



Margin Lending Specialist

Course outline

Course overview

This course introduces students to the concepts of margin lending as they apply to retail clients. Students will learn how to analyse, evaluate and choose margin loans and gearing strategies, and will gain an understanding of managing risk when dealing with retail client portfolios.

Learning outcomes

On successful completion of the Margin Lending Specialist course, students should be able to:

- Outline the characteristics of margin lending, margin lending facilities, potential investors and risks of margin lending.
- Explain the process for choosing a margin loan and strategies for managing margin loan risk.
- Analyse and evaluate gearing strategies in relation to different client scenarios.
- Demonstrate the technical skills related to Margin Lending within the financial planning industry.
- Explain the obligations relevant to the provision of retail financial advice in margin lending.

Units of competency

No units of competency are awarded for this course.

Course entry requirements

There are no entry requirements for this course. However, it is recommended that students have completed Generic Knowledge in financial planning and have a broad understanding of financial planning fundamentals.

You should confirm your eligibility with your employer or licensee to provide margin lending advice to retail clients.

Course duration

Students have a total of:

- Twelve (12) weeks to complete the learning and assessment requirements for the Margin Lending Specialist course from their initial activation date.
- An additional four (4) weeks resubmission time – If a student reaches the end of their initial enrolment period and has been deemed not yet demonstrated in the exam, then an additional 4 weeks will be granted, provided the individual attempted all assessment tasks during the initial enrolment period. There is no fee for this extension.

Therefore, if a student completes the learning and assessment, and the resubmission time is granted, the duration will be 16 weeks.

Topics

Topic 1: Fundamentals and regulation of margin lending

1. What is margin lending?
2. What are the risks of margin lending?
3. History of margin lending
4. Regulation of margin lending and geared investments
5. Provider obligations and responsibilities
6. Responsible lending requirements
7. Investor responsibilities
8. The Corporations Act 2001
9. The Privacy Act 1988
10. The Anti-Money Laundering and Counter-Terrorism Financing Act 2006
11. Disclosure requirements
12. Formal dispute resolution
13. Ethics and professionalism in financial planning

Topic 2: Overview of gearing

1. What is gearing
2. Levels of gearing
3. Gearing level classifications
4. Gearing facilities
5. Gearing and margin lending
6. Double gearing and other higher risk strategies
7. Volatility, downside risk and gearing
8. Alternative wealth accumulation strategies
9. Asset classes, risk and return
10. Appropriate asset classes for gearing
11. Risk reduction in a geared portfolio
12. Which clients should consider a geared investment strategy?
13. Taxation and gearing

Topic 3: The margin loan transaction

1. How do margin loans work?
2. Margin loan features
3. Margin loan product
4. Types of collateral
5. Loan security ratios
6. Gearing ratios
7. Buffers
8. Margin calls
9. Managing margin loan risk
10. Instalment warrants – an alternative to margin lending
11. Instalments versus margin loans

Topic 4: Assessing and managing financial risk in client portfolios

1. The concept of investment risk
2. Measuring risk – discount rates and market dynamics
3. Risk measurement – standard deviation, related measures and their uses in managing risk
4. Risk reduction techniques for investment assets
5. Derivatives, hedging and risk
6. Gearing and its impact on risk
7. The investment process and creating portfolios for clients
8. Determining investors' risk profiles
9. Model portfolios and risk profiles
10. Preparing clients for volatility and downside risk
11. Risk minimization and management methods
12. The importance of review

Delivery mode

This course is delivered online.

Kaplan Professional’s online learning portal, KapLearn, enables the provision of innovative, interactive learning resources and support. KapLearn can be accessed anywhere, at any time, using a computer or mobile device that has internet access.

KapLearn is the access point for course notes, supplementary learning material, practice activities and assessments. KapLearn is also the access point for ongoing support. The ‘Ask your tutor’ forum provides technical support from course matter experts.

Assessment tasks

The assessment tasks for this course are listed below.

Topic	Assessment	Assessment Detail
Topics 1-4	1 Written Assignment	Written assignment – two (2) attempts Preparation of a Statement of Advice
Topics 1–4	1 Exam	Unsupervised, open book multiple choice examination, four (4) sittings.

Students may attempt the exam at any time if they believe they are adequately prepared.

Students must be deemed competent in all assessment items, including demonstrating competency in all of the exam questions, in order to be awarded their certificate of completion.

Students who complete the Margin Lending Specialist course will be able to print a certificate of completion from the online subject room.

Recognition of Prior Learning

Recognition of prior learning (RPL) is not available for this course.

Fees

An updated schedule of fees is available at the Kaplan Professional website:
<www.kaplanprofessional.edu.au>.

Student policies

Students who enrol in a Kaplan Professional course are bound by our published policies, including the policy that sets out our rules for assessment. Students can review these policies and our terms and conditions before they enrol by going to the Kaplan Professional website:
<www.kaplanprofessional.edu.au>.

The policies also assist students when their study program does not go as planned and they need extra support.