

CISI MASTERS (CISIM) IN WEALTH MANAGEMENT

The Chartered Institute for Securities & Investment

The Chartered Institute for Securities & Investment is the principal provider of investment qualifications for the financial services industry. It has a wide-ranging programme of qualifications for employees working in wealth management within the financial services industry including the CISI Masters (CISIM) in Wealth Management.

The **CISIM in Wealth Management** is the first qualification in the CISI Masters Programme. It has been developed to offer wealth managers (including discretionary portfolio managers, private bankers, IFAs and others dealing with high net worth clients) a postgraduate level specialist qualification encompassing the breadth of knowledge needed to provide a high quality service to clients.

The CISIM (Wealth Management) is a progressive qualification comprising the following 3 units:

- 1) Financial Markets
- 2) Portfolio Construction Theory
- 3) Applied Wealth Management

The CISIM is not a Masters degree awarded by a university but is a postgraduate level professional programme awarded by the leading professional body in the investment sector.

Who is it for?

The CISIM (Wealth Management) is the CISI's flagship qualification for wealth managers, IFAs and private client managers. It is suitable for staff working in wealth management who wish to demonstrate their competence in devising investment portfolios that meet clients' needs. Candidates are strongly advised to tackle the programme with either a benchmark exam eg, Certificate in Investment Management, Certificate in Securities, Investment Advice Diploma or appropriate experience.

Key Features

- ✓ Highly regarded qualification developed in consultation with leading stockbrokers, investment banks and industry trade bodies
- ✓ Specialist qualification offering candidates in-depth knowledge of investment issues
- ✓ Client-focused practical qualification with around 40% of the study time allocated to working with client case scenarios
- ✓ Equips advisers with a qualification which will help build client confidence and trust
- ✓ The programme allows candidates to spread their studies over an 18-month period
- ✓ Offers a direct route to achieving CISI full membership status (MCSI)

Retail Distribution Review (RDR) and CISIM (Wealth Management)

The CISIM (Wealth Management) has been reviewed in line with the new RDR exam standards and submitted to the FSA as being compliant with the standards for the following six regulated activities: advising on, and dealing in securities and derivatives and advising on packaged products and managing investments.

Candidates who have already passed one or more units prior to December 2010 and who need to comply with the FSA's Retail Distribution Review will need to undertake qualification top-up (CPD). Details of the CPD necessary can be found on the CISI's website.

Ofqual

The Chartered Institute for Securities & Investment is recognised as an Awarding Body by the Office of the Qualifications and Examinations Regulator, so both individuals and firms can be assured that the CISI's processes, policies and systems meet rigorous quality assurance standards. Ofqual has accredited the CISIM in Wealth Management as a level 7 qualification. Success in this qualification carries with it 60 credits. On the European Qualifications Framework this equates to a level 7 qualification. For further information on the European Qualifications Framework, please visit cisi.org/eqf.

Summary Syllabuses

Paper 1 - Financial Markets (three-hour examination)

ECONOMICS AND INTERPRETATION OF ECONOMIC STATISTICS

The roles of economics and economic policy and their impact on financial markets including:

- ✓ Growth, output and productivity
- ✓ Inflation and interest rates
- ✓ Fiscal and monetary policy
- ✓ International trade and exchange rate distribution
- ✓ Interpretation of published macro-economic statistics

FINANCIAL STATEMENTS

Financial statements issued by companies and their impact on the valuation of securities, including:

- ✓ Principal accounting concepts including: dual aspect concept; accruals basis; matching principle; money measurement concept and comparability
- ✓ Principles behind construction of: Balance sheet; income statement; and cash flow statement
- ✓ Main ratios enabling students to interpret the significance of the figures produced

INVESTMENT MATHEMATICS

The basic mathematics behind wealth management. Concepts include:

- ✓ Interest rates
- ✓ Holding period return
- ✓ Discounted cash flow: present value, future value, internal rate of return
- ✓ Risk: expected return; standard deviation; expected utility
- ✓ Gilts: clean and dirty pricing; gilt strips; redemption yield; real interest/redemption yields; duration; volatility; the yield curve

INVESTMENT ANALYSIS

Investment recommendations across a range of securities, including:

- ✓ Cash and near cash
- ✓ Government bonds and corporate bonds
- ✓ Equities & related instruments and derivatives including convertibles, warrants, options, futures, swaps
- ✓ Securities market structure, custody and settlement processes

Paper 2 - Portfolio Construction Theory (three-hour examination)

PORTFOLIO CONSTRUCTION

- ✓ Review of the client risk/return profile and implications for their portfolio
- ✓ Asset classes and their characteristics: cash, bonds, equities, alternatives
- ✓ Modern portfolio theory
- ✓ The capital asset pricing model
- ✓ Behavioural finance: the main systematic biases
- ✓ Factors affecting asset allocation
- ✓ Stock selection
- ✓ The role of the fund manager and the different approaches to fund management portfolio performance measurement
- ✓ Property and Collective Investments

TAXATION & TRUSTS

- ✓ **Taxation:** the impact of personal taxation on financial decisions: income tax, capital gains tax, inheritance tax; impact of SDLT/SDRT on investment; tax treatment of on-shore and offshore funds; investment aspects of corporation tax; introduction to international taxation and tax planning
- ✓ **Trusts:** the uses of trusts and rights of beneficiaries; types of trust: bare, interest-in-possession, accumulation and maintenance, discretionary; taxation of trusts

Paper 3 – Applied Wealth Management (three-hour examination)

- ✓ **The adviser-client relationship:** Know Your Customer and its impact on portfolio construction. The fiduciary relationship between adviser and client and the regulations and codes governing the business relationship
- ✓ **Cash management:** cash management and the use of credit; leveraging for investments
- ✓ **Financial protection against risk:** overview of insurance products. Characteristics and tax treatment of principal forms of insurance
- ✓ **Selecting the appropriate products including savings products:** unit trusts, investment trusts, OEICs, ETFs, offshore funds, ISAs, Insurance Bonds
- ✓ **Pension wrappers:** the pensions regime post April 06, investment scope, investment limits, asset allocation post-retirement, basic state pension, occupational pensions, SPPs, personal pensions
- ✓ **Other investments:** characteristics and tax treatment of: property, EIS, VCTs, hedge funds, structured products, commodity derivatives, private equity; and an overview of areas requiring specialist advice
- ✓ **Methods of portfolio protection:** inflation protection, hedging to protect

How is the qualification assessed?

The qualification consists of three units. All units within the programme are three-hour exams comprising:

- ✓ 1 x 40 mark case study, no choice
- ✓ 2 x 20 mark case studies, no choice
- ✓ 4 x 5 mark questions, limited choice

The pass mark is not lower than 50% and is subject to moderation by an independent panel.

Are there any entry requirements?

Candidates are strongly advised to tackle the programme having passed either a benchmark exam, eg, Certificate in Investment Management, Certificate in Securities, Investment Advice Diploma or a similar examination or relevant degree programme. The CISIM (Wealth Management) is a structured advanced programme and candidates should not attempt it without the appropriate experience.

How can I study for the qualification?

Formal training is available through CISI accredited training providers. The CISI accredits training providers that demonstrate they can deliver high quality training and support for candidates preparing to sit CISI examinations. Please go to the CISI website at

[cisi.org/atp](https://www.cisi.org/atp) for details of accredited training providers.

The recommended study time for the CISIM (Wealth Management) is 200 hours per unit (600 hours in total)

Where can I sit the examination?

This qualification comprises three narrative examinations and candidates are advised to prepare for one unit every six months spreading their studies over an 18-month period. There are examination centres in Birmingham, Bournemouth, Bristol, Edinburgh, Glasgow, Guernsey, the Isle of Man, Jersey, Leeds, London and Manchester. The examination results will be issued by post and available online approximately 10 weeks after the examination date.

For a list of examination centres visit [cisi.org/p&p](https://www.cisi.org/p&p)

“This qualification supports the professional development of our staff, helping them to provide the service that gains them trusted adviser status within our clients’ financial affairs

*Keith Edwards
Director, Church House Private Bankers*

How do I register for the CISIM (Wealth Management) Qualification?

- Step 1: Pay a one off qualification registration fee
- Step 2: Book your exam at [cisi.org/bookmain](https://www.cisi.org/bookmain)
- Step 3: Fill out a qualification registration form (QRF) available at [cisi.org/qrf](https://www.cisi.org/qrf)

Candidates will automatically receive free student membership for 12 months from the date of completion of the QRF. Please note examination booking closes approximately eight weeks before the examinations (held in June & December each year).

Prices

Visit [cisi.org/prices](https://www.cisi.org/prices) to ascertain current prices.

CISI membership

Candidates successfully completing the CISIM (Wealth Management) (all 3 units) and the CISI's Integrity & Ethics online unit are entitled to full Membership of the Institute (MCSI). Successful completion of one unit of this qualification leads to Associate membership (ACSI).

CISI student membership includes:

- ✓ access to CPD log
- ✓ access to CISI TV
- ✓ access to Professional Refresher modules
- ✓ four free continuing professional development events per year
- ✓ *Securities & Investment Review* online
- ✓ discounts on conferences and training courses
- ✓ online dictionary of securities and investment terms

For more information on membership visit [cisi.org/membership](https://www.cisi.org/membership)

Wealth Management Professional Interest Forum

The CISI Wealth Management PIF is a discussion group open to all members of the Institute. Meeting on a regular basis, the forum enables members who work in wealth management to meet and discuss, in confidence, topical issues with others working in their area of the industry.

Professional Interest Forums are a key benefit of CISI membership and a cornerstone of continuing professional development.

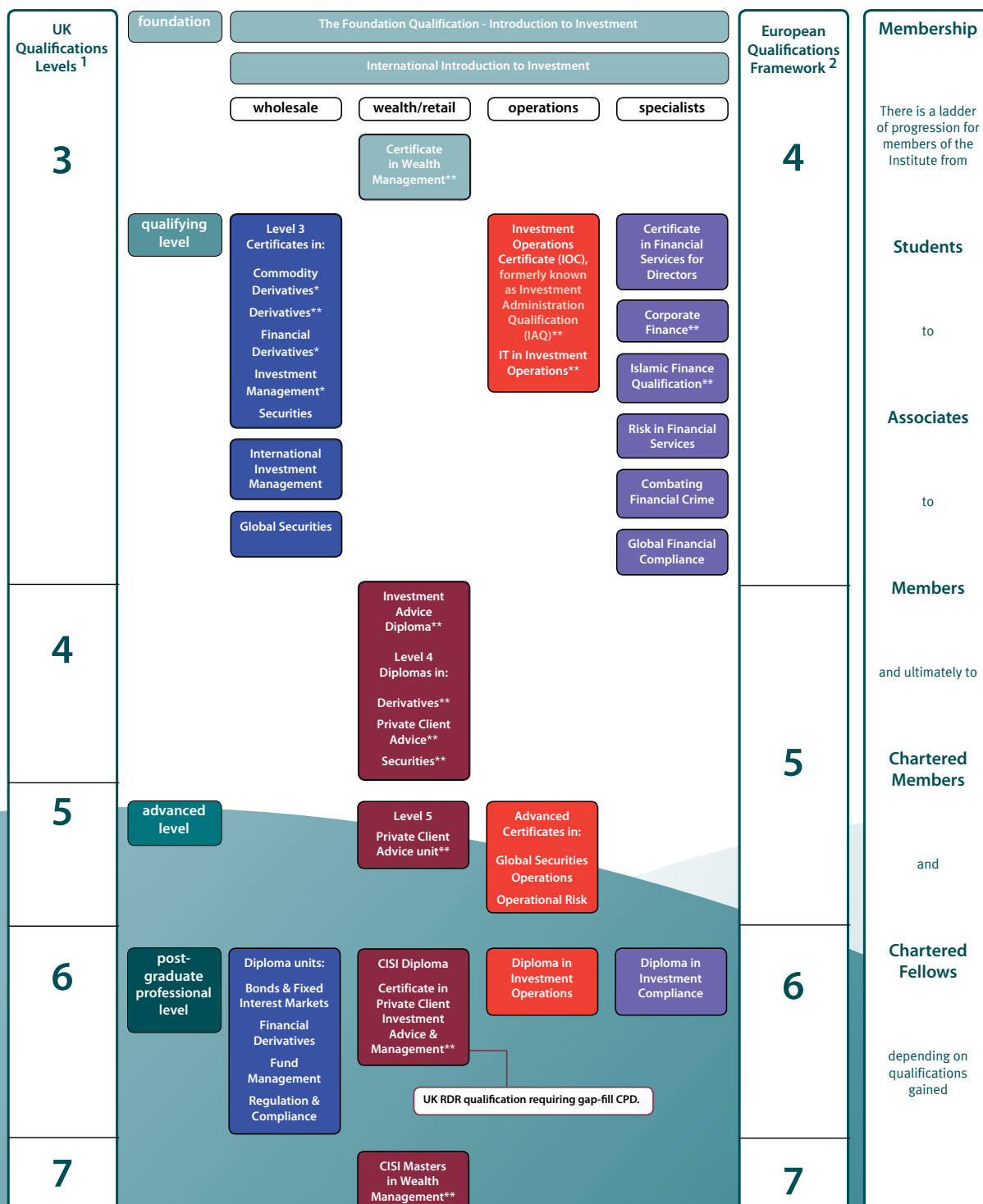
If you hold ACSI, MCSI or FCSI level membership and would like to join the PIF please email pwmanforum@cisi.org or call the CISI membership department on +44 20 7645 0650.

Before sitting the CISIM (Wealth Management), candidates are strongly advised to take a CISI benchmark exam such as one of the following:

- ✓ Investment Advice Diploma
- ✓ Certificate in Investment Management
- ✓ Certificate in Securities

For more information on these qualifications please email client.services@cisi.org or go to cisi.org/cisimasters

The Qualifications and Credit Framework



1. This column is a guide only. Within the chart, National Qualifications Framework* and Qualifications and Credit Framework** accredited qualifications are marked accordingly.

2. The European Qualifications Framework is an overarching qualifications reference framework that links the qualifications of different countries together.