2** | **3 - 4** | **5 - 6** |
| Suitability of advice provided for customers' pension / retirement needs | No rewardable material | The proposal:<br>- Partially meets the customer's needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>  o Features of the product selected meet the customers' needs.<br>  o Potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Mostly meets of the customer's needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>  o Features of the product selected meet the customers' needs.<br>  o Potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Entirely meets the customer's needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>  o Features of the product selected meet the customers' needs.<br>  o Potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. |

| Task 1 – Quality of written communication | | | | |
|---|---|---|---|---|
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1** | **2** | **3** |
| Quality of written communication | No rewardable material | The report has some structure and is clear in parts. Its appropriateness for the technical audience and use of technical language is limited. | The report is generally well structured, mostly clear, broadly appropriate for the audience and uses technical language mostly appropriately. | The report is well structured, clear, concise, fully appropriate for the audience and uses technical language appropriately. |

| Technical Qualification | |
|---|---|
| **T Level Technical Qualification in Finance -**<br>**Investment Banking and Asset and Wealth Management Analyst Assessment** | Level<br>**3**<br><br>Total Marks<br>**54**<br><br>Controlled Hours<br>**3** |
| **Task 2: Investment Banking Products and Services** | |
| This document contains guidance for the assessment due to take place for above.<br>The set tasks must be taken under supervised conditions.<br>This set task must be undertaken between [Day Month YYYY] and [Day Month YYYY]. | |

# Instructions for Students

Read all the information carefully.

Plan your time and submit all required evidence at the end of the supervised period.

Your centre will advise you of the timings of the supervised period.

You will complete this assessment under supervision and your work will be kept secure during any breaks taken. Internet access is not allowed.

You must work independently throughout the supervised assessment period and should not share your work with other students.

A total of 3 marks is available in Activity 2a for the quality of written communication.

**You have *3 hours* to complete this task.**

# Outcomes for Submission

You need to submit the following:

- a PDF document containing your response to each of the activities in the task.

Your evidence must be saved in PDF format.

Use these naming conventions:

**Task_2_investmentbanking_[Registration number #]_[surname]_[first letter of first name]**

# Set Task Brief

You are working as an assistant analyst for an investment banking organisation.

Your role involves supporting colleagues to deliver investment banking services to clients.

Your team has been receiving a high number of emails from external clients and internal colleagues. A senior advisor has asked you to assist by preparing some draft responses to emails which they will review and, if necessary, edit before sharing the response.

A total of 3 marks is available in Activity 2a for the quality of written communication.

## Activity 2a(i)

You have received the following email from a client:

| | |
|---|---|
| To | you@yourorganisation.uk |
| From | jposaka@growingbusiness.uk |

| | |
|---|---|
| Subject | Investment advice |

Hi,

My organisation has £50m to invest. The organisation wants:

- to achieve some growth in value
- to invest in a low risk asset that:
    - i. provides protection against inflation
    - ii. is highly liquid.

I have been considering these four options:

1. Index linked gilt
2. Fixed interest gilt
3. Unsecured corporate bonds
4. Hedge funds

Can I ask for your advice on the features, risks and benefits of these different options and which would be the most appropriate for my organisation's needs?

Yours sincerely

J. P. Osaka

Write an email to the client in which you:

- explore how the features, risks and benefits of the different investment options apply to the client's needs
- provide a justified recommendation for the investment option that best meets their needs.

| | |
|---|---|
| To | jposaka@growingbusiness.uk |
| From | you@yourorganisation.uk |

| | |
|---|---|
| Subject | Re: Investment advice |

| |
|---|
| |

**15 marks**

## Activity 2a(ii)

You have received the following email from a client:

| | |
|---|---|
| To | you@yourorganisation.uk |
| From | jposaka@growingbusiness.uk |

| | |
|---|---|
| Subject | Investment advice |

Hi,

My organisation uses cocoa as a key ingredient in its manufacturing processes. We need to arrange for a large order of cocoa to be delivered within the next six to eight months and are expecting cocoa prices to rise sharply.

The organisation wants:

- to try and protect itself from rising coca prices
- does not want to pay an upfront premium for the financial instrument
- Wants to minimise counterparty risk.

I have been considering these four options:

1. Swaps
2. Call options
3. Futures
4. Forwards

Can I ask for your advice on the features, risks and benefits of these different suggestions and which would be the most appropriate for my organisation's needs.

Yours sincerely

J. P. Osaka

Prepare an email to the client in which you:

- explore how the features, risks and benefits of the different investment options apply to the client's needs
- provide a justified recommendation for the investment option that best meets their needs.

| | |
|---|---|
| To | jposaka@growingbusiness.uk |
| From | you@yourorganisation.uk |

| | |
|---|---|
| Subject | Re: Investment advice |

| |
|---|
| |

(15 marks)

## Task 2a(iii)

You have received an email from a colleague asking for some advice:

| | |
|---|---|
| To | you@yourorganisation.uk |
| From | colleague@yourorganisation.uk |

| | |
|---|---|
| Subject | Corporate finance advice |

Hi,

I am working with a client that has recently been awarded a new contract. They have identified that the new contract will need them to increase the size of their operations including:

- A need for larger factories,
- A need for more equipment
- A need to hire more employees.

The client has been asked to consider their organisation's options for raising the finance required to deliver the new contract. The owners do not want to give up any control over their business.

I have been considering three options and would like some advice on the features, risks and benefits of these options and which would be the most appropriate for my organisation's needs.

1. Option 1 – Initial Public Offering
2. Option 2 – Corporate bonds
3. Option 3 – Private equity

Write an email to your colleague in which you:

- advise how the features, risks and benefits of the different corporate finance options apply to the client's needs
- provide a justified recommendation for the corporate finance option that best meets their needs.

| | |
|---|---|
| To | colleague@yourorganisation.uk |
| From | you@yourorganisation.uk |

| | |
|---|---|
| Subject | Re: Corporate finance advice |

| |
|---|
| |

(15 marks)

## Activity 2b

### Activity 2b(i)

Investment banks and asset managers are two routes to the financial markets for institutional investors to buy large holdings of equities.

State two other routes to the financial markets for institutional investor needs.

(2 marks)

### Activity 2b(ii)

One way that trading decisions are made is by humans applying their judgement.

State two different ways that trading decisions can be made.

(2 marks)

### Activity 2b(ii)

The LSE and the ICE are two organisations that comprise the capital markets.

State the role that each organisation plays within the infrastructure.

(2 marks)

<table>
<tr><th colspan="5">Activity 2a(i) – Exploring the suitability of corporate finance options</th></tr>
<tr><th colspan="5">Indicative content and marker guidance</th></tr>
<tr>
<td rowspan="2"><u>The analysis of clients’ needs</u><br><br>The organisation has £50m to invest.<br>It requires advice on the features, risks and benefits of these different options and which would be the most appropriate for the organisation’s needs:<br><br>• index linked gilt<br>• fixed interest gilt<br>• unsecured corporate bonds<br>• hedge funds.<br><br>The organisation would like:<br><br>• to achieve some growth in value<br>• to invest in a low risk asset that:<br>  ○ provides protection against inflation<br>  ○ is highly liquid</td>
<td><u>The product range</u><br><br>Key features of all bonds<br>• Level of return<br>• Level of risk<br>• Define par value<br>• Define coupon<br>• Define Yield<br>• Define term to maturity</td>
<td rowspan="2"><u>Unsecured corporate bonds</u><br>Key features<br>• Bonds issued by companies to raise money.<br>• Par value.<br>• Coupon.<br>• Yield.<br>• Term to maturity.<br>• Credit rating for unsecured lower than secured corporate bonds.<br><br>Benefits<br>• Higher returns and growth than fixed interest and index linked gilts.<br>• Likely to be lower risk than equities.<br>• Receive regular coupon payment.<br><br>Risks<br>• Higher risk than fixed interest and index linked gilts.<br>• No collateral.<br>• Higher potential for default.<br>• Payments not linked to inflation so some expected growth may be eroded.<br>• Credit rating for unsecured lower than secured corporate bonds.</td>
<td rowspan="2"><u>Hedge funds</u><br>Key features<br>• Various different strategies.<br>• High fees, watermarks.<br>• Hedge fund can earn performance fees.<br>• Available to institutional investors.<br><br>Benefits<br>• Potential to earn higher returns.<br><br>Risks<br>• Higher risks than bonds and gilts.<br>• Payments not linked to inflation.<br>• Illiquid – infrequent trading.<br>• Illiquid - Lock in periods.<br>• High fees.</td>
<td rowspan="2"><u>The proposal</u><br><br>The best option are index linked gilts.<br>• Liquid – able to trade easily on daily basis.<br>• High quality and low risk as issued by UK government so unlikely to default.<br>• Linked to inflation.<br>• Expect some return back from investing including regular coupon payments.</td>
</tr>
<tr>
<td>Fixed interest gilt<br>Benefits<br>• Liquid – able to trade easily on daily basis.<br>• High quality/low risk so unlikely to default as issued by UK government.<br>• Receive regular coupon payment.<br><br>Risks<br>• Low returns as low risk<br>• Not inflation linked – inflation erodes any returns earned.</td>
</tr>
</table>

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1–3 | 4–6 | 7–9 |
| Analysis of the customers' existing investment needs | No rewardable material | The analysis of the customer's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer's needs; some significant gaps or omissions are present<br>- partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–2** | **3 - 4** | **5 - 6** |
| Suitability of advice provided for the existing investments | No rewardable material | The proposal:<br>- Partially meets the customer's needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Mostly meets of the customer's needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Entirely meets the customer's needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>  o features of the product selected meet the customers' needs<br>  o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. |

| Activity 2a(ii) – Exploring the suitability of investment options | | | | |
|---|---|---|---|---|
| **Indicative content and marker guidance** | | | | |
| **The analysis of clients' needs**<br><br>**The client's needs**<br><br>The organisation needs to make a large order for cocoa in the next six-eight months for use in its manufacturing process and is worried about rising cocoa prices.<br><br>The organisation would like advice on the features, risks and benefits of these different options and which would be the most appropriate for the organisation's needs:<br>• Swaps<br>• Call options<br>• Futures<br>• Forwards.<br><br>The organisation:<br>• wants to try and protect itself from rising coca prices<br>• does not want to pay an upfront premium for the financial instrument<br>• wants to minimise counterparty risk. | **The Product Range**<br><br>**Call Options**<br><br>**Key Features**<br><br>• The buyer of the call option has the right, but not the obligation, to exercise the option<br>• An option contract specifies the underlying, the size, the price to trade the underlying in the future (called the exercise price or strike price), and the expiration date.<br>• The option buyer buys the option by paying an option premium to the option seller at the time of the initial contract.<br>• The premium paid by the option buyer compensates the option seller for the risk taken.<br>• The maximum benefit to the option seller is the premium who hopes the option will not be exercised. | **Swaps**<br><br>**Key Features**<br><br>• Two parties exchange cash flows over some specified period in the future.<br>• The swap contracts net initial value to each party should be zero and as one side of the swap contract gains the other side loses by the same amount.<br><br>**Benefits**<br><br>• No initial payment needs to be made.<br>• Can help manage risk and reduce uncertainty as to what price needs to be paid for cocoa and rising prices.<br>• Can tailor contract to meet own requirements.<br><br>**Risks**<br><br>• Counterparty risk as it is over the counter. | **Forward contracts**<br><br>**Key Features**<br><br>• Agreement between two parties where one party agrees to buy from the seller an underlying (cocoa) at a later date for a price established at the start of the contract.<br>• Time -The future date can be in one month, in one year, in five years, or at any other specified date.<br><br>**Benefits**<br><br>• Locks in the price of an underlying and to gain certainty about future price that is paid for cocoa.<br>• May gain if price agreed in forward is lower than market price of cocoa at expiration. | **The proposal**<br><br>The best option is a **futures** contract as they can lock in a price and therefore provide protection against further rises in cocoa prices. They are traded on an exchange which removes counterparty risk and there is no upfront payment to another party.<br><br>**Key features:**<br><br>• Agreement between two parties where one party agrees to buy from the seller an underlying (cocoa) at a later date for a price established at the start of the contract.<br>• Time -The future date can be in one month, in one year, in five years, or at any other specified date.<br><br>**Benefits:**<br><br>• Standardised contracts that trade on exchanges which |

| | | | | |
|---|---|---|---|---|
| | • A call option is "in the money" if the market price is greater than the exercise price so the option would be exercised.<br>• A call option is "out of the money" if the market price is less than the exercise price - the option would not be exercised.<br>• A call option is "at the money" if the market price and exercise price are equal.<br><br>**<u>Benefits</u>**<br><br>• Buyer can choose whether to exercise an option based on the underlying's (coca) price compared with the option exercise price.<br>• The buyer has the choice to not exercise the call option if it cheaper to purchase cocoa in the market.<br>• If the buyer decides to exercise the option, the seller is obligated to satisfy the option buyer's claim.<br>• Only the seller has an obligation if the buyer exercises the option. | There needs to be a counterparty that is willing to take the opposite position and agree terms. | • No upfront payment needs to be made by either party prior to delivery.<br><br>**<u>Risks</u>**<br><br>• The other party to the contract will not fulfil its contractual obligations - counterparty risk.<br>• To reduce counterparty risk, the parties to a forward contract evaluate the default risk of the other party before entering into a contract.<br>• At settlement, may lose and the other party will gain if at expiration the market price of cocoa is lower than the price agreed in the forward.<br>• Need to find another party to take the opposite position. | match up buyers and sellers.<br>• Locks in the price of an underlying and to gain certainty about the future price that is paid for cocoa<br>• May gain if price in futures contract is lower than market price of cocoa at expiration.<br>• Liquid so it is possible for a buyer or seller to close out a position by taking the opposite side if they change their mind or see the price of cocoa falling.<br>• In other words, the buyer of a contract can sell the same contract and the seller of a contract can buy the same contract.<br>• The exchange as an intermediary between buyers and sellers helps reduce counterparty risk.<br>• No upfront payment made to the other party.<br>• Can tailor contract to own specific requirements. |

| | | | | |
|---|---|---|---|---|
| | • Provides some certainty to the farmer as to the maximum price they will need to pay for the cocoa.<br>• Traded through an exchange so eliminates counterparty risk.<br>**Risks**<br>• Need to pay an option premium to the option writer.<br>• Pay the premium unnecessarily if the underlying's price is cheaper than the exercise price plus premium. | | | **Risks:**<br>• To protect itself against one of the parties defaulting, the exchange requires that parties to the contract deposit funds in their own accounts as collateral – post margin.<br>• The amount deposited on the day that the transaction occurs is called the initial margin. The initial margin should be sufficient to protect the exchange against movements in the underlying's price.<br>• Counterparty risk for futures contracts is also reduced by marking to market daily. Marking to market means that profits or losses on futures contracts are settled at the end of every business day.<br>• May be worse off than not having entered into the contract if the market price of cocoa is lower than the futures price.<br>• Contract size, expiration date, may |

| | | | | |
|---|---|---|---|---|
| | | | | not meet client specific requirements. |

<table>
<tr><th rowspan="2">Assessment focus</th><th>Band 0</th><th>Band 1</th><th>Band 2</th><th>Band 3</th></tr>
<tr><th>0</th><th>1–3</th><th>4–6</th><th>7–9</th></tr>
<tr><td>Analysis of the customers’ existing investment needs</td><td>No rewardable material</td><td>The analysis of the customer’s needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer’s needs; some significant gaps or omissions are present.<br>- partially relevant linkages and interrelationships between the various factors that would inform the proposal.</td><td>The analysis of the customer’s needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer’s needs; any gaps or omissions are minor.<br>- mostly relevant linkages and interrelationships between the various factors that would inform the proposal.</td><td>The analysis of the customer’s needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the customer’s needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal.</td></tr>
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<tr><th>0</th><th>1–2</th><th>3 - 4</th><th>5 - 6</th></tr>
<tr><td>Suitability of advice provided for the existing investments</td><td>No rewardable material</td><td>The proposal:<br>- Partially meets the customer’s needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>o features of the product selected meet the customers’ needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer’s needs.</td><td>The proposal:<br>- Mostly meets of the customer’s needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>o features of the product selected meet the customers’ needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer’s needs.</td><td>The proposal:<br>- Entirely meets the customer’s needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>o features of the product selected meet the customers’ needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer’s needs.</td></tr>
</table>

<table>
<tr><th colspan="4">Activity 2a(iii) – Exploring the suitability of investment options</th></tr>
<tr><th colspan="4">Indicative content and marker guidance</th></tr>
<tr>
<td><u>The analysis of clients' needs</u><br><br><u>The client's needs</u><br><br>The client has been awarded a new contract that requires them to increase the size of their operations.<br><br>The features, risks and benefits of the different corporate finance options apply to the client's needs<br><br>4. Option 1 – Initial Public Offering<br>5. Option 2 – Corporate bonds<br>6. Option 3 – Private equity<br><br>The owners do not want to give up any control over their business.</td>
<td><u>The product range</u><br><br><u>IPO</u><br><u>Key features</u><br>• Primary market.<br>• Available to public.<br>• Ownership.<br>• Par value.<br>• Dividends.<br>• Preferred/common.<br>• Investment bank acts as underwriter.<br><u>Benefits</u><br>• Raise large amounts of capital<br>• No ongoing fixed costs.<br><br><u>Risks</u><br>• Give up ownership and control as IPO purchasers become shareholders.<br>• Can be very costly to raise capital.<br>• Difficult to price correctly.<br>• Issue maybe undersubscribed.<br>• May not be able to raise as much capital as expected.<br>• Higher costs due to regulatory and legal requirements.</td>
<td><u>Private Equity</u><br><u>Key Features</u><br>• Raise finance for expansion.<br>• Investment bank finds small group of knowledgeable investors to raise finance.<br><u>Benefits</u><br>• Less regulatory requirements than IPO.<br>• Cheaper than IPO.<br>• Quicker to access finance than IPO.<br><u>Risks</u><br>• Giving up some ownership of the company and therefore control.<br>• Investors will pay less as no liquid secondary market to sell their investment.</td>
<td><u>The proposal</u><br><br><u>Corporate bonds</u><br><u>Key features</u><br>• Interest payments/coupon.<br>• Credit rating.<br>• Par value.<br>• Maturity date.<br>• Similar to taking a loan.<br><u>Benefits</u><br>• Retain ownership and full control.<br>• Cheaper to raise capital.<br>• Less regulatory requirements.<br>• After maturity no further obligation to debt holders.<br><u>Risks</u><br>• Ongoing fixed costs.<br>• May need to be high coupons depending on how risky business is seen.<br>• May need to be higher coupons to attract finance.<br>• Must pay coupons as fall due therefore need cash to be available<br>• secured/covenants give holders rights.</td>
</tr>
</table>

| | | | |
|---|---|---|---|
| | • Investment bank may suggest lower price to avoid undersubscription. | | |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | **0** | **1–3** | **4–6** | **7–9** |
| Analysis of the customers' existing investment needs | No rewardable material | The analysis of the customer's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the customer's needs; some significant gaps or omissions are present<br>- partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the customer's needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the customer's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–2** | **3 - 4** | **5 - 6** |
| Suitability of advice provided for the existing investments | No rewardable material | The proposal:<br>- Partially meets the customer's needs.<br>- Provides some developed lines of reasoning that partially justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Mostly meets of the customer's needs.<br>- Provides mostly developed lines of reasoning to justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. | The proposal:<br>- Entirely meets the customer's needs.<br>- Provides thorough and developed lines of reasoning to fully justify how the:<br>o features of the product selected meet the customers' needs<br>o potential risks and benefits of the selected product have been taken into consideration in determining the most appropriate solution for the customer's needs. |

| Activity 2a – Quality of written communication | | | | |
|---|---|---|---|---|
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1** | **2** | **3** |
| Quality of written communication | No rewardable material | The reports have some structure and are clear in parts. Their appropriateness for the technical audience and use of technical language is limited. | The reports are generally well structured, mostly clear, broadly appropriate for the audience and use technical language mostly appropriately. | The reports are well structured, clear, concise, fully appropriate for the audience and use technical language appropriately. |

| **Activity 2b(i)** | |
|---|---|
| Award one mark for each correctly identified route suitable for an institution to purchase large holding of equities up to a maximum of 2 marks.<br>• Market maker<br>• Broker<br>• Traded exchange<br>Award any other appropriate response<br>Do **not** award ways referring to investment banks or asset managers as this was given in the stem of the question | (2) |

| **Activity 2b(ii)** | |
|---|---|
| Award one mark for each correctly identified way that trading decisions can be made, up to a maximum of 2 marks.<br>• Artificial intelligence<br>• Algorithms | (2) |

| | |
|---|---|
| Award any other appropriate response<br><br>Do **not** award ways referring to ‘by humans’ as this was given in the stem of the question | |

| **Activity 2b(iii)** | |
|---|---|
| Award one mark for each correctly identified way that trading decisions can be made, up to a maximum of 2 marks.<br><br>• LSE – as a primary market allows companies to issue shares. **OR** as a secondary market allowing buyers and sellers to trade equities.<br>• London market exchange - brings together buyers and sellers of futures contracts in metals. | (2) |

<table>
<tr><td colspan="2"><h1>T Level Technical Qualification (Level 3) in Finance</h1></td></tr>
<tr><td colspan="2">Specimen assessment material for first teaching September 2022</td></tr>
<tr><td>Component: Occupational Specialism</td><td rowspan="2">Level<br>3<br>Total marks<br>18</td></tr>
<tr><td>This booklet contains material for the completion of the set task under supervised conditions.</td></tr>
</table>

## Task 3: Communicating your recommendations to customers and clients

Paper Reference PXXXXXA

# Instructions for students

**You must complete ALL activities within the assessment.**

Your centre will arrange an opportunity for you to produce the evidence for this task.

The window for this task is [Day Month YYYY] to [Day Month YYYY].

Your centre will schedule a **xx minute session during the xx-week window** in which you will produce the outcomes for this task.

During this task, you are allowed:

- access to a copy of your product/service recommendations produced in Tasks 1 and 2.

You are **not** allowed to make changes to the evidence produced in Tasks 1 and 2.

You are not allowed access to the internet.

Your work will be kept securely during any breaks and between scheduled sessions.

Your tutor is **not** permitted to provide guidance about how to improve your performance.

# Set Task Brief

You are to record two messages to customers/clients you dealt with in Task 1 and Task 2.

In the messages you will talk the customers/clients through your recommendations for the products and/or services you have selected. This is so that the hiring manager can assess how well you can communicate with customers/clients.

# Activity 3a

Record a message to the asset and wealth management customer you responded to in Task 1, Activity 1 in which you talk them through your advice for the constructed portfolio that you proposed.

So that the customer knows what you are proposing your message should include:

- the features of the products and/or services that you have proposed
- the potential risks and benefits of the products and/or services.

Your recorded message should demonstrate your ability to communicate the features, risks and benefits of the products and/or services you have proposed in ways that the customer can understand.

[9 marks]

# Activity 3b

Record a message to the investment banking clients in which you talk them through your advice for the products and/or services that you proposed in Activities 2ai, 2aii and 2aiii. So that the clients know what you are proposing your message should cover:

- the features of the products and/or services that you have proposed
- the potential risks and benefits of the products and/or services.

Your recorded message should demonstrate your ability to communicate the features, risks and benefits of the products and/or services you have proposed, in ways that the client can understand.

[9 marks]

# Outcomes for submission

Save a copy of your audio recording in MP3 format in your folder for submission.

Use this naming convention:

- Task3audio_[Registration number #]_[Surname]_[First letter of first name]

# Mark Scheme

<table>
<tr><th colspan="5">Activity 3a – Asset and Wealth Management</th></tr>
<tr><th colspan="5">Marking guidance</th></tr>
<tr><td colspan="2">No indicative content is provided for this activity.<br>Knowledge of the features, risks and benefits of the selected products<br>The appropriate knowledge and understanding to be demonstrated by the student will be based on the asset and wealth options selected by the student in Task 1. Markers should use the information provided in the product range and the indicative content for this task to inform the indicative content for this task.<br>Markers should not penalise students for having made an incorrect recommendation and the knowledge, understanding and skills related to this aspect of the task are assessed in Task 1. Instead, markers should assess Activity 3a on the assumption that the advice given is correct.</td><td colspan="3">Expectations for the fluency, confidence and clarity of the student’s tone of voice when delivering the message.<br>Markers will be provided with examples of ‘anchor’ evidence to support the reliable application of standards.</td></tr>
<tr><th rowspan="2">Assessment focus</th><th>Band 0</th><th>Band 1</th><th>Band 2</th><th>Band 3</th></tr>
<tr><th>0</th><th>1 - 3</th><th>4 - 6</th><th>7 - 9</th></tr>
<tr><td>Communication of recommendations</td><td>No rewardable materials</td><td>Somewhat effective communication of the product recommendation:<br>• demonstrates a reasonably fluent, confident and clear tone of voice.<br>• provides the customer with a partly coherent message about the features, risks and benefits of the products recommended.</td><td>Largely effective communication of the product recommendation:<br>• demonstrates a mostly fluent, confident and clear tone of voice.<br>• provides the customer with a mostly coherent message about the features, risks and benefits of the products recommended.</td><td>Highly effective communication of the product recommendation:<br>• demonstrates an entirely fluent, confident and clear tone of voice.<br>• provides the customer with an entirely coherent message about the features, risks and benefits of the products recommended.</td></tr>
</table>

| Activity 3b – Investment Banking | | | | |
|---|---|---|---|---|
| **Marking guidance** | | | | |
| No indicative content is provided for this activity.<br>**Knowledge of the features, risks and benefits of the selected products**<br>The appropriate knowledge and understanding to be demonstrated by the student will be based on the investment banking products/services selected by the student in Task 2. Markers should use the information provided in the product range and the indicative content for these tasks to inform the indicative content for this task.<br>Markers should not penalise students for having made an incorrect recommendation and the knowledge, understanding and skills related to this aspect of the task are assessed in Task 2. Instead, markers should assess Activity 3b on the assumption that the advice given is correct,. | | | **Expectations for the fluency, confidence and clarity of the student's tone of voice when delivering the message.**<br>Markers will be provided with examples of 'anchor' evidence to support the reliable application of standards.<br>**Expectations for the application of digital visualisation and presentation techniques**<br>Markers will be provided with examples of 'anchor' evidence to support the reliable application of standards. | |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1 - 3** | **4 - 6** | **7 - 9** |
| Communication of recommendations | No rewardable materials | Somewhat effective communication of the product recommendation:<br>• demonstrates a reasonably fluent, confident and clear tone of voice.<br>• provides the customer with a partly coherent message about the features, risks and benefits of the products recommended. | Largely effective communication of the product recommendation:<br>• demonstrates a mostly fluent, confident and clear tone of voice.<br>• provides the customer with a mostly coherent message about the features, risks and benefits of the products recommended. | Highly effective communication of the product recommendation:<br>• demonstrates an entirely fluent, confident and clear tone of voice.<br>• provides the customer with an entirely coherent message about the features, risks and benefits of the products recommended. |

| Technical Qualification | |
|---|---|
| **T Level Technical Qualification in Finance - Investment Banking and Asset and Wealth Management Analyst assessment** | Level **3** Total Marks **28** Controlled Hours **1.5** |
| **Task 4: Ethical and Professional Dilemmas** | |
| This document contains guidance for the assessment due to take place for above.<br>The set tasks must be taken under supervised conditions.<br>This set task must be undertaken between [Day Month YYYY] and [Day Month YYYY]. | |

# Instructions for Students

Read all the information carefully.

Plan your time and submit all required evidence at the end of the supervised period.

Your centre will advise you of the timings of the supervised period.

You will complete this assessment under supervision and your work will be kept secure during any breaks taken. Internet access is not allowed.

You must work independently throughout the supervised assessment period and should not share your work with other students.

**You have 1.5 hours to complete this task.**

# Outcomes for Submission

You need to submit the following:

- a PDF document containing your response to each of the activities in the task.

Your evidence must be saved in PDF format.

Use these naming conventions:

**Task_4_investmentbanking_[Registration number #]_[surname]_[first letter of first name]**

# Set Task Brief

As part of its regulatory compliance policies the organisation requires its employees to demonstrate their knowledge and understanding of how to operate ethically and professionally in all interactions with internal and external customers and clients.

To do this you have been asked to complete a short case study assessment in which you will need to analyse a series of unseen case studies and provide a response to the issues presented. The Regulation and Compliance team will assess your responses.

# Case Study 1

You are working as a Trainee for a firm of asset and wealth management advisers.

An adviser has met with a potential new client who is looking to transfer his existing business to your firm. She also has a new investment to make which is in the region of £2m. You are carrying out some administration tasks and notice that there is nothing on the new client's file to confirm the source of the new investment or proof of her identity.

You raise the matter of the missing information with the adviser who tells you that the new investment arose from the sale of the restaurant which the customer owned until recently. He also tells you that as he visited the customer in her office which is attached to her home, then there is no need for formal proof of ID as he can attest to the fact of who she is and where she lives.

The adviser explains that the new customer is a very busy person who is very keen to move to the firm and he would not like to trouble her for more information and documentation than is absolutely necessary. Furthermore, as she has existing investments with another firm which will be transferring over, the due diligence process will have been completed previously and is therefore not required on this occasion.

## Case Study 2

You are invited to attend the Annual British Investments Awards Dinner in London as a guest of a fund manager. Your organisation has recently started offering the fund manager's products as part of the range of investments it provides.

During the evening you have a number of conversations with senior representatives including the Director of Business Development.

In a conversation about hobbies and families you mention that your father is a keen Manchester United football fan. A fortnight after the dinner you receive a package from Director of Business Development at the fund manager. Enclosed are:

- two match day tickets to see Manchester United in an upcoming fixture
- a Manchester United shirt signed by the first team squad
- a letter addressed from the Director of Business Development saying that he thought your father might appreciate the tickets and the signed shirt.

You check your organisation's business gifts and hospitality policy and notice that it covers employees only and not family members.

## Case Study 3

You are carrying out some administrative work and receive the following email from a customer:

### Email from customer

Thank you for your advice which I am now considering. Your advice makes perfect sense and I am fairly certain that I will be proceeding with your recommendations.

However, one thing concerns me and that is the fact that you have stated that you need to see some proof of my identification and see a copy of my uncle's Will. I find this rather intrusive, especially when we are paying for your services and have been recommended to you by an existing client. I believe that under the rules of GDPR we have a right to privacy and wish to advise you that if I decide to proceed with your recommendations, I am not willing to provide these private documents. Please confirm that we can proceed without me providing any documentation which I feel is confidential.

I await your response.

## Case Study 4

You are working as a Trainee Analyst for an investment bank. Your manager has asked you to copy some papers and take them up to a meeting which is taking place in the board room. There is a file of papers for each of the 30 delegates, so your colleague Sam comes with you to assist. When you arrive at the board room, you are invited in and asked to hand the files to each of the delegates. Whilst doing this you overhear an announcement by the Chair that Company ABC will be completing their takeover of company JKL next Tuesday. Sam says she has £5,000 of savings and is going to go online at lunchtime to invest it all in company ABC. She mentions that her brother has some savings set aside, so also is going to give him a quick call to let him know. When you ask Sam if these actions would be within the rules and ethical guidelines, she says it is fine as you had been invited into the room and had not, therefore, obtained the information illicitly.

## Activity

Produce a report in which you explore each of the professional case studies provided in the Set Task Brief.

In your report, for each case study you should:

- Identify what the issue that is of potential concern is and give a justification to support your reasoning.
- Provide recommendations for what the appropriate course of action is in the circumstances and justify why you would take this course of action.

**28 marks**

| **Task 4 – Professional and ethical behaviours** | |
|---|---|
| **Indicative content and marker guidance** | |
| **Case Study 1**<br>Learners should explain the need for:<br>• Proof of source of funds<br>• Proof of identity of client<br>These both relate to anti-money laundering procedures.<br>Both proofs are required and the matter should be reported to the Anti-Money Laundering Reporting Officer (MLRO) if not produced. | **Case Study 2**<br>Learners should explain that this matter relates to the Bribery Act 2010.<br>All gifts should be reported to the Compliance Department and the learner should not rely on the suggestion that these are for their father and therefore not for an employee. |
| **Case Study 3**<br>Learners should explain:<br>• this relates to anti-money laundering legislation and Know your Customer (KYC) requirements:<br>• how personal data is held under GDPR / Data Protection Act 2018<br>• how personal data is used and retained under GDPR / Data Protection Act 2018<br>• why they cannot act as the customer wishes<br>• that they should refer this to a manager/MLRO in respect of the colleague who wishes to breach regulations | **Case Study 4**<br>Learners should explain:<br>• the crime of insider dealing (illegal against various acts, FCA rules)<br>• unlawful disclosure of information to brother<br>• breach of confidentiality (ethics, company policy) as information is being passed out of company<br>• action to take as 'you' now have knowledge.<br>• that they should refer to a manager in respect of the colleague who intends to commit insider dealing<br>They should show an awareness of the seriousness of the offence which can lead to prosecution and imprisonment |
| **Identification of the issues presented by the ethical and professional dilemmas** | |
| Award **one** mark for each correctly identified issue presented by the ethical and professional dilemmas, up to a **maximum of 4 marks**.<br>- Case study 1 = Anti-money laundering procedures<br>- Case study 2 = Bribery Act 2010<br>- Case study 3 = Use of data under GDPR/Data Protection Act 2018<br>- Case study 4 = Insider dealing | |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | **0** | **1–3** | **4–6** | **7–9** |
| Understanding of the issues | No rewardable material | Lines of reasoning demonstrate a partially detailed understanding of the range of issues presented by the case studies; some significant gaps or omissions | Lines of reasoning demonstrate a mostly detailed understanding of the range of issues presented by the case studies; any gaps or omissions are minor | Lines of reasoning demonstrate a thorough understanding of the range of issues presented by the case studies; any gaps or omissions are minor |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–2** | **3–4** | **5–6** |
| Suitability of the courses of action | No rewardable material | The proposed courses of action are partially detailed and would appropriately address some of the issues. | The proposed courses of action are mostly detailed and would appropriately address most of the issues. | The proposed courses of action are fully detailed and would appropriately address all of the issues. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1–3** | **4–6** | **7–9** |
| Justification for courses of action proposed | No rewardable material | Justifications demonstrate a partially detailed understanding of why the courses of action proposed would address the issues; many significant gaps or omissions. | Justifications demonstrate a mostly detailed understanding of why the courses of action proposed would address the issues; a few significant gaps or omissions. | Justifications demonstrate a thorough understanding of why the courses of action proposed would address the issues; any gaps or omissions are minor. |

| Technical Qualification | |
|---|---|
| **T Level Technical Qualification in Finance**<br>**Investment Banking and Asset and Wealth Management Analyst Assessment** | Level<br>**3**<br><br>Total Marks<br>**21** |
| **Task 5: Analyse Financial Information and Data**<br>**Activity 5a: Research: Collecting and Collating Information** | |
| This document contains teacher guidance for the assessment due to take place for above.<br>The set tasks must be taken under supervised conditions.<br>This set task must be undertaken between [Day Month YYYY] and [Day Month YYYY]. | Controlled Hours<br>**3** |

# Instructions for Students

Read all the information carefully.

Plan your time and submit all required evidence at the end of the supervised period.

Your centre will advise you of the timings of the supervised period.

You will complete this assessment under supervision and your work will be kept secure during any breaks taken. Internet access is not allowed.

You must work independently throughout the supervised assessment period and should not share your work with other students.

You have *3 hours* to complete this task.

# Set Task Brief

You are applying for a role as an analyst working within an investment bank. You attend an assessment day and are asked to complete a range of tasks which simulate the role and demonstrate your ability and suitability.

The tasks relate to the XYZ Family Trust which has funds invested in excess of £50m. You are assisting a senior analyst with the annual review of the investments of the Trust.

# Activity 5a

The Trust has holdings in three FTSE 100 index-listed companies. These are:

| |
|---|
| J D Sports plc |
| Morrisons plc |
| Prudential plc |

You are required to research and collate the data and information which will enable senior analysts to advise the Trust on:

- the performance of each company over the past year in relation to each other and their relative sectors of the economy
- whether or not each holding should be retained or replaced with another investment.

The work you present to the senior analyst should include:

- a file of data and information for each of the companies listed above
- a justification as to why you have included your selected pieces of research within your data pack.

You must research and collate data for each of the companies listed to achieve this assessment.

**21 marks**

# Mark Scheme for Activity 5a

<table>
<tr><th colspan="3">Activity 5a - Collecting and collating financial information and data</th></tr>
<tr><th colspan="3">Indicative content</th></tr>
<tr><td>Quality of data and information<br>Range of sources used<br>Types data and info<br>Breadth of data and information related to the given companies</td><td>Collation of data<br>Application of knowledge and understanding of research</td><td>Justification of data and info presented</td></tr>
<tr><th colspan="3">Marking guidance</th></tr>
<tr><td colspan="3">A learner who only covers one or two companies given (even if they do it very well) should be limited to Band 1.</td></tr>
</table>

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 | Band 3 |
|---|---|---|---|---|---|
| | **0** | **1–3** | **4–6** | **7–9** | **10 - 12** |
| **Quality of data and information provided** | No rewardable material | The data and information collected is **of limited** usefulness for the purpose of the task as a result of:<br>• A **limited** range of sources has been collected**, some** of which is appropriate in the context of the task.<br>• The types data and info used are **partly** appropriate for the purpose of the task.<br>• The range of data and information collected addresses **most** of the given companies.<br>• the collated folder being **partly** organised and **sometimes** labelled in a way that enables the user to efficiently identify the required information and data. | The data and information collected is **reasonably** useful for the purpose of the task as a result of:<br>• A range of sources has been used, **most** of which is appropriate in the context of the task.<br>• The types data and info used are **mostly** appropriate for the purpose of the task.<br>• The range of data and information collected addresses **most** of the given companies.<br>• the collated folder being **mostly** organised and **mostly** labelled in a way that enables the user to efficiently identify the required information and data. | The data and information collected is **largely** useful for the purpose of the task as a result of:<br>• An **extensive range** of sources has been used, **most** of which is appropriate in the context of the task.<br>• The types data and info used are **entirely** appropriate for the purpose of the task.<br>• The range of data and information collected addresses **all** of the given companies.<br>• the collated folder being **well organised** and **appropriately** labelled to enable the user to efficiently identify the required information and data. | The data and information collected is **highly** useful for the purpose of the task as a result of:<br>• An **extensive range** of sources has been used **all** of which is appropriate in the context of the task.<br>• The types data and info used are **entirely** appropriate for the purpose of the task.<br>• The range of data and information collected addresses **all** of the given companies.<br>• the collated folder being **well organised** and **appropriately** labelled to enable the user to efficiently identify the required information and data. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 | [redacted] |
|---|---|---|---|---|---|
| | 0 | 1 - 3 | 4 - 6 | 7 - 9 | |
| **Application of knowledge and understanding of the factors that affect the review of the investments** | No rewardable material | Justification for evidence collated demonstrates, with **many** gaps or omissions, **some** detailed knowledge and understanding of the key factors that determine relative financial performance of different companies including:<br>• the companies' performance within their sector<br>• the companies' performance against the other companies given<br>• the performance of the sector and the wider economy | Justification for evidence collated demonstrates, with **some** gaps or omissions, a **detailed** knowledge and understanding of the key factors that determine relative financial performance of different companies including:<br>• the companies' performance within their sector<br>• the companies' performance against the other companies given<br>• the performance of the sector and the wider economy | Justification for the evidence collated demonstrates **a thorough and detailed** understanding of the key factors that determine the relative financial performance of different companies including:<br>• a comprehensive thorough understanding of the companies' performance within their sector<br>• the companies' performance against the other companies given<br>• the performance of the sector and the wider economy | |

| Technical Qualification | |
|---|---|
| # T Level Technical Qualification in Finance<br># Investment Banking and Asset and Wealth Management Analyst assessment | Level<br>**3**<br><br>Total Marks<br>**25** |
| **Task 5 - Analyse Financial Information and Data**<br><br>**Activity 5b – Data analysis** | |
| This document contains teacher guidance for the assessment due to take place for above.<br><br>The set tasks must be taken under supervised conditions.<br><br>This set task must be undertaken between [Day Month YYYY] and [Day Month YYYY]. | Controlled Hours<br>**3** |

# Instructions for Students

You are provided with a separate data pack to carry out this activity. Read all the information in this data pack and this activity carefully.

Plan your time and submit all required evidence at the end of the supervised period.

Your centre will advise you of the timings of the supervised period.

You will complete this assessment under supervision and your work will be kept secure during any breaks taken. Internet access is not allowed.

You must work independently throughout the supervised assessment period and should not share your work with other students.

**You have *3 hours* to complete this task.**

# Outcomes for Submission

You need to submit the following:

- a PDF document containing your response to each of the activities in the task.

Your evidence must be saved in PDF format.

Use these naming conventions:

**Task_5b_Dataanalysis_[Registration number #]_[surname]_[first letter of first name]**

# Set Task Brief

The XYZ Family Trust holds the following investments in three FTSE 250 index-listed technology companies:

| Company | Number of shares |
|---|---|
| Technology Co A | 1,000 |
| Technology Co B | 2,000 |
| Technology Co C | 3,000 |

The research on these shares has already been carried out and is provided to you in the data pack.

The Trust has an additional £1m to invest but is concerned about its level of holdings in equities and in the technology sector in particular.

A gilt has been identified that the Trust wishes to invest in:

- 1.5% Treasury Gilt 2048 which is currently trading below par at £92.50.

# Activities

**Activity 5b(i)**

You are required to consider the accuracy of the data in the separate data pack and comment on any discrepancies you identify. Check and comment on the accuracy of the data.

(1 marks)

**Activity 5b(ii)**

Calculate the running yield for the 1.5% Treasury Gilt 2048.

| Show your workings<br><br><br><br>Answer = ………………………………………………… |
|---|

(3 marks)

**Activity 5b(iii)**

Prepare a report in which you provide:

- An analysis of this section of the client's existing portfolio including:
    - the performance of the shares over the past year
    - the overall performance for this part of the Trust's share portfolio
- Provide updated advice for this section of the portfolio that you believe will best meet the Trust's needs from the information provided.
- Provide a rationale for the advice you have given.

Your advice should consider:

- The potential selling any of its shares in any of the companies it is currently invested in.
- The potential to invest in the gilt available and the effect investing in the gilt could have in terms of risk and performance.

Your report will need to be professionally written and make use of appropriate visualisation and presentation techniques.

(21 marks)

**Total for Activity 5b: 25 marks**

# Mark scheme for Activity 5b

| Activity 5b(i) – Identification of potential discrepancies in the data and information provided | |
|---|---|
| Award **one** mark for the identification of a potential discrepancy in the data and information provided.<br>- The report for Company B states there was a 25% spike in the share price at end of November which according to the share price data did not happen. | **1** |

| Activity 5b(ii) – Calculation of the running yield | |
|---|---|
| Award **3 marks** for the correct response of<br>• 1.62%<br>Answers should be rounded to two decimal places.<br>Award **2 marks** responses rounded up or down to the nearest whole percentage<br>• 1.6%<br>If the answer incorrect award **one** mark for the formula in either words or numbers:<br>$\frac{\text{Interest return}}{\text{Current trading price}} \times 100$<br>**OR**<br>$\frac{1.5}{£92.50} \times 100$ | **3** |

| **Activity 5b(iii) – Analysing of financial data and information to provide advice** |
|---|
| **Indicative content and marker guidance** |
| **Analysis of client's existing portfolio**<br><br>Learners should include:<br><br>• Graphs showing performance of each share over the past year.<br>• Observations on performance of shares in relation to each other.<br>• Observations linked to ONS data provided.<br>• Observations on performance of shares in relation to index.<br>• Observations on overall performance and plans for company linked to extracts from Directors' reports provided.<br><br>**Updated advice for portfolio meeting the Trust's needs**<br><br>Learners should include:<br><br>• Identification of any shares that should be considered for sale.<br>• Observation on the reduction in risk profile to the portfolio if 1.5 % Treasury Gilt 2048 added.<br>• Observation on fund interest nature of gilt with reduction in potential for growth. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1–3 | 4–6 | 7–9 |
| Analysis of this section of clients' existing portfolio | No rewardable material | The analysis of the client's needs demonstrates:<br>- Some detailed but isolated application of knowledge and understanding of the features, risks and benefits to the client's needs; some significant gaps or omissions are present<br>- Partially relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the client's needs demonstrates:<br>- Mostly detailed application of knowledge and understanding of the features, risks and benefits to the client's needs; any gaps or omissions are minor.<br>- Mostly relevant linkages and interrelationships between the various factors that would inform the proposal. | The analysis of the client's needs demonstrates:<br>- Thorough and detailed application of understanding of the features, risks and benefits to the client's needs; any gaps or omissions are minor.<br>- Entirely relevant linkages and interrelationships between the various factors that would inform the proposal. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1–2 | 3–4 | 5–6 |
| Advice for updating this section of existing portfolio | No rewardable material | The advice:<br>- Identifies partly appropriate proposal.<br>- Provides some developed lines of reasoning that partially justify how the performance of investments over the last year and the overall performance of the portfolio has been taken into consideration. | The advice:<br>- Identifies a mostly appropriate proposal.<br>- Provides developed lines of reasoning that mostly justify how the performance of investments over the last year and the overall performance of the portfolio has been taken into consideration. | The advice:<br>- Identifies an entirely appropriate proposal.<br>- Provides thorough and developed lines of reasoning that fully justify how the performance of investments over the last year and the overall performance of the portfolio has been taken into consideration. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1** | **2** | **3** |
| Quality of written communication | No rewardable material | The report has some structure and is clear in parts. Its appropriateness for the technical audience and use of technical language is limited. | The report is generally well structured, mostly clear, broadly appropriate for the audience and uses technical language mostly appropriately. | The report is well structured, clear, concise, fully appropriate for the audience and uses technical language appropriately. |
| **Assessment focus** | **Band 0** | **Band 1** | **Band 2** | **Band 3** |
| | **0** | **1** | **2** | **3** |
| Use of visualisation and presentation techniques | No rewardable material | The presentation demonstrates partially appropriate application of digital visualisation and presentation techniques. | The presentation demonstrates mostly appropriate application of digital visualisation and presentation techniques. | The presentation demonstrates fully appropriate application of digital visualisation and presentation techniques. |

# T Level Technical Qualification (Level 3) in Finance

**Specimen assessment material for first teaching September 2020**

| **Component: Occupational Specialism** | Level 3 |
|---|---|
| This booklet contains material for the completion of the set task under supervised conditions.<br><br>**Task 5: Analyse Financial Information and Data**<br>**Activity 5c: Preparing your Presentation** | |

# Instructions for Students

Your centre will arrange an opportunity for you to produce the evidence for this task.

The window for this task is [Day Month YYYY] to [Day Month YYYY].

Your centre will schedule a **xx minute session during the xx-week window** in which you will produce the outcomes for this task.

During this task, you are allowed:

- access to a copy of the report you prepared for Task 5b.

You are **not** allowed:

- to make changes to your report
- access to the internet.

Your work will be kept securely during any breaks and between scheduled sessions.

Your tutor is **not** permitted to provide guidance about how to improve your performance.

This task is not directly assessed. The materials that you produce will be directly assessed when you present the material in Task 5d.

# Set Task Brief

You have been asked to present the findings of your report into the analysis of financial information and data that you completed in Task 5b to internal and external customers/clients/ counterparties.

**PTO**

## Activity 5c

Use the report you created in Task 5b to produce presentation slides and notes which summarise your findings.

The effectiveness of your presentation will be assessed in Task 5d and will be based upon your ability to:

- verbally present findings to [internal / external] [customers / clients/ counterparties]
- use appropriate visualisation and presentation techniques to illustrate your findings.

<table>
<tr><td colspan="2"><h1>T Level Technical Qualification (Level 3) in Finance</h1></td></tr>
<tr><td colspan="2">Specimen assessment material for first teaching September 2020</td></tr>
<tr><td>Component: Occupational Specialism</td><td rowspan="2">Level<br>3<br>Total marks<br>9</td></tr>
<tr><td>This booklet contains material for the completion of the set task under supervised conditions.<br>Task 5: Analyse Financial Information and Data</td></tr>
</table>

## Activity 5d: Presenting the findings of analysis into financial information and data.

Paper Reference PXXXXXA

# Instructions for students

**You must complete ALL activities within the assessment.**

Your centre will arrange an opportunity for you to produce the evidence for this task.

The window for this task is [Day Month YYYY] to [Day Month YYYY].

Your centre will schedule a **xx minute session during the xx-week window** in which you will produce the outcomes for this task.

During this task, you are allowed:

- access to a copy of the presentation you prepared for Task 5c.

You are **not** allowed:

- to make changes to your presentation
- access to the internet.

Your work will be kept securely during any breaks and between scheduled sessions.

Your tutor is **not** permitted to provide guidance about how to improve your performance.

## Set Task Brief

You have been asked to present the findings of your report into the analysis of financial information and data that you completed in Activity 5b to internal and external customers/clients/ counterparties.

## Activity 5d

Record a video in which you give the summary slide presentation you created in Activity 5c, based on the findings of your report completed in Activity 5b.

You may use additional resources or materials to support your presentation should you wish to.

Your video, slide deck (including any speaker notes) and any other associated materials you choose to use should demonstrate your ability to:

- present your findings to internal and external customers/clients/ counterparties verbally
- use a variety of visualisation and presentation techniques.

[9 marks]

## Outcomes for submission

Save a copy of your video, your slide deck and any associated materials in your folder for submission. You may use any logical folder structure such as:

- Activity 5d
  - Video
  - Materials

**Video of the presentation**

Save a copy of your video recording in MP4 format in your folder for submission.

Use this naming convention:

- Activity5dvideo_[Registration number #]_[Surname]_[First letter of first name]

## Additional materials

Save a copy of any additional materials you used in PDF format in your folder for submission.

Use these naming conventions:

- Activity5daAddMat_[Registration number #]_[Surname]_[First letter of first name]
- Activity5dbAddMat_[Registration number #]_[Surname]_[First letter of first name]

Change the letter after Activity5d_ each time you save a new file.

# Mark Grid for Tasks 5c and 5d

| Task 5c/d – Preparing and presenting findings | |
|---|---|
| **Marking guidance** | |
| No indicative content is provided for this activity.<br>**Knowledge of the features, risks and benefits of the selected products**<br>Markers should use the information provided in the product range and the indicative content for these tasks to inform the indicative content for this task.<br>Markers should not penalise students for having made an incorrect recommendation. The knowledge, understanding and skills related to this aspect of the task are assessed in Activity 5b. Instead, markers should assess Activities 5c and 5d on the assumption that the advice given is correct, Markers are instructed to direct their focus to assessing the quality of communication and presentation including the effectiveness of the digital visualisation and presentation skills used. | **Expectations for the fluency, confidence and clarity of the student's tone of voice when delivering the message.**<br>Markers will be provided with examples of 'anchor' evidence to support the reliable application of standards.<br>**Expectations for the application of digital visualisation and presentation techniques**<br>Markers will be provided with examples of 'anchor' evidence to support the reliable application of standards. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1 - 2 | 3 - 4 | 5 - 6 |
| Communication of recommendations | No rewardable materials | Somewhat effective communication of the product recommendation:<br>• Demonstrates a reasonably fluent, confident and clear tone of voice.<br>• Provides the customer with a partly coherent message about:<br>○ the findings of their financial analysis<br>○ recommended actions the client should take. | Largely effective communication of the product recommendation:<br>• Demonstrates a largely fluent, confident and clear tone of voice.<br>• Provides the customer with a mostly coherent message about:<br>○ the findings of their financial analysis<br>○ recommended actions the client should take. | Highly effective communication of the product recommendation:<br>• Demonstrates an entirely fluent, confident and clear tone of voice.<br>• Provides the customer with an entirely coherent message about:<br>○ the findings of their financial analysis<br>○ recommended actions the client should take. |

| Assessment focus | Band 0 | Band 1 | Band 2 | Band 3 |
|---|---|---|---|---|
| | 0 | 1 | 2 | 3 |
| Application of digital visualisation and presentation techniques | No rewardable materials | The presentation demonstrates partially appropriate application of digital visualisation and presentation techniques for presenting the technical content. | The presentation demonstrates mostly appropriate application of digital visualisation and presentation techniques for presenting the technical content. | The presentation demonstrates fully appropriate application of digital visualisation and presentation techniques for presenting the technical content. |