CFA L3 | Summary of Changes | 2024

Summary: Total Number of Chapters: 33

	No. of LOS	% of Total
Same	267	99%
New	1	0%
Changes	2	1%
Total	270	100%
Deleted	10	4%

New
Changes
Deleted

Reading No.	Reading Name	No. of LOS		
		New	Changes	Deleted
1	Capital Market Expectations, Part 1-Framework and Macro Considerations		1	
4	Principles of Asset Allocation		1	
26	Case Study in Portfolio Management-Institutional	1		
-	The Behavioral Biases of Individuals			3
-	Behavioral Finance and Investment Processes			7

** Reading Number is as per Schweser, not Institute Material*

Changes in Reading

New
Change
Deleted

Subject	Reading No 2024	Reading Name	Details of Changes 2023-24	Reading No 2023
Economics	1	Capital Market Expectations, Part 1-Framework and Macro Considerations	LOS D - Asset returns and trend rate of growth added, rest of the chapter is same	3
	2	Capital Market Expectations, Part 2-Forecasting Asset Class Returns		4
Portfolio-2	3	Overview of Asset Allocation		5
	4	Principles of Asset Allocation	LOS 6A - Portion from 'Adding More	6
	5	Asset Allocation with Real-World Constraints		7
Derivatives	6	Options Strategies		8
	7	Swaps, Forwards, and Futures Strategies		9
Economics	8	Currency Management-An Introduction		10
	-	Behavioral Finance and Investment Processes		2
	-	The Behavioral Biases of Individuals		1
Fixed Income	9	Overview of Fixed-Income Portfolio Management		11
	10	Liability-Driven and Index-Based Strategies		12
	11	Yield Curve Strategies		13
	12	Fixed-Income Active Management-Credit Strategies		14
Equity	13	Overview of Equity Portfolio Management		15
	14	Passive Equity Investing		16
	15	Active Equity Investing-Strategies		17
	16	Active Equity Investing-Portfolio Construction		18
Alternative Investments	17	Hedge Fund Strategies		19
	18	Asset Allocation to Alternative Investments		20
Portfolio-1	19	Overview of Private Wealth Management		21
	20	Topics in Private Wealth Management		22
	21	Risk Management for Individuals	The chapter is exactly the same. New LOS A, B, C, D, E, F, G, H, I, J corresponds to old LOS A, (B+C), D, E, F, G, H, (I+J), K, L	23
	22	Portfolio Management for Institutional Investors	The chapter is exactly the same. New LOS A, B, C, D, E, F, G, H corresponds to old LOS A, B, C, D, E, (F+G), H, I	24
Portfolio-2	23	Trade Strategy and Execution		25
	24	Portfolio Performance Evaluation		26
	25	Investment Manager Selection		27
Portfolio-1	26	Case Study in Portfolio Management-Institutional	LOS G has been added. Shall be covered and sent. You may complete the rest of the chapter.	28
	27	Case Study in Risk Management-Private Wealth		29
	28	Case Study in Risk Management-Institutional		30
Ethics	29	Code of Ethics and Standards of Professional Conduct		31
	30	Guidance for Standards I–VII		32
	31	Application of the Code and Standards-Level III		33
	32	Asset Manager Code of Professional Conduct		34
	33	Overview of the Global Investment Performance Standards	The chapter is exactly the same. New LOS A, B, C, D, E, F, G, H, I, J corresponds to old LOS (A+B), C, J, D, E, F, G, H, I, K	35

Changes in LOS

New
Change
Deleted

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
		Economics			
1	Capital Market Expectations, Part 1- Framework and Macro Considerations	Discuss the role of, and a framework for, capital market expectations in the portfolio management process	1a	3a	
		Discuss challenges in developing capital market forecasts	1b	3b	
		Explain how exogenous shocks may affect economic growth trends	1c	3c	
		Discuss the application of economic growth trend analysis to the formulation of capital market expectations	1d	3d	New-Asset returns & trend rate of growth added, remaining LOS is same
		Compare major approaches to economic forecasting	1e	3e	
		Discuss how business cycles affect short- and long-term expectations	1f	3f	
		Explain the relationship of inflation to the business cycle and the implications of inflation for cash, bonds, equity, and real estate returns	1g	3g	
		Discuss the effects of monetary and fiscal policy on business cycles	1h	3h	
		Interpret the shape of the yield curve as an economic predictor and discuss the relationship between the yield curve and fiscal and monetary policy	1i	3i	
		Identify and interpret macroeconomic, interest rate, and exchange rate linkages between economies	1j	3j	
2	Capital Market Expectations, Part 2- Forecasting Asset Class Returns	Discuss approaches to setting expectations for fixed-income returns	2a	4a	
		discuss risks faced by investors in emerging market fixed-income securities and the country risk analysis techniques used to evaluate emerging market economies	2b	4b	
		Discuss approaches to setting expectations for equity investment market returns	2c	4c	
		Discuss risks faced by investors in emerging market equity securities	2d	4d	
		Explain how economic and competitive factors can affect expectations for real estate investment markets and sector returns	2e	4e	
		Discuss major approaches to forecasting exchange rates	2f	4f	
		Discuss methods of forecasting volatility	2g	4g	
		Recommend and justify changes in the component weights of a global investment portfolio based on trends and expected changes in macroeconomic factors	2h	4h	
		Portfolio-2			
3	Overview of Asset Allocation	Describe elements of effective investment governance and investment governance considerations in asset allocation	3a	5a	
		formulate an economic balance sheet for a client and interpret its implications for asset allocation	3b	5b	
		compare the investment objectives of asset-only, liability-relative, and goals-based asset allocation approaches	3c	5c	
		contrast concepts of risk relevant to asset-only, liability-relative, and goals-based asset allocation approaches	3d	5d	
		explain how asset classes are used to represent exposures to systematic risk and discuss criteria for asset class specification	3e	5e	
		explain the use of risk factors in asset allocation and their relation to traditional asset class–based approaches	3f	5f	
		recommend and justify an asset allocation based on an investor's objectives and constraints	3g	5g	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
3	Overview of Asset Allocation	describe the use of the global market portfolio as a baseline portfolio in asset allocation	3h	5h	
		discuss strategic implementation choices in asset allocation, including passive/active choices and vehicles for implementing passive and active mandates	3i	5i	
		discuss strategic considerations in rebalancing asset allocations	3j	5j	
4	Principles of Asset Allocation	describe and evaluate the use of mean–variance optimization in asset allocation	4a	6a	Portion from 'Adding More Constraints' deleted
		recommend and justify an asset allocation using mean–variance optimizatior	4b	6b	
		interpret and evaluate an asset allocation in relation to an investor's economic balance sheet	4c	6c	
		recommend and justify an asset allocation based on the global market portfolio	4d	6i	
		discuss the use of Monte Carlo simulation and scenario analysis to evaluate the robustness of an asset allocation	4e	6g	
		discuss asset class liquidity considerations in asset allocation	4f	6d	
		explain absolute and relative risk budgets and their use in determining and implementing an asset allocation	4g	6e	
		describe how client needs and preferences regarding investment risks can be incorporated into asset allocation	4h	6f	
		describe the use of investment factors in constructing and analyzing an asset allocation	4i	6h	
		describe and evaluate characteristics of liabilities that are relevant to asset allocation	4j	6j	
		discuss approaches to liability-relative asset allocation	4k	6k	
		recommend and justify a liability-relative asset allocation	4l	6l	
		recommend and justify an asset allocation using a goals-based approach	4m	6m	
		describe and evaluate heuristic and other approaches to asset allocation	4n	6n	
		discuss factors affecting rebalancing policy	4o	6o	
5	Asset Allocation with Real-World Constraints	discuss asset size, liquidity needs, time horizon, and regulatory or other considerations as constraints on asset allocation	5a	7a	
		discuss tax considerations in asset allocation and rebalancing	5b	7b	
		recommend and justify revisions to an asset allocation given change(s) in investment objectives and/or constraints	5c	7c	
		discuss the use of short-term shifts in asset allocation	5d	7d	
		identify behavioral biases that arise in asset allocation and recommend methods to overcome them	5e	7e	
Derivatives					
6	Options Strategies	demonstrate how an asset's returns may be replicated by using options	6a	8a	
		discuss the investment objective(s), structure, payoff, risk(s), value at expiration, profit, maximum profit, maximum loss, and breakeven underlying price at expiration of a covered call position	6b	8b	
		discuss the investment objective(s), structure, payoff, risk(s), value at expiration, profit, maximum profit, maximum loss, and breakeven underlying price at expiration of a protective put position	6c	8c	
		compare the delta of covered call and protective put positions with the position of being long an asset and short a forward on the underlying asset	6d	8d	
		compare the effect of buying a call on a short underlying position with the effect of selling a put on a short underlying position	6e	8e	
		discuss the investment objective(s), structure, payoffs, risk(s), value at expiration, profit, maximum profit, maximum loss, and breakeven underlying price at expiration of the following option strategies: bull spread, bear spread, straddle, and collar	6f	8f	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
6	Options Strategies	describe uses of calendar spreads	6g	8g	
		discuss volatility skew and smile	6h	8h	
		identify and evaluate appropriate option strategies consistent with given investment objectives	6i	8i	
		demonstrate the use of options to achieve targeted equity risk exposures	6j	8j	
7	Swaps, Forwards, and Futures Strategies	demonstrate how interest rate swaps, forwards, and futures can be used to modify a portfolio's risk and return	7a	9a	
		demonstrate how currency swaps, forwards, and futures can be used to modify a portfolio's risk and return	7b	9b	
		demonstrate how equity swaps, forwards, and futures can be used to modify a portfolio's risk and return	7c	9c	
		demonstrate the use of volatility derivatives and variance swaps	7d	9d	
		demonstrate the use of derivatives to achieve targeted equity and interest rate risk exposures	7e	9e	
		demonstrate the use of derivatives in asset allocation, rebalancing, and inferring market expectations	7f	9f	
Economics					
8	Currency Management- An Introduction	analyze the effects of currency movements on portfolio risk and return	8a	10a	
		discuss strategic choices in currency management	8b	10b	
		formulate an appropriate currency management program given financial market conditions and portfolio objectives and constraints	8c	10c	
		compare active currency trading strategies based on economic fundamentals, technical analysis, carry-trade, and volatility trading	8d	10d	
		describe how changes in factors underlying active trading strategies affect tactical trading decisions	8e	10e	
		describe how forward contracts and FX (foreign exchange) swaps are used to adjust hedge ratios	8f	10f	
		describe trading strategies used to reduce hedging costs and modify the risk–return characteristics of a foreign-currency portfolio	8g	10g	
		describe the use of cross-hedges, macro-hedges, and minimum-variance-hedge ratios in portfolios exposed to multiple foreign currencies	8h	10h	
		discuss challenges for managing emerging market currency exposures	8i	10i	
-	The Behavioral Biases of Individuals	compare and contrast cognitive errors and emotional biases		1a	
		discuss commonly recognized behavioral biases and their implications for financial decision making		1b	
		identify and evaluate an individual's behavioral biases		1c	
-	Behavioral Finance And Investment Processes	explain the uses and limitations of classifying investors into personality types		2a	
		discuss how behavioral factors affect adviser–client interactions		2b	
		discuss how behavioral factors influence portfolio construction		2c	
		explain how behavioral finance can be applied to the process of portfolio construction		2d	
		discuss how behavioral factors affect analyst forecasts and recommend remedial actions for analyst biases		2e	
		discuss how behavioral factors affect investment committee decision making and recommend techniques for mitigating their effects		2f	
		describe how behavioral biases of investors can lead to market characteristics that may not be explained by traditional finance		2g	
Fixed Income					
9	Overview of Fixed-Income Portfolio Management	discuss roles of fixed-income securities in portfolios and how fixed-income mandates may be classified	9a	11a	
		describe fixed-income portfolio measures of risk and return as well as correlation characteristics	9b	11b	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
9	Overview of Fixed-Income Portfolio Management	describe bond market liquidity, including the differences among market sub-sectors, and discuss the effect of liquidity on fixed-income portfolio management	9c	11c	
		describe and interpret a model for fixed-income returns	9d	11d	
		discuss the use of leverage, alternative methods for leveraging, and risks that leverage creates in fixed-income portfolios	9e	11e	
		discuss differences in managing fixed-income portfolios for taxable and tax-exempt investors	9f	11f	
10	Liability-Driven and Index-Based Strategies	describe liability-driven investing	10a	12a	
		evaluate strategies for managing a single liability	10b	12b	
		compare strategies for a single liability and for multiple liabilities, including alternative means of implementation	10c	12c	
		describe construction, benefits, limitations, and risk–return characteristics of a laddered bond portfolio	10d	12d	
		evaluate liability-based strategies under various interest rate scenarios and select a strategy to achieve a portfolio's objectives	10e	12e	
		explain risks associated with managing a portfolio against a liability structure	10f	12f	
		discuss bond indexes and the challenges of managing a fixed-income portfolio to mimic the characteristics of a bond index	10g	12g	
		compare alternative methods for establishing bond market exposure passively	10h	12h	
		discuss criteria for selecting a benchmark and justify the selection of a benchmark	10i	12i	
11	Yield Curve Strategies	describe the factors affecting fixed-income portfolio returns due to a change in benchmark yields	11a	13a	
		formulate a portfolio positioning strategy given forward interest rates and an interest rate view that coincides with the market view	11b	13b	
		formulate a portfolio positioning strategy given forward interest rates and an interest rate view that diverges from the market view in terms of rate level, slope, and shape	11c	13c	
		formulate a portfolio positioning strategy based upon expected changes in interest rate volatility	11d	13d	
		evaluate a portfolio's sensitivity using key rate durations of the portfolio and its benchmark	11e	13e	
		discuss yield curve strategies across currencies	11f	13f	
		evaluate the expected return and risks of a yield curve strategy	11g	13g	
12	Fixed-Income Active Management-Credit Strategies	describe risk considerations for spread-based fixed-income portfolios	12a	14a	
		discuss the advantages and disadvantages of credit spread measures for spread-based fixed-income portfolios, and explain why option-adjusted spread is considered the most appropriate measure	12b	14b	
		discuss bottom-up approaches to credit strategies	12c	14c	
		discuss top-down approaches to credit strategies	12d	14d	
		discuss liquidity risk in credit markets and how liquidity risk can be managed in a credit portfolio	12e	14e	
		describe how to assess and manage tail risk in credit portfolios	12f	14f	
		discuss the use of credit default swap strategies in active fixed-income portfolio management	12g	14g	
		discuss various portfolio positioning strategies that managers can use to implement a specific credit spread view	12h	14h	
		discuss considerations in constructing and managing portfolios across international credit markets	12i	14i	
		describe the use of structured financial instruments as an alternative to corporate bonds in credit portfolios	12j	14j	
		describe key inputs, outputs, and considerations in using analytical tools to manage fixed-income portfolios	12k	14k	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
Equity					
13	Overview of Equity Portfolio Management	describe the roles of equities in the overall portfolio	13a	15a	
		describe how an equity manager's investment universe can be segmented	13b	15b	
		describe the types of income and costs associated with owning and managing an equity portfolio and their potential effects on portfolio performance	13c	15c	
		describe the potential benefits of shareholder engagement and the role an equity manager might play in shareholder engagement	13d	15d	
		describe rationales for equity investment across the passive–active spectrum	13e	15e	
14	Passive Equity Investing	discuss considerations in choosing a benchmark for a passively managed equity portfolio	14a	16a	
		compare passive factor-based strategies to market-capitalization-	14b	16b	
		compare different approaches to passive equity investing	14c	16c	
		compare the full replication, stratified sampling, and optimization approaches for the construction of passively managed equity portfolios	14d	16d	
		discuss potential causes of tracking error and methods to control tracking error for passively managed equity portfolios	14e	16e	
		explain sources of return and risk to a passively managed equity portfolio	14f	16f	
15	Active Equity Investing- Strategies	compare fundamental and quantitative approaches to active management	15a	17a	
		analyze bottom-up active strategies, including their rationale and associated processes	15b	17b	
		analyze top-down active strategies, including their rationale and associated processes	15c	17c	
		analyze factor-based active strategies, including their rationale and associated processes	15d	17d	
		analyze activist strategies, including their rationale and associated processes	15e	17e	
		describe active strategies based on statistical arbitrage and market microstructure	15f	17f	
		describe how fundamental active investment strategies are created	15g	17g	
		describe how quantitative active investment strategies are created	15h	17h	
		discuss equity investment style classifications	15i	17i	
16	Active Equity Investing: Portfolio Construction	describe elements of a manager's investment philosophy that influence the portfolio construction process	16a	18a	
		discuss approaches for constructing actively managed equity portfolios	16b	18b	
		distinguish between Active Share and active risk and discuss how each measure relates to a manager's investment strategy	16c	18c	
		discuss the application of risk budgeting concepts in portfolio construction	16d	18d	
		discuss risk measures that are incorporated in equity portfolio construction and describe how limits set on these measures affect portfolio construction	16e	18e	
		discuss how assets under management, position size, market liquidity, and portfolio turnover affect equity portfolio construction decisions	16f	18f	
		evaluate the efficiency of a portfolio structure given its investment mandate	16g	18g	
		discuss the long-only, long extension, long/short, and equitized market-neutral approaches to equity portfolio construction, including their risks, costs, and effects on potential alphas	16h	18h	
Alternative Investments					
17	Hedge Fund Strategies	discuss how hedge fund strategies may be classified	17a	19a	
		discuss investment characteristics, strategy implementation, and role in a portfolio of equity-related hedge fund strategies	17b	19b	
		discuss investment characteristics, strategy implementation, and role in a portfolio of event-driven hedge fund strategies	17c	19c	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
17	Hedge Fund Strategies	discuss investment characteristics, strategy implementation, and role in a portfolio of relative value hedge fund strategies	17d	19d	
		discuss investment characteristics, strategy implementation, and role in a portfolio of opportunistic hedge fund strategies	17e	19e	
		discuss investment characteristics, strategy implementation, and role in a portfolio of specialist hedge fund strategies	17f	19f	
		discuss investment characteristics, strategy implementation, and role in a portfolio of multi-manager hedge fund strategies	17g	19g	
		describe how factor models may be used to understand hedge fund risk exposures	17h	19h	
		evaluate the impact of an allocation to a hedge fund strategy in a traditional investment portfolio	17i	19i	
18	Asset Allocation to Alternative Investments	explain the roles that alternative investments play in multi-asset portfolios	18a	20a	
		compare alternative investments and bonds as risk mitigators in relation to a long equity position	18b	20b	
		compare traditional and risk-based approaches to defining the investment opportunity set, including alternative investments	18c	20c	
		discuss investment considerations that are important in allocating to different types of alternative investments	18d	20d	
		discuss suitability considerations in allocating to alternative investments	18e	20e	
		discuss approaches to asset allocation to alternative investments	18f	20f	
		discuss the importance of liquidity planning in allocating to alternative investments	18g	20g	
		discuss considerations in monitoring alternative investment programs	18h	20h	
		Portfolio-1			
19	Overview of Private Wealth Management	contrast private client and institutional client investment concerns	19a	21a	
		discuss information needed in advising private clients	19b	21b	
		identify tax considerations affecting a private client's investments	19c	21c	
		identify and formulate client goals based on client information	19d	21d	
		evaluate a private client's risk tolerance	19e	21e	
		describe technical and soft skills needed in advising private clients	19f	21f	
		evaluate capital sufficiency in relation to client goals	19g	21g	
		discuss the principles of retirement planning	19h	21h	
		discuss the parts of an investment policy statement (IPS) for a private client	19i	21i	
		prepare the investment objectives section of an IPS for a private client	19j	21j	
		evaluate and recommend improvements to an IPS for a private client	19k	21k	
		recommend and justify portfolio allocations and investments for a private client	19l	21l	
		describe effective practices in portfolio reporting and review	19m	21m	
		evaluate the success of an investment program for a private client	19n	21n	
		discuss ethical and compliance considerations in advising private clients	19o	21o	
		discuss how levels of service and range of solutions are related to different private clients	19p	21p	
20	Topics in Private Wealth Management	compare taxation of income, wealth, and wealth transfers	20a	22a	
		describe global considerations of jurisdiction that are relevant to taxation	20b	22b	
		discuss and analyze the tax efficiency of investments	20c	22c	
		analyze the impact of taxes on capital accumulation and decumulation in taxable, tax-exempt, and tax-deferred accounts	20d	22d	
		explain portfolio tax management strategies and their application	20e	22e	
		discuss risk and tax objectives in managing concentrated single-asset positions	20f	22f	
		describe strategies for managing concentrated positions in public equities	20g	22g	
		describe strategies for managing concentrated positions in privately owned businesses and real estate	20h	22h	
		discuss objectives—tax and non-tax—in planning the transfer of wealth	20i	22i	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
20	Topics in Private Wealth Management	discuss strategies for achieving estate, bequest, and lifetime gift objectives in common law and civil law regimes	20j	22j	
		describe considerations related to managing wealth across multiple generations	20k	22k	
21	Risk Management for Individuals	compare the characteristics of human capital and financial capital as components of an individual's total wealth	21a	23a	
		discuss the relationships among human capital, financial capital, and economic net worth	21b	23b+ 23c	
		describe an economic (holistic) balance sheet	21c	23d	
		discuss risks (earnings, premature death, longevity, property, liability, and health risks) in relation to human and financial capital	21d	23e	
		describe types of insurance relevant to personal financial planning	21e	23f	
		describe the basic elements of a life insurance policy and how insurers price a life insurance policy	21f	23g	
		discuss the use of annuities in personal financial planning	21g	23h	
		discuss the relative advantages and disadvantages of fixed and variable annuities	21h	23i+2 3j	
		discuss how asset allocation policy may be influenced by the risk characteristics of human capital	21i	23k	
		recommend and justify appropriate strategies for asset allocation and risk reduction when given an investor profile of key inputs	21j	23l	
22	Portfolio Management for Institutional Investors	discuss common characteristics of institutional investors as a group	22a	24a	
		discuss investment policy of institutional investors	22b	24b	
		discuss the stakeholders in the portfolio, the liabilities, the investment time horizons, and the liquidity needs of different types of institutional investors	22c	24c	
		describe the focus of legal, regulatory, and tax constraints affecting different types of institutional investors	22d	24d	
		evaluate risk considerations of private defined benefit (DB) pension plans in relation to 1) plan funded status, 2) sponsor financial strength, 3) interactions between the sponsor's business and the fund's investments, 4) plan design, and 5) workforce characteristics	22e	24e	
		evaluate the investment policy statement of an institutional investor	22f	24f+ 24g	
		evaluate the investment portfolio of a private DB plan, sovereign wealth fund, university endowment, and private foundation	22g	24h	
		describe considerations affecting the balance sheet management of banks and insurers	22h	24i	
Portfolio-2					
23	Trade Strategy and Execution	discuss motivations to trade and how they relate to trading strategy	23a	25a	
		discuss inputs to the selection of a trading strategy	23b	25b	
		compare benchmarks for trade execution	23c	25c	
		recommend and justify a trading strategy (given relevant facts)	23d	25d	
		describe factors that typically determine the selection of a trading algorithm class	23e	25e	
		contrast key characteristics of the following markets in relation to trade implementation: equity, fixed income, options and futures, OTC derivatives, and spot currency	23f	25f	
		explain how trade costs are measured and determine the cost of a trade	23g	25g	
		evaluate the execution of a trade	23h	25h	
		evaluate a firm's trading procedures, including processes, disclosures, and record keeping with respect to good governance	23i	25i	
24	Portfolio Performance Evaluation	explain the following components of portfolio evaluation and their interrelationships: performance measurement, performance attribution, and performance appraisal	24a	26a	
		describe attributes of an effective attribution process	24b	26b	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
24	Portfolio Performance Evaluation	contrast return attribution and risk attribution; contrast macro and micro return attribution	24c	26c	
		describe returns-based, holdings-based, and transactions-based performance attribution, including advantages and disadvantages of each	24d	26d	
		interpret the sources of portfolio returns using a specified attribution approach	24e	26e	
		interpret the output from fixed-income attribution analyses	24f	26f	
		discuss considerations in selecting a risk attribution approach	24g	26g	
		identify and interpret investment results attributable to the asset owner versus those attributable to the investment manager	24h	26h	
		discuss uses of liability-based benchmarks	24i	26i	
		describe types of asset-based benchmarks	24j	26j	
		discuss tests of benchmark quality	24k	26k	
		describe the impact of benchmark misspecification on attribution and appraisal analysis	24l	26m	
		describe problems that arise in benchmarking alternative investments	24m	26l	
		calculate and interpret the Sortino ratio, the appraisal ratio, upside/downside capture ratios, maximum drawdown, and drawdown duration	24n	26n	
		describe limitations of appraisal measures and related metrics	24o	26o	
		evaluate the skill of an investment manager	24p	26p	
25	Investment Manager Selection	describe the components of a manager selection process, including due diligence	25a	27a	
		contrast Type I and Type II errors in manager hiring and continuation decisions	25b	27b	
		describe uses of returns-based and holdings-based style analysis in investment manager selection	25c	27c	
		describe uses of the upside capture ratio, downside capture ratio, maximum drawdown, drawdown duration, and up/down capture in evaluating managers	25d	27d	
		evaluate a manager's investment philosophy and investment decision-making process	25e	27e	
		evaluate the costs and benefits of pooled investment vehicles and separate accounts	25f	27f	
		compare types of investment manager contracts, including their major provisions and advantages and disadvantages	25g	27g	
		describe the three basic forms of performance-based fees	25h	27h	
		analyze and interpret a sample performance-based fee schedule	25i	27i	
Portfolio-1					
26	Case Study in Portfolio Management: Institutional	discuss tools for managing portfolio liquidity risk	26a	28a	
		discuss capture of the illiquidity premium as a long-term investment strategy	26b	28b	LOS reworded,
		analyze asset allocation and portfolio construction in relation to liquidity needs and risk and return requirements and recommend actions to address identified needs	26c	28c	
		demonstrate the application of the Code of Ethics and Standards of Professional Conduct regarding the actions of individuals involved in manager selection	26d	28d	LOS reworded, Content same
		analyze the costs and benefits of derivatives versus cash market techniques for establishing or modifying asset class or risk exposures	26e	28e	
		demonstrate the use of derivatives overlays in tactical asset allocation and rebalancing	26f	28f	
		discuss ESG considerations in managing long-term institutional portfolios	26g		
27	Case Study in Risk Management-Private Wealth	identify and analyze a family's risk exposures during the early career stage	27a	29a	
		recommend and justify methods to manage a family's risk exposures during the early career stage	27b	29b	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
27	Case Study in Risk Management-Private Wealth	identify and analyze a family's risk exposures during the career development stage	27c	29c	
		recommend and justify methods to manage a family's risk exposures during the career development stage	27d	29d	
		identify and analyze a family's risk exposures during the peak accumulation stage	27e	29e	
		recommend and justify methods to manage a family's risk exposures during the peak accumulation stage	27f	29f	
		identify and analyze a family's risk exposures during the early retirement stage	27g	29g	
		recommend and justify a plan to manage risks associated with an individual's retirement lifestyle goals	27h	29h	
28	Case Study in Risk Management: Institutional	discuss financial risks associated with the portfolio strategy of an institutional investor	28a	30a	
		discuss environmental and social risks associated with the portfolio strategy of an institutional investor	28b	30b	
		analyze and evaluate the financial and non-financial risk exposures in the portfolio strategy of an institutional investor	28c	30c	
		discuss various methods to manage the risks that arise on long-term direct investments of an institutional investor	28d	30d	
		evaluate strengths and weaknesses of an enterprise risk management system and recommend improvements	28e	30e	
Ethics					
29	Code of Ethics and Standards of Professional Conduct	describe the structure of the CFA Institute Professional Conduct Program and the disciplinary review process for the enforcement of the CFA Institute Code of Ethics and Standards of Professional Conduct	29a	31a	
		explain the ethical responsibilities required by the Code and Standards, including the sub-sections of each standard	29b	31b	
30	Guidance for Standards I–VII	demonstrate a thorough knowledge of the CFA Institute Code of Ethics and Standards of Professional Conduct by interpreting the Code and Standards in various situations involving issues of professional integrity	30a	32a	
		recommend practices and procedures designed to prevent violations of the Code and Standards	30b	32b	
31	Application of the Code and Standards-Level III	evaluate practices, policies, and conduct relative to the CFA Institute Code of Ethics and Standards of Professional Conduct	31a	33a	
		explain how the practices, policies, or conduct does or does not violate the CFA Institute Code of Ethics and Standards of Professional Conduct	31b	33b	
32	Asset Manager Code of Professional Conduct	explain the purpose of the Asset Manager Code and the benefits that may accrue to a firm that adopts the Code	32a	34a	
		explain the ethical and professional responsibilities required by the six General Principles of Conduct of the Asset Manager Code	32b	34b	
		determine whether an asset manager's practices and procedures are consistent with the Asset Manager Code	32c	34c	
		recommend practices and procedures designed to prevent violations of the Asset Manager Code	32d	34d	
33	Overview of the Global Investment Performance Standards	discuss the objectives and scope of the GIPS standards and their benefits to prospective clients and investors, as well as investment managers	33a	35a+ 35b	
		discuss requirements of the GIPS standards with respect to return calculation methodologies, including the treatment of external cash flows, cash and cash equivalents, and expenses and fees	33b	35c	
		explain the recommended valuation hierarchy of the GIPS standards	33c	35j	
		explain requirements of the GIPS standards with respect to composite return calculations, including methods for asset-weighting portfolio returns	33d	35d	

Reading No.	Reading Name	Learning Outcome	2024 LOS	2023 LOS	Changes
33	Overview of the Global Investment Performance Standards	explain the meaning of “discretionary” in the context of composite construction and, given a description of the relevant facts, determine whether a portfolio is likely to be considered discretionary	33e	35e	
		explain the role of investment mandates, objectives, or strategies in the construction of composites	33f	35f	
		explain requirements of the GIPS standards with respect to composite construction, including switching portfolios among composites, the timing of the inclusion of new portfolios in composites, and the timing of the exclusion of terminated portfolios from composites	33g	35g	
		explain requirements of the GIPS standards with respect to presentation and reporting	33h	35h	
		explain the conditions under which the performance of a past firm or affiliation may be linked to or used to represent the historical performance of a new or acquiring firm	33i	35i	
		discuss the purpose, scope, and process of verification	33j	35k	