



Financial Planning
Institute of Southern Africa

THE PROFESSIONAL STANDARD

FPI Financial Planner of the Year 2020 Financial Plan Guide

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| INTRODUCTION | 3 |
| PROFESSIONAL SKILLS | 3-4 |
| Professional responsibility | |
| Practice | |
| Communication | |
| Cognitive | |
| PROFESSIONAL AND LEGAL COMPLIANCE | 4 |
| ENTRANT GUIDANCE | 4 |
| FINANCIAL PLAN CONTENT | 4-7 |
| 1.1 Table of Contents | |
| 1.2 Executive Summary | |
| 1.3 Page Numbering | |
| 1.4 Plan Structure | |
| 1.5 Generic Material | |
| 1.6 Appendices and Attachments | |
| 1.7 Financial Planning Software | |
| 1.8 Prohibited Inclusions | |
| 1.9 Compliance | |
| 1.10 General and Key Assumptions | |
| 1.11 External Professionals | |
| 1.12 External Sources | |
| 1.13 Marking | |
| FINANCIAL PLAN CRITERIA | 7-14 |
| 1.14 Data | |
| 1.15 Additional Assumptions | |
| 1.16 Attitudes, Goals and Objectives | |
| 1.17 Issues and Problems | |

| | |
|---|--------------|
| 1.18 Analysis | |
| 1.19 Strategies and Alternatives | |
| 1.20 Synthesis and Recommendations | |
| 1.21 Implementation | |
| 1.22 Periodic Reviews | |
| MARKING SCHEME | 14 |
| ASSESSMENT CRITERIA | 14 |
| MARK ALLOCATION | 15 |
| ANNEXURE A: Terms and Conditions of the competition | 16-17 |
| ANNEXURE B: Example format of Table of Contents/Index (optional) | 18-19 |

Introduction

This guide provides the guidance as to the format in which entrants to the FPI Financial Planner of the Year Competition (Round One) must submit their financial plans.

The full portfolio of evidence, as submitted by the Round One entrant, will be handed to the Round One panel of judges for assessment. The financial plan must reflect the entrant's ability to *integrate* fundamental financial planning practices; Financial Planning Components, Financial Planner Abilities and Financial Planning Practice Standards¹ when performing financial planning for clients.

The financial plan developed by the entrant should clearly demonstrate that he or she is capable of delivering a viable written financial plan for a profiled client, supported by appropriate assumptions, sound decision-making and relevant data. Within the financial plan, the entrant should cover the required Financial Planning Components and display the use of appropriate professional skills and provide explanations that are clear, concise and in language understandable to the client.

The entrant should be familiar with the Financial Planner Professional Skills described in FPI's Financial Planner Competency Profile, and should demonstrate mastery of the elements of the Competency Profile. The entrant should also demonstrate his or her adherence to Revised FPI Code of Ethics when compiling his/her financial plan.

Round One entrant may submit a financial plan completed for a client. The said plan must cover at least four of the financial planning components. Sufficient supporting documents must be submitted to support the process (for example, the data capture template used by the entrant to gather data from the client).

Professional Skills

FPI's Financial Planner Professional Skills (described in FPI's Financial Planner Competency Profile) form an integral part of what the entrant needs to master to be able to develop a financial plan independently.

A CFP® professional will demonstrate the ability to integrate appropriate Professional Skills (at an appropriate level of competence and professionalism) with appropriate knowledge and abilities into each of his or her professional actions and interactions with clients. The entrant should demonstrate

¹ See the [Financial Planner Competency Profile](#) and the [Revised FPI Code of Ethics](#)

the ability to integrate Professional Skills into his or her strategies and recommendations in the written financial plan.

An entrant's demonstration of Professional Skills is assessed qualitatively based on the production of a financial plan. Not all professional skills can, or will, be assessed using a written financial plan assessment. However, entrants should demonstrate in the financial plan that they have adhered to the following Financial Planner Professional Skills, as described in FPI's Financial Planner Competency Profile:

Professional Responsibility

- Demonstrate ethical judgment;
- Demonstrate intellectual honesty and impartiality (or make clear, concise and effective disclosure of any conflicts of interest); and
- Recognise limits of competence and voluntarily seek the counsel of and/or delegate to other professionals when appropriate.

Practice

- Comply with relevant financial services laws and regulations;
- Make appropriate judgments in areas not addressed by the laws of professional practice standards;
- Keep up to date with changes in the economic, political and regulatory environments; • Conduct appropriate research when performing analysis and developing strategies; and
- Demonstrate a reasonable basis for advice.

Communication

- Construct written communication (e.g. with no spelling or grammatical errors) in a manner that is likely to be readily understood by the client and others (professional or layperson) that the client may choose to consult; and
- Provide a reasonable basis for any advice.

Cognitive

- Apply mathematical (quantitative and qualitative) methods as appropriate;
- Analyse and integrate information from a variety of sources to arrive at solutions;
- Use reasoning to evaluate potential courses of action; and
- Arrive at qualified decisions when faced with incomplete or inconsistent information.

Professional and legal compliance

Professional compliance and legal compliance form an integral part of financial planning.

Entrants to the financial planning profession should understand and adhere to all applicable legislative requirements. The FPI Financial Planner Professional Skills, as codified in the Competency Profile calls for financial planning professionals to comply with relevant financial services laws and regulations.²

The entrant must also demonstrate compliance with the FPI requirements in adhering to FPI's Revised Code of Ethics and Practice Standards.

²Such as, but not limited to the Financial Advisory and Intermediary Services Act 37 of 2002 and the General Code of Conduct for Authorised Financial Services Providers and Representatives

Note: Failure to comply and/or inadequate performance/demonstration by the entrant in complying with relevant legislative or regulatory requirements as well as FPI requirements (such as compliance with the FPI Revised Code of Ethics) in the submitted written financial plan, would be subject to a penalty during grading of the assessment by the FPI FPOTY Round One judges.

Entrant guidance

Financial Plan Content

Financial plan submissions should include the following sections:

1.1 Table of Contents

- The financial plan must include a Table of Contents page, indicating page numbers, and a clear hierarchy of headings and appendices. Proper pagination is an absolute must.

1.2 Executive Summary

The financial plan should include an executive summary that outlines:

- The client's goals, concerns and objectives;
- Relevant financial data and key findings; and
- The entrant's recommendations, including a clear action plan for the client(s) and how the recommendations address the client's needs, concerns and objectives.

The executive summary should be able to stand alone as an independent document - a "snapshot" of the financial plan as a whole. In providing a financial plan based on an existing client, it is the responsibility of the entrant to ensure that the Round One judges has enough information to facilitate a full understanding of the client's needs and objectives.

Very important:

Entrant must take note of the specific Terms and Conditions agreed to when entrant entered the FPOTY competition. For ease of reference, the said Ts and Cs are repeated at the end of this document. (Annexure A)

1.3 Page Numbering

- All pages of the financial plan, including appendices, should be numbered consecutively.

1.4 Plan Structure

- Other than the requirements for the Table of Contents and Executive Summary described in 1.1 and 1.2, the structure of the financial plan and how information is presented is up to the entrant's professional judgment. An example though of what the structure could look like is attached in Annexure B (Table of Contents/Index)
- The structure should be logical and should not impair the clients' ability to understand the financial plan.

1.5 Generic Material

- The inclusion of material of a *generic* or general nature (i.e., material not clearly linked to the client's specific needs, concerns and objectives) is not viewed favourably during marking of the plan. If the entrant believes it is necessary to include such material, he or she should include the material in the financial plan's appendices.

Future Illustrations

Illustrations of future values should be realistic and based on justified and stated assumptions about rates of return and other economic factors. Such rates and information should be based on reputable research or other reliable sources and should be clearly stated in the financial plan.

Diagrams and Tables

The entrant should use tables and diagrams only where they will add to the client's understanding. When included in the body of the financial plan, diagrams and tables should be clearly explained in the accompanying text. Do not assume that diagrams and tables are self-explanatory. Diagrams and tables should be appropriately titled/labelled, numbered sequentially, and sources (where relevant) should be properly recognised.

1.6 Appendices and Attachments

While useful as additions to a financial plan, appendices and attachments are expected to be used sparingly and only where they are likely to aid understanding or provide support to the financial plan. Appendices and attachments should be relevant and cross-referenced in the financial plan. Appendices of a general nature that are not relevant to the financial plan or to the client's situation would not be viewed favourably during marking of the plan. It may be appropriate to include certain data in appendices, but the entrant should be selective, indicating in the body of the plan why such material has been included and how it adds value.

1.7 Financial Planning Software

Financial planning software may be used to assist with the preparation of the financial plan, but it must not be, or appear to be, a substitute for the entrant's *own* input. *Where used, such software should be appropriately referenced in the financial plan's reference list or as a footnote to the page on which the calculation appears.*

In some instances, the software used to help a financial planning professional determine the optimal approach for a client, may create scenarios. An entrant would not receive a favourable grade in the marking process if he or she relied *heavily* on such material when developing the financial plan, or if the strategy appears to have been determined by the software rather than the entrant. The financial plan should demonstrate the entrant's understanding of the client issues, both qualitative and quantitative, the critical thinking that led to the strategies developed, and the underlying rationale, with recommendations clearly linked to the client's goals, needs and objectives. Software-generated text modules should be used sparingly and should be adapted to match the client's situation.

1.8 Prohibited Inclusions

The financial plan may include research profiles, investment memoranda, insurance quotations, and product Brochures, prospectuses or any product-advertising material in the Appendix section of the submitted Portfolio of Evidence and must be clearly paginated as such.

To demonstrate familiarity with the content and purpose of such documents, the entrant should refer to them in the plan, where relevant, and/or include a list of documents that would ordinarily be provided to the client in the appendices. The financial plan should reference any research reports

and/or prospectuses that would need to be provided to the client to satisfy legal, compliance and professional practice requirements.

As per the terms and conditions, the entrants must not provide any information regarding the identity of the entrant. The entrant may only use his/her competition entry reference number. All client details must also be struck out.

1.9 Compliance

The financial plan should demonstrate that the entrant understands applicable compliance requirements within the Financial Services Industry of South Africa, as well as FPI's Revised Code of Ethics.

Disclosures

The entrant should meet his or her obligation to the client to disclose his or her identification*, the employer's identity, the relationship between the adviser and the employer, and any other statutorily required disclosure on the front page and/or in a cover letter.

*For the purposes of this Round, the entrant must conceal his/her own identification by inserting only the entrants' competition entry number. Details of the employer etc. can remain. It is just *personal details* pertaining to the entrant and *personal details* pertaining to the client (such as name and ID numbers) that must be concealed/struck out. Age, sex, marital status etc. can remain.

Additionally, the plan should include a separate section, identified in the Table of Contents, disclosing the cost to the client for the plan and the implementation of the recommendations (if applicable), the financial planner's compensation and any conflicts of interest, to allow the client to understand the total cost of the financial plan and of implementing the recommendations, and to understand any conflicts the entrant may have in advising the client.

Disclaimers

The entrant should clearly communicate in a separate disclaimer section, identified in the Table of Contents, any limitations he or she may have with regard to the scope of services to be performed and how those limitations may affect the recommendations provided in the financial plan.

Engagement letter

The entrant will be required to include an engagement letter, specifying such details as the scope of services, responsibilities, costs, timeframes, and termination requirements of the engagement.

1.10 General and Key Assumptions

All assumptions made by the entrant should be clearly stated in the financial plan, must be reasonable and not in conflict with overall risk profile of your client. If an existing client financial plan is given, all information around assumptions must be stated clearly in the submitted documents.

1.11 External Professionals

If part of the financial plan requires a referral to, input from or completion by an external professional (e.g. a lawyer, accountant, etc.), the entrant must identify the need, include strategic analysis and comment on the desired or likely outcomes and how these relate to the client's situation. Simply stating that a matter will be referred to an external professional would not be viewed favourably during marking of the plan. The financial plan is not expected to include copies of referral letters to external professionals.

1.12 External Sources

Material from external sources should be appropriately acknowledged and referenced in the financial plan. Paraphrasing or quoting a source without appropriate attribution is plagiarism, which would be penalised and/or investigated under the FPI assessment policies and procedures.

1.13 Marking

Refer to Section 3 of this document for information on the marking scheme. All essential elements that are relevant to the case study should be included in the financial plan, as these are the criteria against which the plan is marked. Points could be deducted if information is included in the financial plan without explanation of its relevance to the client.

Financial Plan Criteria

Entrants should use the following FPI Financial Plan Framework elements to develop a financial plan for the client.

Guidance is provided for each element to indicate the types of information and issues the entrant may address in the financial plan. Not all of the guidance items or questions may be relevant for the particular scenario for which the entrant is developing a financial plan, nor are they meant to represent all of the considerations necessary for satisfactory development of the financial plan.

1.14 Data

The entrant should provide enough data (qualitative and quantitative data) to give a thorough understanding of the client and his or her approach to financial issues and life goals.

The entrant must clearly state what assumptions were made and why and how the assumptions relate to amongst other things the clients' needs, objectives and overall risk profile.

During the data collection process, the entrant should identify material information required to structure the financial plan and determine what important/relevant/possible changes in the client personal and financial situation should be considered. The entrant should identify and review information on the following financial planning components to enable proper and professional analysis of the client's situation:

Financial Management

- The client's assets and liabilities;
- The client's cash flow, income and/or financial obligations;
- The client's use of bank accounts, credit and other cards and debt;
- The client's present and future budgets; and • The client's current savings and planned spending.

Where appropriate, the entrant should prepare statements of the client's net worth, cash flow and budget.

Asset Management

- The client's investment holdings covering all types of assets (e.g. real estate, commodities, etc.);
- The client's current asset allocation; and
- The client's cash (lump sums and/or anticipated future flows) available for investment.

Risk Management

- The client's existing insurance coverage; and
- The client's potential financial obligations and inadequately covered risks.

Tax Planning

- The client's tax position;
- The taxable nature of the client's assets and liabilities; and
- Parties relevant to the client's tax situation.

Retirement Planning

- Potential sources of the client's retirement income; and
- The client's estimated retirement expenses.

Estate Planning

- Legal agreements and documents that impact the client's estate planning strategies, such as a testament/last will, testamentary contract, prenuptial agreement, company agreement, information related to existing foundations and trusts, etc.; and
- Matrimonial property regime applicable and assets subject to exceptions.

1.15 Additional Assumptions

The assumptions used by the entrant to determine the outcomes of the analysis and related calculations are crucial to the overall viability of the financial plan. Inappropriate assumptions can lead to suboptimal or incorrect recommendations and may leave a client financially ruined for life.

The entrant must therefore clearly identify assumptions, provide suitable support (e.g. by naming a recognised, reputable source) and understand the impact of the assumptions within the body of the financial plan. The following assumptions may be considered but should not be in conflict with any of the given facts by the client:

Financial Management

- Income sources;
- Financial ratios;
- Present and likely future tax rules and rates;
- Present and likely future inflation rates, with support; and
- Present and likely future interest rates, with support.

Asset Management

- Likely future investment returns, with support;
- Expected portfolio rate of return, and risk level (i.e. appreciation and dividends);
- Asset allocation and reasonable basis;
- Investment time horizon(s);
- Tax rules and rates;
- Likely future inflation rates, with support; and
- Likely future interest rates, with support.

Risk Management

- Life expectancy, limitations and approach to dealing with these;
- Health factors; and
- Risk factors.

Tax Planning

- Tax law and rates; and
- Changes in tax regime.

Retirement Planning

- Retirement age;
- Life expectancy and application (e.g. may live to what age);
- Income needs at identifiable stages;
- Income sources in retirement (in today's value and/or as a percentage of pre-retirement income);
- Initial withdrawal amount in first year of retirement and at later times (in today's value and/or as a percentage of initial fund);
- Tax and state pension rules and rates;
- Likely future inflation rates, with support; and
- Likely future interest rates, with support.

Estate Planning

- Life expectancy;
- Growth rates for various asset classes, with support;
- Income needs of beneficiaries;
- Tax rules and rates;
- Likely future inflation rates, with support; and
- Likely future interest rates, with support.

1.16 Attitudes, Goals and Objectives

The entrant should identify the client's attitudes (needs and values), goals and objectives that have financial implications. Issues for consideration include:

- Are the client's goals specific, measurable, realistic and achievable?
- What, in the entrant's opinion, are the factors that motivate the client?
- How much capital will the client need to meet future goals?
- Is the client's capital likely to remain intact or diminish in value in relation to the client's anticipated life expectancy?
- Does the client have the capacity and /or propensity to save? Should the client's current savings rates change?
- How much capital will the client need to meet the capital requirements for his or her dependents in the event of death or disability?

The entrant should determine and assess the following:

Financial Management

- The client's propensity/capacity to save;
- How the client makes spending decisions; and
- The client's attitude toward debt.

Asset Management

- The client's investment objectives; and
- The client's investment horizon.

Risk Management

- The client's risk management objectives; and
- The client's risk management needs.

Tax Planning

- The client's current, deferred and future tax liabilities.

Retirement Planning

- The client's retirement objectives.

Estate Planning

- The client's estate planning objectives;
- The client's goals with regard to anticipatory succession; and
- The specific needs of the client's beneficiaries.

1.17 Issues and Problems

The entrant should identify issues and problems that could materially impact the financial plan content and recommendations (e.g. legal issues, the client's attitude toward risk, the client's level of financial sophistication, etc.). In addition, the entrant should consider the impact of economic, political and regulatory issues on the financial plan strategies and recommendations.

- What, in the entrant's opinion, are the existing concerns?
- What are the potential future problems?
- Does the client have a manageable debt level?
- Is the client's stated risk profile consistent with the expressed concerns?
- Is the client's stated risk profile in line with asset allocation?

The entrant should evaluate issues and problems related to the following:

Financial Management

- The client's assets and liabilities; and • The client's emergency fund provision.

Asset Management

- The client's experience with and attitudes and biases toward investments;
- The client's tolerance for investment risk (covering both attitude risk and capacity to absorb the impacts of investment risk); and
- The client's assumptions and return expectations.

Risk Management

- The client's tolerance for risk exposure;
- The client's relevant lifestyle issues;
- The client's relevant health issues; and
- The client's willingness to take active steps to manage financial risk.

Tax Planning

- The client's attitude toward taxation.

Retirement Planning

- The client's attitude toward retirement; and
- The client's comfort with retirement planning assumptions.

Estate Planning

- Family dynamics and business relationships that could impact the client's estate planning strategies.

1.18 Analysis

The entrant should consider opportunities and constraints, including the inter-relationships among Financial Planning Components, when analysing the client's attitudes, goals, objectives and information to develop and prioritise strategies. The entrant should consider potential opportunities and constraints relating to the following:

Financial Management

- Whether the client is living within his/her financial means - calculate surplus/shortfall in income;
- Whether any existing emergency fund is adequate;
- The place and management of debt in the client's financial plan;
- The impact of potential changes in the client's income and expenses; and
- Conflicting demands on the client's cash flow.

Asset Management

- Required rate of return to reach the client's objectives;
- Whether the client's investment return expectations are consistent with the client's risk tolerance;
- Achieving the client's investment income needs;
- The characteristics of the client's investment holdings;

- The implications of the client acquiring/disposing of assets; and
- Whether the client's asset holdings are consistent with the client's risk tolerance and required rate of return.

Risk Management

- Characteristics of the client's existing insurance coverage (including possible tax on insurance proceeds);
- The client's exposure to financial risk;
- The expectations of survivors if an insured event should occur;
- The client's risk exposure compared to current insurance coverage and risk management strategies;
- The client's preference for insurance and alternative strategies for managing risk exposure; and
- The implications of changes to the client's insurance coverage.

Tax Planning

- The client's current and future tax position;
- The suitability of existing tax strategies and structures; and
- The financial impact of tax planning alternatives on the client.

Retirement Planning

- Financial projections based on the client's current position and arrangements;
- The appropriateness (specificity, measurability, achievability, reasonableness) of the client's retirement objectives;
- The client's financial requirements during retirement (retirement funding gap);
- The sensitivity of future illustration to changes in key assumptions;
- Trade-offs necessary to achieve the client's retirement objectives; and
- New recurring investment needed if there is no alternative to cover a future shortfall.

Estate Planning

- Succession planning consequences;
- The client's net worth at death;
- Risks and benefits in alternative asset ownership and transfer alternatives;
- Potential expenses and taxes due at the client's death;
- The liquidity of the client's estate at death; and
- Liquidity of heirs at client's death (e.g. can inheritance tax be met?).

1.19 Strategies and Alternatives

Based on the data collected, identification of the client's attitudes, goals and objectives, and analysis of the opportunities and constraints, the entrant should consider and develop strategies for the financial plan, evaluating each strategy in the following areas where relevant to the client: financial management, asset management, risk management, tax planning, retirement planning and estate planning.

1.20 Synthesis and Recommendations

The entrant should develop and prioritise the financial planning recommendations. The entrant should determine the recommendations that best suit the client's situation. To demonstrate that the recommendations suitably and optimally meet the client's attitudes, goals and objectives, the entrant should integrate the strategies and recommendations across the areas of financial management, asset management, risk management, tax planning, retirement planning and estate planning as required by the qualitative and quantitative data collected from the client as well as the assumptions used.

The entrant should provide the client with a clear explanation of his or her risk profile and the impact this profile has on amongst other things on investment strategies and recommendations, and address the relationship between the clients' stated risk profile and financial concerns and objectives.

In all analyses and recommendations, the entrant should prove his/her holistic understanding of the client's financial plan by showing relevant relationships among liquidity issues, tax issues, risk/return-issues, etc.

1.21 Implementation

The entrant should consolidate the recommendations and action steps for the client into a financial plan. The entrant should demonstrate how the recommendations need to be implemented. The entrant should provide an action list that summarises what needs to be done, by whom, and when (including a date or dates where appropriate).

The entrant should set out action steps to assist the client in understanding and acting as required to implement recommendations for the financial planning components covered in the financial plan. Each action step should refer to a timeframe, the person responsible, and (when appropriate) indicate the level of importance for achieving the client's objectives.

1.22 Periodic Reviews

The entrant should recommend an appropriate review cycle in the financial plan, determine benchmarks for measuring success against the client's current expectations, and identify each party's responsibilities to review the financial plan. Issues the entrant could address include:

- The level of review service to be provided;
- The frequency of financial plan reviews;
- Other features and benefits associated with the review process;
- The cost of financial plan reviews;
- Anticipated changes in the client's situation (e.g. birth, death, marriage, etc.); and
- Anticipated legal changes.

Marking Scheme

Assessment Criteria

Assessors appointed by FPI will look for the following when assessing a financial plan submission:

- Attention to the following essential elements of a financial plan
 - ✓ Data
 - ✓ Attitudes, Goals and objectives

- ✓ Issues and problems
 - ✓ Analysis
 - ✓ Strategies
 - ✓ Synthesis and recommendations
 - ✓ Implementation
 - ✓ Periodic review
 - ✓ Legal and professional compliance
- Relevance and attention to the specifics of the clients' financial situation;
 - Depth of analysis of client situation;
 - Appropriateness of financial strategies and recommendations;
 - Demonstrated understanding of financial planning principles and concepts;
 - Quality of presentation of the financial plan including logical structure, language suited to the client, use of tables, diagrams and appendices to aid client understanding, spelling and grammar;
 - Accurate use of terminology;
 - Accuracy of calculations; and
 - Compliance with legal and regulatory requirements and with FPI's Revised Code of Ethics and Financial Planning Practice Standards.

Mark Allocation

The mark allocation table below is a *guide only*.

| | |
|---|-------------|
| Table of Content/Index and proper pagination | 5% |
| Executive summary | 10% |
| Data collection Entrant collects data for Case Study Entrant makes sound and valid assumptions on data missing in order to be able to deliver informed advice | 5% |
| Goals and objectives | 5% |
| Issues and problems | 5% |
| Assumptions (financial and technical) | 5% |
| Analysis | 15% |
| Strategies | 15% |
| Inter-relationship between financial planning components | 10% |
| Synthesis and supported recommendations | 15% |
| Implementation and review process described | 3% |
| Professional and legal compliance | 5% |
| Overall financial plan presentation | 2% |
| Total | 100% |

Annexure A:

2020 FPI Financial Planner of the Year

Competition procedure and terms

Procedure

- a) To enter the **FPI Financial Planner of the Year** competition (“the competition”) an entrant must be a CERTIFIED FINANCIAL PLANNER® professional in good standing.³
- b) Once an entrant has accepted the conditions of this document, the entrant must complete and submit the competition entry form together with a comprehensive narrative on the entrants understanding of the role of a financial planner and a well-articulated statement for the reasons for entering the competition.
- c) Following assessment of the above plan, the entrant will be informed whether his/her entry into the completion is successful. If so, the entrant may proceed to Round One (1) of the competition.
- d) Round 1 entail that the entrant submits a portfolio of evidence for assessment. The portfolio of evidence should contain a detailed, holistic financial plan for one of his/her clients. The portfolio of evidence must contain all supporting documentation relevant to the financial plan. Scoring will be based, amongst other things, on the entrant’s compliance with prevailing applicable legislation and the Revised FPI Code of Ethics, especially the Practice Standards and Professional Code of Conduct.
- e) Entrants must use the Financial Plan Guide when compiling the Portfolio of Evidence.
- f) The financial plan submitted during Round 1 of the competition must be the entrants’ own work or, at least, work done under the entrant’s supervision and direction. Should it at any time during the competition become known to FPI that any submission is a mere copy of another person’s work, such entrant will be disqualified from the competition with immediate effect.
- g) Entrants are allowed to use any software/computer programme that they use on a daily basis to compile their client financial plans.
- h) The principle of anonymous assessment will apply in Round 1. Entrants are therefore not allowed to disclose their own names in the submitted documents at any time. References to own and business names (such as in your disclosure letters and services level agreements etc.) must be struck out. Anonymity during Round 1 is vital. Entrants will be allocated an entry number to use. The entry number is linked to their names separately held on record by FPI.
- i) All financial plans must be submitted in an unmarked lever arch file and properly indexed in accordance with the financial plan index provided by FPI. Only the entrant’s entry number may appear on the file.
- j) Additionally, clients’ personal data must also be struck out so as to retain to ensure confidentiality.
- k) The entrants who are adjudged the best five of Round 1 (“the top five”) will proceed to Round two (2). This round entails a site visit and evaluation by three judges.
- l) The judges will assess the top five’s practices on, amongst other things, all aspects of compliance, practice management, client documentation and the financial planning processes. To assist in this evaluation, each of the top five will be required to complete the FPI Business Assessment Tool and the entrant’s financial plan submitted in Round 1 will be authenticated during the site visit. Additionally, the judges’ opinion on the gravitas of the individual entrant’s client proposition and his/her capacity to represent both a profession and FPI will play a vital role in the assessment. Entrants are advised to use the Revised FPI Code of Ethics as reference in preparation for this

³ *The means that all FPI recertification requirements for each cycle are timeously met. See [FPI Memorandum of Incorporation](#) for definition of ‘Good Standing’.*

round. In terms of Practice Management, adherence and compliance to all applicable laws must be evident.

- m) The entrants who are adjudged the best four of Round 2 (“the top four”) will proceed to Round three (3). The top four will be required to deliver a presentation to a panel of judges on a selected topic and will be questioned on a variety of industry trends, topics, technical information and legislative changes. These presentations and interviews will take place at the FPI offices (84 Sophia Street, Fairland, Johannesburg). Travel and accommodation expenses will be for the entrant’s own account.
- n) Following Round 3 the top three finalists will be announced in the media. The winner will be announced at the 2020 FPI Awards Ceremony Gala Dinner.

Competition terms

- o) The status of an entrant must throughout the completion be maintained as that of a member in good standing. Should an entrants’ status change at *any time* during the course of the competition, the entrant will be disqualified from the competition with immediate effect.
- p) If it is determined during any round that an entrant tried to solicit information regarding the judging processes, other entrants and their submissions or whatsoever from any FPI employee or any judge of the competition in an *unbecoming* way or to gain an advantage, FPI may, in its sole discretion, disqualify such entrant from the competition.
- q) If, in the course of the year following the competition, the winner be found guilty of any misconduct by any Body (such as, *but by no means limited to*, FPI, FAIS Ombud, Council for Medical Schemes, any other professional body or any court etc.) that winner will immediately and automatically lose his/her title as FPI Financial Planner of the Year.
- r) If the FPI Financial Planner of the Year loses his/her title:
 - FPI reserves the right to publish any such fact and finding/s against the disqualified winner and to announce the new winner in such instance in any media;
 - The first runner-up of the competition will be named the new winner for the remainder of the year;
 - The removed FPI Financial Planner of the Year shall return the FPI Financial Planner of the Year trophy and certificate together with all prizes received to FPI.
- s) The competition is not open to management, staff, contractors and directors of FPI.
- t) The decisions of the judges of the competition and all material associated with it shall be kept confidential and are subject to privilege. No entrant shall be entitled to object to or appeal the outcome of any judging decision for whatever reason and notwithstanding any oversight or mistake that may occur.
- u) In all aspects of the competition and its processes the decisions of FPI shall be final and binding on all entrants and affected parties. FPI shall not enter into any debate or justification of the outcome of the competition nor shall any audit or review of any aspect thereof be allowed.

Annexure B

Table of Contents

Page

| | |
|---|--|
| I. EXECUTIVE SUMMARY | |
| FINANCIAL MANAGEMENT | |
| Current position | |
| Proposed position | |
| ASSET MANAGEMENT | |
| Current position | |
| Proposed position | |
| RISK MANAGEMENT | |
| Current position | |
| Proposed position | |
| TAX PLANNING | |
| Current position | |
| Proposed position | |
| RETIREMENT PLANNING | |
| Current position | |
| Proposed position | |
| ESTATE PLANNING | |
| Current position | |
| Proposed position | |
| Important Planning Assumptions | |
| THE CLIENT’S GOALS, OBJECTIVES | |
| Financial Management | |
| Asset Management /Investment Planning | |
| Risk Planning | |
| Tax Planning | |
| Retirement Planning | |
| Estate Planning | |
| THE CLIENT’S CURRENT SITUATION AND CONCERNS (ISSUES) | |
| Financial Management | |
| Asset Management | |
| Risk Management | |
| Tax Planning | |
| Retirement Planning | |
| Estate Planning | |
| II. COMPLIANCE | |
| Disclosures | |

| |
|--|
| Disclosure statement |
| Name of Firm and Authorisation Details (Licensing and or Registration details) |
| The Services Offered |
| Business Operation |
| Financial Planner Details and Qualifications |
| Current insurance coverage meets all statutory and regulatory requirements |
| Disclaimers |
| Declaration |
| III. PERSONAL INFORMATION, ATTITUDES, NEEDS, OBJECTIVES AND ISSUES |
| PERSONAL INFORMATION |
| ATTITUDES |
| General |
| Financial Management |
| Investments |
| Risk Planning |
| Retirement Planning |
| Tax Planning |
| Estate Planning |
| CLIENT NEEDS, GOALS AND OBJECTIVES |
| Financial Management |
| Asset Management /Investment Planning |
| Tax Planning |
| Retirement Planning |
| Estate Planning |
| Risk Management |
| IV. ASSUMPTIONS |
| Financial Management |
| Asset Management |
| Risk Management |
| Tax Planning |
| Retirement Planning |
| Estate Planning |
| Risk Management/insurance/business insurance |
| Asset management/investment planning |
| STRATEGIES AND ALTERNATIVES |
| SUMMARY OF APPLICABLE INFORMATION |
| SYNTHESIS AND RECOMMENDATIONS |
| Financial management |

| |
|---|
| Asset management |
| Risk management |
| Tax planning |
| Retirement planning |
| Estate planning |
| IMPLEMENTATION |
| Implementation checklist |
| PERIODIC REVIEWS |
| Review Process |
| APPENDICES |
| APPENDIX A - NET WORTH POSITION |
| APPENDIX B - CASHFLOW POSITION |
| APPENDIX C - Any contracts such as Service Level agreement and Advice Agreement |