

# International Introduction to Securities & Investment Edition 18 Addendum Published June 2025

The International Introduction to Securities & Investment Workbook Edition 13 has been updated to reflect the following changes:

## **Chapter 3, Section 3.2.3**

Text has been deleted: “A bonus issue is generally a means of returning value to shareholders and is sometimes offered in lieu of a cash dividend.”

## **Chapter 1, Section 2**

Text has been amended to read: “**Retail Insurance** – the provision of a range of life assurance and protection solutions for areas such as medical, critical illness, motor, property, income and mortgage protection.”

## **Chapter 3, Section 3.2.5**

Text has been amended to read:

“From the declaration date up to the record date,…”

“The standard settlement period globally over…”

Example has been amended to read:

“ABC plc calculates its interim profits (for the six months to 30 June) and decides to pay a dividend of £0.08 per share. It announces (declares) the dividend in August and states that it will be due to those shareholders who are entered on the shareholders’ register on Thursday 1 October. This is the record date. The payment of the dividend will then be made to those shareholders at a later specified date.

The 1 October date is variously known as the:

- record date
- register date, or
- books closed date.

Given the record date of 1 October, the LSE sets the ex-dividend date as Friday 2 October.

On the LSE, the ex-dividend date is normally a Thursday so that all market participants know when it will take place and, on this day, the shares will go ex-dividend and should fall in price by £0.08. This is because new buyers of ABC plc’s shares will not be entitled to the dividend. Problems could occur – if an investor bought shares in ABC plc on Tuesday 29 September and, for some reason, the trade did not settle on Thursday 1 October, they would not receive the dividend.”

### **Chapter 7, Section 1**

First bullet has been amended to read: “The US is the largest single country fund market in the world at \$26.96 trillion in total net assets in 2021. The US accounted for around 40% of the global mutual fund market<sup>1</sup>.”

Second bullet has been amended to read: “Europe’s fund market was valued at nearly \$34 trillion<sup>3</sup>.”

### **Chapter 3, Section 1.3**

Text has been amended to read: “In the following year, assuming there are sufficient profits, cumulative preferred shares would pay a dividend of US\$4, whereas non-cumulative preferred shares would pay the US\$2. The unpaid US\$2 from the previous period would be lost.”

### **Chapter 9, Section 3.3**

Fixed Rate-Mortgages – final bullet has been deleted.

### **Chapter 9, Section 4.1.2**

Text has been amended to read: “Term assurance is a type of policy that pays out a lump sum in the event of death or serious terminal illness occurring within a specified period.”

### **Chapter 1, Section 2.4**

Text has been amended to read: “Based on the value of the notional amounts outstanding, OTC derivatives markets worldwide are about four times the size of equities quoted on stock exchanges.”

### **Chapter 3, Section 3.2**

Second paragraph has additional text to read: “The Magic Square originates from Germany where the German Bundestag (parliament) included four goals in 1967 that was called the law to ensure the stability and growth of the economy. Since then a number of other goals can be added to the square.”

Table, last row has been amended to read: “**A Balanced Current Account** - The Current Account is one of two components that make up the balance of payments. Deficits in external trade, with imports exceeding exports, might be damaging for the prospect of economic growth.

### **Chapter 1, Section 2.1**

Text has been deleted: “Supply and demand dynamics determine the value of shares in real time.”

### **Chapter 7, Section 3.5**

Text has been amended to read: “One of the main features of REITs is that they typically provide access to property returns without the previous disadvantage of double taxation. Until recently, when an investor held property company shares, not only would the company pay corporation tax, but the investor would be liable to tax on dividends and any growth. For example, under the rules for UK REITs, no corporation tax is payable, providing that certain conditions are met, and

distributions are instead taxable on the investor. However, specific qualifying conditions and tax treatment vary by jurisdiction such as; Germany G-REIT, France SIIC, Singapore S-REIT.”

**Chapter 6, Section 5**

Text has been amended to read: “A CDS is actually more like an option, or more simply insurance. The party buying credit protection makes a periodic payment (or pays an up-front fee) to a second party, the seller.”