



# ECFS906

## Private Wealth Management

AFC Term 3 CBD 2016

*Dept of Applied Finance and Actuarial Studies*

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#### **Disclaimer**

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

## General Information

Unit convenor and teaching staff

Lecturer

Michael Drew

[michael.drew@mq.edu.au](mailto:michael.drew@mq.edu.au)

Contact via Email

Credit points

2

Prerequisites

(Admission to MAppFin or PGCertAppFin or GradDipAppFin) and (AFCP801 or ECFS865)

Corequisites

Co-badged status

Unit description

This unit is aimed at those students interested in a career in private wealth management who seek a better understanding of the major issues facing private wealth managers and their clients. By private wealth management, we mean the business of financial advising/selling directly to individual investors. This unit focuses predominantly on the advice and advisor side of the business.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Understand and accurately explain major current issues facing private wealth managers and their clients.

Understand and accurately explain relevant regulatory, market and client requirements.

Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.

Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.

Understand and adequately explain the importance of behavioural issues in private wealth management.

Understand, apply and interpret strategies to manage a client's portfolio.

## General Assessment Information

### Grading Summary

To pass this unit (requires a Standardised Numerical Grade of 50 or better) the student must pass the final examination.

### Assessment Tasks

Name	Weighting	Due
<a href="#">Class Presentation</a>	10%	Last day of class
<a href="#">Case Study</a>	30%	Refer to iLearn
<a href="#">Final Exam</a>	60%	Refer to Timetable

### Class Presentation

Due: **Last day of class**

Weighting: **10%**

#### Summary of Assessment Task

**Individual / Group:** Group

**Due Date:** Last day of class (details will be handed out in class).

**Grading Method:** Refer to 'Standards Required to Complete the Unit Satisfactorily' section

**Submission Method:** In class

**Duration:** Approx. 20-30 minutes for each group to be confirmed by lecturer.

#### Extension Requests:

- You are expected to make yourself available for assessment.
- If you have extenuating circumstances (such as illness or misadventure) that prevent you from participating, please make arrangements with your Lecturer prior to the due date.
- Unless prior arrangements have been made, any late submission of assignments will automatically be penalised. In the absence of special circumstances, the penalty will be 10% of the available marks for the assessment for each business day (or part thereof) they are late.

On successful completion you will be able to:

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.
- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## Case Study

Due: **Refer to iLearn**

Weighting: **30%**

### **Summary of Assessment Task**

**Individual / Group:** Individual

**Due Date:** Refer to the Unit's iLearn site

**Grading Method:** Refer to 'Standards Required to Complete the Unit Satisfactorily' section

**Submission Method:** Online via the Unit's iLearn site

**Duration:** Refer to Assignment Coversheet

### **Extension Requests:**

- If you have extenuating circumstances that prevent you from submitting your assignment by the due date, please make arrangements with your Lecturer prior to the due date.
- Unless prior arrangements have been made, any late submission of assignments will automatically be penalised. In the absence of special circumstances, the penalty will be 10% of the available marks for the assessment for each business day (or part thereof) they are late.

On successful completion you will be able to:

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.

- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## Final Exam

Due: **Refer to Timetable**

Weighting: **60%**

### Summary of Assessment Task

**Individual / Group:** Individual

**Due Date:** Refer to Timetable. Assessments: Different Class Groups have different deadlines. Students should find the timetable and dates relevant to their group at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au)

**Grading Method:** Refer to 'Standards Required to Complete the Unit Satisfactorily' section

**Submission Method:** As per MAFC Program Rules & Procedures at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au)

**Duration:** 2 hours plus 10 minutes reading time

### Examination Conditions:

- All examinations are closed book. However, permitted materials and aids are:
  - A study sheet, prepared by the student (single, double-sided A4 page), with formulas and other material.
- Exam times and locations are noted in the unit timetable at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au).
- Refer to MAFC Program Rules & Procedures at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au).

### Extension Requests:

- You are expected to present yourself for examination at the time and place designated in the relevant MAFC Timetable at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au).
- Deferral of an examination is not permitted, unless special consideration has been approved by the Director of Studies under the University's Disruption to Studies Policy.
- Refer to MAFC Program Rules & Procedures at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au) for information on the University's Disruption to Studies Policy or non-attendance at an examination.

On successful completion you will be able to:

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.

- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.
- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## **Delivery and Resources**

### **CLASSES**

**Face-to-Face Teaching:** Generally 20 hours

**Timetable:** Detailed timetable for classes are on the Centre's web site [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au)

#### **Consultation Times:**

Students who wish to contact any of the teaching staff may do so through:

- The Unit's iLearn site, in relation to general queries (so that all students may benefit); or
- Individual consultation with the lecturer by email in the first instance, if necessary.

### **REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS**

#### **Text:**

- Nil
- PWM is a vast topic and various issues are dealt with differently in different countries. Accordingly, there is no single reference book or text book for this Unit. Class discussion will be very important, to Students should be prepared to take their own notes.

#### **Additional Readings:**

- Readings / materials will be provided to supplement the Unit notes.
- Students should assume these readings are examinable unless otherwise advised.

**Lecture Notes:** Available in printed form and electronically via iLearn.

**Calculators:** In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

**Assumed Knowledge:** It will be assumed that students are familiar with all materials from the prerequisite units.

#### **Assumed Access:**

- Access to a computer with word processing and spreadsheet capability with VBA is assumed, as is general student computer literacy.

- Also assumed, is access to a Web browser (eg Safari, Internet Explorer or Firefox) and email software and a student's own connection to an internet service provider.

## **TECHNOLOGY USED AND REQUIRED**

### **Unit iLearn Site:**

- Found by logging on to iLearn [ilearn.mq.edu.au](http://ilearn.mq.edu.au), then clicking on ***Private Wealth Management***.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Please try to not leave your questions to the last few days.**

### **Important Notice:**

- It is important that you familiarize yourself with the Unit's iLearn site.
- Students should check the Unit's iLearn site regularly (minimum twice a week and prior to all lectures) and look for updates and distribution of materials (including case studies) related to the unit or assessments and, if relevant, participate in forum discussions.

## **Unit Schedule**

The unit focuses predominantly on the advice and advisor side of the business and covers the following main topics:

### **Topics**

1. The PWM industry Today
2. Life Cycle Investing – Why People Save & Invest
3. Client Acquisition and Retention
4. Ascertaining Client Needs
5. Meeting Client Needs
6. Portfolio Construction for Private Investors
7. Impact of Taxes on Asset Allocation and Portfolio Construction
8. Insurance and Annuities
9. Behavioural Finance and Individual Investors
10. Compliance, Regulations and Ethics

## Learning and Teaching Activities

### Strategy

The Master of Applied Finance degree adopts a deep teaching and learning strategy, in which Students acquire and retain knowledge and also are able to make sense of the issues and concepts and apply them in the “real world”. The degree relies heavily on student engagement and participation by: (a) Continuous learning throughout the semester. This is encouraged through a combination of students undertaking prescribed reading throughout the units and / or completion of practice problems, case studies, assignments, class presentations etc and interaction via forums in the unit’s iLearn site; and (b) Assessments, which enable the student to demonstrate his / her understanding of the learning objectives achieved through the continuous learning.

### Student Participation

Students participate in this unit by: (a) Attending lectures and participating in class discussion; (b) Before each class, completing the recommended readings of notes and text, and working systematically through suggested problem sets; (c) Interacting on the unit’s iLearn site; and (d) Completing all assessment tasks and exams. On average the unit will require students to complete, for every hour of class time, approximately 3 hours private study.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

**New Assessment Policy in effect from Session 2 2016** [http://mq.edu.au/policy/docs/assessment/policy\\_2016.html](http://mq.edu.au/policy/docs/assessment/policy_2016.html). For more information visit [http://students.mq.edu.au/events/2016/07/19/new\\_assessment\\_policy\\_in\\_place\\_from\\_session\\_2/](http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/)

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Complaint Management Procedure for Students and Members of the Public [http://www.mq.edu.au/policy/docs/complaint\\_management/procedure.html](http://www.mq.edu.au/policy/docs/complaint_management/procedure.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.



## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](#).

Students should also consult the MAFC Program Rules & Procedures found at <http://www.mafc.mq.edu.au>

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student enquiry service (MAFC-specific)

For all student enquires, please contact [studentsupport@mafc.mq.edu.au](mailto:studentsupport@mafc.mq.edu.au)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Learning Skills

Learning Skills ([http://www.students.mq.edu.au/support/learning\\_skills/](http://www.students.mq.edu.au/support/learning_skills/)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- Workshops
- StudyWise
- Academic Integrity Module for Students
- Ask a Learning Adviser

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

#### Learning outcomes

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.
- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

#### Assessment tasks

- Class Presentation
- Case Study
- Final Exam

### PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and

knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

## **Learning outcomes**

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.
- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## **Assessment tasks**

- Class Presentation
- Case Study
- Final Exam

## **PG - Research and Problem Solving Capability**

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

## **Learning outcomes**

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain

key issues.

- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## **Assessment tasks**

- Class Presentation
- Case Study
- Final Exam

## **PG - Engaged and Responsible, Active and Ethical Citizens**

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

## **Learning outcomes**

- Understand and accurately explain major current issues facing private wealth managers and their clients.
- Understand and accurately explain relevant regulatory, market and client requirements.
- Distinguish the key attributes of alternative PMW techniques including their appropriate applications and limitations.
- Demonstrate an appropriate understanding of key business drivers and sensitivities within various private wealth management business models and appropriately explain key issues.
- Understand and adequately explain the importance of behavioural issues in private wealth management.
- Understand, apply and interpret strategies to manage a client's portfolio.

## **Assessment tasks**

- Class Presentation
- Case Study
- Final Exam

## **Important Notice**

This Unit Guide may be subject to change. The latest version is on the Centre's web site [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au).

Students should read the Unit Guide carefully at the start of semester. It contains important information about the Unit. If anything is unclear, please consult one of the unit lecturers.

## Standards Required to Complete the Unit Satisfactorily

### University Policy on Grading:

- Macquarie University's Academic Senate has established a Grading Policy available at <http://www.mq.edu.au/policy/docs/grading/policy.html>. Your final result will include:
  - A grade ranging from Fail to High Distinction; and
  - A Standardised Numerical Grade (SNG). A SNG is not a summation of the individual assessment components, but is allocated on the basis of the performance in all assessment items, providing the examination component is passed.
- It is important to note:
  - The Policy does not require that a minimum or maximum number of students are to be failed in any unit;
  - Grades will not be allocated to fit a predetermined distribution; and
  - The process of allocating SNGs does not change the rank order of marks among students who pass the unit.

### Specific Unit Grading:

- To pass this unit (requires a Standardised Numerical Grade of 50 or better) the student must pass the final examination.
- All final grades in the Applied Finance Centre are determined by a grading committee and are not the sole responsibility of the unit convenor.
- The core criteria used to assess student work in this unit are:
  - Knowledge and understanding: Understanding key ideas, knowledge and use of concepts.
  - Application: Ability to apply theoretical ideas and frameworks in practice and in a critically reflective way.
  - Reasoning and analysis: Ability to analyse, use critical reasoning and principles to formulate a position, balancing theory and personal reflection.
  - Professional literacy and research: Understanding of professional factors (language and landscape) and ability to undertake appropriate research.
  - Communication and presentation: Ability to communicate and present effectively (written and oral, as relevant).
  - Use of mathematical and statistical ideas: Ability to use mathematical and

statistical ideas, methods and formulae appropriately.

- Performance in relation to each of these criteria are assessed against the University’s grading descriptors:

Grade	Expectation
High Distinction	Provides consistent evidence of deep and critical understanding in relation to the learning outcomes. There is substantial originality and insight in identifying, generating and communicating competing arguments, perspectives or problem solving approaches; critical evaluation of problems, their solutions and their implications; creativity in application as appropriate to the discipline.
Distinction	Provides evidence of integration and evaluation of critical ideas, principles and theories, distinctive insight and ability in applying relevant skills and concepts in relation to learning outcomes. There is demonstration of frequent originality in defining and analysing issues or problems and providing solutions; and the use of means of communication appropriate to the discipline and the audience.
Credit	Provides evidence of learning that goes beyond replication of content knowledge or skills relevant to the learning outcomes. There is demonstration of substantial understanding of fundamental concepts in the field of study and the ability to apply these concepts in a variety of contexts; convincing argumentation with appropriate coherent justification; communication of ideas fluently and clearly in terms of the conventions of the discipline.
Pass	Provides sufficient evidence of the achievement of learning outcomes. There is demonstration of understanding and application of fundamental concepts of the field of study; routine argumentation with acceptable justification; communication of information and ideas adequately in terms of the conventions of the discipline. The learning attainment is considered satisfactory or adequate or competent or capable in relation to the specified outcomes.
Fail	Does not provide evidence of attainment of learning outcomes. There is missing or partial or superficial or faulty understanding and application of the fundamental concepts in the field of study; missing, undeveloped, inappropriate or confusing argumentation; incomplete, confusing or lacking communication of ideas in ways that give little attention to the conventions of the discipline.

**Review of Grade and final examination Script viewing:**

- A student who has been awarded a final grade for a unit and who does not believe it is an accurate reflection of their performance, and has grounds for such a claim and can demonstrate those grounds, may apply to have their grade reviewed.
- For information on requesting a review of grade and/or viewing your final exam script, please refer to the University’s Grade Appeal Policy at <http://www.mq.edu.au/policy/docs/gradeappeal/policy.html> and MAFC Program Rules & Procedures at <http://www.mafc.mq.edu.au>.