

# The Bahamas Institute of Financial Services

*"Leaders in Financial Services Education & Professional Development"*

## Investment Funds

### An International Perspective

This course covers topics that range from Money Market to Exchange Traded Funds. Learn about various global investment funds and how they can meet investors' needs. This course prepares you to advise clients about their mutual fund investments based on their objectives, timeline and risk tolerance. It also explains a mutual fund representative's legal, ethical and professional responsibilities.

#### What You Will Learn:

- The financial markets and mutual fund industry
- Your role as a mutual fund sales representative
- The importance of the "Know your client" rule and how to apply it
- Analyzing the risk-return relationship of investments
- Explain the process of creating and managing investment portfolios that meets client's needs
- The different types of mutual funds
- The function of exchanges and clearinghouses
- Assessing mutual funds performance and fee structure

#### Modules

1. Clients and Products : The Basics
2. Knowing the Client
3. Securities, Market and Investment Portfolios
4. Understanding Mutual Funds



# Investment Funds International Certification

After completing the Investment Funds: An International Perspective course professionals will be able to:

- understand client's financial statements, investment objectives, time horizon and risk tolerance
- understand the various types of mutual funds available across the world and evaluate their performance and appropriateness in relation to the client's objectives
- gain a general investment knowledge that covers other types of market securities and how they are traded
- understand the ethical and professional responsibilities of an Investment

## Syllabus

### Module I

#### Clients and Products: The Basics

##### The Role of the Investment Guide

- Excellent Client Service
- Mutual Funds are Different
- Know Your Clients, Know Your Products
- What Investments Guides Do and Do Not Do
- An Example of the Role of the Investment Guide

##### An Overview of the Financial Marketplace

- Of Risk and Return
- Buying and Selling Securities: The Financial System and its Participants
- Markets
- Financial Intermediaries
- Demanders and Suppliers of Capital
- Regulators
- Risk and Return: Comparing the Basic Securities
- Inflation, Purchasing Power, and Wealth
- The Tax Man Cometh

##### Mutual Fund Industry

- The Services Offered
- Professional Management
- Cost Savings for Investors
- Automatic Record Keeping
- Special Services
- Investment Flexibility
- Fees and Charges
- A Brief History of Mutual Funds
- Basic Types of Mutual Funds
- Risk and Return of Mutual Funds
- Volatility of Return
- Where Does Volatility Come From?

### Module II

#### Knowing the Client

##### Getting to Know the Client

- Introduction
- Financial Objectives
- Financial Circumstances
- Personal Circumstances

- Investment Knowledge
- Risk Tolerance
- Client Follow-up
- The Difficult Client
- Retirement Planning

##### Kinds of Clients

- The Life-cycle Hypothesis
- Stages in the Life Cycle
- Summary of Life-cycle Stages
- The Life-cycle Hypothesis is not Perfect

### Module III

#### Securities, Markets and Investment Portfolios

##### Fixed-Income Securities: Bonds and Preferred Shares

- What is a *Return*?
- What is *Risk*?
- Risk and Return Features of Securities
- Fixed-Income Securities: Bonds
- Bonds in General
- Government Bonds
- Treasury Bills (T-Bills)
- Corporate Bonds
- Calculating Bond Yields
- Fixed-Income Securities: Preferred Shares
- Special Features of Preferred Shares

##### Common Shares, Derivatives and Securities Markets

- Common Shares
- Derivative Securities
- Bringing New Securities to Market
- Trading Securities
- Types of Market Transactions
- The Use of Margin
- Short Selling
- Market Transactions for Derivative Securities

##### Constructing and Managing Investment Portfolios

- The Nature of a Portfolio
- Diversification and Risk
- Diversification and Expected Returns

## Module III

### Securities, Markets and Investment Portfolios

- Investment Objectives
- Managing a Portfolio
- Security Analysis
- Fundamental Analysis
- Technical Analysis
- Evaluating Portfolio Performance
- "Strategic" Asset Allocation

## Module IV

### Understanding Mutual Funds

#### The Modern Mutual Fund Product

- The Service Bundle Offered by Mutual Fund Products
- The Structure of a Modern Mutual Fund
- The Mutual Fund Prospectus
- Investment Products that Compete with Mutual Funds
- Wrap Accounts
- Segregated (or Seg) Funds
- Closed-end Funds
- Pooled Funds

#### Money Market Funds

- Money Market Funds: Investment Objectives
- The Returns on Money Market Funds
- Reading the Tables in the Financial Press:
- Money Market Funds
- UBS (Lux) Money Market Fund

#### Mortgage Funds

- Mortgage Basics
- Mortgage Funds: Investment Objectives
- The Returns on Mortgage Funds
- The Van Kampen US Mortgage Fund

#### Bond Funds

- Interest Rate Risk and the Concept of Duration
- The Investment Objectives of Bond Funds
- The Returns on Bond Funds

#### Other Fixed-Income Funds

- The Investment Objectives of Short-Term Bond Funds
- Example of Short-Term Bond Funds
- AIM Investment Short-Term Bond Fund
- Natcan Short-term Government Bond Fund
- The Investment Objectives of Preferred Dividend Funds
- Examples of Preferred Dividend Funds
- Guardian Preferred Dividend Fund
- Natcan Dividend Fund
- Example of a Dividend Fund
- Alpin Dynamic Dividend Fund

#### Balanced Funds

- Balanced Funds: Investment Objectives
- The Returns on Balanced Funds
- The Alliance Capital Diversified Balanced Fund (Australia)

#### Equity Funds

- Equity Funds: Investment Objectives
- "Standard" Equity Funds: Investment Objective

- Equity Growth Funds: Investment Objective
- Equity Index Funds: Investment Objective
- The Returns on Equity Funds
- Butterfield Global Blue Chip Fund (Cayman Islands)
- The Aberdeen U.K. Mid Cap Unit Trust
- The Credit Suisse IndexMatch on FTSE 100 (Lux)

#### Global Funds

- Global Funds: Investment Objectives
- The Returns on Global Equity Funds
- Vantage Global Investment Fund (Cayman)
- Harris Insight Emerging Markets Fund

#### Specialized Funds

- The Special Risk Factor of Specialized Funds
- Four Specialized Mutual Funds: Investment Objectives
- Middlefield Resource Class (Canada)
- US Global Investors Gold Shares Fund
- Ethical Funds
- "Religious" Funds

#### Fund Fees and Services

- Introduction
- Fees Paid by Individual Fund Investors
- Acquisition Fees
- Redemption Fees
- Transfer Fees
- Set-up Fees
- Account Closing Fees
- Fees Paid by the Funds: Management Fees and Operating Expenses
- Fees and Expenses Not Paid by the Fund
- Acquisition Plans
- Dollar Cost Averaging
- Systematic Withdrawal Plans

#### Selecting a Fund

- The Steps in Selecting a Fund
- Focusing on a Particular Fund Category
- Compound Rates of Return
- Consistency: Simple Rates of Return
- Volatility Ratings
- The Portfolio Manager
- The Prospectus
- Fees and Charges
- Making the Decision
- The Size of the Fund

#### Other Managed Investments and Competing Products

- Wrap Accounts
- Variable Annuities
- Closed-End Funds
- Pooled Funds
- Exchange-Traded Funds
- Income Trusts
- Index-Linked Term Deposits
- Hedge Funds
- Fund of Funds
- Synthetic Index Funds and Clone Funds
- Offshore Mutual Funds

## Module IV Understanding Mutual Funds

- Managed Futures Fund

### Regulation of Funds

- Legal Forms and Structures
- Types of Funds/Pools
- Eligibility to Act as a Manager
- Capital Requirements for Managers
- Duties and Obligations of Managers
- Duties and Obligations of Dealers and their Salespersons
- Supervision and Compliance Obligations
- Oversight/Governance of Manager
- Regulatory Authorities—Powers and Duties
- Conflicts of Interest
- Asset/Portfolio Valuation
- Subscription and Redemption Processes
- Portfolio Management—Limitations and Prohibitions
- Promotion and Advertising
- Point of Sale Disclosure and Ongoing Reporting to Investors
- Investors' Remedies
- Regulation of Funds in Various Jurisdictions
- Local Legislation: What you Need to Know

### Course Prerequisites

- Associates Degree or higher
- Five years plus experience in Financial Services

### Final Qualifying Exam

*(All Exams are prepared and marked by The Canadian Securities Institute)*

### Course Duration - 10 months

**Cost** - Full course cost - **\$2,695** (Members)  
**\$3,025** (Non-Members) | (Includes course materials,  
lectures, and examination)



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