**Core Unit 4 -Financing and Investing for Retirement Provision**

**Assignment 2**

*(Part 2 – Investment types)*

*Recommended Time: 2 hours 30 minutes*

1. In the context of equity markets, list the ways in which a company can issue shares in order to raise capital, and give a short statement regarding how each method operates.

**15 marks**

1. Managing currency risk is important in order to mitigate the impact of adverse currency movements. Outline the following:
2. The two main methods of managing currency risk
3. The techniques active managers may use to manage currency risk

**15 marks**

1. Pension schemes typically hold the majority of their assets in equities and bonds.

Briefly describe:

1. how bonds compare to equities in terms of risk and return
2. the factors that affect bond values

**10 marks**

1. Describe the characteristics of infrastructure investment.

**9 marks**

1. Why might a company choose to list its shares in a different country to the one in which it is headquartered and what factors would it take account of?

**5 marks**

1. Briefly describe four common types of derivatives and explain why derivatives are different in nature to the main asset classes.

**16 marks**

1. Write a Report to a new trustee detailing Property Investment used in the Pension Scheme.

Your Report should discuss

* Ways to invest in Property.
* Types of Commercial Property
* Attractions of Commercial Property
* Risks and other factors
* Property Management

**30 marks**