

# STEP DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT

**Exemption Claim Form: Please complete in BLOCK CAPITALS**

www.cltint.com/stepdiplomaint

## 1. Personal and Professional Details

Title (e.g. Mr/Mrs): \_\_\_\_\_

First Name(s): \_\_\_\_\_

Family Name(s): \_\_\_\_\_

Date of Birth (optional):

Gender:  Male  Female

Address: \_\_\_\_\_  
\_\_\_\_\_

Town: \_\_\_\_\_ City: \_\_\_\_\_

Country: \_\_\_\_\_

Postcode: \_\_\_\_\_

Telephone Number Daytime: \_\_\_\_\_

Telephone Number Evening: \_\_\_\_\_

Email: \_\_\_\_\_

### Employer Details

Employer: \_\_\_\_\_

Employer Address: \_\_\_\_\_  
\_\_\_\_\_

Town: \_\_\_\_\_ City: \_\_\_\_\_

Country: \_\_\_\_\_

Postcode: \_\_\_\_\_

Employer Contact Name: \_\_\_\_\_

Employer Contact Job Title: \_\_\_\_\_

Employer Contact Email: \_\_\_\_\_

Employer Contact Telephone No: \_\_\_\_\_

## For office use only

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### To return this form

#### By Post:

CLT International  
Wrens Court, 52/54 Victoria Road  
Sutton Coldfield, Birmingham  
B72 1SX, England

#### By Fax:

+44 (0) 121 362 75 10

#### By Email:

cltinternational@centlaw.com

## 2. Exemption Claim Details

Please tick the appropriate box to indicate the subject for which you are claiming exemption (a separate claim form is required for any additional applications)

**Trust Creation: Law and Practice**

**Company Law and Practice**

**Trust Administration and Accounts**

**Trustee Investment and Financial Appraisal**

### Qualification(s) upon which your claim is based

1. Awarding Body: \_\_\_\_\_

Name and date of award: \_\_\_\_\_

2. Awarding Body: \_\_\_\_\_

Name and date of award: \_\_\_\_\_

**Please enclose verification that each relevant prior qualification has been obtained and the syllabi for those qualifications**

## 3. Payment Method

The fee for each exemption application is £150 (+ UK VAT if applicable)\*

I enclose a cheque/bankers draft made payable to CLT International

I authorise you to debit my Credit Card

Card Type:  Master Card  Visa  Visa Debit

Name of Cardholder: \_\_\_\_\_

Credit Card Number: \_\_\_\_\_

Security Code:  Card Expiry Date:

Issuing Bank: \_\_\_\_\_

Payment Amount: £ \_\_\_\_\_

Signature of Applicant: \_\_\_\_\_

Date:

Please invoice my employer who has agreed to pay the fee

Signature of Employer: \_\_\_\_\_

Date:

I have made an electronic bank transfer to:

CLT International Ltd  
Barclays Bank Plc, Level 22, 1 Churchill Place, London, E14 5HP  
Sort Code: 20-82-94 Account No: 30568392  
Ref (your name): \_\_\_\_\_

\*Please note that VAT is payable at 20% in addition to the course fee if the payer is a private individual or if the payer is a business based within the UK.

# Diploma in International Trust Management: Trustee Investment and Financial Appraisal

## GUIDANCE NOTES

### EXEMPTION CRITERIA

- Applications for exemption from the Diploma papers will be considered in cases where there is a very close correlation between a previously obtained qualification and the Diploma paper from which exemption is sought, both in content and in level.
- Professional experience is generally not relevant for the purposes of exemption, the criterion being qualification focused. It may be considered though in certain circumstances where the like-for-like coverage of the Diploma syllabus by the applicant's qualification(s) is significant but is not complete.
- There will be a maximum of two possible exemptions from the four Diploma papers.
- Each application will be considered on a case by case basis.

### MAKING YOUR APPLICATION

In order to demonstrate that your prior qualifications meet the exemption criteria you will need to:

- Provide details of your qualification(s) on page 4, identifying the name of the qualification, how the course was examined and the date on which you passed.
- Provide evidence that you have obtained the qualification (i.e. final certificate, transcript) on which you are basing your application. The official syllabus of the qualification will also need to be submitted.
- Complete all boxes in the main body of the form (page 4 onwards), stating the part of the course on which the topic was studied underneath the heading "Relevant Modules". Please provide as much detail as possible (see example below).
- Submit your exemption form via post, fax or scan and email.

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E.g.

STEP Topic	Qualification	Relevant Modules
<ul style="list-style-type: none"><li>Domestic and the international (Eurobond) bond markets.</li></ul>	<i>Securities and Investment Institute (SII) Diploma</i>	<i>Bond and Fixed Interest Markets module:</i> <ul style="list-style-type: none"><li><i>s.6 (Domestic bond markets)</i></li><li><i>s.7 (International bond markets)</i></li></ul>

**Any decision made by the exemption committee as to eligibility will primarily be based upon the contents of the applicant's completed exemption form. We strongly recommend that all sections of this form are completed as thoroughly as possible.**

# Diploma in International Trust Management: Trustee Investment and Financial Appraisal

## QUALIFICATIONS

Please enter below details of all the qualifications on which you are basing your application for exemption:

QUALIFICATION	DATE PASSED	GRADE OBTAINED	ASSESSMENT METHOD

**OVERVIEW:** The Trustee Investment and Financial Appraisal paper covers the range of available investments by reference to the financial markets as well as investment analysis and financial appraisal, with a focus on the trustee's role and responsibilities.

# Diploma in International Trust Management: Trustee Investment and Financial Appraisal

## MODULE 1: TRUSTEE INVESTMENT: AN INTRODUCTORY OVERVIEW

STEP Topic	Covered (✓)	Details of prior coverage
<ul style="list-style-type: none"> <li>The concept of investments and preliminary definitions.</li> </ul>		
<ul style="list-style-type: none"> <li>The relationship between risk and return and how risk-averse and risk-tolerant investors behave.</li> </ul>		
<ul style="list-style-type: none"> <li>Broad purpose of the financial markets.</li> </ul>		
<ul style="list-style-type: none"> <li>The role of a professional trustee in relation to the investment of trust property, and in particular the need to consult experts or delegate the trustee's investment powers.</li> </ul>		
<ul style="list-style-type: none"> <li>Essential components of a balanced portfolio namely:                             <ul style="list-style-type: none"> <li>liquidity,</li> <li>stability, and</li> <li>growth.</li> </ul> </li> </ul>		

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## MODULE 2: INVESTING IN CASH AND THE MONEY MARKETS

STEP Topic	Covered (✓)	Details of prior coverage
<ul style="list-style-type: none"> <li>Options available to trustees when investing trust funds in cash or an equivalent liquid security in order to cover immediate needs.</li> </ul>		
<ul style="list-style-type: none"> <li>Salient features of the common types of account used for holding cash.</li> </ul>		
<ul style="list-style-type: none"> <li>The component parts of the money markets, namely:                             <ul style="list-style-type: none"> <li>the inter-bank market,</li> <li>the money market, and</li> <li>securities market.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>Features of the main money market securities, namely T-bills, negotiable CDs and CP.</li> </ul>		
<ul style="list-style-type: none"> <li>Gaining access to the money markets, with the assistance of money market brokers or via a money market account or fund.</li> </ul>		

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## MODULE 3: AN INTRODUCTION TO THE BOND MARKETS

STEP Topic	Covered (✓)	Details of prior coverage
<ul style="list-style-type: none"> <li>Technical features of, and market terminology used on, the bond markets.</li> </ul>		
<ul style="list-style-type: none"> <li>The rate of interest payable to an investor who has lent money to a borrower on the financial markets (by, for instance, purchasing a bond, bill or note).</li> </ul>		
<ul style="list-style-type: none"> <li>The behaviour of bond prices and factors that affect bond prices and their yields, namely:                             <ul style="list-style-type: none"> <li>risk,</li> <li>maturity date,</li> <li>liquidity,</li> <li>supply and demand,</li> <li>rate of inflation.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>Coupon interest, current yield and yield to maturity.</li> </ul>		
<ul style="list-style-type: none"> <li>Use of the credit rating systems as a guide when investing trust</li> </ul>		

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funds in order to assess risk and an appropriate market rate of interest.		
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## MODULE 4: TYPES OF BOND

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>The features of the money and the bond markets.</li> </ul>		
<ul style="list-style-type: none"> <li>Differences between the domestic and the international (Eurobond) bond markets.</li> </ul>		
<ul style="list-style-type: none"> <li>The central characteristics of different types of bond, categorised according to the issuer, namely:                             <ul style="list-style-type: none"> <li>government bonds,</li> <li>local authority and public sector bonds,</li> <li>mortgage bonds and other asset-backed securities,</li> <li>corporate bonds,</li> <li>foreign bonds,</li> <li>junk bonds, and</li> <li>zero interest bonds and stripped bonds.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>Price quotations.</li> </ul>		



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<ul style="list-style-type: none"> <li>The historical background to the emergence and growth of Eurodollars, Eurocurrencies and Eurobonds and appreciate the importance of the Eurobond market.</li> </ul>		
<ul style="list-style-type: none"> <li>Variations on the Eurobond theme.</li> </ul>		
<ul style="list-style-type: none"> <li>The meaning and purpose of, and practice relating to currency and interest rate swaps.</li> </ul>		

## MODULE 5: THE EQUITY MARKETS

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>The main characteristics of stocks.</li> </ul>		
<ul style="list-style-type: none"> <li>The broad characteristics of some of the world's equity markets.</li> </ul>		
<ul style="list-style-type: none"> <li>Primary and secondary equity markets.</li> </ul>		
<ul style="list-style-type: none"> <li>Common practices and procedures of the primary equity markets</li> </ul>		

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when a corporate raises capital in exchange for the issue of new stock (by way of new issues of shares, rights issues, open issues, scrip issues and splits).		
<ul style="list-style-type: none"> <li>Common practices and procedures of the secondary equity markets when investors trade shares on an exchange including:           <ul style="list-style-type: none"> <li>how shares are traded by operating brokerage accounts,</li> <li>how the exchanges work, and</li> <li>the clearing and settlement of trades.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>Measurement of the performance of equity markets and the monitoring of individual investment portfolios by consulting indexes and averages.</li> </ul>		

## MODULE 6: INVESTMENT ANALYSIS

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>The role of an investment analyst.</li> </ul>		
<ul style="list-style-type: none"> <li>Differences between the fundamental analyst and the technical analyst (or chartist) and the two schools of thought to which they belong.</li> </ul>		

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<ul style="list-style-type: none"> <li>Investment systems used by technical analysts.</li> </ul>		
<ul style="list-style-type: none"> <li>Efficient market hypothesis.</li> </ul>		
<ul style="list-style-type: none"> <li>Modern portfolio theory, the capital-asset pricing system and beta coefficients.</li> </ul>		
<ul style="list-style-type: none"> <li>Understand analyst's recommendations.</li> </ul>		

## MODULE 7: FINANCIAL APPRAISAL AND THE USE OF RATIO ANALYSIS

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>Ratio analysis and how this can assist an investor and an investment analyst in deciding which stocks to buy, hold and/or sell.</li> </ul>		
<ul style="list-style-type: none"> <li>Calculation and interpretation of solvency ratios.</li> </ul>		

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<ul style="list-style-type: none"> <li>• Calculation and interpretation of profitability ratios.</li> </ul>		
<ul style="list-style-type: none"> <li>• Calculation and interpretation of ratios specifically concerned with return to the investor.</li> </ul>		
<ul style="list-style-type: none"> <li>• Appraisal and assessment of a company and its solvency, liquidity, profitability, leverage, efficiency, growth, and whether its stock price offers value-for-money.</li> </ul>		
<ul style="list-style-type: none"> <li>• Limitations of ratio analysis as a tool for comparison.</li> </ul>		

## MODULE 8: COLLECTIVE INVESTMENT FUNDS AND EXCHANGE-TRADED FUNDS

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>• Collective investment vehicles.</li> </ul>		
<ul style="list-style-type: none"> <li>• The advantages of collective investment.</li> </ul>		
<ul style="list-style-type: none"> <li>• Different structures adopted by collective investment companies.</li> </ul>		
<ul style="list-style-type: none"> <li>• Interpretation of investment strategies published by investment</li> </ul>		

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fund managers.		
<ul style="list-style-type: none"> <li>Buying and selling shares in a mutual fund company.</li> </ul>		
<ul style="list-style-type: none"> <li>Mutual fund quotations and how to monitor the performance of a typical fund.</li> </ul>		

<ul style="list-style-type: none"> <li>The circumstances in which collective investment funds may be used by a trustee with trust funds to invest.</li> </ul>		
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## MODULE 9: OPTIONS AND DERIVATIVES MARKETS

STEP Topic	Covered (✓)	Details of prior coverage
<ul style="list-style-type: none"> <li>The character of derivative products, including who invests in them, where and with what objectives.</li> </ul>		
<ul style="list-style-type: none"> <li>Stock options and the typical rights acquired by purchasing call options and put options.</li> </ul>		

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<ul style="list-style-type: none"> <li>The circumstances in which an option may be abandoned, exercised or traded.</li> </ul>		
<ul style="list-style-type: none"> <li>The pricing of option premiums and how to break the value of an option down into an intrinsic value and a time value in order to analyse the pros and cons of the various options available for a particular stock.</li> </ul>		
<ul style="list-style-type: none"> <li>Index options and how they may be used to hedge or speculate upon anticipated movements in the market as a whole.</li> </ul>		
<ul style="list-style-type: none"> <li>The application of stock options to cope with issues arising in relation to options to buy or sell bonds, and how the concept of bond (or interest rate) options can be used to hedge or speculate upon anticipated movements in interest rates in an economy.</li> </ul>		
<ul style="list-style-type: none"> <li>The terms used for typical and/or esoteric option strategies for the sophisticated investor.</li> </ul>		

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## MODULE 10: FUTURES

STEP Topic	Covered ( ✓ )	Details of prior coverage
<ul style="list-style-type: none"> <li>• The nature of futures and futures trading and the rationale behind the futures market, namely that it enables an investor:               <ul style="list-style-type: none"> <li>• to hedge against future adverse price movements, or</li> <li>• to speculate thereon.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>• Hedging techniques and the relationship between prices in the hedge market and prices in the real or physical market.</li> </ul>		
<ul style="list-style-type: none"> <li>• The nature of commodity futures, including how and why they are traded, distinguishing between:               <ul style="list-style-type: none"> <li>• the cash markets,</li> <li>• forward contracts, and</li> <li>• futures.</li> </ul> </li> </ul>		

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|---|--|--|
| <ul style="list-style-type: none"><li>• The nature of financial futures, including how and why they are traded, distinguishing between:<ul style="list-style-type: none"><li>• bond futures, often referred to as interest rate futures, and</li><li>• stock index futures.</li></ul></li></ul> |  |  |
|---|--|--|