

**Module Outline**  
**ECF on Retail Wealth Management (RWM)**  
**Module 6 “Investment and Asset Management: Alternatives and Wealth Solutions”**

<b>Benchmarked HKQF Level:</b>	5
<b>No. of Credits:</b>	20
<b>Total Notional Learning Hours:</b>	200
<b>a) Class contact hours:</b>	15 hours (3-hour per session x 5)
<b>b) Self-study hours:</b>	182.5 hours
<b>c) Assessment hours:</b>	2.5 hours
<b>Pre-requisite:</b>	NA

### Module Objective

The module aims to provide candidates with a thorough understanding of alternative investment product solutions in investment planning. It also provides a good grounding in wealth management solutions for financial advisory professionals.

### Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 6, candidates should be able to:

<b>MIOs</b>	<b>Intended Outcomes / Competence</b>	<b>*Unit of Competencies (UoCs)</b>
MIO-1	Assess and relate alternative investment and real estate investment for application in investment planning.	106874L5 107310L5 109172L5
MIO-2	Devise financial and wealth planning solutions.	107518L4
MIO-3	Formulate wealth planning solutions and financial planning for clients with total understanding of wealth planning products and services, taxation system and tax planning and estate planning solutions.	107519L4 107520L4

*\*Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#), [Private Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

## Assessment

<b>Examination duration:</b>	2.5 hours
<b>Examination format:</b>	Multiple Choice Questions (MCQ) with 80 questions
<b>Pass mark:</b>	60%

## Syllabus

<b>Chapter 1: Alternative Investments</b>	
<b>1.1</b>	<b>Overview of Alternative investment</b>
1.1.1	- What are Alternative Investments?
1.1.2	- Common Categories of Alternative Investments
1.1.3	- Benefits and Risks of Alternative Investments
<b>1.2</b>	<b>Hedge Funds</b>
1.2.1	- Differences between Traditional Investment Funds and Hedge Funds
1.2.2	- Hedge Fund Strategies
1.2.3	- The Role of Hedge Funds in Asset Allocation
<b>1.3</b>	<b>Commodities</b>
1.3.1	- Characteristics of Commodities
1.3.2	- Categories of Commodities
1.3.3	- Role of Commodities in Asset Allocation
1.3.4	- Risk of Investing in Commodities
<b>1.4</b>	<b>Private equity</b>
1.4.1	- What is Private Equity?
1.4.2	- Vehicles of Private Equity Investment
1.4.3	- Private Equity Fund Strategies
1.4.4	- Role of Private Equity in Asset Allocation
1.4.5	- Risks of Investing in Private Equity
<b>1.5</b>	<b>Virtual Assets in Alternative Investments</b>
1.5.1	- Introduction to Virtual Assets
1.5.2	- Characteristics of Virtual Assets
1.5.3	- Role in Investment Portfolios
1.5.4	- Risks and Challenges of Virtual Assets

1.5.5	- Virtual Asset Investment Strategies
1.5.6	- The Future of Virtual Assets
<b>Chapter 2: Structured Products</b>	
<b>2.1</b>	<b>Overview of Structured Products</b>
2.1.1	- What are Structured Products?
2.1.2	- Common Categories of Structured Products
2.1.3	- Benefits and Risks of Structured Products
<b>2.2</b>	<b>Capital Protected Structured Products</b>
2.2.1	- Capital Protection Level
2.2.2	- Participation Rate
2.2.3	- Structure of Capital Protected Structured Products
2.2.4	- Examples of Typical Capital Protected Structured Products, their Advantages and Disadvantages
<b>2.3</b>	<b>Guaranteed Return Structured Products</b>
<b>2.4</b>	<b>Yield Enhancement Structured Products</b>
2.4.1	- Nature of Yield Enhancement Based Structured Product
2.4.2	- Risks of Investing in Yield Enhancement Structured Products
<b>2.5</b>	<b>Equity Linked Products</b>
2.5.1	- Equity Linked Notes (ELNs) and Equity Linked Deposits (ELDs)
2.5.2	- “Worst-of” Equity Linked Notes
2.5.3	- Equity Accumulators and Decumulators
2.5.4	- Range Accrual Notes
<b>2.6</b>	<b>Currency Linked Products</b>
2.6.1	- Dual Currency Investment and Currency Linked Deposits
2.6.2	- Target Redemption Forward
2.6.3	- FX Accumulators and Decumulators
<b>2.7</b>	<b>Credit Linked Notes (CLNs)</b>
<b>Chapter 3: Real Estate Investment</b>	
<b>3.1</b>	<b>Types of Real Estate Investment</b>
3.1.1	- Ownership Interest in Real Property
3.1.2	- Vehicles of Real Estate Investment
3.1.3	- Investing in Hong Kong Residential Properties

3.1.4	- Investing in Hong Kong Commercial Properties
3.1.5	- Investing in Hong Kong Industrial Properties
<b>3.2</b>	<b>Real Estate Investment Analysis</b>
3.2.1	- Sources of Return
3.2.2	- Real Estate Valuation
<b>3.3</b>	<b>Real Property Investment Strategy and Risk</b>
3.3.1	- Role of Real Estate in Asset Allocation
3.3.2	- Inherent Risk in Real Estate Investment
3.3.3	- Considerations for Investing in Self-Use Property
3.3.4	- Considerations for Investing for Rental Income
3.3.5	- Considerations for Investing for Market Value Appreciation
<b>Chapter 4: Leverage, Loans and Liquidity Management</b>	
<b>4.1</b>	<b>Application of Leverage in Investment</b>
4.1.1	- Benefit and Risk of Leverage
4.1.2	- Leveraged Foreign Exchange Trading
4.1.3	- Leveraged Trading in Securities
<b>4.2</b>	<b>Collateralised Lending in Wealth Management</b>
4.2.1	- Types of Loans
4.2.2	- Lombard Loan
4.2.3	- Leverage and Client Suitability
4.2.4	- The Credit Process
<b>Chapter 5: Portfolio Management Theory and Practice</b>	
<b>5.1</b>	<b>Introduction to Statistics Relevant to Portfolio Theory</b>
5.1.1	- Measures of Central Tendency (mean, median, mode)
5.1.2	- Measures of Dispersion (Variance, Standard Deviation, Coefficient of Variation)
5.1.3	- Regression analysis (Regression coefficient, Correlation coefficient)
<b>5.2</b>	<b>Portfolio Theory</b>
5.2.1	- Correlation of returns
5.2.2	- Implication of correlation on portfolio risk
5.2.3	- Efficient frontier
<b>5.3</b>	<b>Capital Asset Pricing Model</b>

5.3.1	- Risk-free assets
5.3.2	- Combination of a risk-free asset and a risky portfolio
5.3.3	- Market portfolio
5.3.4	- Capital market line
5.3.5	- Systematic versus unsystematic risk
5.3.6	- Beta coefficient
5.3.7	- Risk premium and required rate of return
5.3.8	- Application of CAPM
<b>5.4</b>	<b>Portfolio Management Process</b>
5.4.1	- Client relationship
5.4.2	- Client profile
5.4.3	- Investment policy statement
5.4.4	- Implement the plan
5.4.5	- Monitor and review
5.4.6	- Leveraging AI in Portfolio Management
<b>Chapter 6: Tax Planning and Estate Planning</b>	
<b>6.1</b>	<b>Overview of the taxation system</b>
6.1.1	- Characteristics of the Hong Kong Taxation System
6.1.2	- Administration of HK Tax Law
6.1.3	- Scope of charge under the Hong Kong Taxation System
<b>6.2</b>	<b>Principles of tax planning</b>
6.2.1	- Overview of Tax Planning
6.2.2	- Tax Avoidance vs. Tax Evasion
6.2.3	- International Tax Planning
<b>6.3</b>	<b>Principles of estate planning</b>
6.3.1	- Overview of Estate Planning Solutions
6.3.2	- Tax Considerations in Estate Planning
6.3.3	- Common Techniques and Document in Estate Planning

## Recommended Readings

### ***Essential Readings:***

1. HKIB Study Guide of ECF-RWM: Module 6 Investment and Asset Management: Alternatives and Wealth Solutions. (2025).

### ***Supplementary Readings***

1. E-Learning on HKIB Website: Equity Markets
2. E-Learning on HKIB Website: Fixed Income Markets
3. E-Learning on HKIB Website: Foreign Exchange Markets
4. E-Learning on HKIB Website: Futures and Forwards
5. E-Learning on HKIB Website: Money Markets
6. E-Learning on HKIB Website: Options
7. E-Learning on HKIB Website: Swaps

### ***Further Readings***

1. Constantinides, G. M. (2015). *Financial Derivatives: Futures, Forwards, Swaps, Options, Corporate Securities, and Credit Default Swaps*. World Scientific Publishing.
2. Fabozzi, F. J. (2018). *The Handbook of Financial Instruments*. Wiley.
3. Pirie, W. L. (2017). *Derivatives*. Wiley.
4. Tyson, E. (2022). *Mutual Funds for Dummies* (8<sup>th</sup> Ed.). Wiley.
5. Fabozzi, F. J., Gupta, F., & Markowitz, H. M. (2020). *Modern portfolio theory: Foundations, analysis, and new developments*. Wiley.
6. Elton, E. J., Gruber, M. J., Brown, S. J., & Goetzmann, W. N. (2019). *Modern portfolio theory and investment analysis* (9th ed.). Wiley.
7. Antczak, S. J., Lucas, D. J., & Fabozzi, F. J. (2020). *Leveraged finance: Concepts, methods, and trading of high-yield bonds, loans, and derivatives*. Wiley.
8. Izrailevich, I. (2020). *Leverage Investing for Financial Independence*.
9. Krewson-Kelly, S., & Mueller, G. R. (2021). *Educated REIT Investing: The ultimate guide to understanding and investing in real estate investment trusts*. Wiley.
10. Thomas, B. (2020). *The Intelligent REIT Investor Guide: How to build wealth with real estate investment trusts*. Wiley.