

CFA UK Level 3 Award in Investment Business: Strategy, Clients and Commercial Performance

V.1 Tested from 14 September 2026

UNIT PURPOSE

By the end of this unit, learners should be able to demonstrate an understanding of an investment business in terms of its client strategies, operations and commercial performance in the context of evolving industry trends.

QUESTION ALLOCATION:

Question allocation across the syllabus is balanced on the guidance of psychometric and industry specialists. The following question allocation for Version 1 of the Award in Investment Business is provided as a broad indication of the relative 'weighting' of different parts of the syllabus in examinations from 14 September 2026.

Topic	Topic Name	Question Allocation
1	Introduction to Investment Business	3-5
2	Managing an Investment Business	5-7
3	Investment Business: Commercial proposition, opportunities and constraints	10-14
4	Client Strategy and Solutions	14-18
5	Financial Performance	8-10
6	Adapting to Sector Trends	7-9

OTHER INFORMATION REGARDING THIS UNIT:

Exam format:	55 questions Online testing using standard multiple choice questions.
Time allowed for exam:	1 hour and 15 minutes.
Grades:	Pass or Fail.
Study materials:	Official Training Manual Edition 1.
Recommended study hours:	90 hours.

TOPIC 1 INTRODUCTION TO INVESTMENT BUSINESS

By the end of this topic, learners should be able to:

- ▶ demonstrate an understanding of the purpose and structure of the investment industry

1.1 PURPOSE AND STRUCTURE OF INVESTMENT MANAGEMENT

- 1.1.1 Explain the purpose and structure of the investment industry and capital flows
- 1.1.2 Analyse how market structure is driven by client demand
- 1.1.3 Compare and contrast different types of investment firms
- 1.1.4 Explain the needs and preferences of different client segments
- 1.1.5 Identify other stakeholders in the investment ecosystem
 - Service providers
 - Asset managers
 - Sell-side brokers
 - Custodians and third-party administrators
 - Regulators / policymakers

TOPIC 2 MANAGING AN INVESTMENT BUSINESS

By the end of this topic, learners should be able to:

- ▶ demonstrate an understanding of the structure, governance and ethical considerations of an investment business

2.1 STRUCTURE OF AN INVESTMENT BUSINESS

- 2.1.1 Explain the value chain of an investment business
- 2.1.2 Explain the functions within an investment business
 - Investment functions
 - Risk and compliance
 - Client and business development
 - Operations
 - Technology and IT
 - Finance and accounting

- Human resources

2.1.3 Explain the supply chain of an investment business, identifying the role of consultants and suppliers in creating value for clients and the business

2.2 GOVERNANCE AND BUSINESS ETHICS

2.2.1 Explain how an investment business is governed

2.2.2 Explain the ethical considerations to be considered by an investment business

TOPIC 3 INVESTMENT BUSINESS: COMMERCIAL PROPOSITION, OPPORTUNITIES AND CONSTRAINTS

By the end of this topic, learners should be able to:

- demonstrate an understanding of the commercial proposition of an investment business and the opportunities, risks and constraints

3.1 COMMERCIAL PROPOSITION

3.1.1 Analyse different approaches to formulating a business's holistic commercial proposition in light of, for example

- Market trends
- Regulation
- Geopolitics
- Risk appetite
- Client strategy
- Porter's five forces

3.1.2 Identify the addressable market using research and data analysis of market trends

- Across geographies
- Across public and private markets
- Across asset classes
- Allowing for economic and business cycles
- Differentiated for different client tiers
- Across competitors

3.1.3 Analyse product specific considerations when developing new products

- Product structure
- Product positioning
- Cannibalisation of other products
- Product Management, monitoring and reporting
- Product scale, pricing and fee structure
- Opportunities to cross sell to clients
- Operational resources and cost allocation
- Considerations in establishing KPIs
- Product lifecycle and product exit, including closing and merging funds

3.2 OPPORTUNITIES, RISKS AND CONSTRAINTS

3.2.1 Explain how regulatory requirements influence a business's commercial proposition

- FCA Consumer Duty
- MiFID distribution rules
- Target market distribution
- The Pensions Regulator
- Sustainability / disclosure requirements; stewardship requirements
- Regulation and systemic risk

TOPIC 4 CLIENT STRATEGY AND SOLUTIONS

By the end of this topic, learners should be able to:

- demonstrate an understanding of the client strategy of an investment business and how it considers client solutions

4.1 CLIENT STRATEGY

- 4.1.1 Analyse different approaches to client strategy
- 4.1.2 Identify how systems and data track evolving client needs and integrate these into product strategy
- 4.1.3 Apply client strategy to client segmentation and client tiering
- 4.1.4 Describe client journeys from initial contact to post-purchase interactions
- 4.1.5 Apply the value proposition to different client segments
- 4.1.6 Explain how the success of client strategy can be measured

4.2 CLIENT SOLUTIONS

4.2.1 Describe the key investment characteristics in relation to each client segment

- Expected return
- Risk
- Liquidity
- Cost
- Structure
- Pricing
- Sector and segment exposure

4.2.2 Identify how different client segments are accessing the range of investible assets

- Public vs private markets
- Active vs passive
- Investment products vs bespoke portfolios
- Funds vs individual securities
- Open-ended vs closed / Investment trusts
- Exchange-traded vs over-the-counter

4.2.3 Compare and contrast different investment solutions for different institutional client needs and the end user

- Broad growth strategies
- Risk based solutions
- Liability-driven investing solutions
- Lifecycle solutions
- Income generating solutions
- Protected / guaranteed solutions
- Specialist active funds for individual components
- Decumulation solutions

TOPIC 5 FINANCIAL PERFORMANCE

By the end of this topic, learners should be able to:

- demonstrate an understanding of the financial performance of an investment business at both product level and of the business overall

5.1 PRODUCT FINANCIAL PERFORMANCE

- 5.1.1 Explain the profitability of a product
- 5.1.2 Describe the financial elements to consider during the product lifecycle and innovation

5.2 INVESTMENT BUSINESS FINANCIAL PERFORMANCE

- 5.2.1 Analyse the financial performance of an investment business using key metrics
 - Revenue
 - Costs
 - Profitability
 - Return
- 5.2.2 Analyse profit and loss within an investment business
- 5.2.3 Explain the considerations for regulatory capital requirements

TOPIC 6 ADAPTING TO SECTOR TRENDS

By the end of this topic, learners should be able to:

- demonstrate an understanding of the need to adapt to sector trends and the underlying opportunities and risks

6.1 SECTOR TRENDS

- 6.1.1 Evaluate the ability to adapt and manage market and liquidity risks and opportunities in an evolving sector
 - Deglobalisation
 - Contraction / consolidation
 - Private and public markets
 - Mansion House Compact
 - Longer term move to passives
 - Sustainability and nature
 - Competition
- 6.1.2 Evaluate the ability to adapt and manage regulatory risks and opportunities in an evolving sector

6.1.3 Evaluate the ability to adapt and manage operational risks and opportunities in an evolving sector

- AI
- Innovation and FinTech
- Tokenisation
- Cybersecurity
- Outsourcing
- White labelling