

## Lesson Plan: Applied Principles of UT/ILP Investing 1

Applying principles of unit trust and investment linked policy investing to deliver success

Module No.	Module	Description	Outcomes	Material Provided	Time (min) Delivery
1.	The Truth About Dollar Cost Averaging	<p>This module examines the performance of dollar cost averaging over long-term investment horizons (10 years) across a range of markets when delivered on a monthly basis.</p> <p>Cases where returns are suboptimal are examined to see what could have been done to improve performance</p>	<p>Advisor are aware of the full range of outcomes possible through a dollar cost averaging strategy and can prepare their customers accordingly.</p> <p>Advisors will be able to see how long –term outperformance of funds translates into greater dollar returns for customers</p>	Two pager showing outcomes of long-term dollar cost averaging along with possible mitigation strategies.	120 Day 1
2.	A Deep Dive into Long-Term Investing	<p>Portfolio managers always ask if the New Light approach to long-term investing works with Japanese equities.</p> <p>This module shows how Japanese and US equities have responded to cataclysmic events (the lost decade and the global financial crisis) in their economies and how they have evolved over time.</p>	Advisors understand possible circumstances and situations where long-term investment may not work, where distortions in the market accelerate returns and how to apply the lessons learnt on to recent market events	Nil	120 Day 1
3.	About Sector Funds	<p>Sector funds, particularly from the IT sector often form substantial part of customer portfolios</p> <p>How do sector funds deviate from the idea of diversification and how do they behave over the long-term and what are the risks associated are discussed here.</p>	<p>Advisors will be aware of the risks associated with sector funds, the extent of possible drawdowns and the limitations of topping up.</p> <p>Advisors understand how sector exposure is already present in broadly diversified funds.</p>	A4 placemat on sector behavior as an example of sector performance	120 Day 2

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4.	Understanding Factsheets from a Sales Perspective	<p>Factsheet are explained and analysed in terms of four broad areas from a sales perspective.</p> <ol style="list-style-type: none"> <li>1. Returns – In fund factsheets vs ILP returns</li> <li>2. NAV – Does high or low make a difference</li> <li>3. Risks – Is standard deviation the best measure or are their more simple and practical metrics of risk</li> <li>4. Information &amp; metrics on Dividend Payouts.</li> </ol>	<p>Advisors will be fully familiar with all aspects of a factsheet and will be able to present comfortably on it, knowing the limitations of the information conveyed and how to overcome these.</p> <p>Advisors will be able to use of fact sheet to overcome common objections to investing</p> <p>Advisors develop a better understanding of factsheet as a performance snapshot at one point in time vs their own role of preparing customers for a much longer and varied investing journey.</p>	Two pager with definitions and explanations	120 Day 2
A total of 8 CPD hours are awarded, and all modules must be completed					

