

# FINANCIAL SERVICES: ALTERNATIVE PATHWAY FOR INDIVIDUALS

## EVIDENCE CHECKLIST:

### INVESTMENT STRAND

This is the Evidence Checklist referred to in the Alternative Pathway for Individuals - Application Evidence Guide.

The checklist sets out the criteria against which you will be assessed and provides guidance on the type of evidence you need to supply to show how you meet the criteria. Evidence can be in the form of the 3 client files you need to provide, or other relevant documents. You can also make notes in the “notes” column of the table. If there are gaps in the evidence provided, your assessor will discuss this with you.

You need to complete and submit this checklist as part of your application, along with other documentation such as:

- Evidence of training in current New Zealand legislation pertaining to Financial Services
- At least 2 professional referees
- Evidence of your Disclosure Statement (or equivalent)
- 3 complete client files
- A detailed work history
- Evidence of continuing professional development

## Investment Strand - Outcome 5

You will need to show how you provided investment services using your knowledge of investment concepts, legislation, regulations, codes of conduct, and the purpose, responsibilities, and roles of participants.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Explain and apply knowledge of the regulatory framework when providing investment services		
	Evidence showing you have knowledge of the following: <ul style="list-style-type: none"> <li>▪ What the requirements are under AML/CFT legislation</li> <li>▪ What disclosure requirements you have</li> <li>▪ Whether your client is a wholesale or retail client</li> <li>▪ If they are wholesale - what are your legislative requirements</li> </ul>		
2.	Explain key roles in investment organisations		
	Evidence showing you have knowledge of the following: <ul style="list-style-type: none"> <li>▪ Who the key participants in investment organisations are</li> <li>▪ What their roles and responsibilities are</li> </ul>		
3.	Explain portfolio management techniques		
	Client files showing the following: <ul style="list-style-type: none"> <li>▪ Evidence of discussions with clients in file notes e.g. a facts sheet.</li> <li>▪ Evidence of identifying which one(s) apply to client and implications have been discussed.</li> </ul>		

4.	Demonstrate and apply knowledge of the concept of investment risk and return		
	<p>Client files show the following:</p> <ul style="list-style-type: none"> <li>▪ Risk profile is completed, with an explanation.</li> <li>▪ Facts sheet explains risks associated with investment strategy.</li> <li>▪ The solutions match the client risk profile.</li> <li>▪ If there is a disconnect a robust file note detailing what the adviser has discussed with the client &amp; the outcome. This is reflected in the SOA. File notes</li> </ul>		

## Investment Strand - Outcome 6

You will need to show how you established, analysed, and reviewed a range of personal investment needs, objectives, risk tolerance, and priorities.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Gather client information to determine client investment needs		
	Client files that show the following: <ul style="list-style-type: none"> <li>▪ Risk profile, with your file notes</li> <li>▪ Quantified goals are established through fact find and discovery profile.</li> <li>▪ Any changes that may impact on client</li> </ul>		
2.	Analyse client information to determine any potential impacts on client investment needs		
	Client files that show the following: <ul style="list-style-type: none"> <li>▪ Analyses of a client's situation e.g. goals are achievable, income, affordability.</li> <li>▪ Discussion about economic environment and how these factors might impact on client.</li> <li>▪ Data collection that considers changes e.g. loss and gain for client, marriage, divorce, supporting elderly parents.</li> <li>▪ If the client has a will, when was it last updated.</li> <li>▪ Any taxation issues e.g. Setting up a Trust, Property relationship issues.</li> </ul>		

## Investment Strand - Outcome 7

You will need to show how you analysed investment products, structures, options, benefits, risks, and limitations when developing solutions to a range of personal investment needs.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of investment asset classes, financial instruments, and investment services		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ Calculations to demonstrate projections over a time period (usually 10 years).</li> <li>▪ Product Disclosure Statements e.g. for any managed funds.</li> <li>▪ Appropriate research conducted by the applicant e.g. inhouse or a research report.</li> <li>▪ Clients needs i.e. income vs growth, passive, active.</li> <li>▪ DIMS agreement if DIMs provided</li> <li>▪ Fees were discussed with client (will be in primary and secondary Disclosure Statement).</li> <li>▪ Evidence of factors that may impact on client e.g. Covid 19</li> <li>▪ Calculations e.g. spreadsheet, objectives calculator etc to demonstrate portfolio modelling.</li> <li>▪ Evidence of risk assessment</li> <li>▪ Discussion notes on any tax implications</li> </ul>		

2.	Apply knowledge of investment assets and services to meet client needs		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ SOA sets out specific recommendations, identifying how clients' needs are met, risks &amp; disadvantages are identified.</li> <li>▪ This maybe a generic facts sheet.</li> <li>▪ Calculations e.g. spreadsheet, objectives calculator.</li> </ul>		
3.	Apply knowledge of client and adviser circumstances that are relevant to creating investment solutions that meet client needs		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ The need for other specialist involvement has been identified and recommendations made where appropriate e.g. up to date will.</li> <li>▪ Ownership structure identified and implications discussed, referred to external experts, where required.</li> </ul>		

## Investment Strand - Outcome 8

You will need to show how you developed solutions to personal investment needs using knowledge of the relationship between the economic environment and events, investor perceptions, and investment products.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Demonstrate knowledge of economic factors that impact investor perceptions.		
	Client files/ evidence shows the following: <ul style="list-style-type: none"> <li>▪ SOA takes into account factors relevant to advice</li> <li>▪ File identifies specific factors that could affect the client</li> <li>▪ This should include possible solutions to specific factors</li> </ul>		
2.	Demonstrate knowledge of economic factors that impact investment products		
	Evidence showing you have knowledge of the following: <ul style="list-style-type: none"> <li>▪ Factors that would have affected the clients</li> <li>▪ How you answered their questions</li> </ul>		
3.	Apply knowledge of economic factors that impact investor perceptions and products to provide investment solutions to clients		
	Evidence showing you have knowledge of the following: <ul style="list-style-type: none"> <li>▪ How you applied this knowledge to provide the right investment solutions</li> </ul>		

## Investment Strand - Outcome 9

You will need to show how you developed solutions to personal investment needs using knowledge of the relationship between the economic environment and events, investor perceptions, and investment products.

Evidence Required - what you need to show		✓	Notes to show how/ where you can demonstrate each requirement
1.	Provide advice in an investment context using the Six Step Process		
	<p>Client files/ evidence that shows the following:</p> <ul style="list-style-type: none"> <li>▪ DS provided, primary &amp; secondary.</li> <li>▪ Client has signed to acknowledge receipt.</li> <li>▪ Scope of service, limitations identified, and implications explained.</li> <li>▪ Remuneration agreed.</li> <li>▪ Client background information collected relevant to scope of service and complies with privacy requirements.</li> <li>▪ Goals are collected in SMART format.</li> <li>▪ Adviser has analysed client's financial situation e.g. calculations, clarified any gaps, identified any issues like affordability and socio-ethical investments.</li> <li>▪ SOA with recommendations demonstrating two client's goals can be met, risks &amp; disadvantages are identified (maybe generic facts sheet).</li> <li>▪ Projections are included in appendix</li> <li>▪ Implementation plan setting out action points for adviser and client, with timeframes.</li> <li>▪ Feedback from the client demonstrates they understand the advice and have been given the opportunity to ask questions.</li> <li>▪ Evidence of advice being implemented e.g. application forms completed, discussion with client throughout the process.</li> </ul>		



	<ul style="list-style-type: none"><li>▪ SOA appendix contains information used in preparing advice.</li><li>▪ Letter to client setting out when portfolio will be reviewed and rebalanced links to DIMS agreement if appropriate.</li><li>▪ Evidence of adviser, advising client when they need to contact the adviser e.g. material changes and updated SOA if required.</li><li>▪ If advice still meets the client's needs this is confirmed in writing.</li></ul>		
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