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# CFA L-3

## Changes in Syllabus

# 2025

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

## CFA L3 | Summary of Changes | 2025

New
Changes
Deleted

### Core Material

Summary	No. of Chapters	No. of LOS	Total %
Same	17	153	89%
New	2	18	11%
Changes	3	0	0%
<b>Total</b>	<b>22</b>	<b>171</b>	<b>100%</b>
Deleted	6	56	33%

### Specialized Pathway

#### Portfolio Management

Summary	No. of Chapters	No. of LOS	Total %
Same	7	58	91%
New	1	6	9%
Changes	0	0	0%
<b>Total</b>	<b>8</b>	<b>64</b>	<b>100%</b>
Deleted	0	0	0%

#### Private Markets

Summary	No. of Chapters	No. of LOS	% of Total
Same	0	0	0%
New	7	34	100%
Changes	0	0	0%
<b>Total</b>	<b>7</b>	<b>34</b>	<b>100%</b>
Deleted	0	0	0%

#### Private Wealth

Summary	No. of Chapters	No. of LOS	% of Total
Same	0	1	4%
New	7	25	93%
Changes	0	1	4%
<b>Total</b>	<b>7</b>	<b>27</b>	<b>100%</b>
Deleted	0	0	0%

Reading No	Reading Name	No. of LOS		
		New	Changes	Deleted
<b>Core Material</b>				
9	An Overview of Private Wealth Management	5		
11	Trading Costs and Electronic Markets	10		
7	Overview of Fixed-Income Portfolio Management	1		
14	Investment Manager Selection	1		
15	Overview of the Global Investment Performance Standards	1		
14	Passive Equity Investing			5
17	Hedge Fund Strategies			9
19	Overview of Private Wealth Management			13
20	Topics in Private Wealth Management			11
21	Risk Management for Individuals			10
27	Case Study in Risk Management-Private Wealth			8

Reading No	Reading Name	No. of LOS		
		New	Changes	Deleted
<b>Specialized Pathway</b>				
A-1	Index-Based Equity Strategies	6		
B-1	Private Investments and Structures	4		
B-2	General Partner and Investor Perspectives and the Investment Process	5		
B-3	Private Equity	5		
B-4	Private Debt	5		
B-5	Private Special Situations	5		
B-6	Private Real Estate Investments	5		
B-7	Infrastructure	5		
C-1	The Private Wealth Management Industry	4		
C-2	Working With the Wealthy	4		
C-3	Wealth Planning	4		
C-4	Investment Planning	2	1	
C-5	Preserving the Wealth	4		
C-6	Advising the Wealthy	4		
C-7	Transferring the Wealth	3		

\*We have marked Pathways chapter no. as A, B, and C for convenience.

## READING WISE CHANGES

				New	Changes	Deleted
Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023	
<b>Core Material (70-75%)</b>						
Asset Allocation	1	Capital Market Expectations, Part 1-Framework and Macro Considerations		1	3	
	2	Capital Market Expectations, Part 2-Forecasting Asset Class Returns		2	4	
	3	Overview of Asset Allocation		3	5	
	4	Principles of Asset Allocation		4	6	
	5	Asset Allocation with Real-World Constraints		5	7	
Portfolio Construction	6	Overview of Equity Portfolio Management		13	15	
	7	Overview of Fixed-Income Portfolio Management	1 LOS new	9	11	
	8	Asset Allocation to Alternative Investments		18	20	
	9	An Overview of Private Wealth Management	Some parts of R No. 19 (2024) has been included here			
	10	Portfolio Management for Institutional Investors		22	24	
	11	Trading Costs and Electronic Markets	Previously part of L-2	-	-	
Performance Measurement	12	Case Study in Portfolio Management-Institutional SWF		28	30	
	13	Portfolio Performance Evaluation		24	26	
	14	Investment Manager Selection	1 LOS new	25	27	
Derivatives and Risk Management	15	Overview of the Global Investment Performance Standards	1 LOS new	33	35	
	16	Options Strategies		6	8	
	17	Swaps, Forwards, and Futures Strategies		7	9	
Ethical and Professional Standards	18	Currency Management-An Introduction		8	10	
	19	Code of Ethics and Standards of Professional Conduct		29	31	
	20	Guidance for Standards I-VII		30	32	
	21	Application of the Code and Standards-Level III		31	33	
Equity Investment		Passive Equity Investing		14	16	
Alternative Investments		Hedge Fund Strategies		17	19	
Portfolio Management		Overview of Private Wealth Management		19	21	
		Risk Management for Individuals		21	23	
		Topics in Private Wealth Management		20	22	
		Case Study in Risk Management-Private Wealth		27	29	

Subject	Reading No 2025	Reading Name	Details of Changes 2024-25	Reading No 2024	Reading No 2023
<b>Specialized Pathway (25-30%)</b>					
Portfolio Management Pathway	A-1	Index-Based Equity Strategies		-	-
	A-2	Active Equity Investing-Strategies		15	17
	A-3	Active Equity Investing-Portfolio Construction		16	18
	A-4	Liability-Driven and Index-Based Strategies		10	12
	A-5	Yield Curve Strategies		11	13
	A-6	Fixed-Income Active Management-Credit Strategies		12	14
	A-7	Trade Strategy and Execution		23	25
	A-8	Case Study in Portfolio Management-Institutional		26	28
Private Markets Pathway	B-1	Private Investments and Structures		-	-
	B-2	General Partner and Investor Perspectives and the Investment Process		-	-
	B-3	Private Equity		-	-
	B-4	Private Debt		-	-
	B-5	Private Special Situations		-	-
	B-6	Private Real Estate Investments		-	-
	B-7	Infrastructure		-	-
Private Wealth Pathway	C-1	The Private Wealth Management Industry		-	-
	C-2	Working With the Wealthy		-	-
	C-3	Wealth Planning		-	-
	C-4	Investment Planning		-	-
	C-5	Preserving the Wealth		-	-
	C-6	Advising the Wealthy		-	-
	C-7	Transferring the Wealth		-	-

## LOS WISE CHANGES

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
<b>Asset Allocation</b>					
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	1a	
		discuss challenges in developing capital market forecasts	1b	1b	
		explain how exogenous shocks may affect economic growth trends	1c	1c	
		discuss the application of economic growth trend analysis to the formulation of capital market expectations	1d	1d	
		compare major approaches to economic forecasting	1e	1e	
		discuss how business cycles affect short- and long-term expectations	1f	1f	
		explain the relationship of inflation to the business cycle and the implications	1g	1g	
		discuss the effects of monetary and fiscal policy on business cycles	1h	1h	
		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	1i	
		identify and interpret macroeconomic, interest rate, and exchange rate linkages between economies	1j	1j	
		2	Capital Market Expectations, Part 2- Forecasting Asset Class Returns	discuss approaches to setting expectations for fixed-income returns	2a
discuss risks faced by investors in emerging market fixed-income securities and the country risk analysis techniques used to evaluate emerging market economies	2b			2b	
discuss approaches to setting expectations for equity investment market returns	2c			2c	
discuss risks faced by investors in emerging market equity securities	2d			2d	
explain how economic and competitive factors can affect expectations for real estate investment markets and sector returns	2e			2e	
discuss major approaches to forecasting exchange rates	2f			2f	
discuss methods of forecasting volatility	2g			2g	
recommend and justify changes in the component weights of a global investment portfolio based on trends and expected changes in macroeconomic factors	2h			2h	
3	Overview of Asset Allocation	describe elements of effective investment governance and investment governance considerations in asset allocation	3a	3a	
		formulate an economic balance sheet for a client and interpret its implications for asset allocation	3b	3b	
		compare the investment objectives of asset-only, liability-relative, and goals-based asset allocation approaches	3c	3c	
		contrast concepts of risk relevant to asset-only, liability-relative, and goals-based asset allocation approaches	3d	3d	
		explain how asset classes are used to represent exposures to systematic risk and discuss criteria for asset class specification	3e	3e	
		explain the use of risk factors in asset allocation and their relation to traditional asset class-based approaches	3f	3f	
		recommend and justify an asset allocation based on an investor's objectives and constraints	3g	3g	
		describe the use of the global market portfolio as a baseline portfolio in asset allocation	3h	3h	
		discuss strategic implementation choices in asset allocation, including passive/active choices and vehicles for implementing passive and active mandates	3i	3i	
		discuss strategic considerations in rebalancing asset allocations	3j	3j	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
4	Principles of Asset Allocation	describe and evaluate the use of mean–variance optimization in asset allocation	4a	4a	
		recommend and justify an asset allocation using mean–variance optimization	4b	4b	
		interpret and evaluate an asset allocation in relation to an investor’s economic balance sheet	4c	4c	
		recommend and justify an asset allocation based on the global market portfolio	4d	4d	
		discuss the use of Monte Carlo simulation and scenario analysis to evaluate the robustness of an asset allocation	4e	4e	
		discuss asset class liquidity considerations in asset allocation	4f	4f	
		explain absolute and relative risk budgets and their use in determining and implementing an asset allocation	4g	4g	
		describe how client needs and preferences regarding investment risks can be incorporated into asset allocation	4h	4h	
		describe the use of investment factors in constructing and analyzing an asset allocation	4i	4i	
		describe and evaluate characteristics of liabilities that are relevant to asset allocation	4j	4j	
		discuss approaches to liability-relative asset allocation	4k	4k	
		recommend and justify a liability-relative asset allocation	4l	4l	
		recommend and justify an asset allocation using a goals-based approach	4m	4m	
		describe and evaluate heuristic and other approaches to asset allocation	4n	4n	
discuss factors affecting rebalancing policy	4o	4o			
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	5a	
		discuss tax considerations in asset allocation and rebalancing	5b	5b	
		recommend and justify revisions to an asset allocation given change(s) in investment objectives and/or constraints	5c	5c	
		discuss the use of short-term shifts in asset allocation	5d	5d	
		identify behavioral biases that arise in asset allocation and recommend methods to overcome them	5e	5e	
<b>Portfolio Construction</b>					
6	Overview of Equity Portfolio Management	describe the roles of equities in the overall portfolio	6a	13a	
		describe how an equity manager’s investment universe can be segmented	6b	13b	
		describe the types of income and costs associated with owning and managing an equity portfolio and their potential effects on portfolio performance	6c	13c	
		describe the potential benefits of shareholder engagement and the role an equity manager might play in shareholder engagement	6d	13d	
		describe rationales for equity investment across the active management spectrum	6e	13e	
		discuss considerations in choosing a benchmark for an equity portfolio	6f	14a	
7	Overview of Fixed-Income Portfolio Management	discuss roles of fixed-income securities in portfolios and how fixed-income mandates may be classified	7a	9a	
		describe fixed-income portfolio measures of risk and return as well as correlation characteristics	7b	9b	
		describe bond market liquidity, including the differences among market sub-sectors, and discuss the effect of liquidity on fixed-income portfolio management	7c	9c	
		describe and interpret a model for fixed-income returns	7d	9d	



Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
7	Overview of Fixed-Income Portfolio Management	discuss the use of leverage, alternative methods for leveraging, and risks that leverage creates in fixed-income portfolios	7e	9e	
		discuss differences in managing fixed-income portfolios for taxable and tax-exempt investors	7f	9f	
		describe liability-driven investing	7g	10a	
		describe the strategy of cash flow matching	7h	-	
		describe construction, benefits, limitations, and risk–return characteristics of a laddered bond portfolio	7i	10d	
8	Asset Allocation to Alternative Investments	explain the roles that alternative investments play in multi-asset portfolios	8a	18a	
		compare alternative investments and bonds as risk mitigators in relation to a long equity position	8b	18b	
		compare traditional and risk-based approaches to defining the investment opportunity set, including alternative investments	8c	18c	
		discuss investment considerations that are important in allocating to different types of alternative investments	8d	18d	
		discuss suitability considerations in allocating to alternative investments	8e	18e	
		discuss approaches to asset allocation to alternative investments	8f	18f	
		discuss the importance of liquidity planning in allocating to alternative investments	8g	18g	
		discuss considerations in monitoring alternative investment programs	8h	18h	
9	An Overview of Private Wealth Management	discuss the different types of individual wealth and how wealth is created and distributed globally	9a	-	
		evaluate how changes in human capital, financial capital, and economic net worth across the financial stages of an individual's life influence their financial decision making	9b	-	
		justify how returns, risks, objectives, and constraints for individuals relate to their human and financial capital	9c	-	
		evaluate how various types of taxes imposed on individual investors and the impact of inflation influence investment decisions	9d	-	
		discuss the differences between private and institutional clients and formulate an appropriate Investment Policy Statement for private clients	9e	-	
10	Portfolio Management for Institutional Investors	discuss common characteristics of institutional investors as a group	10a	22a	
		discuss investment policy of institutional investors	10b	22b	
		discuss the stakeholders in the portfolio, the liabilities, the investment time horizons, and the liquidity needs of different types of institutional investors	10c	22c	
		describe the focus of legal, regulatory, and tax constraints affecting different types of institutional investors	10d	22d	
		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	10e	22e	
		evaluate the investment policy statement of an institutional investor	10f	22f	
		evaluate the investment portfolio of a private DB plan, sovereign wealth fund, university endowment, and private foundation	10g	22g	
		describe considerations affecting the balance sheet management of banks and insurers	10h	22h	
11	Trading Costs and Electronic Markets	explain the components of execution costs, including explicit and implicit costs	11a	-	Previously part of Level 2
		calculate and interpret effective spreads and VWAP transaction cost estimates	11b	-	
		describe the implementation shortfall approach to transaction cost measurement	11c	-	
		describe factors driving the development of electronic trading systems	11d	-	
		describe market fragmentation	11e	-	
		identify and contrast the types of electronic traders	11f	-	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
11	Trading Costs and Electronic Markets	describe characteristics and uses of electronic trading systems	11g	-	Previously part of Level 2
		describe comparative advantages of low-latency traders	11h	-	
		describe the risks associated with electronic trading and how regulators mitigate them	11i	-	
		describe abusive trading practices that real-time surveillance of markets may detect	11j	-	
12	Case Study in Portfolio Management-Institutional SWF	discuss financial risks associated with the portfolio strategy of an institutional investor	12a	28a	
		discuss environmental and social risks associated with the portfolio strategy of an institutional investor	12b	28b	
		analyze and evaluate the financial and non-financial risk exposures in the portfolio strategy of an institutional investor	12c	28c	
		discuss various methods to manage the risks that arise on long-term direct investments of an institutional investor	12d	28d	
		evaluate strengths and weaknesses of an enterprise risk management system and recommend improvements	12e	28e	
<b>Performance Measurement</b>					
13	Portfolio Performance Evaluation	explain the following components of portfolio evaluation and their interrelationships: performance measurement, performance attribution, and performance appraisal	13a	24a	
		describe attributes of an effective attribution process	13b	24b	
		contrast return attribution and risk attribution; contrast macro and micro return attribution	13c	24c	
		describe returns-based, holdings-based, and transactions-based performance attribution, including advantages and disadvantages of each	13d	24d	
		interpret the sources of portfolio returns using a specified attribution approach	13e	24e	
		interpret the output from fixed-income attribution analyses	13f	24f	
		discuss considerations in selecting a risk attribution approach	13g	24g	
		identify and interpret investment results attributable to the asset owner versus those attributable to the investment manager	13h	24h	
		discuss uses of liability-based benchmarks	13i	24i	
		describe types of asset-based benchmarks	13j	24j	
		discuss tests of benchmark quality	13k	24k	
		describe the impact of benchmark misspecification on attribution and appraisal analysis	13l	24l	
		describe problems that arise in benchmarking alternative investments	13m	24m	
		calculate and interpret the Sortino ratio, the appraisal ratio, upside/downside capture ratios, maximum drawdown, and drawdown duration	13n	24n	
describe limitations of appraisal measures and related metrics	13o	24o			
evaluate the skill of an investment manager	13p	24p			
14	Investment Manager Selection	describe the components of a manager selection process, including due diligence	14a	25a	
		contrast Type I and Type II errors in manager hiring and continuation decisions	14b	25b	
		describe uses of returns-based and holdings-based style analysis in investment manager selection	14c	25c	
		describe uses of the upside capture ratio, downside capture ratio, maximum drawdown, drawdown duration, and up/down capture in evaluating managers	14d	25d	
		evaluate a manager's investment philosophy and investment decision-making process	14e	25e	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
14	Investment Manager Selection	discuss how behavioral factors affect investment team decision making, and recommend techniques for mitigating their effects	14f	-	LOS 2f of 2023 (Behavioral Finance And Investment)
		evaluate the costs and benefits of pooled investment vehicles and separate accounts	14g	25f	
		compare types of investment manager contracts, including their major provisions and advantages and disadvantages	14h	25g	
		describe the three basic forms of performance-based fees	14i	25h	
		analyze and interpret a sample performance-based fee schedule	14j	25i	
		15	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	15a
explain the fundamentals of compliance with the GIPS standards, including the definition of the firm and the firm's definition of discretion	15b			-	
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	15c			33b	
explain the recommended valuation hierarchy of the GIPS standards	15d			33c	
explain requirements of the GIPS standards with respect to composite return calculations, including methods for asset-weighting portfolio returns	15e			33d	
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	15f			33e	
explain the role of investment mandates, objectives, or strategies in the construction of composites	15g			33f	
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	15h			33g	
explain requirements of the GIPS standards with respect to presentation and reporting	15i			33h	
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	15j			33i	
discuss the purpose, scope, and process of verification	15k			33j	
<b>Derivatives and Risk Management</b>					
16	Options Strategies	demonstrate how an asset's returns may be replicated by using options	16a	6a	
		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	16b	6b	
		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	16c	6c	
		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	16d	6d	
		compare the effect of buying a call on a short underlying position with the effect of selling a put on a short underlying position	16e	6e	
		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	16f	6f	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
16	Options Strategies	describe uses of calendar spreads	16g	6g	
		discuss volatility skew and smile	16h	6h	
		identify and evaluate appropriate option strategies consistent with given investment objectives	16i	6i	
		demonstrate the use of options to achieve targeted equity risk exposures	16j	6j	
17	Swaps, Forwards, and Futures Strategies	demonstrate how interest rate swaps, forwards, and futures can be used to modify a portfolio's risk and return	17a	7a	
		demonstrate how currency swaps, forwards, and futures can be used to modify a portfolio's risk and return	17b	7b	
		demonstrate how equity swaps, forwards, and futures can be used to modify a portfolio's risk and return	17c	7c	
		demonstrate the use of volatility derivatives and variance swaps	17d	7d	
		demonstrate the use of derivatives to achieve targeted equity and interest rate risk exposures	17e	7e	
		demonstrate the use of derivatives in asset allocation, rebalancing, and inferring market expectations	17f	7f	
18	Currency Management- An Introduction	analyze the effects of currency movements on portfolio risk and return	18a	8a	
		discuss strategic choices in currency management	18b	8b	
		formulate an appropriate currency management program given financial market conditions and portfolio objectives and constraints	18c	8c	
		compare active currency trading strategies based on economic fundamentals, technical analysis, carry-trade, and volatility trading	18d	8d	
		describe how changes in factors underlying active trading strategies affect tactical trading decisions	18e	8e	
		describe how forward contracts and FX (foreign exchange) swaps are used to adjust hedge ratios	18f	8f	
		describe trading strategies used to reduce hedging costs and modify the risk–return characteristics of a foreign-currency portfolio	18g	8g	
		describe the use of cross-hedges, macro-hedges, and minimum-variance-hedge ratios in portfolios exposed to multiple foreign currencies	18h	8h	
		discuss challenges for managing emerging market currency exposures	18i	8i	

**Ethical and Professional Standards**

19	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	19a	29a	
		explain the ethical responsibilities required by the Code and Standards, including the sub-sections of each standard	19b	29b	
20	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	20a	30a	
		recommend practices and procedures designed to prevent violations of the Code and Standards	20b	30b	
21	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	21a	31a	
		explain how the practices, policies, or conduct does or does not violate the CFA Institute Code of Ethics and Standards of Professional Conduct	21b	31b	
22	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	22a	32a	
		explain the ethical and professional responsibilities required by the six General Principles of Conduct of the Asset Manager Code	22b	32b	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
22	Asset Manager Code of Professional Conduct	determine whether an asset manager's practices and procedures are consistent with the Asset Manager Code	22c	32c	
		recommend practices and procedures designed to prevent violations of the Asset Manager Code	22d	32d	
<b>Equity Investments</b>					
	Passive Equity Investing	compare passive factor-based strategies to market-capitalization-weighted indexing		14b	
		compare different approaches to passive equity investing		14c	
		compare the full replication, stratified sampling, and optimization approaches for the construction of passively managed equity portfolios		14d	
		discuss potential causes of tracking error and methods to control tracking error for passively managed equity portfolios		14e	
		explain sources of return and risk to a passively managed equity portfolio		14f	
<b>Alternative Investments</b>					
	Hedge Fund Strategies	discuss how hedge fund strategies may be classified		17a	
		discuss investment characteristics, strategy implementation, and role in a portfolio of equity-related hedge fund strategies		17b	
		discuss investment characteristics, strategy implementation, and role in a portfolio of event-driven hedge fund strategies		17c	
		discuss investment characteristics, strategy implementation, and role in a portfolio of relative value hedge fund strategies		17d	
		discuss investment characteristics, strategy implementation, and role in a portfolio of opportunistic hedge fund strategies		17e	
		discuss investment characteristics, strategy implementation, and role in a portfolio of specialist hedge fund strategies		17f	
		discuss investment characteristics, strategy implementation, and role in a portfolio of multi-manager hedge fund strategies		17g	
		describe how factor models may be used to understand hedge fund risk exposures		17h	
		evaluate the impact of an allocation to a hedge fund strategy in a traditional investment portfolio		17i	
<b>Portfolio Management</b>					
	Overview of Private Wealth Management	contrast private client and institutional client investment concerns		19a	
		discuss information needed in advising private clients		19b	
		identify tax considerations affecting a private client's investments		19c	
		identify and formulate client goals based on client information		19d	
		evaluate a private client's risk tolerance		19e	
		describe technical and soft skills needed in advising private clients		19f	
		evaluate capital sufficiency in relation to client goals		19g	
		discuss the principles of retirement planning		19h	
		discuss the parts of an investment policy statement (IPS) for a private client		19i	
		prepare the investment objectives section of an IPS for a private client		19j	
		evaluate and recommend improvements to an IPS for a private client		19k	
		discuss ethical and compliance considerations in advising private clients		19o	
		discuss how levels of service and range of solutions are related to different private clients		19p	
	Topics in Private Wealth Management	compare taxation of income, wealth, and wealth transfers		20a	
		describe global considerations of jurisdiction that are relevant to taxation		20b	
		discuss and analyze the tax efficiency of investments		20c	
		analyze the impact of taxes on capital accumulation and decumulation in taxable, tax-exempt, and tax-deferred accounts		20d	
		explain portfolio tax management strategies and their application		20e	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
	Topics in Private Wealth Management	discuss risk and tax objectives in managing concentrated single-asset positions		20f	
		describe strategies for managing concentrated positions in public equities		20g	
		describe strategies for managing concentrated positions in privately owned businesses and real estate		20h	
		discuss objectives—tax and non-tax—in planning the transfer of wealth		20i	
		discuss strategies for achieving estate, bequest, and lifetime gift objectives in common law and civil law regimes		20j	
		describe considerations related to managing wealth across multiple generations		20k	
	Risk Management for Individuals	compare the characteristics of human capital and financial capital as components of an individual's total wealth		21a	
		discuss the relationships among human capital, financial capital, and economic net worth		21b	
		describe an economic (holistic) balance sheet		21c	
		discuss risks (earnings, premature death, longevity, property, liability, and health risks) in relation to human and financial capital		21d	
		describe types of insurance relevant to personal financial planning		21e	
		describe the basic elements of a life insurance policy and how insurers price a life insurance policy		21f	
		discuss the use of annuities in personal financial planning		21g	
		discuss the relative advantages and disadvantages of fixed and variable annuities		21h	
		discuss how asset allocation policy may be influenced by the risk characteristics of human capital		21i	
		recommend and justify appropriate strategies for asset allocation and risk reduction when given an investor profile of key inputs		21j	
	Case Study in Risk Management-Private Wealth	identify and analyze a family's risk exposures during the early career stage		27a	
		recommend and justify methods to manage a family's risk exposures during the early career stage		27b	
		identify and analyze a family's risk exposures during the career development stage		27c	
		recommend and justify methods to manage a family's risk exposures during the career development stage		27d	
		identify and analyze a family's risk exposures during the peak accumulation stage		27e	
		recommend and justify methods to manage a family's risk exposures during the peak accumulation stage		27f	
		identify and analyze a family's risk exposures during the early retirement stage		27g	
		recommend and justify a plan to manage risks associated with an individual's retirement lifestyle goals		27h	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
<b>Portfolio Management Pathway</b>					
A-1	Index-Based Equity Strategies	compare factor-based strategies to market-capitalization-weighted indexing	A-1a	-	
		compare different approaches to index-based equity strategies	A-1b	-	
		compare different approaches to index-based equity investing	A-1c	-	
		compare the full replication, stratified sampling, and optimization approaches for the construction of index-based equity portfolios	A-1d	-	
		discuss potential causes of tracking error and methods to control tracking error for index-based equity portfolios	A-1e	-	
		explain sources of return and risk to an index-based equity portfolio	A-1f	-	
A-2	Active Equity Investing-Strategies	compare fundamental and quantitative approaches to active management	A-2a	15a	
		analyze bottom-up active strategies, including their rationale and associated processes	A-2b	15b	
		analyze top-down active strategies, including their rationale and associated processes	A-2c	15c	
		analyze factor-based active strategies, including their rationale and associated processes	A-2d	15d	
		analyze activist strategies, including their rationale and associated processes	A-2e	15e	
		describe active strategies based on statistical arbitrage and market microstructure	A-2f	15f	
		describe how fundamental active investment strategies are created	A-2g	15g	
		describe how quantitative active investment strategies are created	A-2h	15h	
		discuss equity investment style classifications	A-2i	15i	
A-3	Active Equity Investing-Portfolio Construction	describe elements of a manager's investment philosophy that influence the portfolio construction process	A-3a	16a	
		discuss approaches for constructing actively managed equity portfolios	A-3b	16b	
		distinguish between Active Share and active risk and discuss how each measure relates to a manager's investment strategy	A-3c	16c	
A-3	Active Equity Investing-Portfolio Construction	discuss the application of risk budgeting concepts in portfolio construction	A-3d	16d	
		discuss risk measures that are incorporated in equity portfolio construction and describe how limits set on these measures affect portfolio construction	A-3e	16e	
		discuss how assets under management, position size, market liquidity, and portfolio turnover affect equity portfolio construction decisions	A-3f	16f	
		evaluate the efficiency of a portfolio structure given its investment mandate	A-3g	16g	
		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	A-3h	16h	
A-4	Liability-Driven and Index-Based Strategies	evaluate strategies for managing a single liability	A-4a	10b	
		compare strategies for a single liability and for multiple liabilities, including alternative means of implementation	A-4b	10c	
		evaluate liability-based strategies under various interest rate scenarios and select a strategy to achieve a portfolio's objectives	A-4c	10e	
		explain risks associated with managing a portfolio against a liability structure	A-4d	10f	
		discuss bond indexes and the challenges of managing a fixed-income portfolio to mimic the characteristics of a bond index	A-4e	10g	
		compare alternative methods for establishing bond market exposure passively	A-4f	10h	
		discuss criteria for selecting a benchmark and justify the selection of a benchmark	A-4g	10i	
A-5	Yield Curve Strategies	describe the factors affecting fixed-income portfolio returns due to a change in benchmark yields	A-5a	11a	
		formulate a portfolio positioning strategy given forward interest rates and an interest rate view that coincides with the market view	A-5b	11b	



Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
A-5	Yield Curve Strategies	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	A-5c	11c	
		formulate a portfolio positioning strategy based upon expected changes in interest rate volatility	A-5d	11d	
		evaluate a portfolio's sensitivity using key rate durations of the portfolio and its benchmark	A-5e	11e	
		discuss yield curve strategies across currencies	A-5f	11f	
		evaluate the expected return and risks of a yield curve strategy	A-5g	11g	
A-6	Fixed-Income Active Management-Credit Strategies	describe risk considerations for spread-based fixed-income portfolios	A-6a	12a	
		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	A-6b	12b	
		discuss bottom-up approaches to credit strategies	A-6c	12c	
		discuss top-down approaches to credit strategies	A-6d	12d	
		discuss liquidity risk in credit markets and how liquidity risk can be managed in a credit portfolio	A-6e	12e	
		describe how to assess and manage tail risk in credit portfolios	A-6f	12f	
		discuss the use of credit default swap strategies in active fixed-income portfolio management	A-6g	12g	
		discuss various portfolio positioning strategies that managers can use to implement a specific credit spread view	A-6h	12h	
		discuss considerations in constructing and managing portfolios across international credit markets	A-6i	12i	
		describe the use of structured financial instruments as an alternative to corporate bonds in credit portfolios	A-6j	12j	
A-7	Trade Strategy and Execution	discuss motivations to trade and how they relate to trading strategy	A-7a	23a	
		discuss inputs to the selection of a trading strategy	A-7b	23b	
		compare benchmarks for trade execution	A-7c	23c	
		recommend and justify a trading strategy (given relevant facts)	A-7d	23d	
		describe factors that typically determine the selection of a trading algorithm class	A-7e	23e	
		contrast key characteristics of the following markets in relation to trade implementation: equity, fixed income, options and futures, OTC derivatives, and spot currency	A-7f	23f	
		explain how trade costs are measured and determine the cost of a trade	A-7g	23g	
		evaluate the execution of a trade	A-7h	23h	
		evaluate a firm's trading procedures, including processes, disclosures, and record keeping with respect to good governance	A-7i	23i	
		A-8	Case Study in Portfolio Management-Institutional	discuss tools for managing portfolio liquidity risk	A-8a
discuss capture of the illiquidity premium as a long-term investment strategy	A-8b			26b	
analyze asset allocation and portfolio construction in relation to liquidity needs and risk and return requirements and recommend actions to address identified needs	A-8c			26c	
demonstrate the application of the Code of Ethics and Standards of Professional Conduct regarding the actions of individuals involved in manager selection	A-8d			26d	
analyze the costs and benefits of derivatives versus cash market techniques for establishing or modifying asset class or risk exposures	A-8e			26e	
demonstrate the use of derivatives overlays in tactical asset allocation and rebalancing	A-8f			26f	
discuss ESG considerations in managing long-term institutional portfolios	A-8g			26g	



Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
<b>Private Markets Pathway</b>					
B-1	Private Investments and Structures	contrast the features of private and public investments, and discuss characteristics of private and public markets	B-1a	-	
		discuss private investment methods and structures and their uses	B-1b	-	
		discuss the difference between public and private market performance, and calculate, interpret, and discuss the use of performance metrics including distributed to paid-in, residual value to paid-in, and total value to paid-in	B-1c	-	
		compare the risk and return of investing in private markets and public markets as part of a strategic asset allocation	B-1d	-	
B-2	General Partner and Investor Perspectives and the Investment Process	discuss a general partner's roles and responsibilities in managing private investment funds	B-2a	-	
		discuss how private investment firms align their interests with those of their investors, and calculate, interpret, and discuss private market fund performance from an investor perspective, including management fees and carried interest	B-2b	-	
		discuss favorable characteristics of private investment targets and sources of value creation in private markets	B-2c	-	
		discuss the role of conducting due diligence and establishing a business plan in the private investment process	B-2d	-	
		discuss alternative exit routes in private investments and their impact on value	B-2e	-	
B-3	Private Equity	discuss private equity strategies over the company life cycle	B-3a	-	
		discuss characteristics of venture capital and growth equity investments	B-3b	-	
		discuss characteristics of buyout equity investments	B-3c	-	
		estimate and interpret key inputs and calculate the value of a private equity investment for venture capital, growth equity, and buyout situations	B-3d	-	
		discuss the risk and return among private equity investments as well as versus other investments as part of a strategic asset allocation	B-3e	-	
B-4	Private Debt	discuss the use of debt financing in private market strategies over the investment life cycle	B-4a	-	
		discuss the use of leveraged loans, high-yield bonds, and convertible bonds in private market strategies	B-4b	-	
B-4	Private Debt	contrast the use of mezzanine debt and unitranche debt in private market strategies;	B-4c	-	
		analyze private debt profiles and calculate and interpret financial ratios used to value private debt investments	B-4d	-	
		discuss the risk and return among private debt investments as well as versus other private market investments as part of a strategic asset allocation	B-4e	-	
B-5	Private Special Situations	discuss the characteristics and risks of special investment situations	B-5a	-	
		discuss the features of distressed debt, financing alternatives for issuers in financial distress, and investment strategies in distressed situations	B-5b	-	
		discuss the features of complex investment situations involving financial dislocation or stress	B-5c	-	
		discuss the due diligence and valuation processes used to evaluate special investment situations	B-5d	-	
		discuss the risk and return among special situations and compared to other forms of private debt as part of a strategic asset allocation	B-5e	-	
B-6	Private Real Estate Investments	discuss important private real estate investment features	B-6a	-	
		discuss economic value drivers of private real estate investments and their role in a portfolio	B-6b	-	
		discuss the due diligence and valuation processes for private real estate	B-6c	-	
		discuss the distinctive investment characteristics of timberland and farmland	B-6d	-	
		discuss the risk and return among private real estate investments and as compared to other investments as part of a strategic asset allocation	B-6e	-	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
B-7	Infrastructure	discuss important infrastructure investment features	B-7a	-	
		discuss infrastructure investment methods and investment vehicles and their uses	B-7b	-	
		discuss the infrastructure investment process over the project life cycle and the roles of infrastructure debt and equity financing	B-7c	-	
		discuss the due diligence and valuation processes for infrastructure investments	B-7d	-	
		discuss the risk and return among infrastructure investments and as compared to other investments as part of a strategic asset allocation	B-7e	-	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
<b>Private Wealth Pathway</b>					
C-1	The Private Wealth Management Industry	discuss the typical business models of private wealth management service providers and their segment-based strategies	C-1a	-	
		discuss typical fee, revenue, and compensation structures prevalent in the private wealth management industry	C-1b	-	
		discuss how various advisers, consultants, and professionals support private wealth managers and their clients	C-1c	-	
		describe and evaluate regulatory and compliance considerations influencing the private wealth management industry	C-1d	-	
C-2	Working With the Wealthy	describe how family and human dynamics relate to wealth and its management	C-2a	-	
		describe skills needed in profiling, acquiring, advising, communicating with, and educating private clients	C-2b	-	
		describe the unique characteristics of ultra-high-net-worth individuals and how these characteristics distinguish them from other private wealth management clients	C-2c	-	
		recommend appropriate approaches to the development, implementation, adherence, and amendment of a common, long-term framework for joint family decision making	C-2d	-	
C-3	Wealth Planning	formulate goals-based financial plans and recommend appropriate strategies to achieve an individual's goals-based financial plans	C-3a	-	
		recommend and justify methods to manage a family's financial exposures holistically across their lifetime and retirement	C-3b	-	
C-3	Wealth Planning	evaluate how the principles of taxation and taxes influence goals-based planning and holistic financial plans for individual investors	C-3c	-	
		recommend appropriate liquidity strategies for goal-based planning and holistic financial plans	C-3d	-	
C-4	Investment Planning	recommend and justify portfolio allocations and investments for a private client	C-4a	19l	
		discuss the tax efficiency of investment across various asset types and recommend various tax management strategies for asset allocation	C-4b	-	
		discuss and recommend appropriate wealth management planning approaches for retirement from legal, taxation, and jurisdictional perspectives	C-4c	-	
		evaluate the success of an investment program for a private client based on portfolio reporting and review	C-4d	19m+19n	
C-5	Preserving the Wealth	analyze the types of risks relevant to human capital	C-5a	-	
		describe and recommend strategies to manage risks to human capital	C-5b	-	
		recommend planning and investment strategies to mitigate the corrosive influence of inflation on preserving purchasing power	C-5c	-	
		describe how exchange rates influence asset allocation and planning as well as approaches to mitigate the exchange rate risk	C-5d	-	
C-6	Advising the Wealthy	discuss and recommend appropriate citizenship, nationality, and legal residency approaches for private clients	C-6a	-	
		discuss and recommend appropriate private wealth management approaches that maximize the human capital, financial capital, and economic net worth of complex family situations	C-6b	-	
		discuss and recommend appropriate private wealth management approaches that maximize the human capital, financial capital, and economic net worth of entrepreneurs and business owners	C-6c	-	
		discuss and recommend appropriate private wealth management approaches that maximize the human capital, financial capital, and economic net worth of professionals, executives, and others	C-6d	-	

Reading No.	Reading Name	Learning Outcome	2025 LOS	2024 LOS	Changes
C-7	Transferring the Wealth	discuss and recommend appropriate wealth management planning approaches for transferring wealth during the lifetime of the giver through gifts	C-7a	-	
		discuss and recommend appropriate wealth management planning approaches for transferring wealth at death through bequests and inheritance	C-7b	-	
		discuss and recommend appropriate wealth management planning approaches for the preservation of wealth across multiple generations through charitable giving and philanthropy	C-7c	-	