Public

CFA Institute®

Curriculum Errata Notice

2027 Level I CFA Program

Issue date: October 2026

Welcome to the Curriculum Errata Notice.

We review and confirm potential errors to ensure you can study with confidence. This notice includes reported issues that could affect your understanding, such as miscalculations, incorrect explanations, or mislabeled exhibits.

For the most current information, regularly check the Learning Ecosystem (Canvas) or this document. Due to the nature of our publishing process, corrections may not appear immediately in our printed materials.

In this document, you will find:

- Table of Contents by Course
- New Errata marked since the last notice
- Full list of errata organized by Course

If you spot something that seems incorrect, please let us know: cfainst.is/errata. Every report is carefully reviewed and investigated by our subject matter experts.

All the best as you continue your studies!

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New errata

Here are new posted errata since our last issue. You'll also find these same errata listed in the "Complete list of errata" below.

Revised	Course, Module	Lesson	Location (PDF)	Replace	With
10 Sept 2026	Fixed Income 8: Yield and Yield Spread Measures for Floating-Rate Instruments	Solutions	Page 208 Solution – Question 1	B is correct. … Using the RATE function in Microsoft Excel, Google Sheets, or a financial calculator and using *PV* = -101.20, *FV* = 100, *PMT* =0.275, and *N* = 8, we solve for the discount rate per period of 12.4161%. The discount margin can then be estimated by solving for *DM*: $r = \frac{MRR + DM}{m}$ $0.124161 = \frac{-0.005 + DM}{4}$ *DM* = 0.4525. The estimated discount margin is 45.25 bps.	**C** is correct. … Using the RATE function in Microsoft Excel, Google Sheets, or a financial calculator and using *PV* = -101.20, *FV* = 100, *PMT* =**0.2625**, and *N* = 8, we solve for the discount rate per period of **0.11175**%. The discount margin can then be estimated by solving for *DM*: $r = \frac{MRR + DM}{m}$ c $\mathbf{0.0011175} = \frac{\mathbf{-0.0055} + DM}{4}$ *DM* = **0.9970%** The estimated discount margin is **99.7** bps.

16 Sept 2026	Ethical and Professional Standards 10: Application of the Code and Standards: Level I	10.08 Responsibilities as a CFA Institute Member or CFA Candidate	Page 277 Knowledge Check Question 1 Solution	B is correct. Standard VII(A) Conduct as Participants in CFA Institute Programs states that candidates "must not engage in any conduct that compromises . . . the integrity, validity, or security of CFA Institute programs."	**C is correct.** Standard VII(A) Conduct as Participants in CFA Institute Programs states that candidates "must not engage in any conduct that compromises . . . the integrity, validity, or security of CFA Institute programs."
21 Sept 2026	Quantitative Methods 1: Returns of Financial Assets and Instruments	Solutions	Page 43 Question 2— Solution	The correct response is B. (1 + 0.14) × (1 – – 0.10) × (1 – 0.02) – 1 = 0.0055 = 55%.	The correct response is B. (1 + 0.14) × (1 – 0.10) × (1 – 0.02) – 1 = 0.0055 = **0.55**%.
21 Sept 2026	Quantitative Methods 6: Statistical Distributions for Financial Asset Prices and Returns	6.02 Random Variables and Unconditional Expectations	Page 258 Case Study	$+\cdots+11\left(\frac{1}{36}\right)+12\left(\frac{1}{36}\right)=7$	$+\cdots+11\left(\frac{2}{36}\right)+12\left(\frac{1}{36}\right)=7$
21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 80 Exhibit 2	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link	

21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 81 Case Study Question 2 Solution Step 1 Bullet point 2	On 30 April, the net cash flow, CF_1, is EUR30 million.	On 30 April, the net cash flow, CF_1, is **EUR20 million**.
21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Exhibit 3	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link	
21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Under Exhibit 3	CF_1 refers to the net cash flows at the end of the first four-month interval, or the beginning of the second four-month interval (30 April), and includes one cash inflow of EUR2 million for the dividend received, cash outflows of EUR32 million for the dividend reinvested, the capital gains realized, and the additional capital contributions, respectively. Only the net cash flow matters.	CF_1 refers to the net cash flows at the end of the first four-month interval, or the beginning of the second four-month interval (30 April), **and includes cash inflows of EUR12 million for the dividend received and realized capital gains, cash outflows of EUR32 million** for the dividend reinvested, the capital gains realized, and the additional capital contributions, respectively. Only the net cash flow matters.

21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Question 2 Step 2	$0 = \sum_{t=1}^{T} \frac{CF_t}{(1+r_{MW})^t}$ $= \frac{CF_0}{(1+r_{MW})^0} + \frac{CF_1}{(1+r_{MW})^1} + \frac{CF_2}{(1+r_{MW})^2} + \frac{CF_3}{(1+r_{MW}$ $= \frac{-100}{1} + \frac{-30}{(1+r_{MW})^1} + \frac{0}{(1+r_{MW})^2} + \frac{140}{(1+r_{MW})^3}$	$0 = \sum_{t=1}^{T} \frac{CF_t}{(1+r_{MW})^t}$ $= \frac{CF_0}{(1+r_{MW})^0} + \frac{CF_1}{(1+r_{MW})^1} + \frac{CF_2}{(1+r_{MW})^2} + \frac{CF_3}{(1+r_{MW})^3}$ $= \frac{-100}{1} + \frac{\mathbf{-20}}{(1+r_{MW})^1} + \frac{0}{(1+r_{MW})^2} + \frac{140}{(1+r_{MW})^3}$
21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 81 Case Study Question 2 Step 2	Using a spreadsheet or IRR-enabled calculator, the inputs are −100, −30, 0, and 140 for the $t = 0$, $t = 1$, $t = 2$, and $t = 3$ net cash flows, respectively. The cash flows occur every four months, and r_{MV} = 2.71%.	Using a spreadsheet or IRR-enabled calculator, the inputs are −100, **−20**, 0, and 140 for the $t = 0$, $t = 1$, $t = 2$, and $t = 3$ net cash flows, respectively. The cash flows occur every four months, and r_{MV} = **5.58%**.
21 Sept 2026	Quantitative Methods 3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Question 2 Step 3	The four-month r_{MV} = 2.71% annualizes to: $(1 + 0.0271)^3 - 1 = 8.35\%$	The four-month r_{MV} = **5.58%** annualizes to: $(1 + \mathbf{0.0558})^3 - 1 = \mathbf{17.69\%}$
22 Sept 2026	Quantitative Methods 7: Estimation and Hypothesis Testing	7.03 Hypothesis Testing and Parametric Testing	Page 345 Case Study—Step 4	■ At α = 0.05, reject H_0 if $t < -1.6628$. ■ At α = 0.01, reject H_0 if $t < -2.3705$. Since the calculated t-statistic, 0.3805, is greater than both the critical t-values at α = 0.05 and α = 0.01, we fail to reject the null hypothesis, as Exhibit 20 shows.	■ At α = 0.05, reject H_0 if F-value > **1.6607.** ■ At α = 0.01, reject H_0 if F-value > **2.0569.** Since the calculated t-statistic, 0.3805, is **less than both critical values — 1.6628 at α = 0.05 and 2.3705 at α = 0.01 — it does not fall in the rejection region,** and we fail to reject the null hypothesis, as Exhibit 20 shows.

22 Sept 2026	Quantitative Methods 7: Estimation and Hypothesis Testing	7.03 Hypothesis Testing and Parametric Testing	Page 346 Exhibit 20	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link

Complete list of errata

PreRequisite Reading Economics

Revised	Module	Lesson	Location (PDF)	Replace	With
25 Mar 2026	3: Aggregate Output, Prices, and Economic Growth	3.02 Aggregate Output and Income	Page 81 Exhibit 7	United States 68.0% Mexico 64.8% Italy 60.3% Japan 55.6% Canada 57.9% France 53.9% Germany 52.1%	United States **68.4%** Mexico **70.6%** Italy **58.4%** Japan **55.5%** Canada **53.1%** France **53.1%** Germany **49.6%**
25 Mar 26	3: Aggregate Output, Prices, and Economic Growth	3.02 Aggregate Output and Income	Page 81 Paragraph below Exhibit 7	Comparing Germany's 55.0% APC with Mexico's 67.8%, the implication is that the Mexican economy is more sensitive to changes in disposable household income than is the German economy. All else being equal, macroeconomic policies that increase disposable household income, such as lowering government taxes, would have a larger effect on the economies of Mexico (67.8%) and the United States (68.3%) than similar policies would have in Germany (55.0%) or France (55.4%).	Comparing Germany's **49.6%** APC with Mexico's **70.6%**, the implication is that the Mexican economy is more sensitive to changes in disposable household income than is the German economy. All else being equal, macroeconomic policies that increase disposable household income, such as lowering government taxes, would have a larger effect on the economies of Mexico (**70.6%**) and the United States (**68.4%**) than similar policies would have in Germany (**49.6%**) or France (**53.1%**).

PreRequisite Reading Financial Statement Analysis

Revised	Module	Lesson	Location (PDF)	Replace	With
1 May 2026	5: Inventories	5.11 Evaluation of Inventory Management: Disclosures & Ratios	Page 146 Inventory Ratios	Alternatively, a high inventory ratio and a low number of days of inventory on hand could indicate that the company does not carry an adequate amount of inventory or that the company has written down inventory values.	Alternatively, a high inventory **turnover** ratio and a low number of days of inventory on hand could indicate that the company does not carry an adequate amount of inventory or that the company has written down inventory values.
4 May 2026	6: Long-Lived Assets	6.03 Depreciation of Long-Lived Assets: Methods and Calculations	Page 192 Example 3 Question 3 Solution	Year 3 ROA of 118.21% and Year 4 ROA of 119.42%	Year 3 ROA of **118.19%** and Year 4 ROA of **119.38%**
20 Jan 2026	7: Income Taxes	7.03 Changes in Income Tax Rates	Page 229 Under table	Although the difference between the carrying amount and the tax base of the depreciable asset is the same, the deferred tax liability for 2017 will be £643 (instead of £771 or a reduction of £128 in the liability)—2017: £(14,000− 11,429) × 25% = £643.	Although the difference between the carrying amount and the tax base of the depreciable asset is the same, the deferred tax liability for **Year 3** will be £ 643 (instead of £771 or a reduction of £ 128 in the liability)—2017: £(14,000− 11,429) × 25% = £643.

Quantitative Methods

Revised	Module	Lesson	Location (PDF)	Replace	With
31 Apr 2026	1: Returns of Financial Assets and Instruments	1.02 Financial Returns	Page 12 Under Equation 5	Insert the following: We also note that, for an investment vehicle with no intermediate cash flows, we can simply calculate the average geometric return by dividing the **terminal value** by the starting value. $1+\overline{r}_{Gi}=\sqrt[T]{\frac{\text{Terminal Value}}{\text{Starting Value}}}$ Terminal value often refers to the residual value of an investment at a date post receiving of intermediate cash flows—it is a key concept in equity valuation that we will cover later in this learning module.	
12 Mar 2026	1: Returns of Financial Assets and Instruments	1.02 Financial Returns	Page 14 Exhibit 7	$\overline{r}_{Gi}=\sqrt[T]{(1+r_{i1})x(1+r_{i2})x\ldots x(1+r_{i,T-1})x(1+r_{iT}}$ $=[(1+r_{2017})x(1+r_{2018})x\ldots x(1+r_{2022})x(1+r_{2023})]^{\frac{1}{7}}-1$ $=[(1+0.2881)x(1+0.3130)x(1+0.6037)x(1+0.8200)x(1-0.2292)x(1-0.3857)]^{\frac{1}{7}}-1$	$\overline{r}_{Gi}=\sqrt[T]{(1+r_{i1})x(1+r_{i2})x\ldots x(1+r_{i,T-1})x(1+r_{iT}}$ $=[(1+r_{2017})x(1+r_{2018})x\ldots x(1+r_{2022})x(1+r_{2023})]^{\frac{1}{7}}-1$ $=[(1+0.2881)x(1+0.3130)x(1+0.6037)x(1+0.8200)x(1-0.2292)x(1-0.3857)]^{\frac{1}{7}}-1$ $\mathbf{=[1.2881x1.3130x1.6037x1.8200x0.6809x0.7708x0.6143]\text{^}(1/7)-1}$ $\mathbf{=[1.5915]^{\frac{1}{7}}-1=6.86\%}$

New: 21 Sept 2026	1: Returns of Financial Assets and Instruments	Solutions	Page 43 Question 2—Solution	The correct response is B. (1 + 0.14) × (1 – 0.10) × (1 – 0.02) – 1 = 0.0055 = 55%.	The correct response is B. (1 + 0.14) × (1 – 0.10) × (1 – 0.02) – 1 = 0.0055 = **0.55**%.
26 Aug 2026	2: Types of Financial Returns	2.02 Types of Returns for Financial Assets	Page 54 Case Study Exhibit 3	End of 2020/Beginning of 2021 Exchange rate: USD/EUR 0.8186 / End of 2021 Exchange rate: USD/EUR 0.8793 / Change in Value The USD/EUR exchange rate $\frac{0.8793}{0.8186} - 1 = 7.42\%$	End of 2020/Beginning of 2021 Exchange rate: USD/EUR **1.2216** / End of 2021 Exchange rate: USD/EUR **1.1373** / Change in Value The USD/EUR exchange rate $\mathbf{\frac{1.1373}{1.2216} - 1 = -6.90\%}$
New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 80 Exhibit 2	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link	
New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 81 Case Study Question 2 Solution Step 1 Bullet point 2	On 30 April, the net cash flow, CF_1, is EUR30 million.	On 30 April, the net cash flow, CF_1, is **EUR20 million**.

New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Exhibit 3	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link	
New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Under Exhibit 3	CF_1 refers to the net cash flows at the end of the first four-month interval, or the beginning of the second four-month interval (30 April), and includes one cash inflow of EUR2 million for the dividend received, cash outflows of EUR32 million for the dividend reinvested, the capital gains realized, and the additional capital contributions, respectively. Only the net cash flow matters.	CF_1 refers to the net cash flows at the end of the first four-month interval, or the beginning of the second four-month interval (30 April), **and includes cash inflows of EUR12 million for the dividend received and realized capital gains, cash outflows of EUR32 million** for the dividend reinvested, the capital gains realized, and the additional capital contributions, respectively. Only the net cash flow matters.
New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Question 2 Step 2	$0 = \sum_{t=1}^{T} \frac{CF_t}{(1+r_{MW})^t}$ $= \frac{CF_0}{(1+r_{MW})^0} + \frac{CF_1}{(1+r_{MW})^1} + \frac{CF_2}{(1+r_{MW})^2} + \frac{CF_3}{(1+r_{MW})^3}$ $= \frac{-100}{1} + \frac{-30}{(1+r_{MW})^1} + \frac{0}{(1+r_{MW})^2} + \frac{140}{(1+r_{MW})^3}$	$0 = \sum_{t=1}^{T} \frac{CF_t}{(1+r_{MW})^t}$ $= \frac{CF_0}{(1+r_{MW})^0} + \frac{CF_1}{(1+r_{MW})^1} + \frac{CF_2}{(1+r_{MW})^2} + \frac{CF_3}{(1+r_{MW})^3}$ $= \frac{-100}{1} + \frac{\mathbf{-20}}{(1+r_{MW})^1} + \frac{0}{(1+r_{MW})^2} + \frac{140}{(1+r_{MW})^3}$
New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 81 Case Study Question 2 Step 2	Using a spreadsheet or IRR-enabled calculator, the inputs are −100, −30, 0, and 140 for the $t = 0$, $t = 1$, $t = 2$, and $t = 3$ net cash flows, respectively. The cash flows occur every four months, and r_{MV} = 2.71%.	Using a spreadsheet or IRR-enabled calculator, the inputs are −100, **−20**, 0, and 140 for the $t = 0$, $t = 1$, $t = 2$, and $t = 3$ net cash flows, respectively. The cash flows occur every four months, and r_{MV} = **5.58%**.

New: 21 Sept 2026	3: Benchmarking Returns	3.02 Money-Weighted and Time-Weighted Rates of Return	Page 82 Case Study Question 2 Step 3	The four-month r_{MV} = 2.71% annualizes to: $(1 + 0.0271)^3 - 1 = 8.35\%$	The four-month r_{MV} = **5.58%** annualizes to: $(1 + \mathbf{0.0558})^3 - 1 = \mathbf{17.69\%}$
15 Apr 2026	3: Benchmark Returns	3.03 Index Definition and Calculation	Page 89 Exhibit 6	1.The objective of the index • Specifying the market or sector 2.The selection of constituents • Selection based on predefined criteria 3.The weighting methodology • Determines how constituent security price changes affect index value 4.The calculations • The initial date and value to calculate the value and performance of the index 5.The maintenance • Through rebalancing and reconstitution, adjusting the weight and changing constituents • Address the impact of corporate actions • Review and update the index construction process and selection criteria	**1.Specify the objective of the index** • Specifying the market or sector **2. Select constituents** • Selection based on predefined criteria **3.Determine the weighting methodology** • **How constituent security price changes affect index value** **4.Perform calculations** • The initial date and value to calculate the value and performance of the index **5.Perform maintenance for the index** • Through rebalancing and reconstitution, adjusting the weights and changing constituents • Addressing the impact of corporate actions • Reviewing and updating the index construction process and selection criteria

15 Apr 2026	3: Benchmark Returns	3.03 Index Definition and Calculation	Page 90 Second paragraph above Exhibit 7	Total return indexes, which provide a more complete picture by also accounting for reinvested dividends and distributions, are appropriate for benchmarking dividend-paying stocks, long-term investment growth, mutual funds, dividend reinvestment plans, and where reinvested capital distributions contribute significantly to returns.	Total return indexes **provide a more complete picture by also accounting for reinvested dividends and distributions and are therefore appropriate for benchmarking situations where such reinvestments contribute significantly to returns – such as dividend-paying stocks, long-term investment growth, mutual funds, and dividend reinvestment plans.**
23 June 2026	3: Benchmark Returns	3.03 Index Definition and Calculation	Page 104 Below table	If the equal-weighted index is rebalanced, securities that have increased in value relative to others in the index (such as Securities B and D) will be sold off, and securities that have underperformed (such as Securities A, C, and E) will be bought to maintain equal weighting.	If the equal-weighted index is rebalanced, securities that have increased in value relative to others in the index (such as Securities B and **E**) will be sold off, and securities that have underperformed (such as Securities A, C, and **D**) will be bought to maintain equal weighting.
8 Aug 2026	4: The Time Value of Money in Finance	4.02 Time Value of Money in Fixed Income and Equity	Page 139 Question 2 Solution	Interest:	Interest: **USD3,500 = USD800,000 × 0.4375% = $PV_0 \times r$.**
8 Aug 2026	4: The Time Value of Money in Finance	4.02 Time Value of Money in Fixed Income and Equity	Page 141 Question 4 Solution	=PV(rate, nper, pmt, [fv], [type]) yields -4,4417.63 = PMT(0.004375, 360, 2800000, 0, 0).	=**PMT**(rate, nper, pmt, [fv], [type]) yields -4,4417.63 = PMT(0.004375, 360, **800000**, 0, 0).

23 July 2026	5: Statistical Characteristics of Asset Returns	5.02 Measures of Central Tendency and Dispersion	Page 193 Equation 3	$\text{Med} = \frac{X_{(n/2-1/2)} + X_{(n/2+1/2)}}{2}$	$\text{Med} = \frac{X_{(\boldsymbol{n/2})} + X_{(\boldsymbol{n/2+1})}}{2}$
New: 21 Sept 2026	6: Statistical Distributions for Financial Asset Prices and Returns	6.02 Random Variables and Unconditional Expectations	Page 258 Case Study	$+ \cdots + 11\left(\frac{1}{36}\right) + 12\left(\frac{1}{36}\right) = 7$	$+ \cdots + 11\left(\frac{2}{36}\right) + 12\left(\frac{1}{36}\right) = 7$
25 Aug 2026	6: Statistical Distributions for Financial Asset Prices and Returns	6.04 Conditional Expectations, Variances, and Covariances	Page 287 Equation 30	$E[X] = \sum_{i=1}^{n} P(X\|S_i) \times P(S_i)$	$E[X] = \sum_{i=1}^{n} \boldsymbol{E(X\|S_i)} \times P(S_i)$
21 July 2026	6: Statistical Distributions for Financial Asset Prices and Returns	6.04 Conditional Expectations, Variances, and Covariances	Page 288 Exhibit 24	$\sigma^2 = \left(\frac{1}{3} \times (0.1575 - 0.0483)^2\right) + \left(\frac{1}{3} \times (0.015 - 0.0483)^2\right) + \left(\frac{1}{3} \times (0.2875 - 0.0483)^2\right) = \frac{0.1092^2 + (-0.0333)^2 + 0.2392^2}{3} = \frac{0.0119 + 0.0011 + 0.0572}{3} = \frac{0.0702}{3} = 0.0234.$	$\sigma^2 = \left(\frac{1}{3} \times (\boldsymbol{-0.1575} - 0.0483)^2\right) + \left(\frac{1}{3} \times (0.015 - 0.0483)^2\right) + \left(\frac{1}{3} \times (0.2875 - 0.0483)^2\right) = \frac{(\boldsymbol{-0.2058})^2 + (-0.0333)^2 + (0.2392)^2}{3} = \frac{\boldsymbol{0.0424} + 0.00111 + 0.0572}{3} = \boldsymbol{0.03356}$

New: 22 Sept 2026	7: Estimation and Hypothesis Testing	7.03 Hypothesis Testing and Parametric Testing	Page 345 Case Study—Step 4	■ At α = 0.05, reject *H* 0 if *t* < − 1.6628. ■ At α = 0.01, reject *H* 0 if *t* < − 2.3705. Since the calculated t-statistic, 0.3805, is greater than both the critical t-values at α = 0.05 and α = 0.01, we fail to reject the null hypothesis, as Exhibit 20 shows.	■ At α = 0.05, reject *H* 0 if *t* > **1.6607.** ■ At α = 0.01, reject *H* 0 if *t* > **2.0569.** Since the calculated t-statistic, 0.3805, is **less than both critical values — 1.6628 at α = 0.05 and 2.3705 at α = 0.01 — it does not fall in the rejection region,** and we fail to reject the null hypothesis, as Exhibit 20 shows.
New: 22 Sept 2026	7: Estimation and Hypothesis Testing	7.03 Hypothesis Testing and Parametric Testing	Page 346 Exhibit 20	This correction is too extensive to display within the Errata Notice. Please refer to the linked PDF for the complete revised content. PDF Link	
10 Aug 2026	8: The Return and Risk of a Financial Portfolio	8.02 Calculating Portfolio Statistics	Page 409 Question 2	$\sigma\rho = (0.0036 + 0.0071 - 0.0101)^{0.5}$ $= 0.0006^{0.5} \approx 0.240$	$\sigma_P = \sqrt{\boldsymbol{w_1^2\sigma_1^2 + w_2^2\sigma_2^2 + 2w_1w_2\sigma_{1,2}}}$ $= \sqrt{\boldsymbol{(0.3)^2(20\%)^2 + (0.7)^2(12\%)^2 + 2(0.3)(0.7)(-0.0240)}}$ $= (0.0036 + 0.0071 - 0.0101)^{0.5} = 0.0006^{0.5} \approx \boldsymbol{0.0240}$
22 June 2026	9: Simulation of Financial Asset Prices and Returns	9.02 Historical Simulation	Page 465 Exhibit 11 Step 2	To refine the analysis, the return deviations at the 2.5th and 97.5th percentiles were interpolated:	To refine the analysis, the return deviations at the 2.5th and 97.5th percentiles were interpolated, **using the convention that the last observation corresponds to the 100th percentile:**
22 June 2026	9: Simulation of Financial Asset Prices and Returns	9.02 Historical Simulation	Page 465 Exhibit 11 Step 2	2.5th percentile (between ranks 2 and 3) using the linear interpolation formula: $x = x_1 + \frac{Percentile - p_1}{p_2 - p_1} \text{x}(x_2 - x_1).$	2.5th percentile (between ranks **1 and 2**) using **standard** linear interpolation formula: $x = -28.56 + \frac{2.5 - 2}{4 - 2} \text{x}(-25.6 - (-28.56)) = -27.82\%$

11 Aug 2026	9: Simulation of Financial Asset Prices and Returns	9.02 Historical Simulation	Page 466 Exhibit 11 Step 2	$x = 5.49 + \frac{97.5 - 96}{98 - 96} \times (7.30 - 5.49)$ $= 6.89\%$	$x = 5.49 + \frac{97.5 - 96}{98 - 96} \times (7.30 - 5.49)$ $= \mathbf{6.85}\%$
11 Aug 2026	9: Simulation of Financial Asset Prices and Returns	9.02 Historical Simulation	Page 466 Exhibit 11 Step 2	Thus, the 2.5th percentile deviation is −25.58%, and the 97.5th percentile deviation is 6.89%.	Thus, the 2.5th percentile deviation is **−27.82**%, and the 97.5th percentile deviation is **6.85**%.
2 July 2026	10: Applications of Simple Linear Regression in Finance	10.5 Using Linear Regression Models to Evaluate Financial Assets: The Capital Asset Pricing Model	Page 560 Question 4 Solution	Using Equation 23, $\hat{Y}_f \pm {}^{t}_{\text{critical for } \alpha/2}{}^{s}_{f}$, we can compute the confidence interval as: $\hat{Y}_f \pm {}^{t}_{\text{critical for } \alpha/2}{}^{s}_{f} = \hat{\beta_1} \pm$ (critical value) × (standard error) = 1.3684 ± 1.96 × 0.084 = 1.3684 ± 0.1646.	Using **an equation similar to** Equation 23, we can compute the confidence interval for the **beta estimate** as: $\hat{\beta_1} \pm$ (critical value) × (standard error) = 1.3684 ± 1.96 × 0.084 = 1.3684 ± 0.1646.

Economics

Revised	Module	Lesson	Location (PDF)	Replace	With
9 Mar 2026	2: Understanding Business Cycles	2.04 Economic Indicators over the Business Cycle	Page 64 Exhibit 9 Inventory sales ratio	Begins to fall as sales recovery outpaces production. Ratio stable. Ratio increases. Signals weakening economy. Ratio begins to fall back to normal.	Begins to fall, **reaching low levels** as sales recovery outpaces production. **Ratio begins to increase and finally restores to a normal level.** Ratio increases**, signalling a weakening economy, and reaches high levels.** Ratio begins to fall back to normal **levels.**
9 Mar 2026	2: Understanding Business Cycles	2.04 Economic Indicators over the Business Cycle	Page 64 Example 2 Question 2	A is correct. When the economy starts to recover, sales of inventories can outpace production, which results in low inventory–sales ratios. Companies then need to accumulate more inventories to restore the ratio to normal level. C is incorrect because in the early stages of a recovery, inventories are likely to fall as sales increase faster than production.	**A is correct. Inventory-sales ratios are low at the end of the Recovery phase, when sales can outpace production. As the economy enters Expansion and production rises rapidly, companies accumulate inventories to restore the ratio to a normal level.**

15 Jan 2026	3: Fiscal Policy	3.05 Fiscal Policy Implementation	Page 102 Question 4	A. An increase in the budget deficit is always expansionary	A. An increase in the budget deficit is **usually** expansionary.
4 May 2026	5: Introduction to Geopolitics	5.03 Forces of Globalization	Page 155 Example 4 Question 1 Solution	Although political cooperation and non-cooperation can be driven by national actors, globalization as the result of economic and financial cooperation is carried out mostly by subnational actors, such as corporations, individuals, or organizations.	Although political cooperation and non-cooperation can be driven by national actors, globalization as the result of economic and financial cooperation is carried out mostly by **non-state** actors, such as corporations, individuals, or organizations.

Corporate Finance

Revised	Module	Lesson	Location (PDF)	Replace	With

2 Feb 2026	4: Working Capital and Liquidity	4.01 Introduction	Pages 98-99 Question 2	A is correct. Forgoing the discount is using the supplier's financing and will result in the issuer stretching out payments on accounts payable, putting less drain on liquidity in the short run. This action increases the issuer's cash conversion cycle.	A is correct. Forgoing the discount is using the supplier's financing and will result in the issuer stretching out payments on accounts payable, putting less drain on liquidity in the short run. This action **decreases** the issuer's cash conversion cycle.
18 Jun 2026	Corporate Finance 1: Organizational Forms, Corporate Issuer Features, and Ownership, Corporate Issuer Features, and Ownership	1.04 Publicly vs. Privately Owner Corporate Issuers	Page 30	This structure is used by the United States Postal Service (USPS), while postal services in some countries, such as the Netherlands (KPN), the United Kingdom (Royal Mail), and Germany (Deutsche Post), are partly or fully investor owned.	This structure is used by the United States Postal Service (USPS), while postal services in some countries, such as the Netherlands **(PostNL)**, the United Kingdom (Royal Mail), and Germany (Deutsche Post), are partly or fully investor owned.

Financial Statement Analysis

Revised	Module	Lesson	Location (PDF)	Replace	With
22 June 2026	2: Analyzing Income Statements	2.03 Expense Recognition	Pages 51 and 52 Solution to Exhibit 2	=GBP600,00/GBP9,850,000	=GBP**600,000**/GBP9,850,000
New: 4 Aug 2026	2: Analyzing Income Statements	2.03 Expense Recognition	Page 57 Example 5 Question 2	If the interest had been expensed rather than capitalized, financing cash flows would have been higher in all three years.	If the interest had been expensed rather than capitalized, **investing** cash flows would have been higher in all three years.
15 Apr 2026	5: Analyzing Statements of Cash Flows II	Ratios and Common-Size Analysis	Page 161 Exhibit 3	Net cash used for financial activities (2,120)	Net cash used for financial activities **(2,220)**
18 Jun 2026	8: Topics in Long-Term Liabilities and Equity	8.03 Financial Reporting for Postemployment and Share-Based Compensation Plans	Page 262 Example 6 Exhibit 6 2nd paragraph	Total stock-based compensation expense was $337 million, $141 million and $201 million in 2021, 2020 and 2019, respectively. In 2020, for certain employees who accepted voluntary separation from the Company as a result of our strategic realignment initiatives, the Company modified their outstanding equity awards granted prior to 2020 so that the employees	Total stock-based compensation expense was $337 million, $141 million and $201 million in 2021, 2020 and 2019, respectively. In 2020, for certain employees who accepted voluntary separation from the Company as a result of our strategic realignment initiatives, the Company modified their outstanding equity awards granted prior to 2020 so that the employees **retained all or some of their awards.**
7 May 2026	9: Analysis of Income Taxes	9.03 Deferred Tax Assets and Liabilities	Page 284 Realizability of Deferred Tax Assets	A deferred tax liability may be created only if the company expects to be able to realize the economic benefit of the deferred tax liability in the future.	A deferred tax **asset** may be created only if the company expects to be able to realize the economic benefit of the deferred tax **asset** in the future.

21 Apr 2026	9: Analysis of Income Taxes	9.05 Presentation and Disclosure	Page 301 Example 6 Question 1	Use the financial statement information and disclosures provided by MU in Exhibit 18–Exhibit 20 to answer the following questions: 1. MU discloses a valuation allowance of USD2,321 million (see Exhibit 20) against gross deferred assets of USD3,782 million in 2017. Does the existence of this valuation allowance have any implications concerning MU's future earnings prospects? Solution: According to Exhibit 20, MU's deferred tax assets expire gradually until 2037 (2018 to 2037 for the net operating loss carryforwards and the tax credit carryforwards).	Use the financial statement information and disclosures provided by MU in Exhibit 18–**Exhibit 22** to answer the following questions: 1. MU discloses a valuation allowance of USD2,321 million (see **Exhibit 22**) against gross deferred assets of USD3,782 million in 2017. Does the existence of this valuation allowance have any implications concerning MU's future earnings prospects? Solution: According to **Exhibit 22**, MU's deferred tax assets expire gradually until 2037 (2018 to 2037 for the net operating loss carryforwards and the tax credit carryforwards).
17 Jun 2026	14: Credit Risk	14.04 Factors Impacting Yield Spreads	Page 372 Example 6	Suppose that two years after issuance, the bond was traded at 122.25/125.75 (bid/offer). This meant that a buyer would have to pay the offer price of 125.75 for the bond and a seller would receive the bid price of 122.25. Bond mid-market price = (122.25 + 125.75)/2 = 124.00.	Suppose that two years after issuance, the bond was traded at **122.75/122.75** (bid/offer). This meant that a buyer would have to pay the offer price of **125.25** for the bond and a seller would receive the bid price of **122.75**. Bond mid-market price = (1**22.75 + 125.25**)/2 = 124.00.

17 Jun 2026	Finanacial Statement Analysis 12: Introduction to Financial Statement Modeling	12.02 Building a Financial Statement Model	Page 456 Exhibit 7 Last row, last column	53.1	**52.6**

Equities

Revised	Module	Lesson	Location (PDF)	Replace	With
New: 18 Aug 2026	6: Discounted Cash Flow (DCF) and Growth Models	6.02 Present Value Models for Equity Instruments	Page 150	Free cash flow to equity provides a direct alternative to dividends as a cash flow measure to shareholders. FCFE includes dividends and other forms of cash flow available to equity owners. For example, share buybacks are a form of shareholder return excluded from the dividend measure but are included in FCFE as a use of equity capital, which is a cash flow to shareholders. Similarly, share issuance is a source of equity capital that reduces FCFE, while leaving dividends unchanged. Increases or decreases in cash retained beyond that needed to fund operations that remain available to shareholders will also affect FCFE but not dividends. As a result of the inclusion of available cash and share capital changes, FCFE can be negative, whereas dividends can never be less than zero.	Free cash flow to equity provides an **alternative to dividends as a measure of the cash flow available to shareholders. Unlike dividends, however, FCFE measures cash flow available for distribution to equity holders rather than the cash actually distributed to them. FCFE reflects cash generated after accounting for operating expenses, capital expenditures, changes in working capital, and net borrowing. Share repurchases and share issuances do not directly enter the calculation of FCFE; rather, they are financing decisions that determine how cash is distributed to or raised from shareholders. Similarly, cash retained by the company rather than distributed does not reduce FCFE if that cash is available to equity holders after the firm's investment and financing needs have been met. Because FCFE can be negative when required investment and debt repayments exceed internally generated cash flow and net borrowing,**

					FCFE may be less than zero, whereas dividends cannot be negative.

Fixed Income

Revised	Module	Lesson	Location (PDF)	Replace	With
1 Apr 2026	1: Fixed-Income Instrument Features	1.01 Introduction	Page 4 Question 1	For example, a bond with a par value of 100 and a coupon rate of 6% paid quarterly would pay coupon payments of 0.06 × 100 = 60/4 = 15 four times per year.	For example, a bond with a par value of 100 and a coupon rate of 6% paid quarterly would pay coupon payments of **(0.06 x 100)/4 = 1.5**, four times per year.
16 Dec 2025	3: Fixed-Income Issuance and Trading	Solutions	Page 77 Question 1	A. Commercial paper – III. Money market funds B. Secured corporate bonds – II. Hedge funds C. Unsecured corporate bonds – I. Insurance companies	A. Commercial paper – III. Money market funds B. Unsecured corporate bonds – **I. Insurance companies** C. **Distressed debt** – **II. Hedge funds**
28 July 2026	4: Fixed-Income Markets for Corporate Issuers	4.03 Repurchase Agreements	Page 93 Last paragraph under Knowledge Check	Ignoring initial margin and other transaction costs, the hedge fund will earn a positive return if the short position gain exceeds the repo rate for the period.	Ignoring initial margin and other transaction costs, the hedge fund will earn a positive return if the short position **does not lose more than the** repo rate for the period.
1 June 2026	6: Fixed-Income Bond: Valuation: Prices and Yields	6.04 Matrix Pricing	Page 150 Below Exhibit 11	$\frac{0.04181 + 0.04196}{2} = 4.1855\%$	$\frac{0.04181 + 0.04196}{2} = \mathbf{4.1885}\%$

<table>
<tr><td>16 Dec 2025</td><td>7: Yield and Yield Spread Measures for Fixed-Rate Bonds</td><td>7.03 Other Yield Measures, Conventions, and Accounting for Embedded Options</td><td>Page 169 Exhibit 4</td><td colspan="2">Added new line in Exhibit<table><tr><td>Issuer:</td><td>Vivivyu Incorporate</td></tr><tr><td>Settlement Date:</td><td>[T + 3 Business Days]</td></tr><tr><td>Maturity Date:</td><td>[Seven Years from Settlement Date]</td></tr><tr><td>Principal Amount:</td><td>US$ 400 million</td></tr><tr><td>Price (per 100 of par):</td><td>106.50</td></tr><tr><td>Interest</td><td>6.5% fixed coupon</td></tr></table></td></tr>
<tr><td>29 June 2026</td><td>7: Yield and Yield Spread Measures for Fixed-Rate Bonds</td><td>7.04 Yield Spread Measures for Fixed-Rate Bonds and Matrix Pricing</td><td>Page 178 Equation 4</td><td>The Z-spread over the benchmark spot curve can be calculated with Equation 4:
$PV = \frac{PMT}{(1+z_1+Z)^1} + \frac{PMT}{(1+z_2+Z)^2} + \ldots + \frac{PMT+FV}{(1+z_N+Z)^N}$</td><td>The Z-spread over the benchmark spot curve can be calculated with Equation 4 (assuming semi-annual compounding):
$PV = \frac{PMT}{(1+\frac{z_1+Z}{2})^1} + \frac{PMT}{(1+\frac{z_2+Z}{2})^2} + \ldots + \frac{PMT+FV}{(1+\frac{z_N+Z}{2})^N}$</td></tr>
<tr><td>29 June 2026</td><td>7: Yield and Yield Spread Measures for Fixed-Rate Bonds</td><td>7.04 Yield Spread Measures for Fixed-Rate Bonds and Matrix Pricing</td><td>Page 179 Example 9</td><td>The government spot rates (stated as effective annual rates) are as follows.</td><td>The government spot rates are as follows (annualized by multiplying by 2):</td></tr>
</table>

29 June 2026	7: Yield and Yield Spread Measures for Fixed-Rate Bonds	7.04 Yield Spread Measures for Fixed-Rate Bonds and Matrix Pricing	Page 179 Example 9 Solution to 1	r = 0.006357 x 2 = 0.01271	**This gives r = 0.006357, or 1.271% annualized**
29 June 2026	7: Yield and Yield Spread Measures for Fixed-Rate Bonds	7.04 Yield Spread Measures for Fixed-Rate Bonds and Matrix Pricing	Page 179 Example 9 Solution to 1	r = 0.002618 x 2 = 0.005235	**This gives r = 0.001865, or 0.373% annualized**
29 June 2026	7: Yield and Yield Spread Measures for Fixed-Rate Bonds	7.04 Yield Spread Measures for Fixed-Rate Bonds and Matrix Pricing	Page 179 Example 9 Solution to 2	$100.45 = \frac{0.75}{(1+0.00127+Z)^1} + \frac{0.75}{(1+0.00249+Z)^2} + \frac{0.75}{(1+0.00314+Z)^3} + \frac{100.75}{(1+0.00373+Z)^4}$	$100.45 = \frac{0.75}{(1+\frac{0.00127+Z}{2})^1} + \frac{0.75}{(1+\frac{0.00249+Z}{2})^2} + \frac{0.75}{(1+\frac{0.00314+Z}{2})^3} + \frac{100.75}{(1+\frac{0.00373+Z}{2})^4}$
24 June 2026	8: Yield and Yield Spread Measures for Floating-Rate Instruments	8.02 Yield and Yield Spread Measures for Floating-Rate Notes	Page 196 Question 4	$\frac{(MRR+QM)\text{x } FV}{m} = \frac{(-0.005+0.0025)\text{ x}100}{4} = 0.5$	$\frac{(MRR+QM)\text{x } FV}{m} = \frac{(-0.005+0.025)\text{ x}100}{4} = 0.5$

13 Apr 2026	8: Yield and Yield Spread Measures for Floating-Rate Instruments	8.03 Yield Measures for Money Market Instruments	Page 199 Second paragraph	The sale price for the CD can be calculated using Equation 4 for *FV* = 20,005,918, Days = 45, Year = 365, and *AOR* = 0.0012. The sale price is EUR20,004,438.	The sale price for the CD can be calculated using Equation 4 for *FV* = 20,005,918, Days = 45, Year = 365, and ***AOR* = 0.0006**. The sale price is EUR20,004,438.
12 Feb 2026	8: Yield and Yield Spread Measures for Floating-Rate Instruments	8.03 Yield Measures for Money Market Instruments	Page 200 Example 3	AOR = 0.00122. The 90-day commercial paper discount rate of 0.10% converts to an add-on rate for a 365-day year of 0.1014%. This converted rate is called a bond equivalent yield, or sometimes just an “investment yield.” A bond equivalent yield is a money market rate stated on a 365-day add-on rate basis. If the risks are the same, BRWA’s CP offers 0.2 bps more in annual return than CFP Bank’s CD.	AOR = **0.001014.** The 90-day commercial paper discount rate of 0.10% converts to an add-on rate for a 365-day year of 0.1014%. This converted rate is called a bond equivalent yield, or sometimes just an "investment yield." A bond equivalent yield is a money market rate stated on a 365-day add-on rate basis. If the risks are the same, **CFP Bank’s CD** offers **1.86** bps more in annual return than **BRWA’s CP**.

New: 10 Sept 2026	8: Yield and Yield Spread Measures for Floating-Rate Instruments	Solutions	Page 208 Solution – Question 1	B is correct. ... Using the RATE function in Microsoft Excel, Google Sheets, or a financial calculator and using *PV* = −101.20, *FV* = 100, *PMT* =0.275, and *N* = 8, we solve for the discount rate per period of 12.4161%. The discount margin can then be estimated by solving for *DM*: $r = \frac{MRR + DM}{m}$ $0.124161 = \frac{-0.005 + DM}{4}$ *DM* = 0.4525. The estimated discount margin is 45.25 bps.	**C** is correct. ... Using the RATE function in Microsoft Excel, Google Sheets, or a financial calculator and using *PV* = −101.20, *FV* = 100, *PMT* =**0.2625**, and *N* = 8, we solve for the discount rate per period of **0.11175**%. The discount margin can then be estimated by solving for *DM*: $r = \frac{MRR + DM}{m}$ $\mathbf{0.0011175} = \frac{\mathbf{-0.0055} + DM}{4}$ *DM* = **0.9970%** The estimated discount margin is **99.7** bps.
9 Dec 2025	9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.02 Maturity Structure of Interest Rates and Spot Rates	Page 220 Question 4 Solution	(1 + 0.095)2	(1 + **0.0095**)2

14 Apr 2026	Fixed Income 9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.03 Par and Forward Rates	Page 224 Example 3	$(1+0.0188) \times (1+0.0277) = (1 + Z2)^2$	**$(1+0.0057)^2 \times (1 + IFR_{2,1}) = (1.0080)^3$**
28 Apr 2026	9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.03 Par and Forward Rates	Page 226 Example 4 Question 2	$\frac{100.50}{1.003117 \times 1.008250 \times 1.0012587}$	$\frac{100.50}{1.003117 \times 1.008250 \times 1.012587}$
New: 25 Aug 2026	10: Interest Rate Risk and Return	Practice Problems	Page 263 Question 7	A. 1.8764 years. B. 2.8386 years. C. 2.8553 years.	A. 1.8764 years. **B. 2.8220 years.** C. 2.8553 years.
21 Apr 2026	10: Interest Rate Risk and Return	Solutions	Page 264 Question 2 Solution	The sale price of the bond at the end of six years is = PV(0.054,2,6.40,100,0) = 98.202	The sale price of the bond at the end of six years is = PV(**0.074**,2,6.40,100,0) = 98.202

17 Jun 2026	Fixed Income 11: Yield-Based Bond Duration Measures and Properties	11.02 Modified Duration	Page 274 Example 1	ModDur = 8.86184; AnnModDur = 4.43092. If the annual yield on BRWA's five-year, 3.2% semiannual coupon bond, settling on 15 October 2025 and maturing on 15 October 2030, were to instantaneously (right after issuance) increase by 80 bps, to 4.00%, the estimated change in price would be –3.67%. %ΔPVFull ≈ –4.58676 × 0.0080 = –0.036941. If the yield-to-maturity were to instantaneously (right after issuance) decrease by 80 bps, to 2.40%, the estimated change in price would be +3.67%. %ΔPVFull ≈ –4.58676 × –0.0080 = 0.0366941	ModDur = **8.86181**; AnnModDur = **4.43091**. If the annual yield on BRWA's five-year, 3.2% semiannual coupon bond, settling on 15 October 2025 and maturing on 15 October 2030, were to instantaneously (right after issuance) increase by 80 bps, to 4.00%, the estimated change in price would be **–3.54%**. %ΔPVFull ≈ **–4.43091** × 0.0080 = –**0.0354472**. If the yield-to-maturity were to instantaneously (right after issuance) decrease by 80 bps, to 2.40%, the estimated change in price would be **+3.54%**. %ΔPVFull ≈ **–4.43091** × –0.0080 = **0.0354472**.
14 July 2026	12: Yield-Based Bond Convexity and Portfolio Properties	12.02 Bond Convexity and Convexity Adjustment	Page 302 Above Exhibit 2	$(\text{Time to receipt of } CF) \text{ x } (\text{time to receipt of } CF + 1) \text{ x } (\text{Weight of } CF) \text{ x } (1+ \text{Periodic } YTM)^{(\text{-Periods per year})}$	$(\text{Time to receipt of } CF) \text{ x } (\text{time to receipt of } CF + (\text{Weight of } CF) \text{ x } (1+ \text{Periodic } YTM)^{(-2)}$

<table>
<tr>
<td>14 July 2026</td>
<td>12: Yield-Based Bond Convexity and Portfolio Properties</td>
<td>12.02 Bond Convexity and Convexity Adjustment</td>
<td>Page 306 Question 1—Solution</td>
<td>
<table>
<tr><td></td><td>Col. 7 = Col. 2 x (Col. 2 +1) x Col. 5 x (1 + YTM)$^{-1}$</td></tr>
<tr><td></td><td>Convexity of Cash Flows</td></tr>
<tr><td>1</td><td>0.04304</td></tr>
<tr><td>2</td><td>0.12628</td></tr>
<tr><td>3</td><td>0.24701</td></tr>
<tr><td>4</td><td>0.40262</td></tr>
<tr><td>5</td><td>0.59064</td></tr>
<tr><td>6</td><td>0.80870</td></tr>
<tr><td>7</td><td>1.05454</td></tr>
<tr><td>8</td><td>1.32601</td></tr>
<tr><td>9</td><td>73.66694</td></tr>
<tr><td></td><td>78.26579</td></tr>
<tr><td>Annualized Macaulay Duration and Convexity</td><td>78.26579</td></tr>
<tr><td>Modified Duration</td><td>-</td></tr>
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<table>
<tr><td></td><td>Col. 7 = Col. 2 x (Col. 2 +1) x Col. 5 x (1 + YTM)$^{-2}$</td></tr>
<tr><td></td><td>Convexity of Cash Flows</td></tr>
<tr><td>1</td><td>0.04209</td></tr>
<tr><td>2</td><td>0.12350</td></tr>
<tr><td>3</td><td>0.24157</td></tr>
<tr><td>4</td><td>0.39376</td></tr>
<tr><td>5</td><td>0.57764</td></tr>
<tr><td>6</td><td>0.79091</td></tr>
<tr><td>7</td><td>1.03134</td></tr>
<tr><td>8</td><td>1.29683</td></tr>
<tr><td>9</td><td>72.04591</td></tr>
<tr><td></td><td>76.54356</td></tr>
<tr><td>Annualized Macaulay Duration and Convexity</td><td>76.54356</td></tr>
<tr><td>Modified Duration</td><td>-</td></tr>
</table>
</td>
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<tr>
<td>New: 18 Aug 2026</td>
<td>12: Yield-Based Bond Convexity and Portfolio Properties</td>
<td>12.03 Portfolio Duration and Convexity</td>
<td>Page 311 Question 4</td>
<td>$PV^{Full} = \text{PRICE}(\text{DATE}(2025,6,30),)$ $\text{DATE}(2032,6,30), 0.0295, 0.0345,$ $100,2,0) = 103.198.$</td>
<td>$PV^{Full} = \text{PRICE}(\text{DATE}(2025,6,30),)$ $\text{DATE}(2032,6,30), 0.0295, \mathbf{0.0245},$ $100,2,0) = 103.1984.$</td>
</tr>
</table>

21 Apr 2026	12: Yield-Based Bond Convexity and Portfolio Properties	Practice Problems	Page 316 Question 1	A 5.5% semiannual-pay fixed-coupon bond is issued at par on 1 May 2025 and matures on 1 May 2029. For a 50 bps increase and decrease in yield-to-maturity, *PV*+ and *PV*– are 99.82283 and 100.177546, respectively. The approximate convexity is *closest* to:	A 5.5% semiannual-pay fixed-coupon bond is issued at par on 1 May 2025 and matures on 1 May 2029. For a **5 bps** increase and decrease in yield-to-maturity, *PV*+ and *PV*– are 99.82283 and 100.177546, respectively. The approximate convexity is *closest* to:
21 Apr 2026	12: Yield-Based Bond Convexity and Portfolio Properties	Solutions	Page 318 Question 1 Solution	B is correct. $ApproxCon = \frac{100.177546 + 99.82283 - (2\text{x}100)}{(0.005)^2 \text{x}100} = 15.04$	B is correct. $ApproxCon = \frac{100.177546 + 99.82283 - (2\text{x}100)}{(0.0005)^2 \text{x}100} = 15.04$
New: 10 Aug 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.01 Introduction	Page 323 Self-Assessment Question 4	If the benchmark yield curve downward shifted by 50 bps, what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097?	If the benchmark yield **curve shifted** by **+50 bps,** what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097.
4 May 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.01 Introduction	Page 323 Self-Assessment Question 4 Solution	$\%\Delta PV^{Full} \approx 3.33\%$	$\%\Delta PV^{Full} \approx -3.33\%$

New: 25 Aug 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.03 Bond Risk and Return Using Curve-Based Duration and Convexity	Page 333 Question 5	For the upward shift, the duration contribution is positive and convexity contribution is negative, offsetting each other.	For the **downward** shift, the duration contribution is positive and convexity contribution is negative, **partially** offsetting each other.
New: 26 Aug 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.05 Empirical Duration	Page 340 Question 1 Solution	C is correct. A is incorrect because it is analytical, not empirical, duration and convexity that are measured using mathematical formulas. B is incorrect because it is empirical, not analytical, duration and convexity that are estimated using historical data in non-statistical models that incorporate various factors affecting bond prices.	C is correct. A is incorrect because it is analytical, not empirical, duration and convexity that are measured using mathematical formulas. B is incorrect because it is empirical, not analytical, duration and convexity that are estimated using historical data in **statistical** models that incorporate various factors affecting bond prices.
17 June 2026	14: Credit Risk	14.04 Factors Impacting Yield Spreads	Page 372 Example 6	Suppose that two years after issuance, the bond was traded at 122.25/125.75 (bid/offer). This meant that a buyer would have to pay the offer price of 125.75 for the bond and a seller would receive the bid price of 122.25. Bond mid-market price = (122.25 + 125.75)/2 = 124.00.	Suppose that two years after issuance, the bond was traded at **122.75/122.75** (bid/offer). This meant that a buyer would have to pay the offer price of **125.25** for the bond and a seller would receive the bid price of **122.75**. Bond mid-market price = (1**22.75 + 125.25**)/2 = 124.00.

Derivatives

Revised	Module	Lesson	Location (PDF)	Replace	With
1 Apr 2026	9: Option Replication Using Put-Call Parity	9.02 Put-Call Parity	Pages 204 and 205 Exhibits 1 and 3	Exhibit 1: Payoffs at Time for *T* for Two Portfolios Exhibit 3: Portfolio 2 (Protective Put) Payoff at Time *T*	Exhibit **1**: Portfolio 2 (Protective Put) Payoff at Time *T* Exhibit **3**: Payoffs at Time for *T* for Two Portfolios
22 Jun 2026	10: Valuing a Derivative Using a One-Period Binomial Model	10.5 Risk Neutrality	Page 230	Specifically, this probability is computed using the risk-free rate and assumed up gross return and down gross return of the underlying as in Equation 7.	Specifically, this probability is computed using the risk-free rate and assumed up gross return and down gross return of the underlying as in **Equation 10**.
22 Jun 2026	10: Valuing a Derivative Using a One-Period Binomial Model	10.5 Risk Neutrality	Page 231	In Equation 7, the risk-neutral probabilities are determined solely by the up and down gross returns, R^u and R^d, representing underlying asset volatility and the risk-free rate used to calculate the present value of future cash flows. This no-arbitrage derivative value established separately from investor views on risk is referred to as risk-neutral pricing.	In **Equation 10**, the risk-neutral probabilities are determined solely by the up and down gross returns, R^u and R^d, representing underlying asset volatility and the risk-free rate used to calculate the present value of future cash flows. This no-arbitrage derivative value established separately from investor views on risk is referred to as risk-neutral pricing.

Alternative Investments

Revised	Module	Lesson	Location (PDF)	Replace	With
9 July 2026	2: Alternative Investment Performance and Returns	Solutions	Page 60 Question 7	A hedge fund has the following fee structure: • Annual management fee based on year-end AUM: 2% • Incentive fee: 20% • Hurdle rate before incentive fee collection starts: 4% • Current high-water mark: $610 million • Incentive fees (and hurdle rate considerations) are determined post management fees The fund has a value of $583.1 million at the beginning of the year. After one year, it has a value of $642 million before fees. Assume performance fees and management fees are calculated independently. The net percentage return to an investor for this year is closest to: **A.** 6.72%. **B.** 6.80%. **C.** 7.24%.	A hedge fund has the following fee structure: • Annual management fee based on year-end AUM: 2% • Incentive fee: 20% • Hurdle rate before incentive fee collection starts: 4% • Current high-water mark: $610 million • Incentive fees (and hurdle rate considerations) are determined post management fees The fund has a value of $583.1 million at the beginning of the year. **After one year, it has a value of $642 million before fees. The net percentage return to an investor for this year is closest to:** **A.** 6.72%. **B.** 6.80%. **C.** 7.24%.

9 July 2026	2: Alternative Investment Performance and Returns	Solutions	Page 63 Solution—Question 7	C is correct. The management fee for the year is $642 million × 0.02 = $12.84 million. Because the ending gross value of the fund of $642 million exceeds the high-water mark of $610 million, the hedge fund can collect an incentive fee on gains above this high-water mark but net of the hurdle rate of return. The incentive fee calculation becomes {$642 – [$610 × (1 + 0.04)]} × 0.20 = $1.52 million. The net return to the investor for the year is [($642 – $12.84 – $1.52)/$583.1] – 1 = 0.07638 ≈ 7.64%.	C is correct. The management fee for the year is $642 million × 0.02 = $12.84 million. Because the ending gross value of the fund of **$642 x 0.98 = 629.16** million exceeds the high-water mark of $610 million and **the hurdle rate of $583.1 x 1.04 = $606.4 million,** the hedge fund can collect an incentive fee on gains above this high-water mark but net of the hurdle rate of return. The incentive fee calculation becomes **Net Value Post Management Fees = (1-0.02) × $642 = $629.16 Million.** **Incentive Fee = max(0,[629.16-max(610,1.04 × 583.1)] × 0.2)=$3.832 Million** **Total fees are 3.832+12.84 = $16.672 Million and the final NAV is 642-16.672 = $625.328 Million. So, the net return is 625.328/583.1-1=7.24%**
16 Jan 2026	6: Hedge Funds	6.04 Hedge Fund Investment Risk, Return, and Diversification	Page 171 Under Exhibit 7	The coefficient of variation can be thought of as the price of return in terms of risk or the relative returns adjusted for risk: A higher coefficient of variation provides greater return for the same amount of risk.	The coefficient of variation can be thought of as the price of return in terms of risk or the relative **risk** adjusted for **returns**: A **lower** coefficient of variation provides **lower risk** for the same amount of **returns**.

Portfolio Construction

Revised	Module	Lesson	Location (PDF)	Replace	With
19 May 2026	1: Portfolio Risk and Return: Part I	1.07 Portfolio Risk & Portfolio of Two Risky Assets	Page 29 Example 5 Question 2 Solution	$\sigma_D = \sqrt{\sigma_{Ic}^2 + \sigma_{FX}^2 + 2 \times \rho \times \sigma_{Ic} \times \sigma_{FX})}$ $= \sqrt{0.040^2 + 0.090^2 + 2 \times 0.33 \times 0.040 + 0.090}$	$\sigma_D = \sqrt{\sigma_{Ic}^2 + \sigma_{FX}^2 + 2 \times \rho \times \sigma_{Ic} \times \sigma_{FX})}$ $= \sqrt{0.040^2 + 0.090^2 + 2 \times 0.33 \times 0.040 \times 0.090}$
26 May 2026	6: Introduction to Risk Management	6.11 Risk Modification: Transferring, Shifting, and How to Choose	Page 277 Example 4 Question 4	Risk (standard deviation of returns) for the FTSE 100 is 13.2%, and the risk on US Treasuries in sterling is 11.0% and the risk of USD/GBP is 9%.	**Risk (Standard deviation of returns) for the FTSE is 13.2%, the risk on US Treasuries is 4.0% and the risk of USD/GBP is 9.0%.**

Ethical and Professional Standards

Revised	Module	Lesson	Location (PDF)	Replace	With
24 Jun 2026	5: Guidance for Standard III: Duties to Clients	5.01 Standard III: Duties to Clients	Page 116	2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are	2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are **consistent with the stated objectives and constraints of the portfolio.**
7 July 2026	Portfolio Construction 4: Basics of Portfolio Planning and Construction	4.07 Strategic Asset Allocation	Page 186 Example 10	Gottschalk should aim for portfolios that offer an expected return of at least 6% (the straight horizontal line or above) and a standard deviation of return of 12% or lower (the straight vertical line to the left).	Gottschalk should aim for portfolios that offer an expected return of at least **5%** (the straight horizontal line or above) and a standard deviation of return of **10%** or lower (the straight vertical line to the left).
New: 16 Sept 2026	10: Application of the Code and Standards: Level I	10.08 Responsibilities as a CFA Institute Member or CFA Candidate	Page 277 Knowledge Check Question 1 Solution	B is correct. Standard VII(A) Conduct as Participants in CFA Institute Programs states that candidates "must not engage in any conduct that compromises . . . the integrity, validity, or security of CFA Institute programs."	**C is correct.** Standard VII(A) Conduct as Participants in CFA Institute Programs states that candidates "must not engage in any conduct that compromises . . . the integrity, validity, or security of CFA Institute programs."

Glossary

Revised	Location (PDF)	Replace	With