

Standard 5: Investment Analysis, Recommendations and Actions

- Exercise diligence, independence and thoroughness in analyzing investments, making recommendations and taking investment actions.
- All recommendations must have a reasonable and adequate basis supported by appropriate research and investigation.
- Employees must disclose to clients and prospective clients the basic format and general principles of the investment processes used to analyze investments, select securities, and construct portfolios. Prompt disclosure of changes to these processes must also take place if materiality is determined.
- Use reasonable judgment in identifying which factors are important to the analysis of investments, recommendations and actions.
- Distinguish between fact and opinion in the presentation of investment analysis and recommendations.