



CFA L-1

Changes in Syllabus

2025

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CA, CS, CFA, FRM, CAIA, CIPM, CFP, RV, CCRA, CIIB, CIRA, AIM

CFA L1 | Summary of Changes | 2025

New Changes Deleted

Core	No. of Chapters	No. of LOS	Total %
Same	93	365	100%
New	0	0	0%
Changes	0	0	0%
Total	93	365	100%
Deleted	0	0	0%

Pre-requisite	No. of Chapters	No. of LOS	Total %
Same	23	160	100%
New	0	0	0%
Changes	0	0	0%
Total	23	160	100%
Deleted	0	0	0%

**Pre-Requisite is not testable in the exam, it has some pre-read material for subject Quants, Economics, FSA.*

READING WISE CHANGES

			New	Changes	Deleted
Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023
Quantitative Methods - Pre-requisites	PR1	Interest Rates, Present Value, and Future Value		PR1	1
	PR2	Organizing, Visualizing, and Describing Data		PR2	2
	PR3	Probability Concepts		PR3	3
	PR4	Common Probability Distributions		PR4	4
	PR5	Sampling and Estimation		PR5	5
	PR6	Basics of Hypothesis Testing		PR6	6
	PR7	Appendices		PR7	4
Quantitative Methods	1	Rates and Returns		1	
	2	Time Value of Money in Finance		2	1
	3	Statistical Measures of Asset Returns		3	2
	4	Probability Trees and Conditional Expectations		4	3
	5	Portfolio Mathematics		5	3
	6	Simulation Methods		6	4
	6	Simulation Methods		6	4
	7	Estimation and Inference		7	5
	9	Parametric and Non Parametric Tests of Independence		9	6
	10	Simple Linear Regression		10	7
	11	Introduction to Big Data Techniques		11	68
Economics - Pre-requisites	PR8	Topics in Demand and Supply Analysis		PR8	8
	PR9	Introduction to the Firm and Market Organization		PR9	9
	PR10	Aggregate Output, Prices, and Economic Growth		PR10	10
	PR11	Introduction to Business Cycles		PR11	11
	PR12	Monetary and Fiscal Policy		PR12	12
	PR13	International Trade and Capital Flows		PR13	14
	PR14	Currency Exchange Rates		PR14	15
Economics	12	The Firm and Market Structures		12	8&9
	13	Understanding Business Cycles		13	11
	14	Fiscal Policy		14	12
	15	Monetary Policy		15	12
	16	Introduction to Geopolitics		16	13
	17	International Trade		17	14
	18	Capital Flows and the FX Market		18	15
Financial Statement Analysis - Pre-requisites	19	Exchange Rate Calculations		19	15
	PR15	Introduction to Financial Reporting		PR15	17
	PR16	Income Statements		PR16	18
	PR17	Balance Sheets		PR17	19
	PR18	Cash Flow Statements		PR18	20

Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023
Financial Statement Analysis - Pre-requisites	PR19	Inventories		PR19	22
	PR20	Long-Lived Assets		PR20	23
	PR21	Income Taxes		PR21	24
	PR22	Non-Current Long-Term Liabilities		PR22	25
	PR23	Applications of Financial Statement Analysis		PR23	27
Corporate Issuers	20	Organizational Forms, Corporate Issuer Features, and Ownership		22	28
	21	Investors and Other Stakeholders		23	28
	22	Corporate Governance—Conflicts, Mechanisms, Risks, and Benefits		24	29
	23	Working Capital and Liquidity		25	32
	24	Capital Investments and Capital Allocation		26	31
	25	Capital Structure		27	34
	26	Business Models		28	30
Financial Statement Analysis	27	Introduction to Financial Statement Analysis		29	16 & 17
	28	Analyzing Income Statements		30	18
	29	Analyzing Balance Sheets		31	19
	30	Analyzing Statements of Cash Flows I		32	20
	31	Analyzing Statements of Cash Flows II		33	20
	32	Analysis of Inventories		34	22
	33	Analysis of Long-Term Assets		35	23
	34	Topics in Long-Term Liabilities and Equity		36	25
	35	Analysis of Income Taxes		37	24
	36	Financial Reporting Quality		38	26
	37	Financial Analysis Techniques		39	21
	38	Introduction to Financial Statement Modeling		40	
Equity Investments	39	Market Organization and Structure		41	36
	40	Security Market Indexes		42	37
	41	Market Efficiency		43	38
	42	Overview of Equity Securities		44	39
	43	Company Analysis—Past and Present		45	40
	44	Industry and Competitive Analysis		46	40
	45	Company Analysis—Forecasting		47	
	46	Equity Valuation—Concepts and Basic Tools		48	41
Fixed Income	47	Fixed-Income Instrument Features		49	42
	48	Fixed-Income Cash Flows and Types		50	42
	49	Fixed-Income Issuance and Trading		51	43
	50	Fixed-Income Markets for Corporate Issuers		52	43
	51	Fixed-Income Markets for Government Issuers		53	43
	52	Fixed-Income Bond Valuation—Prices and Yields		54	44
	53	Yield and Yield Spread Measures for Fixed-Rate Bonds		55	44

Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023
Fixed Income	54	Yield and Yield Spread Measures for Floating-Rate Instruments		56	44
	55	The Term Structure of Interest Rates-Spot, Par, and Forward Curves		57	44
	56	Interest Rate Risk and Return		58	46
	57	Yield-Based Bond Duration Measures and Properties		59	46
	58	Yield-Based Bond Convexity and Portfolio Properties		60	46
	59	Curve-Based and Empirical Fixed-Income Risk Measures		61	46
	60	Credit Risk		62	47
	61	Credit Analysis for Government Issuers		63	47
	62	Credit Analysis for Corporate Issuers		64	47
	63	Fixed-Income Securitization		65	45
	64	Asset-Backed Security Instrument and Market Features		66	45
	65	Mortgage-Backed Security Instrument and Market Features		67	45
Derivatives	66	Derivative Instrument and Derivative Market Features		68	48
	67	Forward Commitment and Contingent Claim Features and Instruments		69	49
	68	Derivative Benefits, Risks, and Issuer and Investor Uses		70	50
	69	Arbitrage, Replication, and the Cost of Carry in Pricing Derivatives		71	51
	70	Pricing and Valuation of Forward Contracts and for an Underlying with Varying Maturities		72	52
	71	Pricing and Valuation of Futures Contracts		73	53
	72	Pricing and Valuation of Interest Rates and Other Swaps		74	54
	73	Pricing and Valuation of Options		75	55
	74	Option Replication Using Put-Call Parity		76	56
	75	Valuing a Derivative Using a One-Period Binomial Model		77	57
Alternative Investments	76	Alternative Investment Features, Methods, and Structures		78	58
	77	Alternative Investment Performance and Returns		79	59
	78	Investments in Private Capital-Equity and Debt		80	60
	79	Real Estate and Infrastructure		81	60
	80	Natural Resources		82	60
	81	Hedge Funds		83	60
	82	Introduction to Digital Assets		84	60
Portfolio Management	83	Portfolio Risk and Return-Part I		20	62
	84	Portfolio Risk and Return-Part II		21	63
	85	Portfolio Management-An Overview		85	61
	86	Basics of Portfolio Planning and Construction		86	64

Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023
Portfolio Management	87	The Behavioral Biases of Individuals		87	65
	88	Introduction to Risk Management		88	66
Ethical and Professional Standards	89	Ethics and Trust in the Investment Profession		89	69
	90	Code of Ethics and Standards of Professional Conduct		90	70
	91	Guidance for Standards I–VII		91	71
	92	Introduction to the Global Investment Performance Standards		92	72
	93	Ethics Application		93	73

LOS WISE CHANGES

						New	Changes	Deleted
Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes			
Quantitative Methods- Pre-requisites								
PR1	Interest Rates, Present Value, and Future Value	interpret interest rates as required rates of return, discount rates, or opportunity costs	PR1a	PR1a				
		explain an interest rate as the sum of a real risk-free rate and premiums that compensate investors for bearing distinct types of risk	PR1b	PR1b				
		calculate and interpret the future value (FV) and present value (PV) of a single sum of money, an ordinary annuity, an annuity due, a perpetuity (PV only), and a series of unequal cash flows	PR1c	PR1c				
		demonstrate the use of a time line in modeling and solving time value of money problems	PR1d	PR1d				
		calculate the solution for time value of money problems with different frequencies of compounding	PR1e	PR1e				
		calculate and interpret the effective annual rate, given the stated annual interest rate and the frequency of compounding	PR1f	PR1f				
PR2	Organizing, Visualizing, and Describing Data	identify and compare data types	PR2a	PR2a				
		describe how data are organized for quantitative analysis	PR2b	PR2b				
		interpret frequency and related distributions	PR2c	PR2c				
		interpret a contingency table	PR2d	PR2d				
		describe ways that data may be visualized and evaluate uses of specific visualizations	PR2e	PR2e				
		describe how to select among visualization types	PR2f	PR2f				
		calculate and interpret measures of central tendency	PR2g	PR2g				
		evaluate alternative definitions of mean to address an investment problem	PR2h	PR2h				
		calculate quantiles and interpret related visualizations	PR2i	PR2i				
		calculate and interpret measures of dispersion	PR2j	PR2j				
PR3	Probability Concepts	calculate and interpret target downside deviation	PR2k	PR2k				
		define a random variable, an outcome, and an event	PR3a	PR3a				
		identify the two defining properties of probability, including mutually exclusive and exhaustive events, and compare and contrast empirical, subjective, and a priori probabilities	PR3b	PR3b				
		describe the probability of an event in terms of odds for and against the event	PR3c	PR3c				
		calculate and interpret conditional probabilities	PR3d	PR3d				
		demonstrate the application of the multiplication and addition rules for probability	PR3e	PR3e				
		compare and contrast dependent and independent events	PR3f	PR3f				
		calculate and interpret an unconditional probability using the total probability rule	PR3g	PR3g				
PR4	Common Probability Distributions	identify the most appropriate method to solve a particular counting problem and analyze counting problems using factorial, combination, and permutation concepts	PR3h	PR3h				
		define a probability distribution and compare and contrast discrete and continuous random variables and their probability functions	PR4a	PR4a				
		calculate and interpret probabilities for a random variable given its cumulative distribution function	PR4b	PR4b				
		describe the properties of a discrete uniform random variable, and calculate and interpret probabilities given the discrete uniform distribution function	PR4c	PR4c				
		describe the properties of the continuous uniform distribution, and calculate and interpret probabilities given a continuous uniform distribution	PR4d	PR4d				

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
PR4	Common Probability Distributions	describe the properties of a Bernoulli random variable and a binomial random variable, and calculate and interpret probabilities given the binomial distribution function	PR4e	PR4e	
		explain the key properties of the normal distribution	PR4f	PR4f	
		contrast a multivariate distribution and a univariate distribution, and explain the role of correlation in the multivariate normal distribution	PR4g	PR4g	
		calculate the probability that a normally distributed random variable lies inside a given interval	PR4h	PR4h	
		explain how to standardize a random variable	PR4i	PR4i	
		calculate and interpret probabilities using the standard normal distribution	PR4j	PR4j	
		describe the properties of the Student's t-distribution, and calculate and interpret its degrees of freedom	PR4k	PR4k	
		describe the properties of the chi-square distribution and the F-distribution, and calculate and interpret their degrees of freedom	PR4l	PR4l	
PR5	Sampling and Estimation	identify and describe desirable properties of an estimator	PR5a	PR5a	
		contrast a point estimate and a confidence interval estimate of a population parameter	PR5b	PR5b	
		calculate and interpret a confidence interval for a population mean, given a normal distribution with 1) a known population variance, 2) an unknown population variance, or 3) an unknown population variance and a large sample size	PR5c	PR5c	
		describe the issues regarding selection of the appropriate sample size, data snooping bias, sample selection bias, survivorship bias, look-ahead bias, and time-period bias	PR5d	PR5d	
PR6	Basics of Hypothesis Testing	define a hypothesis, describe the steps of hypothesis testing, and describe and interpret the choice of the null and alternative hypothesis	PR6a	PR6a	
		compare and contrast one-tailed and two-tailed tests of hypotheses	PR6b	PR6b	
		explain a test statistic, Type I and Type II errors, a significance level, how significance levels are used in hypothesis testing, and the power of a test	PR6c	PR6c	
		explain a decision rule and the relation between confidence intervals and hypothesis tests, and determine whether a statistically significant result is also economically meaningful	PR6d	PR6d	
		explain and interpret the p-value as it relates to hypothesis testing	PR6e	PR6e	
		describe how to interpret the significance of a test in the context of multiple tests	PR6f	PR6f	
		identify the appropriate test statistic and interpret the results for a hypothesis test concerning the population mean of both large and small samples when the population is normally or approximately normally distributed and the variance is (1) known or (2) unknown	PR6g	PR6g	
		identify the appropriate test statistic and interpret the results for a hypothesis test concerning the equality of the population means of two at least approximately normally distributed populations based on independent random samples with equal assumed variances	PR6h	PR6h	
		identify the appropriate test statistic and interpret the results for a hypothesis test concerning the mean difference of two normally distributed populations	PR6i	PR6i	
		identify the appropriate test statistic and interpret the results for a hypothesis test concerning (1) the variance of a normally distributed population and (2) the equality of the variances of two normally distributed populations based on two independent random samples	PR6j	PR6j	
PR7	Appendices	Cumulative Probabilities for a Standard Normal Distribution	PR7a	PR7a	
		Table of the Student's t-Distribution (One-Tailed Probabilities)	PR7b	PR7b	
		Values of X ² (Degrees of Freedom, Level of Significance)	PR7c	PR7c	
		Table of the F-Distribution	PR7d	PR7d	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
Quantitative Methods					
1	Rates and Returns	interpret interest rates as required rates of return, discount rates, or opportunity costs and explain an interest rate as the sum of a real risk-free rate and premiums that compensate investors for bearing distinct types of risk	1a	1a	
		calculate and interpret different approaches to return measurement over time and describe their appropriate uses	1b	1b	
		compare the money-weighted and time-weighted rates of return and evaluate the performance of portfolios based on these measures	1c	1c	
		calculate and interpret annualized return measures and continuously compounded returns, and describe their appropriate uses	1d	1d	
		calculate and interpret major return measures and describe their appropriate uses	1e	1e	
2	Time Value of Money in Finance	calculate and interpret the present value (PV) of fixed-income and equity instruments based on expected future cash flows	2a	2a	
		calculate and interpret the implied return of fixed-income instruments and required return and implied growth of equity instruments given the present value (PV) and cash flows	2b	2b	
		explain the cash flow additivity principle, its importance for the no-arbitrage condition, and its use in calculating implied forward interest rates, forward exchange rates, and option values	2c	2c	
3	Statistical Measures of Asset Returns	calculate, interpret, and evaluate measures of central tendency and location to address an investment problem	3a	3a	
		calculate, interpret, and evaluate measures of dispersion to address an investment problem	3b	3b	
		interpret and evaluate measures of skewness and kurtosis to address an investment problem	3c	3c	
		interpret correlation between two variables to address an investment problem	3d	3d	
4	Probability Trees and Conditional Expectations	calculate expected values, variances, and standard deviations and demonstrate their application to investment problems	4a	4a	
		formulate an investment problem as a probability tree and explain the use of conditional expectations in investment application	4b	4b	
		calculate and interpret an updated probability in an investment setting using Bayes' formula	4c	4c	
5	Portfolio Mathematics	calculate and interpret the expected value, variance, standard deviation, covariances, and correlations of portfolio returns	5a	5a	
		calculate and interpret the covariance and correlation of portfolio returns using a joint probability function for returns	5b	5b	
		define shortfall risk, calculate the safety-first ratio, and identify an optimal portfolio using Roy's safety-first criterion	5c	5c	
6	Simulation Methods	explain the relationship between normal and lognormal distributions and why the lognormal distribution is used to model asset prices when using continuously compounded asset returns	6a	6a	
		describe Monte Carlo simulation and explain how it can be used in investment applications	6b	6b	
		describe the use of bootstrap resampling in conducting a simulation based on observed data in investment applications	6c	6c	
7	Estimation and Inference	compare and contrast simple random, stratified random, cluster, convenience, and judgmental sampling and their implications for sampling error in an investment problem	7a	7a	
		explain the central limit theorem and its importance for the distribution and standard error of the sample mean	7b	7b	
		describe the use of resampling (bootstrap, jackknife) to estimate the sampling distribution of a statistic	7c	7c	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
8	Hypothesis Testing	explain hypothesis testing and its components, including statistical significance, Type I and Type II errors, and the power of a test.	8a	8a	
		construct hypothesis tests and determine their statistical significance, the associated Type I and Type II errors, and power of the test given a significance level	8b	8b	
		compare and contrast parametric and nonparametric tests, and describe situations where each is the more appropriate type of test	8c	8c	
9	Parametric and Non Parametric Tests of Independence	explain parametric and nonparametric tests of the hypothesis that the population correlation coefficient equals zero, and determine whether the hypothesis is rejected at a given level of significance	9a	9a	
		explain tests of independence based on contingency table data	9b	9b	
10	Simple Linear Regression	describe a simple linear regression model, how the least squares criterion is used to estimate regression coefficients, and the interpretation of these coefficients	10a	10a	
		explain the assumptions underlying the simple linear regression model, and describe how residuals and residual plots indicate if these assumptions may have been violated	10b	10b	
		calculate and interpret measures of fit and formulate and evaluate tests of fit and of regression coefficients in a simple linear regression	10c	10c	
		describe the use of analysis of variance (ANOVA) in regression analysis, interpret ANOVA results, and calculate and interpret the standard error of estimate in a simple linear regression	10d	10d	
		calculate and interpret the predicted value for the dependent variable, and a prediction interval for it, given an estimated linear regression model and a value for the independent variable	10e	10e	
		describe different functional forms of simple linear regressions	10f	10f	
11	Introduction to Big Data Techniques	describe aspects of “fintech” that are directly relevant for the gathering and analyzing of financial data.	11a	11a	
		describe Big Data, artificial intelligence, and machine learning	11b	11b	
		describe applications of Big Data and Data Science to investment management	11c	11c	
Economics - Pre-requisites					
PR8	Topics in Demand and Supply Analysis	calculate and interpret price, income, and cross-price elasticities of demand and describe factors that affect each measure	PR8a	PR8a	
		compare substitution and income effects	PR8b	PR8b	
		contrast normal goods with inferior goods	PR8c	PR8c	
		describe the phenomenon of diminishing marginal returns	PR8d	PR8d	
		determine and interpret breakeven and shutdown points of production	PR8e	PR8e	
PR9	Introduction to the Firm and Market Organization	describe characteristics of perfect competition, monopolistic competition, oligopoly, and pure monopoly	PR9a	PR9a	
		explain relationships between price, marginal revenue, marginal cost, economic profit, and the elasticity of demand under each market structure	PR9b	PR9b	
		describe a firm’s supply function under each market structure	PR9c	PR9c	
		describe and determine the optimal price and output for firms under each market structure	PR9d	PR9d	
		describe pricing strategy under each market structure	PR9e	PR9e	
		explain factors affecting long-run equilibrium under each market structure	PR9f	PR9f	
PR10	Aggregate Output, Prices, and Economic Growth	calculate and explain gross domestic product (GDP) using expenditure and income approaches	PR10a	PR10a	
		compare the sum-of-value-added and value-of-final-output methods of calculating GDP	PR10b	PR10b	
		compare nominal and real GDP and calculate and interpret the GDP deflator	PR10c	PR10c	
		compare GDP, national income, personal income, and personal disposable income	PR10d	PR10d	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
PR10	Aggregate Output, Prices, and Economic Growth	explain the fundamental relationship among saving, investment, the fiscal balance, and the trade balance	PR10e	PR10e	
		explain how the aggregate demand curve is generated	PR10f	PR10f	
		explain the aggregate supply curve in the short run and long run	PR10g	PR10g	
		explain causes of movements along and shifts in aggregate demand and supply curves	PR10h	PR10h	
		describe how fluctuations in aggregate demand and aggregate supply cause short-run changes in the economy and the business cycle	PR10i	PR10i	
		distinguish among the following types of macroeconomic equilibria: long-run full employment, short-run recessionary gap, short-run inflationary gap, and short-run stagflation	PR10j	PR10j	
		explain how a short-run macroeconomic equilibrium may occur at a level above or below full employment	PR10k	PR10k	
		analyze the effect of combined changes in aggregate supply and demand on the economy	PR10l	PR10l	
		describe sources, measurement, and sustainability of economic growth	PR10m	PR10m	
		describe the production function approach to analyzing the sources of economic growth	PR10n	PR10n	
		define and contrast input growth and growth of total factor productivity as components of economic growth	PR10o	PR10o	
PR11	Introduction to Business Cycles	describe how resource use, consumer and business activity, housing sector activity, and external trade sector activity vary as an economy moves through the business cycle	PR11a	PR11a	
		describe types of unemployment, and compare measures of unemployment	PR11b	PR11b	
		explain inflation, hyperinflation, disinflation, and deflation	PR11c	PR11c	
		explain the construction of indexes used to measure inflation	PR11d	PR11d	
		compare inflation measures, including their uses and limitations	PR11e	PR11e	
		contrast cost-push and demand-pull inflation	PR11f	PR11f	
PR12	Monetary and Fiscal Policy	compare monetary and fiscal policy	PR12a	PR12a	
		describe functions and definitions of money	PR12b	PR12b	
		explain the money creation process	PR12c	PR12c	
		describe theories of the demand for and supply of money	PR12d	PR12d	
		describe the Fisher effect	PR12e	PR12e	
		contrast the costs of expected and unexpected inflation	PR12f	PR12f	
PR13	International Trade and Capital Flows	compare gross domestic product and gross national product	PR13a	PR13a	
		describe benefits and costs of international trade	PR13b	PR13b	
		contrast comparative advantage and absolute advantage	PR13c	PR13c	
		compare the Ricardian and Heckscher–Ohlin models of trade and the source(s) of comparative advantage in each model	PR13d	PR13d	
		describe the balance of payments accounts including their components	PR13e	PR13e	
		explain how decisions by consumers, firms, and governments affect the balance of payments	PR13f	PR13f	
PR14	Currency Exchange Rates	define an exchange rate and distinguish between nominal and real exchange rates and spot and forward exchange rates	PR14a	PR14a	
		calculate and interpret the percentage change in a currency relative to another currency	PR14b	PR14b	
		describe functions of and participants in the foreign exchange market	PR14c	PR14c	
		explain the effects of exchange rates on countries' international trade and capital flows	PR14d	PR14d	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
Economics					
12	The Firm and Market Structures	determine and interpret breakeven and shutdown points of production, as well as how economies and diseconomies of scale affect costs under perfect and imperfect competition	12a	12a	
		describe characteristics of perfect competition, monopolistic competition, oligopoly, and pure monopoly	12b	12b	
		explain supply and demand relationships under monopolistic competition, including the optimal price and output for firms as well as pricing strategy	12c	12c	
		explain supply and demand relationships under oligopoly, including the optimal price and output for firms as well as pricing strategy	12d	12d	
		identify the type of market structure within which a firm operates and describe the use and limitations of concentration measures	12e	12e	
13	Understanding Business Cycles	describe the business cycle and its phases	13a	13a	
		describe credit cycles	13b	13b	
		describe how resource use, consumer and business activity, housing sector activity, and external trade sector activity vary over the business cycle and describe their measurement using economic indicators	13c	13c	
14	Fiscal Policy	compare monetary and fiscal policy	14a	14a	
		describe roles and objectives of fiscal policy as well as arguments as to whether the size of a national debt relative to GDP matters	14b	14b	
		describe tools of fiscal policy, including their advantages and disadvantages	14c	14c	
		explain the implementation of fiscal policy and difficulties of implementation as well as whether a fiscal policy is expansionary or contractionary	14d	14d	
15	Monetary Policy	describe the roles and objectives of central banks	15a	15a	
		describe tools used to implement monetary policy tools and the monetary transmission mechanism, and explain the relationships between monetary policy and economic growth, inflation, interest, and exchange rates	15b	15b	
		describe qualities of effective central banks; contrast their use of inflation, interest rate, and exchange rate targeting in expansionary or contractionary monetary policy; and describe the limitations of monetary policy	15c	15c	
		explain the interaction of monetary and fiscal policy	15d	15d	
16	Introduction to Geopolitics	describe geopolitics from a cooperation versus competition perspective	16a	16a	
		describe geopolitics and its relationship with globalization	16b	16b	
		describe functions and objectives of the international organizations that facilitate trade, including the World Bank, the International Monetary Fund, and the World Trade Organization	16c	16c	
		describe geopolitical risk	16d	16d	
		describe tools of geopolitics and their impact on regions and economies	16e	16e	
		describe the impact of geopolitical risk on investments	16f	16f	
17	International Trade	describe the benefits and costs of international trade	17a	17a	
		compare types of trade restrictions, such as tariffs, quotas, and export subsidies, and their economic implications	17b	17b	
		explain motivations for and advantages of trading blocs, common markets, and economic unions	17c	17c	
18	Capital Flows and the FX Market	describe the foreign exchange market, including its functions and participants, distinguish between nominal and real exchange rates, and calculate and interpret the percentage change in a currency relative to another currency	18a	18a	
		describe exchange rate regimes and explain the effects of exchange rates on countries' international trade and capital flows	18b	18b	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
18	Capital Flows and the FX Market	describe common objectives of capital restrictions imposed by governments	18c	18c	
19	Exchange Rate Calculations	calculate and interpret currency cross-rates	19a	19a	
		explain the arbitrage relationship between spot and forward exchange rates and interest rates, calculate a forward rate using points or in percentage terms, and interpret a forward discount or premium	19b	19b	
Financial Statement Analysis - Pre-requisites					
PR15	Introduction to Financial Reporting	describe the objective of financial reporting and the importance of financial reporting standards in security analysis and valuation	PR15a	PR15a	
		describe the roles of financial reporting standard-setting bodies and regulatory authorities in establishing and enforcing reporting standards	PR15b	PR15b	
		describe the International Accounting Standards Board's conceptual framework, including qualitative characteristics of financial reports, constraints on financial reports, and required reporting elements	PR15c	PR15c	
		describe general requirements for financial statements under International Financial Reporting Standards (IFRS)	PR15d	PR15d	
		describe the roles of the statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows in evaluating a company's performance and financial position	PR15e	PR15e	
PR16	Income Statements	describe the components of the income statement and alternative presentation formats of that statement	PR16a	PR16a	
		describe general principles of revenue recognition and accounting standards for revenue recognition	PR16b	PR16b	
		calculate revenue given information that might influence the choice of revenue recognition method	PR16c	PR16c	
		describe general principles of expense recognition, specific expense recognition applications, and implications of expense recognition choices for financial analysis	PR16d	PR16d	
		contrast operating and non-operating components of the income statement	PR16e	PR16e	
		formulate income statements into common-size income statements	PR16f	PR16f	
		evaluate a company's financial performance using common-size income statements and financial ratios based on the income statement	PR16g	PR16g	
		describe, calculate, and interpret comprehensive income	PR16h	PR16h	
		describe other comprehensive income and identify major types of items included in it	PR16i	PR16i	
PR17	Balance Sheets	describe the elements of the balance sheet: assets, liabilities, and equity	PR17a	PR17a	
		describe uses and limitations of the balance sheet in financial analysis	PR17b	PR17b	
		describe alternative formats of balance sheet presentation	PR17c	PR17c	
		contrast current and non-current assets and current and non-current liabilities	PR17d	PR17d	
		describe different types of assets and liabilities and the measurement bases of each	PR17e	PR17e	
		describe the components of shareholders' equity	PR17f	PR17f	
PR18	Cash Flow Statements	compare cash flows from operating, investing, and financing activities and classify cash flow items as relating to one of those three categories given a description of the items	PR18a	PR18a	
		describe how non-cash investing and financing activities are reported	PR18b	PR18b	
		compare and contrast the direct and indirect methods of presenting cash from operating activities and describe arguments in favor of each method	PR18c	PR18c	
		contrast cash flow statements prepared under International Financial Reporting Standards (IFRS) and US generally accepted accounting principles (US GAAP)	PR18d	PR18d	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
PR19	Inventories	contrast costs included in inventories and costs recognised as expenses in the period in which they are incurred	PR19a	PR19a	
		describe different inventory valuation methods (cost formulas)	PR19b	PR19b	
		calculate and compare cost of sales, gross profit, and ending inventory using different inventory valuation methods and using perpetual and periodic inventory systems	PR19c	PR19c	
		calculate and explain how inflation and deflation of inventory costs affect the financial statements and ratios of companies that use different inventory valuation methods	PR19d	PR19d	
		explain LIFO reserve and LIFO liquidation and their effects on financial statements and ratios	PR19e	PR19e	
		demonstrate the conversion of a company's reported financial statements from LIFO to FIFO for purposes of comparison	PR19f	PR19f	
		describe the measurement of inventory at the lower of cost and net realisable value	PR19g	PR19g	
		describe implications of valuing inventory at net realisable value for financial statements and ratios	PR19h	PR19h	
		describe the financial statement presentation of and disclosures relating to inventories	PR19i	PR19i	
		explain issues that analysts should consider when examining a company's inventory disclosures and other sources of information	PR19j	PR19j	
PR20	Long-Lived Assets	calculate and compare ratios of companies, including companies that use different inventory methods	PR19k	PR19k	
		analyze and compare the financial statements of companies, including companies that use different inventory methods	PR19l	PR19l	
		describe the different depreciation methods for property, plant, and equipment and calculate depreciation expense	PR20a	PR20a	
		describe how the choice of depreciation method and assumptions concerning useful life and residual value affect depreciation expense, financial statements, and ratios	PR20b	PR20b	
		explain and evaluate how impairment, revaluation, and derecognition of property, plant, and equipment and intangible assets affect financial statements and ratios	PR20c	PR20c	
		describe the different amortisation methods for intangible assets with finite lives and calculate amortisation expense	PR20d	PR20d	
		describe how the choice of amortisation method and assumptions concerning useful life and residual value affect amortisation expense, financial statements, and ratios	PR20e	PR20e	
PR21	Income Taxes	describe the revaluation model	PR20f	PR20f	
		compare the financial reporting of investment property with that of property, plant, and equipment	PR20g	PR20g	
		calculate the tax base of a company's assets and liabilities	PR21a	PR21a	
		calculate income tax expense, income taxes payable, deferred tax assets, and deferred tax liabilities, and calculate and interpret the adjustment to the financial statements related to a change in the income tax rate	PR21b	PR21b	
		evaluate the effect of tax rate changes on a company's financial statements and ratios	PR21c	PR21c	
		identify and contrast temporary versus permanent differences in pre-tax accounting income and taxable income	PR21d	PR21d	
PR22	Non-Current Long-Term Liabilities	explain recognition and measurement of current and deferred tax items	PR21e	PR21e	
		describe the valuation allowance for deferred tax assets—when it is required and what effect it has on financial statements	PR21f	PR21f	
		determine the initial recognition, initial measurement and subsequent measurement of bonds	PR22a	PR22a	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
PR22	Non-Current Long-Term Liabilities	describe the effective interest method and calculate interest expense, amortisation of bond discounts/premiums, and interest payments	PR22b	PR22b	
		explain the derecognition of debt	PR22c	PR22c	
PR23	Applications of Financial Statement Analysis	evaluate a company's past financial performance and explain how a company's strategy is reflected in past financial performance	PR23a	PR23a	
		demonstrate how to forecast a company's future net income and cash flow	PR23b	PR23b	
		describe the role of financial statement analysis in assessing the credit quality of a potential debt investment	PR23c	PR23c	
		describe the use of financial statement analysis in screening for potential equity investments	PR23d	PR23d	
		explain appropriate analyst adjustments to a company's financial statements to facilitate comparison with another company	PR23e	PR23e	
Corporate Issuers					
20	Organizational Forms, Corporate Issuer Features, and Ownership	compare the organizational forms of businesses	20a	22a	
		describe key features of corporate issuers	20b	22b	
		compare publicly and privately owned corporate issuers	20c	22c	
21	Investors and Other Stakeholders	compare the financial claims and motivations of lenders and shareholders	21a	23a	
		describe a company's stakeholder groups and compare their interests	21b	23b	
		describe environmental, social, and governance factors of corporate issuers considered by investors	21c	23c	
22	Corporate Governance-Conflicts, Mechanisms, Risks, and Benefits	describe the principal-agent relationship and conflicts that may arise between stakeholder groups	22a	24a	
		describe corporate governance and mechanisms to manage stakeholder relationships and mitigate associated risks	22b	24b	
		describe potential risks of poor corporate governance and stakeholder management and benefits of effective corporate governance and stakeholder management	22c	24c	
23	Working Capital and Liquidity	explain the cash conversion cycle and compare issuers' cash conversion cycles	23a	25a	
		explain liquidity and compare issuers' liquidity levels	23b	25b	
		describe issuers' objectives and compare methods for managing working capital and liquidity	23c	25c	
24	Capital Investments and Capital Allocation	describe types of capital investments	24a	26a	
		describe the capital allocation process, calculate net present value (NPV), internal rate of return (IRR), and return on invested capital (ROIC), and contrast their use in capital allocation	24b	26b	
		describe principles of capital allocation and common capital allocation pitfalls	24c	26c	
		describe types of real options relevant to capital investments	24d	26d	
25	Capital Structure	calculate and interpret the weighted-average cost of capital for a company	25a	27a	
		explain factors affecting capital structure and the weighted-average cost of capital	25b	27b	
		explain the Modigliani–Miller propositions regarding capital structure	25c	27c	
		describe optimal and target capital structures	25d	27d	
26	Business Models	describe key features of business models	26a	28a	
		describe various types of business models	26b	28b	
Financial Statement Analysis					
27	Introduction to Financial Statement Analysis	describe the steps in the financial statement analysis framework	27a	29a	
		describe the roles of financial statement analysis	27b	29b	
		describe the importance of regulatory filings, financial statement notes and supplementary information, management's commentary, and audit reports	27c	29c	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
27	Introduction to Financial Statement Analysis	describe implications for financial analysis of alternative financial reporting systems and the importance of monitoring developments in financial reporting standards	27d	29d	
		describe information sources that analysts use in financial statement analysis besides annual and interim financial reports	27e	29e	
28	Analyzing Income Statements	describe general principles of revenue recognition, specific revenue recognition applications, and implications of revenue recognition choices for financial analysis	28a	30a	
		describe general principles of expense recognition, specific expense recognition applications, implications of expense recognition choices for financial analysis and contrast costs that are capitalized versus those that are expensed in the period in which they are incurred	28b	30b	
		describe the financial reporting treatment and analysis of non-recurring items (including discontinued operations, unusual or infrequent items) and changes in accounting policies	28c	30c	
		describe how earnings per share is calculated and calculate and interpret a company's basic and diluted earnings per share for companies with simple and complex capital structures including those with antidilutive securities	28d	30d	
		evaluate a company's financial performance using common-size income statements and financial ratios based on the income statement	28e	30e	
29	Analyzing Balance Sheets	explain the financial reporting and disclosures related to intangible assets	29a	31a	
		explain the financial reporting and disclosures related to goodwill	29b	31b	
		explain the financial reporting and disclosures related to financial instruments	29c	31c	
		explain the financial reporting and disclosures related to non-current liabilities	29d	31d	
		calculate and interpret common-size balance sheets and related financial ratios	29e	31e	
30	Analyzing Statements of Cash Flows I	describe how the cash flow statement is linked to the income statement and the balance sheet	30a	32a	
		describe the steps in the preparation of direct and indirect cash flow statements, including how cash flows can be computed using income statement and balance sheet data	30b	32b	
		demonstrate the conversion of cash flows from the indirect to direct method	30c	32c	
		contrast cash flow statements prepared under International Financial Reporting Standards (IFRS) and US generally accepted accounting principles (US GAAP)	30d	32d	
31	Analyzing Statements of Cash Flows II	analyze and interpret both reported and common-size cash flow statements	31a	33a	
		calculate and interpret free cash flow to the firm, free cash flow to equity, and performance and coverage cash flow ratios	31b	33b	
32	Analysis of Inventories	describe the measurement of inventory at the lower of cost and net realisable value and its implications for financial statements and ratios	32a	34a	
		calculate and explain how inflation and deflation of inventory costs affect the financial statements and ratios of companies that use different inventory valuation methods	32b	34b	
		describe the presentation and disclosures relating to inventories and explain issues that analysts should consider when examining a company's inventory disclosures and other sources of information	32c	34c	
33	Analysis of Long-Term Assets	compare the financial reporting of the following types of intangible assets: purchased, internally developed, and acquired in a business combination	33a	35a	
		explain and evaluate how impairment and derecognition of property, plant, and equipment and intangible assets affect the financial statements and ratios	33b	35b	
		analyze and interpret financial statement disclosures regarding property, plant, and equipment and intangible assets	33c	35c	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
34	Topics in Long-Term Liabilities and Equity	explain the financial reporting of leases from the perspectives of lessors and lessees	34a	36a	
		explain the financial reporting of defined contribution, defined benefit, and stock-based compensation plans	34b	36b	
		describe the financial statement presentation of and disclosures relating to long-term liabilities and share-based compensation	34c	36c	
35	Analysis of Income Taxes	contrast accounting profit, taxable income, taxes payable, and income tax expense and temporary versus permanent differences between accounting profit and taxable income	35a	37a	
		explain how deferred tax liabilities and assets are created and the factors that determine how a company's deferred tax liabilities and assets should be treated for the purposes of financial analysis	35b	37b	
		calculate, interpret, and contrast an issuer's effective tax rate, statutory tax rate, and cash tax rate	35c	37c	
		analyze disclosures relating to deferred tax items and the effective tax rate reconciliation and explain how information included in these disclosures affects a company's financial statements and financial ratios	35d	37d	
36	Financial Reporting Quality	compare financial reporting quality with the quality of reported results (including quality of earnings, cash flow, and balance sheet items)	36a	38a	
		describe a spectrum for assessing financial reporting quality	36b	38b	
		explain the difference between conservative and aggressive accounting	36c	38c	
		describe motivations that might cause management to issue financial reports that are not high quality and conditions that are conducive to issuing low-quality, or even fraudulent, financial reports	36d	38d	
		describe mechanisms that discipline financial reporting quality and the potential limitations of those mechanisms	36e	38e	
		describe presentation choices, including non-GAAP measures, that could be used to influence an analyst's opinion	36f	38f	
		describe accounting methods (choices and estimates) that could be used to manage earnings, cash flow, and balance sheet items	36g	38g	
		describe accounting warning signs and methods for detecting manipulation of information in financial reports	36h	38h	
37	Financial Analysis Techniques	describe tools and techniques used in financial analysis, including their uses and limitations	37a	39a	
		calculate and interpret activity, liquidity, solvency, and profitability ratios	37b	39b	
		describe relationships among ratios and evaluate a company using ratio analysis	37c	39c	
		demonstrate the application of DuPont analysis of return on equity and calculate and interpret effects of changes in its components	37d	39d	
		describe the uses of industry-specific ratios used in financial analysis	37e	39e	
		describe how ratio analysis and other techniques can be used to model and forecast earnings	37f	39f	
38	Introduction to Financial Statement Modeling	demonstrate the development of a sales-based pro forma company model	38a	40a	
		explain how behavioral factors affect analyst forecasts and recommend remedial actions for analyst biases	38b	40b	
		explain how the competitive position of a company based on a Porter's five forces analysis affects prices and costs	38c	40c	
		explain how to forecast industry and company sales and costs when they are subject to price inflation or deflation	38d	40d	
		explain considerations in the choice of an explicit forecast horizon and an analyst's choices in developing projections beyond the short-term forecast horizon	38e	40e	
Equity Investments					

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
39	Market Organization and Structure	explain the main functions of the financial system	39a	41a	
		describe classifications of assets and markets	39b	41b	
		describe the major types of securities, currencies, contracts, commodities, and real assets that trade in organized markets, including their distinguishing characteristics and major subtypes	39c	41c	
		describe types of financial intermediaries and services that they provide	39d	41d	
		compare positions an investor can take in an asset	39e	41e	
		calculate and interpret the leverage ratio, the rate of return on a margin transaction, and the security price at which the investor would receive a margin call	39f	41f	
		compare execution, validity, and clearing instructions	39g	41g	
		compare market orders with limit orders	39h	41h	
		define primary and secondary markets and explain how secondary markets support primary markets	39i	41i	
		describe how securities, contracts, and currencies are traded in quote-driven, order-driven, and brokered markets	39j	41j	
		describe characteristics of a well-functioning financial system	39k	41k	
		describe objectives of market regulation	39l	41l	
		40	Security Market Indexes	describe a security market index	40a
calculate and interpret the value, price return, and total return of an index	40b			42b	
describe the choices and issues in index construction and management	40c			42c	
compare the different weighting methods used in index construction	40d			42d	
calculate and analyze the value and return of an index given its weighting method	40e			42e	
describe rebalancing and reconstitution of an index	40f			42f	
describe uses of security market indexes	40g			42g	
describe types of equity indexes	40h			42h	
compare types of security market indexes	40i			42i	
describe types of fixed-income indexes	40j			42j	
describe indexes representing alternative investments	40k			42k	
41	Market Efficiency	describe market efficiency and related concepts, including their importance to investment practitioners	41a	43a	
		contrast market value and intrinsic value	41b	43b	
		explain factors that affect a market's efficiency	41c	43c	
		contrast weak-form, semi-strong-form, and strong-form market efficiency	41d	43d	
		explain the implications of each form of market efficiency for fundamental analysis, technical analysis, and the choice between active and passive portfolio management	41e	43e	
		describe market anomalies	41f	43f	
		describe behavioral finance and its potential relevance to understanding market anomalies	41g	43g	
42	Overview of Equity Securities	describe characteristics of types of equity securities	42a	44a	
		describe differences in voting rights and other ownership characteristics among different equity classes	42b	44b	
		compare and contrast public and private equity securities	42c	44c	
		describe methods for investing in non-domestic equity securities	42d	44d	
		compare the risk and return characteristics of different types of equity securities	42e	44e	
		explain the role of equity securities in the financing of a company's assets	42f	44f	
		contrast the market value and book value of equity securities	42g	44g	
		compare a company's cost of equity, its (accounting) return on equity, and investors' required rates of return	42h	44h	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
43	Company Analysis- Past and Present	describe the elements that should be covered in a thorough company research report	43a	45a	
		determine a company's business model	43b	45b	
		evaluate a company's revenue and revenue drivers, including pricing power	43c	45c	
		evaluate a company's operating profitability and working capital using key measures	43d	45d	
		evaluate a company's capital investments and capital structure	43e	45e	
44	Industry and Competitive Analysis	describe the purposes of, and steps involved in, industry and competitive analysis	44a	46a	
		describe industry classification methods and compare methods by which companies can be grouped	44b	46b	
		determine an industry's size, growth characteristics, profitability, and market share trends	44c	46c	
		analyze an industry's structure and external influences using Porter's Five Forces and PESTLE frameworks	44d	46d	
		evaluate the competitive strategy and position of a company	44e	46e	
45	Company Analysis- Forecasting	explain principles and approaches to forecasting a company's financial results and position	45a	47a	
		explain approaches to forecasting a company's revenues	45b	47b	
		explain approaches to forecasting a company's operating expenses and working capital	45c	47c	
		explain approaches to forecasting a company's capital investments and capital structure	45d	47d	
		describe the use of scenario analysis in forecasting	45e	47e	
46	Equity Valuation- Concepts and Basic Tools	evaluate whether a security, given its current market price and a value estimate, is overvalued, fairly valued, or undervalued by the market	46a	48a	
		describe major categories of equity valuation models	46b	48b	
		describe regular cash dividends, extra dividends, stock dividends, stock splits, reverse stock splits, and share repurchases	46c	48c	
		describe dividend payment chronology	46d	48d	
		explain the rationale for using present value models to value equity and describe the dividend discount and free-cash-flow-to-equity models	46e	48e	
		explain advantages and disadvantages of each category of valuation model	46f	48f	
		calculate the intrinsic value of a non-callable, non-convertible preferred stock	46g	48g	
		calculate and interpret the intrinsic value of an equity security based on the Gordon (constant) growth dividend discount model or a two-stage dividend discount model, as appropriate	46h	48h	
		identify characteristics of companies for which the constant growth or a multistage dividend discount model is appropriate	46i	48i	
		explain the rationale for using price multiples to value equity, how the price to earnings multiple relates to fundamentals, and the use of multiples based on comparables	46j	48j	
		calculate and interpret the following multiples: price to earnings, price to an estimate of operating cash flow, price to sales, and price to book value	46k	48k	
		describe enterprise value multiples and their use in estimating equity value	46l	48l	
		describe asset-based valuation models and their use in estimating equity value	46m	48m	
Fixed Income					
47	Fixed-Income Instrument Features	describe the features of a fixed-income security	47a	49a	
		describe the contents of a bond indenture and contrast affirmative and negative covenants	47b	49b	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
48	Fixed-Income Cash Flows and Types	describe common cash flow structures of fixed-income instruments and contrast cash flow contingency provisions that benefit issuers and investors	48a	50a	
		describe how legal, regulatory, and tax considerations affect the issuance and trading of fixed-income securities	48b	50b	
49	Fixed-Income Issuance and Trading	describe fixed-income market segments and their issuer and investor participants	49a	51a	
		describe types of fixed-income indexes	49b	42j	
		compare primary and secondary fixed-income markets to equity markets	49c	51c	
50	Fixed-Income Markets for Corporate Issuers	compare short-term funding alternatives available to corporations and financial institutions	50a	52a	
		describe repurchase agreements (repos), their uses, and their benefits and risks	50b	52b	
		contrast the long-term funding of investment-grade versus high-yield corporate issuers	50c	52c	
51	Fixed-Income Markets for Government Issuers	describe funding choices by sovereign and non-sovereign governments, quasi-government entities, and supranational agencies	51a	53a	
		contrast the issuance and trading of government and corporate fixed-income instruments	51b	53b	
52	Fixed-Income Bond Valuation-Prices and Yields	calculate a bond's price given a yield-to-maturity on or between coupon dates	52a	54a	
		identify the relationships among a bond's price, coupon rate, maturity, and yield-to-maturity	52b	54b	
		describe matrix pricing	52c	54c	
53	Yield and Yield Spread Measures for Fixed-Rate Bonds	calculate annual yield on a bond for varying compounding periods in a year	53a	55a	
		compare, calculate, and interpret yield and yield spread measures for fixed-rate bonds	53b	55b	
54	Yield and Yield Spread Measures for Floating-Rate Instruments	calculate and interpret yield spread measures for floating-rate instruments	54a	56a	
		calculate and interpret yield measures for money market instruments	54b	56b	
55	The Term Structure of Interest Rates-Spot, Par, and Forward Curves	define spot rates and the spot curve, and calculate the price of a bond using spot rates	55a	57a	
		define par and forward rates, and calculate par rates, forward rates from spot rates, spot rates from forward rates, and the price of a bond using forward rates	55b	57b	
		compare the spot curve, par curve, and forward curve	55c	57c	
56	Interest Rate Risk and Return	calculate and interpret the sources of return from investing in a fixed-rate bond	56a	58a	
		describe the relationships among a bond's holding period return, its Macaulay duration, and the investment horizon;	56b	58b	
		define, calculate, and interpret Macaulay duration	56c	58c	
57	Yield-Based Bond Duration Measures and Properties	define, calculate, and interpret modified duration, money duration, and the price value of a basis point (PVBP)	57a	59a	
		explain how a bond's maturity, coupon, and yield level affect its interest rate risk	57b	59b	
58	Yield-Based Bond Convexity and Portfolio Properties	calculate and interpret convexity and describe the convexity adjustment	58a	60a	
		calculate the percentage price change of a bond for a specified change in yield, given the bond's duration and convexity	58b	60b	
		calculate portfolio duration and convexity and explain the limitations of these measures	58c	60c	
59	Curve-Based and Empirical Fixed-Income Risk Measures	explain why effective duration and effective convexity are the most appropriate measures of interest rate risk for bonds with embedded	59a	61a	
		calculate the percentage price change of a bond for a specified change in benchmark yield, given the bond's effective duration and convexity	59b	61b	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
59	Curve-Based and Empirical Fixed-Income Risk Measures	define key rate duration and describe its use to measure price sensitivity of fixed-income instruments to benchmark yield curve changes	59c	61c	
		describe the difference between empirical duration and analytical duration	59d	61d	
60	Credit Risk	describe credit risk and its components, probability of default and loss given default	60a	62a	
		describe the uses of ratings from credit rating agencies and their limitations	60b	62b	
		describe macroeconomic, market, and issuer-specific factors that influence the level and volatility of yield spreads	60c	62c	
61	Credit Analysis for Government Issuers	explain special considerations when evaluating the credit of sovereign and non-sovereign government debt issuers and issues	61a	63a	
62	Credit Analysis for Corporate Issuers	describe the qualitative and quantitative factors used to evaluate a corporate borrower's creditworthiness	62a	64a	
		calculate and interpret financial ratios used in credit analysis	62b	64b	
		describe the seniority rankings of debt, secured versus unsecured debt and the priority of claims in bankruptcy, and their impact on credit ratings	62c	64c	
63	Fixed-Income Securitization	explain benefits of securitization for issuers, investors, economies, and financial markets	63a	65a	
		describe securitization, including the parties and the roles they play	63b	65b	
64	Asset-Backed Security Instrument and Market Features	describe characteristics and risks of covered bonds and how they differ from other asset-backed securities	64a	66a	
		describe typical credit enhancement structures used in securitizations	64b	66b	
		describe types and characteristics of non-mortgage asset-backed securities, including the cash flows and risks of each type	64c	66c	
		describe collateralized debt obligations, including their cash flows and risks	64d	66d	
65	Mortgage-Backed Security Instrument and Market Features	define prepayment risk and describe time tranching structures in securitizations and their purpose	65a	67a	
		describe fundamental features of residential mortgage loans that are securitized	65b	67b	
		describe types and characteristics of residential mortgage-backed securities, including mortgage pass-through securities and collateralized mortgage obligations, and explain the cash flows and risks for each type	65c	67c	
		describe characteristics and risks of commercial mortgage-backed securities	65d	67d	
Derivatives					
66	Derivative Instrument and Derivative Market Features	define a derivative and describe basic features of a derivative instrument	66a	68a	
		describe the basic features of derivative markets, and contrast over-the-counter and exchange-traded derivative markets	66b	68b	
67	Forward Commitment and Contingent Claim Features and Instruments	define forward contracts, futures contracts, swaps, options (calls and puts), and credit derivatives and compare their basic characteristics	67a	69a	
		determine the value at expiration and profit from a long or a short position in a call or put option	67b	69b	
		contrast forward commitments with contingent claims	67c	69c	
68	Derivative Benefits, Risks, and Issuer and Investor Uses	describe benefits and risks of derivative instruments	68a	70a	
		compare the use of derivatives among issuers and investors	68b	70b	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
69	Arbitrage, Replication, and the Cost of Carry in Pricing Derivatives	explain how the concepts of arbitrage and replication are used in pricing derivatives	69a	71a	
		explain the difference between the spot and expected future price of an underlying and the cost of carry associated with holding the underlying asset	69b	71b	
70	Pricing and Valuation of Forward Contracts and for an Underlying with Varying Maturities	explain how the value and price of a forward contract are determined at initiation, during the life of the contract, and at expiration	70a	72a	
		explain how forward rates are determined for interest rate forward contracts and describe the uses of these forward rates.	70b	72b	
71	Pricing and Valuation of Futures Contracts	compare the value and price of forward and futures contracts	71a	73a	
		explain why forward and futures prices differ	71b	73b	
72	Pricing and Valuation of Interest Rates and Other Swaps	describe how swap contracts are similar to but different from a series of forward contracts	72a	74a	
		contrast the value and price of swaps	72b	74b	
73	Pricing and Valuation of Options	explain the exercise value, moneyness, and time value of an option	73a	75a	
		contrast the use of arbitrage and replication concepts in pricing forward commitments and contingent claims	73b	75b	
		identify the factors that determine the value of an option and describe how each factor affects the value of an option	73c	75c	
74	Option Replication Using Put–Call Parity	explain put–call parity for European options	74a	76a	
		explain put–call forward parity for European options	74b	76b	
75	Valuing a Derivative Using a One-Period Binomial Model	explain how to value a derivative using a one-period binomial model	75a	77a	
		describe the concept of risk neutrality in derivatives pricing	75b	77b	
Alternative Investments					
76	Alternative Investment Features, Methods, and Structures	describe features and categories of alternative investments	76a	78a	
		compare direct investment, co-investment, and fund investment methods for alternative investments	76b	78b	
		describe investment ownership and compensation structures commonly used in alternative investments	76c	78c	
77	Alternative Investment Performance and Returns	describe the performance appraisal of alternative investments	77a	79a	
		calculate and interpret alternative investment returns both before and after fees	77b	79b	
78	Investments in Private Capital-Equity and Debt	explain features of private equity and its investment characteristics	78a	80a	
		explain features of private debt and its investment characteristics	78b	80b	
		describe the diversification benefits that private capital can provide	78c	80c	
79	Real Estate and Infrastructure	explain features and characteristics of real estate	79a	81a	
		explain the investment characteristics of real estate investments	79b	81b	
		explain features and characteristics of infrastructure	79c	81c	
		explain the investment characteristics of infrastructure investments	79d	81d	
80	Natural Resources	explain features of raw land, timberland, and farmland and their investment characteristics	80a	82a	
		describe features of commodities and their investment characteristics	80b	82b	
		analyze sources of risk, return, and diversification among natural resource investments	80c	82c	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
81	Hedge Funds	explain investment features of hedge funds and contrast them with other asset classes	81a	83a	
		describe investment forms and vehicles used in hedge fund investments	81b	83b	
		analyze sources of risk, return, and diversification among hedge fund investments	81c	83c	
82	Introduction to Digital Assets	describe financial applications of distributed ledger technology	82a	84a	
		explain investment features of digital assets and contrast them with other asset classes	82b	84b	
		describe investment forms and vehicles used in digital asset investments	82c	84c	
		analyze sources of risk, return, and diversification among digital asset investments	82d	84d	
Portfolio Management					
83	Portfolio Risk and Return-Part I	describe characteristics of the major asset classes that investors consider in forming portfolios	83a	20a	
		explain risk aversion and its implications for portfolio selection	83b	20b	
		explain the selection of an optimal portfolio, given an investor's utility (or risk aversion) and the capital allocation line	83c	20c	
83	Portfolio Risk and Return-Part I	calculate and interpret the mean, variance, and covariance (or correlation) of asset returns based on historical data	83d	20d	
		calculate and interpret portfolio standard deviation	83e	20e	
		describe the effect on a portfolio's risk of investing in assets that are less than perfectly correlated	83f	20f	
		describe and interpret the minimum-variance and efficient frontiers of risky assets and the global minimum-variance portfolio	83g	20g	
84	Portfolio Risk and Return-Part II	describe the implications of combining a risk-free asset with a portfolio of risky assets	84a	21a	
		explain the capital allocation line (CAL) and the capital market line (CML)	84b	21b	
		explain systematic and nonsystematic risk, including why an investor should not expect to receive additional return for bearing nonsystematic risk	84c	21c	
		explain return generating models (including the market model) and their uses	84d	21d	
		calculate and interpret beta	84e	21e	
		explain the capital asset pricing model (CAPM), including its assumptions, and the security market line (SML)	84f	21f	
		calculate and interpret the expected return of an asset using the CAPM	84g	21g	
85	Portfolio Management-An Overview	describe and demonstrate applications of the CAPM and the SML	84h	21h	
		calculate and interpret the Sharpe ratio, Treynor ratio, M2, and Jensen's alpha	84i	21i	
		describe the portfolio approach to investing	85a	85a	
		describe the steps in the portfolio management process	85b	85b	
		describe types of investors and distinctive characteristics and needs of each	85c	85c	
		describe defined contribution and defined benefit pension plans	85d	85d	
86	Basics of Portfolio Planning and Construction	describe aspects of the asset management industry	85e	85e	
		describe mutual funds and compare them with other pooled investment products	85f	85f	
		describe the reasons for a written investment policy statement (IPS)	86a	86a	
		describe the major components of an IPS	86b	86b	
		describe risk and return objectives and how they may be developed for a client	86c	86c	
86	Basics of Portfolio Planning and Construction	explain the difference between the willingness and the ability (capacity) to take risk in analyzing an investor's financial risk tolerance	86d	86d	
		describe the investment constraints of liquidity, time horizon, tax concerns, legal and regulatory factors, and unique circumstances and their implications for the choice of portfolio assets	86e	86e	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
86	Basics of Portfolio Planning and Construction	explain the specification of asset classes in relation to asset allocation	86f	86f	
		describe the principles of portfolio construction and the role of asset allocation in relation to the IPS	86g	86g	
		describe how environmental, social, and governance (ESG) considerations may be integrated into portfolio planning and construction	86h	86h	
87	The Behavioral Biases of Individuals	compare and contrast cognitive errors and emotional biases	87a	87a	
		discuss commonly recognized behavioral biases and their implications for financial decision making	87b	87b	
		describe how behavioral biases of investors can lead to market characteristics that may not be explained by traditional finance	87c	87c	
88	Introduction to Risk Management	define risk management	88a	88a	
		describe features of a risk management framework	88b	88b	
		define risk governance and describe elements of effective risk governance	88c	88c	
		explain how risk tolerance affects risk management	88d	88d	
		describe risk budgeting and its role in risk governance	88e	88e	
		identify financial and non-financial sources of risk and describe how they may interact	88f	88f	
		describe methods for measuring and modifying risk exposures and factors to consider in choosing among the methods	88g	88g	
Ethical and Professional Standards					
89	Ethics and Trust in the Investment Profession	explain ethics	89a	89a	
		describe the role of a code of ethics in defining a profession	89b	89b	
		describe professions and how they establish trust	89c	89c	
		describe the need for high ethical standards in investment management	89d	89d	
		explain professionalism in investment management	89e	89e	
		identify challenges to ethical behavior	89f	89f	
		compare and contrast ethical standards with legal standards	89g	89g	
		describe a framework for ethical decision making	89h	89h	
90	Code of Ethics and Standards of Professional Conduct	describe the structure of the CFA Institute Professional Conduct Program and the process for the enforcement of the Code and Standards	90a	90a	
		identify the six components of the Code of Ethics and the seven Standards of Professional Conduct	90b	90b	
		explain the ethical responsibilities required by the Code and Standards, including the sub-sections of each Standard	90c	90c	
91	Guidance for Standards I–VII	demonstrate the application of the Code of Ethics and Standards of Professional Conduct to situations involving issues of professional integrity	91a	91a	
		recommend practices and procedures designed to prevent violations of the Code of Ethics and Standards of Professional Conduct	91b	91b	
		identify conduct that conforms to the Code and Standards and conduct that violates the Code and Standards	91c	91c	
92	Introduction to the Global Investment Performance Standards	explain why the GIPS standards were created, who can claim compliance, and who benefits from compliance	92a	92a	
		describe the key concepts of the GIPS Standards for Firms	92b	92b	
		explain the purpose of composites in performance reporting	92c	92c	
		describe the fundamentals of compliance, including the recommendations of the GIPS standards with respect to the definition of the firm and the firm's definition of discretion	92d	92d	
93	Ethics Application	describe the concept of independent verification	92e	92e	
		evaluate practices, policies, and conduct relative to the CFA Institute Code of Ethics and Standards of Professional Conduct	93a	93a	
		explain how the practices, policies, and conduct do or do not violate the CFA Institute Code of Ethics and Standards of Professional Conduct	93b	93b	