

# Investment Foundations® Certificate

## Learning Goals and Topics

### Investment Foundations® Learning Goals

1. Give learners confidence and enhance credibility within their organizations by providing a basic understanding of the investment industry, including structure, functioning, ethical considerations, forces affecting its evolution, and commonly used vocabulary.
2. Elevate learners' ability to think critically, ask the right questions, and innovate in the investment industry.
3. Give learners the foundational concepts, tools, and techniques needed in their careers to open more doors.
4. Give learners the ability to skillfully communicate and collaborate with and provide support to investment management professionals.
5. Clarify job roles and responsibilities of those in the investment industry with whom they will work daily.
6. Provide proof of knowledge and understanding.

### Course 1: Industry Overview and Structure

#### Module 1: Overview of the Investment Industry

- Lesson 1: What is the Financial Services Industry?
- Lesson 2: How Economies Benefit from the Existence of the Investment Industry
- Lesson 3: How Investors Benefit from the Existence of the Investment Industry
- Lesson 4: Investment Industry Participants

#### Module 2: Structure of the Investment Industry

- Lesson 1: Structure of Investment Firms
- Lesson 2: Investment Firm Staff and Leadership
- Lesson 3: Financial Institutions

#### Module 3: Introduction to Industry Services

- Lesson 1: Investment Management Services
- Lesson 2: Investment Information Services
- Lesson 3: Trading Services

#### Module 4: Financial Planning Services and Introduction to FinTech

- Lesson 1: Needs Served by the Investment Industry
- Lesson 2: Financial Planning Services
- Lesson 3: Introduction to FinTech
- Lesson 4: FinTech Applications

#### Module 5: Investment Professionalism and Regulations

- Lesson 1: Key Forces Driving the Investment Industry
- Lesson 2: Ethics and the Investment Industry
- Lesson 3: Financial Industry Regulation
- Lesson 4: Objectives of Regulation
- Lesson 5: Types of Regulation
- Lesson 6: Consequences of Compliance Failure

## Course 2: Types and Functioning of Markets

### Module 1: Types of Security Markets and Trading Venues

- Lesson 1: Primary and Secondary Security Markets
- Lesson 2: The Role of Issuers
- Lesson 3: Primary Market Transactions
- Lesson 4: Trading Venues
- Lesson 5: Market Structures

### Module 2: Order Processing and Opportunities with Decentralized Finance

- Lesson 1: Positions
- Lesson 2: Orders
- Lesson 3: Clearing and Settlement
- Lesson 4: Transaction Costs
- Lesson 5: What is Decentralized Finance (DeFi)?

### Module 3: Investment Vehicles: Pooled Investments, Exchange-Traded Funds, and Security Market Indices

- Lesson 1: Direct and Indirect Investments
- Lesson 2: Pooled Investments
- Lesson 3: Security Market Indices
- Lesson 4: Index Funds

### Module 4: Investment Vehicles: Hedge Funds, Fund of Funds, and Managed Accounts

- Lesson 1: Hedge Funds
- Lesson 2: Fund of Funds
- Lesson 3: Managed Accounts

## Course 3: Investment Instruments

### Module 1: Quantitative Concepts

- Lesson 1: Time Value of Money
- Lesson 2: Present Value and Future Value
- Lesson 3: Net Present Value
- Lesson 4: Time Value of Money Applications
- Lesson 5: Descriptive Statistics
- Lesson 6: Measures of Dispersion
- Lesson 7: Normal Distribution
- Lesson 8: Correlation

### Module 2: Introduction to Investment Instruments and Equity Securities

- Lesson 1: Introduction to Investment Instruments
- Lesson 2: Introduction to Equity Securities
- Lesson 3: Valuation of Common Shares
- Lesson 4: Risks of Investing in Equity Securities
- Lesson 5: Corporate Actions

### Module 3: Debt Securities

- Lesson 1: Introduction to Debt Securities
- Lesson 2: Seniority Ranking
- Lesson 3: Types of Bonds
- Lesson 4: Bonds with Embedded Provisions
- Lesson 5: Valuation of Debt Securities
- Lesson 6: Risks of Investing in Debt Securities
- Lesson 7: Yield Curve
- Lesson 8: Comparing Equity and Debt Securities



## Module 4: Derivatives

- Lesson 1: Introduction to Derivatives Contracts
- Lesson 2: Uses of Derivatives Contracts
- Lesson 3: Key Terms of Derivatives Contracts
- Lesson 4: Forwards and Futures
- Lesson 5: Options
- Lesson 6: Swaps

## Module 5: Alternative Investments

- Lesson 1: Advantages and Limitations of Alternative Investments
- Lesson 2: Private Equity Investments
- Lesson 3: Real Estate Investments
- Lesson 4: Commodity Investments

# Course 4: Investment Inputs and Tools

## Module 1: Microeconomics

- Lesson 1: Introduction to Economics and Microeconomics
- Lesson 2: Demand and Supply
- Lesson 3: Market Equilibrium
- Lesson 4: Elasticities of Demand
- Lesson 5: Profit and Costs of Production
- Lesson 6: Market Environment

## Module 2: Macroeconomics

- Lesson 1: Introduction to Macroeconomics
- Lesson 2: Gross Domestic Product and the Business Cycle
- Lesson 3: Economic Growth
- Lesson 4: The Business Cycle
- Lesson 5: Economic Indicators
- Lesson 6: Inflation
- Lesson 7: Monetary and Fiscal Policies

## Module 3: Economics of International Trade

- Lesson 1: Imports and Exports
- Lesson 2: Comparative Advantages Among Countries
- Lesson 3: Balance of Payments
- Lesson 4: Foreign Exchange Rate Systems
- Lesson 5: Value of Currencies
- Lesson 6: The Foreign Exchange Market

## Module 4: Financial Statements

- Lesson 1: Roles in Financial Reporting
- Lesson 2: The Balance Sheet
- Lesson 3: The Income Statement
- Lesson 4: The Cash Flow Statement
- Lesson 5: Links Between Financial Statements
- Lesson 6: Financial Statement Analysis



## Course 5: Serving Clients Needs

### Module 1: Investors and Their Needs

- Lesson 1: Types and Characteristics of Investors
- Lesson 2: Factors that Affect Investors' Needs
- Lesson 3: Investment Policy Statements

### Module 2: Investment Management

- Lesson 1: Risk and Portfolio Diversification
- Lesson 2: Asset Allocation and Portfolio Construction
- Lesson 3: Passive and Active Investment Management
- Lesson 4: Market Inefficiencies

### Module 3: Risk Management

- Lesson 1: Definition and Classification of Risks
- Lesson 2: The Risk Management Process
- Lesson 3: Risk Management Functions
- Lesson 4: Operational Risk
- Lesson 5: Compliance Risk
- Lesson 6: Investment Risk
- Lesson 7: Value at Risk (VaR)

### Module 4: Performance Evaluation

- Lesson 1: The Performance Evaluation Process
- Lesson 2: Measures of Return
- Lesson 3: Benchmarks
- Lesson 4: Measures of Risk
- Lesson 4: Measures of Relative Performance
- Lesson 6: Alpha
- Lesson 7: Performance Attribution

## Course 6: Serving the Greater Good

### Module 1: Environmental, Social, and Governance (ESG) Investing

- Lesson 1: Approaches to Responsible Investing
- Lesson 2: Factors in ESG Investing
- Lesson 3: The Benefits and Challenges of ESG Adherence
- Lesson 4: Investor Engagement and Stewardship

### Module 2: Diversity, Equity, and Inclusion (DEI) in Practice

- Lesson 1: Key Concepts in DEI
- Lesson 2: Bias Recognition and Mitigation
- Lesson 3: Best Practices and Success Metrics in DEI
- Lesson 4: Applying DEI Concepts in the Workplace

### Module 3: Professionalism and Ethical Decision Making

- Lesson 1: Trust and Stakeholder Obligations
- Lesson 2: Ethics and Standards of Professional Conduct
- Lesson 3: Benefits of Ethical Conduct and Consequences of Unethical Conduct
- Lesson 4: Ethical Decision-Making Framework

