

Certified Wealth Strategist® Curriculum Topics and Objectives

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Program Kick-Off Session	Topics	Objectives
CWS® Practice Management Skills (Growing Your Business I) and The Program of Study	Investments	After completing all activities of session, you will be able to:
	7-Step Investment Interview	<ul style="list-style-type: none"> ▪ Identify the profile of the client they specialize in serving ▪ Identify clients from whom you can capture additional assets
	Presentation Techniques	<ul style="list-style-type: none"> ▪ Begin preparation to create an action plan to work with these clients ▪ Understand client investment issues and how you serve as the overall advisor to address these issues
	Profile of the Clients You Specialize in Serving	<ul style="list-style-type: none"> ▪ Learn a 7-step investment interview format ▪ Understand how to position yourself to capture all of the client's assets and reposition them for management for longer periods of time
	The Branding Message	<ul style="list-style-type: none"> ▪ Understand how to brand what you do for clients in a manner that compels them to want to learn more
	Prospecting Plan	<ul style="list-style-type: none"> ▪ Be able to explain how you deliver your brand to prospects, centers of influence, and current clients
	Centers of Influence	<ul style="list-style-type: none"> ▪ Learn the 13 Wealth Management Issues Interview format
	The 13 Wealth Management Issues	<ul style="list-style-type: none"> ▪ Understand the key issues associated with each of the 13 Wealth Management Issues
	Overview of Self-Paced Learning Elements and Suggested Study Track	<ul style="list-style-type: none"> ▪ Create an action plan to attract new affluent clients ▪ Develop your packaging and labeling for delivery to internal and external centers of influence ▪ Understand the four components of a successful centers of influence meeting ▪ Learn to capitalize on your prospecting efforts by executing the 13 Wealth Management Issues Interview ▪ Prepare for self-study and the development of individual Capstone Projects

Lesson 1
Investments

Topics

Objectives

Investments
Management

After completing all activities of Lesson 1 on Investments you will be able to:

Principles of Managing
Portfolios

- Ascertain the appropriate level of expertise needed in investments to work comprehensively with wealthy and affluent clients

Derivative Investments

- Assess your level of expertise in investments and analyze your approach to investments with respect to a comprehensive wealth management approach

Funds and Other
Collective Investments
Professional
Management Concepts

- Recognize the two most important pitfalls to avoid with investments
- Understand and apply the components necessary to establish investment objectives

Investment Policy
Development

- Persuasively present an argument for one overall advisor to guide and direct total asset allocation

Performance
Measurement

- Demonstrate knowledge of asset allocation, articulate the asset allocation process and describe the benefits of a disciplined asset allocation investment strategy – rebalancing and reallocation

Asset Classes and Their
Characteristics

- Explain the importance of a plan for appropriate correlation among a client's investments, funds, and managers
- Identify the factors that determine customer satisfaction with respect to investments

Discussion Points With
Clients

- Develop a disciplined approach to understanding a client's situation, goals, feelings, and family dynamics
- Implement the Seven-Step Interview Process
- Using the characteristics of publicly traded fixed income securities, explain the use of publicly traded fixed income securities in portfolios
- Identify the types and characteristics of private securities
- Describe closely held securities and their characteristics
- Explain the use of partnerships and trusts in portfolios
- Explain the implications of partnerships and Trusts in the asset allocation strategy or explain how partnerships and trust are classified as assets
- Explain the major types of real estate investments and their characteristics
- Identify typical collectible investments and their characteristics
- Recognize other types of exotic investments found in portfolios and relate their effect on the portfolio
- Identify the characteristics and uses of mutual funds
- Identify the characteristics and uses of REITs
- Identify the characteristics and uses of depository receipts
- Identify the characteristics and uses of hedge funds
- Identify the characteristics and uses of exchange funds
- Explain the purpose of exchange funds and the advantages and disadvantages
- Explain how risk is measured in portfolio management
- Explain standard deviation and its relevance in portfolio management decisions
- Explain the meaning of a fund's alpha and beta
- Identify the forms and measurements of diversification
- Explain the reasons a client should diversify investments
- Describe covariance and correlation
- Define style drift

- Identify the elements of a good investment policy statement
 - Explain the role of taxability of returns in an investment portfolio
 - Explain the major asset allocation strategies and their application
 - Explain the use of rebalancing and reallocating in applying asset allocation strategies
 - Explain modern portfolio theory and its application
 - Explain how covariance and correlation are used in modern portfolio theory
 - Explain the efficient market theory
 - Define indexing in portfolios
 - Define a laddered portfolio
 - Explain a barbell strategy for fixed income securities
 - Explain bond immunization
 - Explain investment themes and their use
 - Summarize the major considerations in performance management
 - Explain the meaning and significance of time-weighted and dollar-weighted returns
 - Explain risk adjusted performance management
 - Identify the major portfolio benchmarks and indices and explain their characteristics
 - Explain derivative investments
 - Identify the characteristics and uses of stock options
 - Communicate the advantages and disadvantages of Puts, Calls, Collars, and other derivative-based strategies
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- Given a phase of the Client Wealth Position Lifecycle, identify the related implications and questions for the client
 - Describe the rationale behind following a systematic investment management process.
 - Given a stage of the investment management process, identify its purpose and related tasks.
 - Describe the concepts that serve as the foundation of a systematic investment management process
 - Identify the two greatest risk factors facing investors
 - Given a common investment myth, describe the related risk
 - Identify the purpose of the 7-Step Investment Interview
 - Given a step in the 7-Step Investment Interview process, identify things to consider and things to avoid when executing that step

Lesson 2 Liabilities

Topics

General Concepts

Types of Credit Facilities

Unique Liabilities and Considerations Required

Key Concepts of Credit Underwriting

Financial Information Required for Loan Approval

Identifying Opportunities

Introducing the Credit Specialist and Coordinating the Process

Objectives

After completing all activities Lesson 2 on Liabilities you will be able to:

- Enhance your ability to meet client needs
- Explain why credit is important in the affluent community
- Learn how liabilities are utilized by the affluent market
- Understand the risks involved in lending
- Understand the different types of credit facilities and how each is used by the affluent market
- Learn about the types of financial information required in the loan approval process
- Learn questions and interview skills to uncover loan opportunities
- Increase your comfort level discussing current loans and future loan opportunities with clients
- Understand your role as the pre-qualifier for your clients
- Identify opportunities for moving existing liability relationships by analyzing personal financial statements
- Understand credit reports and scores
- Identify common sub-issues that are relevant to client liabilities
- Identify the proper questions to ask for surfacing client liabilities issues
- Given a liability description, identify the common reasons why a client may need it
- Use a decision tree to apply client information for choosing the best liabilities solution
- Given basic client information, apply knowledge of common liabilities issues to provide the best solution
- Given a common client objection or issue, select the appropriate solution to overcome the objection or issue
- Given a common client scenario, apply all relevant knowledge and techniques with respect to common liabilities issues to provide the best client solution

Lesson 3 Insurance

Topics

The Five Purposes of Life Insurance

Types and Uses of Life Insurance

The Underwriting Process

Settlement Options for Death Benefits

Advanced Insurance Topics

Taxation Issues of Life Insurance Contracts

Objectives

After completing all activities Lesson 3 on Insurance, you will be able to:

- Identify the five purposes of life insurance
- Explain how to use life insurance to replace income and/or assets
- Explain how to use life insurance to provide liquidity to pay estate taxes
- Explain how to use life insurance to fund the cost of business continuation and/or business transition
- Explain key person insurance and generalize on its appropriate use
- Identify the need for life insurance as a part of deferred compensation arrangements
- Identify the profile of the client who needs the various types of life insurance policies
- Explain the underwriting process for high net worth clients

Purpose of Disability Insurance	<ul style="list-style-type: none"> ▪ seeking life insurance ▪ Compare settlement options for death benefits ▪ Identify and explain the various taxation issues for life insurance including investment returns, surrendering a policy, exchanging a policy, gifting a policy, and incidents of ownership for a policy
Types of Disability Insurance	
Adequacy of Disability Insurance	<ul style="list-style-type: none"> ▪ Explain advanced insurance strategies relevant to high net worth clients ▪ Explain the need for personal income protection ▪ Identify the additional need for corporate/business income protection
Disability Insurance Discussion Points With the Client	<ul style="list-style-type: none"> ▪ Explain the characteristics of disability income insurance ▪ Identify the elements needed to adequately assess the appropriate coverage ▪ Identify the key decisions to be made on coverage types
Purpose of Long Term Care Insurance	<ul style="list-style-type: none"> ▪ Explain the need for long term care insurance protection ▪ Explain the characteristics of long term care insurance ▪ Identify the elements needed to adequately assess the appropriate coverage ▪ Identify the key decisions to be made on coverage types
Types of Long Term Care Insurance	<ul style="list-style-type: none"> ▪ Explain the sources and uses of basic personal liability coverage ▪ Explain umbrella coverage and its uses ▪ Explain professional liability coverage and its uses ▪ Compare the cost effectiveness of umbrella and basic personal liability insurance
Adequacy of Long Term Care Insurance	<ul style="list-style-type: none"> ▪ Identify the obvious and not so obvious needs for personal liability coverage ▪ Identify the risks of self insuring personal liability coverage ▪ Identify common sub-issues that are relevant to client insurance needs. ▪ Identify the proper questions to ask for surfacing client insurance needs.
Long Term Care Insurance Discussion Points With the Client	<ul style="list-style-type: none"> ▪ Given an insurance product, identify the common reasons why a client may need it. ▪ Use a decision tree to apply client information for choosing the best product and coverage. ▪ Given basic client information, apply knowledge of common insurance issues to provide the best solution. ▪ Given a common client objection or issue, select the appropriate solution to overcome the objection or issue. ▪ Given a common client scenario, apply all relevant knowledge and techniques with respect to common insurance issues to provide the best client solution.
Purpose of Liability Insurance	
Types of Liability Insurance	
Adequacy of Liability Insurance	
Liability Insurance Discussion Points With the Client	

<u>Lesson 4</u>	<u>Topics</u>	<u>Objectives</u>
Executive Compensation	Approaching the Issues	After completing all activities Lesson 4 on Executive Compensation, you will be able to:
	Stock Associated Issues	<ul style="list-style-type: none"> ▪ What are stock options? ▪ What are the different kinds? ▪ What are the uses of the various kinds? ▪ What are the significant dates to consider? ▪ What are the basic requirements of “incentive stock options?”
	Insurance Related Issues	<ul style="list-style-type: none"> ▪ What is stock option pyramiding? ▪ How can the various kinds be gifted? ▪ Which features to consider in developing an exercise plan?
	Retirement Plan Issues	<ul style="list-style-type: none"> ▪ Identify common issues that are relevant to executive compensation ▪ Identify the proper questions to ask to surface the issues related to executive compensation ▪ Identify and explain the four key components of your branding message as related to executive compensation issues ▪ Given basic client information, apply knowledge of the common issues to provide the best solution ▪ Use a decision tree to apply client information for choosing the best solution for executive compensation issues ▪ Describe the importance of discussing executive compensation issues with your clients, both for them and you as their wealth manager
	Discussion Points With Clients	<ul style="list-style-type: none"> ▪ Identify common issues that are relevant to executive compensation ▪ Identify the proper questions to ask to surface the issues related to executive compensation ▪ Identify and explain the four key components of your branding message as related to executive compensation issues ▪ Given basic client information, apply knowledge of the common issues to provide the best solution ▪ Use a decision tree to apply client information for choosing the best solution for executive compensation issues ▪ Describe the importance of discussing executive compensation issues with your clients, both for them and you as their wealth manager

Lesson 5 **Protection** **Strategies**

Topics

Titling of Assets

Powers of Attorney

Other Protection Documents

Revocable Intervivos Trusts

Executor and Successor Trustee Considerations

Protection of the Children

Discussion Points with the Client

Objectives

After completing all activities Lesson 5 on Protection Strategies, you will be able to:

- Identify the various forms of property ownership and their characteristics
- Identify the strengths and weaknesses of Powers of Attorney
- Explain what is a durable power of attorney
- Explain what is a living will
- Identify who should be designated a client's health surrogate
- Explain what are the uses of a revocable trust
- Identify the qualifications of a personal fiduciary
- Explain what are the legal requirements to be a personal representative
- Explain what are dower and curtesy rights
- Explain what is an elective share
- Explain what is the difference between common law and community property
- Identify what are the characteristics of a good guardian for the client's children
- Explain the importance of registering trust intended assets in the name of the trustee
- Explain the pitfall of joint owners with right of survivorship
- Identify how to develop the 75 year vision of the family wealth management plan
- Identify how to establish continuity in the relationship with the family beyond the client
- Identify common issues that are relevant to wealth protection strategies
- Identify the proper questions to ask to surface the issues related to protection strategies
- Given basic client information, apply knowledge of the common issues to provide the best solution
- Given a client's wishes, determine the most efficient means of ensuring those wishes are met after death or at disability
- Given a common client scenario, apply all relevant knowledge and techniques with respect to the common issues to provide the best client solution
- Describe the importance of discussing protection strategies with your clients, both for them and you as their wealth manager

Lesson 6
QRP/IRA
Distributions

Topics

Objectives

Introduction

After completing all activities Lesson on QRP/IRA Distributions, you will be able to:

Qualified Plans

Non-Qualified Retirement Plans

Individual Retirement Arrangements

Contribution Limits

Distributions

Advanced Planning Techniques

Discussion Points With Clients

- Identify the two main types of retirement plans
- Explain the characteristics of a qualified retirement plan (QRP)
- Identify a defined contribution plan
- Identify a defined benefit plan
- Identify some of the specialty IRAs
- Explain the characteristics of a 401(k) plan
- Identify how to distinguish the two versions of a SIMPLE retirement plan
- Explain a 412(i) plan
- Identify the individual plan contribution limits
- Explain non-qualified retirement plans and their uses
- Identify the characteristics of the three significant periods of distribution for QRPs
- Explain why it is important to have a Designated Beneficiary for QRPs
- Explain the considerations for making distributions from QRPs during life
- Explain the considerations for making distributions from QRPs after death
- Explain a rollover IRA and why it is used
- Explain a “stretch” IRA
- Explain the advantages of creating an IRA funded Donor Advised Fund
- Given a list of comparisons, identify the differences between qualified retirement plans (QRPs) and non-qualified retirement plans (NQRPs)
- Identify distribution strategies as the most important consideration when dealing with a client’s QRP and IRA issues
- Identify common issues relevant to the timing of distributions from QRPs and IRAs
- Given basic client information, identify the decision tree that corresponds to the most likely related path
- Given basic client information, apply knowledge of a client’s distribution phase to select the most appropriate questions to ask
- Given a common client situation, identify the most important issue to consider when forming a solution
- Given a common client situation, select the most appropriate strategy to address the issue
- Given a list of possibilities, identify the eligible designated beneficiaries

Lesson 7
Business
Succession
Planning

Topics

Issues and Themes

Transferring the Business During Life

Transferring the Business at Death

Discussion Points With Clients

Objectives

After completing all activities Lesson 7 on Business Succession Planning, you will be able to:

- Identify and explain alternatives for transferring a business to one's family during life
- Identify and explain alternatives for transferring a business to one's employees during life
- Identify and explain alternatives for transferring a business to a third party during life
- Identify and explain alternatives for transferring a business to one's family at death
- Identify and explain alternatives for transferring a business to one's employees at death
- Identify and explain alternatives for transferring a business to a third party at death

- Identify common issues that are relevant to business succession planning
- Identify and explain the key reasons businesses can fail in the successor generation
- Identify the proper questions to ask to surface the issues related to business succession planning
- Given basic client information, apply knowledge of the common issues to provide the best solution
- Use a decision tree to apply client information for choosing the best solution to business succession planning issues

**Lesson 8
Gifting to
Children &
Descendants**

Topics

- Motives for Gifts
- Tax Issues
- Types of Gifts
- Advanced Gifting Considerations
- Discussion Points With Clients

Objectives

After completing all activities Lesson 8 on Gifting to Children and Descendants, you will be able to:

- Explain what motivates clients to give
- Identify the gift tax considerations in gifting
- Identify the income tax considerations in gifting
- Identify the generation-skipping transfer tax considerations in gifting
- Explain the kiddie tax
- Explain the uniform gift to minors act and its uses
- Identify the types of educational savings accounts authorized
- Explain which types of trust are beneficial to gifting
- Explain what Crummey provisions are and how they are used in trusts
- Identify a QPRT and its uses
- Identify how a family limited partnership is favorable to gifting
- Compare rolling GRATS to other similar kinds of gifting
- Explain an intentionally defective grantor trust and how it is used in gifting

- Identify common sub-issues that are relevant to gifting to children and descendants
- Identify and explain the main motivations clients have for gifting to children and descendants
- Identify the proper questions to ask to surface the issues related to gifting to children and descendants
- Given basic client information, apply knowledge of the common issues to provide the best solution
- Use a decision tree to apply client information for choosing the best solution for issues related to gifting to children and descendants

Lesson 9
Charitable
Gifting

Topics

Motivations to Give to Charity

Taxation of Charitable Gifts

Types of Gifts

Consideration of Specific Assets

Comprehensive Case Study

Discussion Points With Clients

Objectives

After completing all activities Lesson 9 on Charitable Gifting, you will be able to:

- Explain why clients make gifts
- Explain the income taxation of charitable gifts
- Explain the estate and gift taxation of charitable gifts
- Identify the generation-skipping transfer tax implications of charitable gifting
- Identify the major types of charitable gifts
- Identify the significant elements of and benefits of a private foundation
- Identify the restrictions placed on a private foundation
- Compare the corporate and trust form of a private foundation
- Compare a general and specific legacy under a Will
- Explain a charitable gift annuity and its uses
- Compare a current with a deferred charitable annuity
- Identify the elements of and uses for conservation easements
- Identify a donor managed investment account
- Explain a charitable family limited partnership
- Explain the uses of charitable remainder trusts
- Explain the uses of charitable lead trusts
- Discuss the significance of a zeroed out charitable lead annuity trust
- Compare the annuity and uni form of charitable trusts
- Explain the uses of pooled income funds
- Compare a pooled income funds with a charitable remainder trusts
- Identify a donor advised fund
- Compare a donor advised fund with a private foundation
- Explain the deductibility of various life insurance contracts
- Identify the considerations of gifting tangible personal property
- Compare the use of retirement assets with other types in a gifting program
- Identify common sub-issues that are relevant to charitable gifting
- Identify and explain the main motivations clients have for charitable gifting
- Identify the proper questions to ask to surface the issues related to charitable gifting
- Given basic client information, apply knowledge of the common issues to provide the best solution
- Use a decision tree to apply client information for choosing the best solution for issues related to charitable gifting

Lesson 10
Distribution
of Wealth at
Death

Topics

Objectives

Goals

After completing all activities of Lesson 10 on Distribution of Wealth at Death, you will be able to:

Rules

Alternative Methods of
Wealth Distribution

Planning
Configurations and
Considerations

Consideration of
Special Assets

Fiduciaries

Discussion Points With
Clients

- Identify the four basic concerns of clients transferring wealth at death
- Explain the special challenges of heirs with special needs
- Identify the major rules covering distributions at death
- Explain the concept and calculation of the federal estate tax (FET)
- Explain the alternate valuation option
- Understand the types of property subject to the FET
- Explain a Power of Appointment and distinguish a taxable from a non-taxable power
- Identify various forms of marital deductions and the utility of each
- Explain the charitable deduction and its requirements
- Explain the interaction of state death taxes with the FET
- Recognize the income tax consequences of inherited property
- Explain carry over basis and its effects
- Explain the concept and calculation of the Generation-Skipping Transfer Tax (GSTT)
- Identify a skip person
- Assess whether an event is taxable for GSTT purposes
- Identify the deductions against the GSTT
- Recognize the income tax provisions related to the GSTT
- Explain the use of a dynasty trust in GSTT planning
- Understand the concept and calculation of the federal income taxation of trusts and estates
- Explain the difference between simple and complex trusts for income tax purposes
- Identify income with respect to a decedent and its special taxation
- Explain the concept of intestacy
- Understand probate
- Understand why states have enacted statutes of Wills
- Explain why “public policy” limits distributions at death
- Understand the concept of the Principal and Income Act and its application to trusts and estates
- Recognize the influence of “Scott on Trusts”
- Explain the five elements of a valid trust
- Identify whether a trust is revocable or irrevocable and the tax consequences of that determination
- Understand distribution of wealth options for trustees
- Explain the origin, structure, and utility of a credit shelter trust
- Identify the various types of marital deduction trusts and their utility
- Understand the advantages and disadvantages of QTIP and POA marital trusts
- Explain the need for and structure of a QDOT
- Understand ILITs
- Recognize the utility of disclaimers
- Demonstrate knowledge of typical planning configurations for estate planning
- Identify the special needs and taxation of closely held

- corporations and family partnerships
- Explain estate freezing techniques
- Identify the special needs and taxation of retirement plans
- Identify the special needs and taxation of real estate
- Understand the characteristics of a proper fiduciary
- Explain how to assess good fiduciary candidates
- Identify administrative steps required to settle an estate

- Identify common sub-issues that are relevant to distribution at death.
- Identify the proper questions to ask to surface the issues related to distribution at death.
- Given basic client information, apply knowledge of the common issues to provide the best solution.
- Use a decision tree to apply client information for choosing the best solution for issues related to distribution at death

End Session	Topics	Objectives
CWS® Client Interaction Skills And Capstone Project Planning	Application Skills	After completing all activities you will be able to:
	Inspection of Blueprint	<ul style="list-style-type: none"> ▪ Use Comprehensive Wealth Management to build value in the interviewing process
	13 Wealth Management Issues-Conversations	<ul style="list-style-type: none"> ▪ Utilize appropriate techniques for warming up with various professionals and personality types ▪ Accurately collect comprehensive information about clients including current personal and financial situations and future expectations
	Tying Data and Insights to Tools	<ul style="list-style-type: none"> ▪ Describe the 13 Wealth Management Issues Interview and its purpose
	Using Other Expert Resources	<ul style="list-style-type: none"> ▪ Facilitate a 13 Wealth Management Issues Interview with a client ▪ Describe the Seven Step Investment Interview and its purpose
Completing and Submitting the Capstone Project for CWS® Certification	<ul style="list-style-type: none"> ▪ Describe the purpose and use of an ETHICAL Needs Analysis ▪ Facilitate a Seven Step Investment Interview and ETHICAL Needs Analysis with a client ▪ Explain the five areas to question clients in order to surface their specific issues ▪ Understand the financial issues to surface in the interview in order to move the sales process forward ▪ Understand and be able to take the steps necessary at the end of the interview to set up the next step which may include a presentation ▪ Facilitate other interviews with a client such as Insurance, IRA/QRP, Liabilities/Credit, Business Succession Planning, Trust ▪ Formulate ideas, suggestions, and alternatives to accomplish client objectives and implement a plan of action to accomplish the client's objectives ▪ Understand the requirements for develop a Capstone Project 	