Curriculum Errata Notice

2025 Level III CFA Program

UPDATED 30 September 2025

This document outlines the errors submitted to CFA® Institute that have been corrected.

Due to the nature of our publishing process, we may not be able to correct errors submitted after 1 September 2025 in time for the publication of the following year's print materials. However, we update all errors in the Learning Ecosystem (LES) and in this document at the end of each month.

We recommend checking either the LES or this document regularly for the most current information. Depending on when you purchase the print materials, they may or may not have the errors corrected.

All errors can be submitted via https://cfainst.is/errata

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Asset Allocation

Capital Market Expectations, Part 1: Framework and Macro Considerations

Lesson	Location	PDF Pg	Revised	Correction	
Challenges in Forecasting	The Argentine Peso Devaluations	13	3 September 2024	Replace: The currency was allowed to fluctuate freely, and the peso further depreciated to 3.8 ARS/USD by June 2001.	With: The currency was allowed to fluctuate freely, and the peso further depreciated to 3.8 ARS/USD by **June 2002**.
Analysis of Monetary and Fiscal Policies	Example 12 - Guideline Answer to 3	40	3 September 2024	Replace: Short-term market interest rates will be dragged downward by weak demand and inflation.	With: Short-term market interest rates will be dragged downward by weak demand and **deflation**.

Capital Market Expectations, Part 2: Forecasting Asset Class Returns

Lesson	Location	PDF Pg	Revised	Correction	
Forecasting Fixed Income Returns	Example 1 - Solution to 1	73	3 September 2024	Replace: Reinvesting for three more years at the 2.0% higher rate adds another 6.0% to the cumulative return, so the five-year annual return would be approximately 0.46% [= 3.25 + (1 + 1.0 + 6.0)/5]. With an additional two years of reinvestment income, the seven-year annual return would be about 1.99% [= 1 + (−9.68 + 1.0 + 6.0 + 4.0)/7].	With: Reinvesting for three more years at the 2.0% higher rate adds another 6.0% to the cumulative return, so the five-year annual return would be approximately 0.46% [= **1.0** + (**-9.68** + 1.0 + 6.0)/5]. With an additional two years of reinvestment income, the seven-year annual return would be about **1.19%** [= 1 + (−9.68 + 1.0 + 6.0 + 4.0)/7].

Lesson	Location	PDF Pg	Revised	Correction
Forecasting Real Estate Returns	Paragraph before and Exhibit 6	94	16 September 2025	Replace: Exhibit 6 shows private market cap rates as of 30 June 2021 for US commercial properties differentiated by type, location, and quality. The rates range from 34.7% for industrial properties to 6.8% for retail. The relatively high cap rate for retail reflects the investors' perception that of short-term risks related to in-person shopping during the COVID-19 pandemic and longer-term risks related to ecommerce continuing to take market share from in-store retail. **Exhibit 6: Private Market Cap Rates (%) as of 30 June 2021** Property Type / Average / Higher Risk / Lower Risk Hotels 53.0 Limited Service 7.7 Full Service 7.1 Health Care 4.86 Skilled Nursing 9.5 Medical Office 5.7 Retail Malls 6.8 Low Productivity 8.8 High Productivity 5.0 Industrial 3.74 Office 5.0 Secondary Cities 6.6 Gateway Cities 4.7 Apartments 4.55 *Source:* CenterSquare Investment Management (2018).
				With: Exhibit 6 shows private market cap rates as of **March 2018 for US commercial properties differentiated by type, location, and quality. The rates range from 4.7% for offices in gateway cities, such as New York City, to 9.5% for skilled nursing (i.e., 24-hour old-age care) properties. There is a clear pattern of high cap rates for riskier property types (hotels versus apartments, skilled nursing facilities versus medical offices), lower-quality properties (low-productivity versus high-productivity malls), and less attractive locations (offices in secondary versus gateway cities).** **Exhibit 6 Cap Rates (%) as of March 2018** Property Type / Average / Higher Risk / Lower Risk Hotels 7.2 Limited Service 7.7 Full Service 7.1 Health Care 6.6 Skilled Nursing 9.5 Medical Office 5.7 Retail Malls 5.6 Low Productivity 8.8 High Productivity 5.0 Industrial 5.4 Office 5.2 Secondary Cities 6.6 Gateway Cities 4.7 Apartments 4.8 *Source:* CenterSquare Investment Management (2018). Gateway cities include Boston, Chicago, Los Angeles, New York City, San Francisco, and Washington, DC.

Principles of Asset Allocation

Lesson	Location	PDF Pg	Revised	Correction	
Solutions	Solution to 7	297	14 August 2025	Replace: In this example, there are four asset classes, and the variance of the total portfolio is assumed to be 25%; therefore, using a risk parity approach, the allocation to each asset class is expected to contribute (1/4 × 25%) = 6.25% of the total variance. Because bonds have the lowest covariance, they must have a higher relative weight to achieve the same contribution to risk as the other asset classes.	With: In this example, there are four asset classes, and the variance of the total portfolio is assumed to be 25~~%~~; therefore, using a risk parity approach, the allocation to each asset class is expected to contribute (1/4 × 25~~%~~) = 6.25 **or 25%** of the total variance. Because bonds have the lowest covariance, they must have a higher relative weight to achieve the same contribution to risk as the other asset classes.

Asset Allocation with Real-World Constraints

Lesson	Location	PDF Pg	Revised	Correction	
Regulatory and Other External Constraints	Sentence under Exhibit 3	297	3 September 2025	Replace: Reducing the equity exposure from 70% to 60% lowers the contribution risk significantly, with only a marginally higher expected PV of contributions than Portfolio A.	With: Reducing the equity exposure from 70% to 60% lowers the contribution risk significantly, with only a marginally **lower** expected PV of contributions than Portfolio A.

Portfolio Construction

Overview of Fixed-Income Portfolio Management

Lesson	Location	PDF Pg	Revised	Correction	
Bond Market Liquidity	Third bullet point	65	3 September 2024	Move the third bullet point: As a funding cost arbitrage transaction, the TRS can allow investors to gain particular access to subsets of the fixed-income markets, such as bank loans or high-yield instruments for which cash markets are relatively illiquid or the cost and administrative complexity of maintaining a portfolio of these instruments is prohibitive for the investor.	To the paragraph preceding bulleted list: The potential for both a smaller initial cash outlay and lower swap bid–offer costs compared with the transaction costs of direct purchase or use of a mutual fund or ETF are the most compelling reasons to consider a TRS to add fixed-income exposure. **As a funding cost arbitrage transaction, the TRS can allow investors to gain particular access to subsets of the fixed-income markets, such as bank loans or high-yield instruments for which cash markets are relatively illiquid or the cost and administrative complexity of maintaining a portfolio of these instruments is prohibitive for the investor.**
A Model for Fixed-Income Returns	Views of Benchmark Yields	67	3 September 2024	Replace: E(Change in price based on investor's views of yields and yield volatility) $= (-\text{ModDur} \times \Delta\text{Yield}) + [\frac{1}{2} \times \text{Convexity} \times (\Delta\text{Spread})^2]$	With: **E(ΔPrice** based on investor's view of yields and yield volatility) $= (-\text{ModDur} \times \Delta\text{Yield}) + [\frac{1}{2} \times \text{Convexity} \times \mathbf{(\Delta Yield)^2}]$
A Model for Fixed-Income Returns	Exhibit 11	69	3 September 2024	Replace row: Expected average bond prince in one year (assuming an unchanged yield curve) £97.27 Replace solution: In one year's time, assuming an unchanged yield curve and zero interest rate volatility, the rolldown return is 0.17% = (£97.27 – £97.12)/£97.12.	With: Expected average bond prince in one year (assuming an unchanged yield curve) **£97.285** With: In one year's time, assuming an unchanged yield curve and zero interest rate volatility, the rolldown return is 0.17% = (**£97.285** – £97.12)/£97.12.

Lesson	Location	PDF Pg	Revised	Correction	
A Model for Fixed-Income Returns	Decomposing Expected Returns - Solution	69	3 September 2024	Replace: In one year's time, assuming an unchanged yield curve and zero interest rate volatility, the rolldown return is 0.17% = (£97.27 – £97.12)/£97.12. The rolling yield, which is the sum of the coupon income and the rolldown return, is 3.00% = 2.83% + 0.17%	With: In one year's time, assuming an unchanged yield curve and zero interest rate volatility, the rolldown return is **0.15%** = (£97.27 – £97.12)/£97.12. The rolling yield, which is the sum of the coupon income and the rolldown return, is 3.00% = **2.98% + 0.15%**
A Model for Fixed-Income Returns	Exhibit 12	70	3 September 2024	Replace second calculation under column header Calculation: (£97.27 – £97.12)/£97.12 = 0.17%	With: (**£97.285** – £97.12)/£97.12 = 0.17%

Asset Allocation to Alternative Investments

Lesson	Location	PDF Pg	Revised	Correction	
Asset Allocation Approaches and Statistical Properties and Challenges	2nd Paragraph in Stale Pricing and Unsmoothing section	142	27 August 2025	Replace: The volatility calculated on the unsmoothed return series is 14.0%, significantly higher than the volatility estimated from the unsmoothed data.	With: The volatility calculated on the unsmoothed return series is 14.0%, significantly higher than the volatility estimated from the **smoothed** data,

An Overview of Private Wealth Management

Lesson	Location	PDF Pg	Revised	Correction	
Wealth in a Global Context	Case Study: Taylor, Aiysha, and Chimwala: Traditional Balance sheet, second to last table row	207	8 August 2025	Replace: Investable net worth[5] 100 | 1,200 | 3,000	With: Investable net worth[5] **85 | 950 | 2,995**
Wealth in a Global Context	Paragraph above Exhibit 15	223	1 September 2025	Replace: Although wealth inequality increased in both developed and developing markets, the gap is greater in the developed markets due to weaker social safety nets and greater income variability.	With: Although wealth inequality increased in both developed and developing markets, the gap is greater in the **developing** markets due to weaker social safety nets and greater income variability.
The Impact of Taxation and Inflation	Case Study: Nataliia Kozlowska: Tax Rates and Tax Calculations	254	18 September 2024	Replace: Tax on Column 1 — 1,500 6,000 13,500 50,000 150,000 400,000	With: Tax on Column 1 — 1,500 **4,500** **9,000** **41,000** **116,000** **316,000**

The Impact of Taxation and Inflation	Case Study – Solution to 2	255	18 September 2024	Replace: For incomes between EUR500,000 and EUR1,000,000, the tax rate is 40%. For the first EUR500,000, the tax is EUR150,000, and for the next EUR200,000 the tax rate is 40% x (EUR700,000 – EUR500,000) = EUR80,000. The total tax payable is then EUR150,000 + EUR80,000 = EUR230,000, and the average tax rate is 32.86%.	With: For incomes between EUR500,000 and EUR1,000,000, the tax rate is 40%. For the first EUR500,000, the tax is **EUR116,000**, and for the next EUR200,000 the tax rate is 40% x (EUR700,000 – EUR500,000) = EUR80,000. The total tax payable is then **EUR116,000** + EUR80,000 = **EUR196,000**, and the average tax rate is **28%.**
The Impact of Taxation and Inflation	Case Study – Solution to 3	255	18 September 2024	Replace: Considering the expected investment income of EUR10,000 in interest income and EUR5,000 in dividend income, the total income is EUR715,000. For the first EUR500,000 in ordinary income tax, the tax is EUR150,000, and for the next EUR215,000, the tax rate is 40% x (EUR715,000 – EUR500,000) = EUR86,000. The total tax payable is then EUR150,000 + EUR86,000 = EUR236,000. Thus, 33.01% of the total income of EUR715,000 is paid in taxes.	With: Considering the expected investment income of EUR10,000 in interest income and EUR5,000 in dividend income, the total income is EUR715,000. For the first EUR500,000 in ordinary income tax, the tax is **EUR116,000**, and for the next EUR215,000, the tax rate is 40% x (EUR715,000 – EUR500,000) = EUR86,000. The total tax payable is then **EUR116,000** + EUR86,000 = **EUR202,000**. Thus, **28.25%** of the total income of EUR715,000 is paid in taxes.
The Impact of Taxation and Inflation	Case Study – Solution to 4 - ii	256	18 September 2024	Replace: ii. The ordinary income tax amounts to EUR150,000 for the first EUR500,000 and EUR82,000 for the remaining EUR205,000 (including the taxed portion of her interest income). This is calculated as 40% x (EUR705,000 – EUR500,000) = EUR82,000, resulting in a total income tax of EUR232,000. For the dividend income of EUR5,000, there is a 15% tax, equating to EUR750. In total, she pays EUR232,000 in ordinary income tax and EUR750 in investment income tax on the dividends, with a total tax liability of EUR232,750. She pays 32.55% of her total income of EUR715,000 in taxes, and her taxable income is EUR710,000.	With: ii. The ordinary income tax amounts to **EUR116,000** for the first EUR500,000 and EUR82,000 for the remaining EUR205,000 (including the taxed portion of her interest income). This is calculated as 40% x (EUR705,000 – EUR500,000) = EUR82,000, resulting in a total income tax of **EUR198,000**. EUR500,000 and EUR82,000 for the remaining EUR205,000 (including the taxed portion of her interest income). This is calculated as 40% x (EUR705,000 – EUR500,000) = EUR82,000, resulting in a total income tax of **EUR198,000**.

The Impact of Taxation and Inflation	The Impact of Different Tax Rates, Sources of Return, and Inflation	265	7 October 2024	Replace: Section titled: "The Impact of Different Tax Rates, Sources of Return, and Inflation"	With: Content posted here.
Practice Problems	Question 1	287	25 August 2025	Replace: Which of the following investment parameter categories of the IPS is least likely to include Cree's preference for investments that reflect his environmental and social concerns? A. Asset class preference B. Other investment preferences C. Constraints	With: Which of the following investment parameter categories of the IPS is **most** likely to include Cree's preference for investments that reflect his environmental and social concerns? **A. Investment Parameters** **B. Investment Objectives** **C. Duties and Responsibilities**
Practice Problems	Question 15	290	3 April 2025	Replace: • A. 475 • C. 1,175	With: • A. **425** • C. **1,105**
Practice Problems	Solution 1	292	25 August 2025	Replace: The correct answer is A. Investment parameters would contain limitations on how the portfolio can be invested and this is the most likely place for sustainability-related preferences to be mentioned. B is incorrect as investment objectives would include short term and long-term goals. C is incorrect as duties and responsibilities would cover things such as the responsibilities of the wealth manager and the IPS review process.	With: **The correct answer is A. Investment parameters would contain limitations on how the portfolio can be invested and this is the most likely place for sustainability-related preferences to be mentioned.** **B is incorrect as investment objectives would include short term and long-term goals. C is incorrect as duties and responsibilities would cover things such as the responsibilities of the wealth manager and the IPS review process.**
Solutions	Solution 9	294	30 September 2025	Solution to Question 9	Content posted here.
Solutions	Solution 15	295	3 April 2025	Replace: • Investable net worth =100 + 200 + 150 – 25 = 475. Investable net worth = 50 + 100 + 200 + 150 + 80 + 800 – 25 – 250 = 1,175	With: • Investable net worth =100 + 200 + 150 – 25 = **425**. Investable net worth = 50 + 100 + 200 + 150 + 80 + 800 – 25 – 250 = **1,105**

Solutions	Solution 22	296	22 August 2025	Replace: The correct answer is B. The "Other investment preferences" category typically includes legacy holdings such as shares of stock of a former employer or an investment the client wishes to make countering the wealth manager's advice. A is incorrect	With: **A is correct. The choice of an investment's asset class is least likely to reflect a client's preferences for environmentally and socially oriented investments. B** is incorrect

Trading Costs and Electronic Markets

Lesson	Location	PDF Pg	Revised	Correction	
Effective Spreads and Volume-Weighted Cost Estimates	Last sentence of second paragraph-Implementation Shortfall	416	14 August 2025	Replace: Implementation shortfall compares the values of the actual portfolio with that of a paper portfolio constructed on the assumption that trades could be arranged at the prices that prevailed when the decision to trade is made. The prevailing price—also called the decision price, the arrival price, or the strike price—is generally taken to be the midquote price at the time of the trade decision. The excess of the paper value over the actual value is the implementation shortfall. The coverage of implementation shortfall is continued at Level III.	With: Implementation shortfall compares the values of the actual portfolio with that of a paper portfolio constructed on the assumption that trades could be arranged at the prices that prevailed when the decision to trade is made. The prevailing price—also called the decision price, the arrival price, or the strike price—is generally taken to be the midquote price at the time of the trade decision. The excess of the paper value over the actual value is the implementation shortfall. ~~The coverage of implementation shortfall is continued at Level III.~~

Performance Measurement

Portfolio Performance Evaluation

Lesson	Location	PDF Pg	Revised	Correction	
Factor-Based and Fixed-Income Return Attribution	Exhibit 7	24	9 September 2025	Replace: **Exhibit 7: Sample Exposure Decomposition: Attribution Results** (see table below)	With: **Exhibit 7: Sample Exposure Decomposition: Attribution Results** (see table below)
Factor-Based and Fixed-Income Return Attribution	List after Exhibit 7, first & last bullets	24	5 September 2024	Replace: • The portfolio underperformed its benchmark by 26 bps • 7 bps were added through bond selection.	With: • The portfolio underperformed its benchmark by **20 bps** • **13** bps were added through bond selection.
Factor-Based and Fixed-Income Return Attribution	Example 6, Solution to 2	26	5 September 2025	Replace: The long-duration bucket cost the portfolio 97 bps of relative return. From Exhibit 7, the curve and selection effects were positive (37 bps and 7 bps, respectively) whereas the duration and sector allocation effects were negative (−125 bps and −16 bps, respectively). This decision penalized returns because credit spreads widened, which can be inferred from the weaker performance of the long-	With: The long-duration bucket cost the portfolio 97 bps of relative return. From Exhibit 7, the curve and selection effects were positive (37 bps and **13 bps**, respectively) whereas the duration and sector allocation effects were negative (−125 bps and **−22 bp**s, respectively). This decision penalized returns because credit spreads widened, which can be inferred from the weaker performance of the long-

Exhibit 7: Sample Exposure Decomposition: Attribution Results

Duration Bucket	Sector	Duration Effect	Curve Effect	Total Inter-est Rate Allocation	Sector Allocation	Bond Selection	Total
Short	Government					0.00%	0.00%
	Corporate				0.04%	0.00%	0.04%
	Total	*0.40%*	*0.12%*	*0.52%*	*0.04%*	*0.00%*	*0.56%*
Mid	Government					0.00%	0.00%
	Corporate				−0.05%	0.00%	−0.05%
	Total	*0.23%*	*0.03%*	*0.26%*	*−0.05%*	*0.00%*	*0.21%*
Long	Government					0.00%	0.00%
	Corporate				−0.22%	0.13%	−0.09%
	Total	*−1.25%*	*0.37%*	*−0.88%*	*−0.22%*	*0.13%*	*−0.97%*
Total		−0.62%	0.52%	−0.10%	−0.23%	0.13%	−0.20%

Exhibit 7: Sample Exposure Decomposition: Attribution Results

Duration Bucket	Sector	Duration Effect	Curve Effect	Total Inter-est Rate Allocation	Sector Allocation	Bond Selection	Total
Short	Government					0.00%	0.00%
	Corporate	0.40%	0.12%	0.52%	0.04%	0.00%	0.56%
	Total	*0.40%*	*0.12%*	*0.52%*	*0.04%*	*0.00%*	*0.56%*
Mid	Government					0.00%	0.00%
	Corporate	0.23%	0.03%	0.26%	−0.05%	0.00%	0.21%
	Total	*0.23%*	*0.03%*	*0.26%*	*−0.05%*	*0.00%*	*0.21%*
Long	Government					0.00%	0.00%
	Corporate	1.25%	0.37%	0.88%	−0.22%	0.13%	-0.97%
	Total	*1.25%*	*0.37%*	*−0.88%*	*−0.22%*	*0.13%*	*−0.97%*
Total		−0.62%	0.52%	−0.10%	−0.23%	0.13%	−0.20%

Lesson	Location	PDF Pg	Revised	Correction	
				duration corporate segment of the benchmark (−5.42%) relative to the long-duration government segment (−4.38%). The positive selection effect of 7 bps implies that the manager's specific bond selections added to return.	duration corporate segment of the benchmark (−5.42%) relative to the long-duration government segment (−4.38%). The positive selection effect of **13 bps** implies that the manager's specific bond selections added to return.
Return Attribution Analysis at Multiple Levels	Third bullet	32	3 September 2024	Replace: The large-cap value benchmark underperformed the total benchmark (−1.08% versus −0.03%). Because the portfolio was underweight large-cap value, this led to a positive allocation effect of 0.03.	With: The large-cap **growth** benchmark underperformed the total benchmark (–1.08% versus -0.03%). Because the portfolio was underweight large-cap **growth**, this led to a positive allocation effect of 0.03.
Benchmark Selection	Importance of Choosing the Correct Benchmark - last bullet	45	3 September 2024	Replace: Investor (Mismeasured) Active Return = Mgr Return − Investor Benchmark return = (Mgr Return - Normal portfolio Return) + (Normal Portfolio Return - Investor Benchmark return) = True Active Return + Misfit Active Return = 18.0 − 20.0 = -9.0 + (−11.0) = −2.0%	With: Investor (Mismeasured) Active Return = Mgr Return − Investor Benchmark return = (Mgr Return - Normal portfolio Return) + (Normal Portfolio Return - Investor Benchmark return) = True Active Return + Misfit Active Return **= (18.0 – 9.0) + (9.0 – 20.0) = 9.0+ (-11.0) = –2.0%**
Performance Appraisal: Capture Ratios and Drawdowns	Exhibit 20	60	3 September 2024	Replace: "Recovery begins" under July 2020	With: Move "Recovery begins" to **April 2020**
Performance Appraisal: Capture Ratios and Drawdowns	Exhibit 21	60	3 September 2024	Replace: "Drawdown begins" label on chart with April "Recovery begins" label on chart with September	With" **Move "Drawdown begins" label on chart to January** **Move "Recovery begins" label on chart to April**

Investment Manager Selection

Lesson	Location	PDF Pg	Revised	Correction	
Type I and Type II Errors in Manager Selection	Paragraph above Example 2	86 - 87	11 September 2025	Replace: The extent to which a strategy is mean-reverting also has a bearing on the cost of Type I and Type II errors. If a strategy's performance is mean reverting, firing a poor performer (or hiring a strong performer) only to see a reversion in performance results is a Type I error. A Type II error would be trimming or not hiring strong performers and hiring managers with weaker track records. There is evidence that individual investors significantly underperform the average mutual fund because of poor timing and fund selection decisions. A study of institutional plan sponsor allocation decisions found that investment products receiving contributions subsequently underperformed products experiencing withdrawals. The study estimated that more than $170 billion was lost during the period examined (Stewart, Neumann, Knittel, and Heisler 2009).	With: ~~The extent to which a strategy is mean-reverting also has a bearing on the cost of Type I and Type II errors. If a strategy's performance is mean reverting, firing a poor performer (or hiring a strong performer) only to see a reversion in performance results is a Type I error. A Type II error would be trimming or not hiring strong performers and hiring managers with weaker track records.~~ There is evidence that individual investors significantly underperform the average mutual fund because of poor timing and fund selection decisions. A study of institutional plan sponsor allocation decisions found that investment products receiving contributions subsequently underperformed products experiencing withdrawals. The study estimated that more than $170 billion was lost during the period examined (Stewart, Neumann, Knittel, and Heisler 2009).
Practice Problems	Question 26	127	3 September 2024	Replace: Asked about Lyon's regulatory context, Moore states, "The regulatory environment is strong and seeks to decrease information symmetries."	With: Asked about Lyon's regulatory context, Moore states, "The regulatory environment is strong and seeks to decrease information **asymmetries**."
Solutions	Solution to 26	137	3 September 2024	Replace: The reliance of Lyon's strategy on unique information is a drawback as it is difficult for Lyon to have an informational edge in a regulatory environment that seeks to reduce informational symmetries.	With: The reliance of Lyon's strategy on unique information is a drawback as it is difficult for Lyon to have an informational edge in a regulatory environment that seeks to reduce informational **asymmetries**.

Derivatives and Risk Management

Position Equivalencies

Lesson	Location	PDF Pg	Revised	Correction	
Synthetic Forward Position	Second paragraph	5	8 August 2025	Replace: Consider an investor who buys an at-the-money (ATM) call and simultaneously sells a put with the same strike and the same expiration date. Whatever the stock price at expiration, one of the two options will be in the money.	With: Consider an investor who buys an at-the-money (ATM) call and simultaneously sells a put with the same strike and the same expiration date. **Technically, it should be referring to ATM spot or ATM forward. However, for practice purposes, there is usually not much distinction in the mechanics.** Whatever the stock price at expiration, one of the two options will be in the money.

Swaps, Forwards, and Future Strategies

Lesson	Location	PDF Pg	Revised	Correction	
Practice Problems	Information relating to questions 2-8	125	3 September 2024	Replace: Statement 1 If the basis is positive, a trade would make a profit by "selling the basis." Statement 2 If the basis is negative, a trader would make a profit by selling the bond and buying the futures.	With: **Statement 4** If the basis is positive, a trade would make a profit by "selling the basis." **Statement 5** If the basis is negative, a trader would make a profit by selling the bond and buying the futures.

Currency Management: An Introduction

Lesson	Location	PDF Pg	Revised	Correction	
Foreign Exchange Concepts	Paragraph following bullet number 4	147	3 September 2024	Replace: In the example above, this would be done by redenominating the mark-to-market in USD, by selling 240,000 AUD 90-days forward against the USD at the prevailing USD/AUD 90-day forward bid rate.	With: In the example above, this would be done by redenominating the mark-to-market in USD, by selling **206,000** AUD 90-days forward against the USD at the prevailing USD/AUD 90-day forward bid rate.
Active Currency Management Based on the Carry Trade	End of second paragraph under Exhibit 6	171	8 August 2025	Replace: One guide to the riskiness of the carry trade is the volatility of spot rate movements for the currency pair; all else equal, lower volatility is better for a carry trade position.	With: One guide to the riskiness of the carry trade is the volatility of **outright forward (not spot)** rate movements for the currency pair; all else equal, lower volatility is better for a carry trade position. **This is an important distinction: although spot rates are generally highly correlated with forward rates this is not always the case. For example, Argentina had a currency board where the spot rate was fixed at 1 ARS per USD but the outright forward rates were very volatile.**
Volatility Trading	Second paragraph	173	8 August 2025	Replace: One simple option strategy that implements a volatility trade is a straddle, which is a combination of both an at-the-money (ATM) put and an ATM call. A long straddle buys both of these options. Because their deltas are −0.5 and +0.5, respectively, the net delta of the position is zero; that is, the long straddle is delta neutral.	With: One simple option strategy that implements a volatility trade is a straddle, which is a combination of both an at-the-money (ATM) put and an ATM call. A long straddle buys both of these options. *Because their deltas are −0.5 and +0.5, respectively*. **Note: deltas for European-style put options range from –1 (deep-in-the-money put) to 0 (deep-out-of-the-money put), and from 0 to +1 for calls. Deltas of 0.5 and +0.5 occur when the strikes are ATM on a forward basis.** When the net delta of the position is zero, the long straddle is delta neutral.
Forward Contracts, FX Swaps, and	Table within Executing a Hedge and	180	3 September 2024	Replace: JPY/HKD 14.4/14.4 −1.2/−1.1	With: JPY/HKD **14.40/14.42** −1.2/−1.1

Currency Options	Paragraph after			s, the spot leg of the swap would be to buy JPY800,000,000 at the mid-market rate of 10.81 JPY/HKD.	s, the spot leg of the swap would be to buy JPY800,000,000 at the mid-market rate of **14.41** JPY/HKD.
Forward Contracts, FX Swaps, and Currency Options	Hedge #2 Passage	180	21 August 2025	Replace: Hence, Yang uses a mismatched swap, buying EUR8,000,000 at spot rate against the HKD, to settle the maturing forward contract and then selling an amount more than EUR8,000,000 forward to increase the hedge size. Because the EUR is the base currency in the HKD/EUR quote, this means using the bid side for both the spot rate and the forward points when calculating the all-in forward rate: 9.0200 + 173 _ 10, 000 = 9.0373 The spot leg of the swap—buying back EUR8,000,000 to settle the outstanding forward transaction—is also based on the bid rate of 9.0200. This is because Yang is selling an amount larger than EUR8,000,000 forward, and the all-in forward rate of the swap is already using the bid side of the market (as it would for a matched swap). Hence, to pick up the net increase in forward EUR sales, the dealer Yang is transacting with would price the swap so that Yang also has to use bid side of the spot quote for the spot transaction used to settle the maturing forward contract.	With: Hence, Yang uses a mismatched swap, buying EUR8,000,000 at **the spot ask rate** against the HKD, to settle the maturing forward contract and then selling an amount more than EUR8,000,000 forward to increase the hedge size. Because the EUR is the base currency in the HKD/EUR quote, this means using the **ask side for the spot rate and the bid side for the forward rate when calculating the all-in forward rate**: 9.0200 + 173 _ 10, 000 = 9.0373 The spot leg of the swap—buying back EUR8,000,000 to settle the outstanding forward transaction—is also based on the **ask rate of 9.0210**. **This is because Yang is buying EUR (the base currency) to unwind her short position, so she must pay the dealer's ask. The forward leg —selling more than EUR8,000,000 forward —is executed at the forward bid rate (spot bid + forward bid points), as Yang is selling EUR forward. Hence, the correct pricing uses the spot ask rate for unwinding the maturing forward contract and the forward bid rate for rolling into the new, larger hedge.**
Forward Contracts, FX Swaps, and Currency Options	Example 4 - Solution to 1	184	3 September 2024	Replace: Kwun Tong is long the GBP against the HKD, and HKD/GBP is selling at a small forward discount of −0.106% compared with the current spot rate…. However, the firm's market strategist expects the GBP to depreciate by 3.92% against the HKD.	With: Kwun Tong is long the GBP against the HKD, and HKD/GBP is selling at a small forward discount of **0.099%** compared with the current spot rate…. However, the firm's market strategist expects the GBP to depreciate by **3.77%** against the HKD.
Forward Contracts, FX Swaps, and Currency Options	Example 4 - Solution to 2	184	3 September 2024	Replace: But the firm's strategist also forecasts that the ZAR will depreciate against the HKD by 2.2%.	With: But the firm's strategist also forecasts that the ZAR will depreciate against the HKD by **2.11%.**

Forward Contracts, FX Swaps, and Currency Options	Example 5, Solution to 3	186	2 September 2025	Replace: B is correct. To implement the hedge, Brixworth & St. Ives must sell MXN against the GBP, or equivalently, buy GBP (the base currency in the P/B quote) against the MXN. The base currency is selling forward at a premium, and—all else equal—its price would "roll down the curve" as contract maturity approached. Having to settle the forward contract means then selling the GBP spot at a lower price. Buying high and selling low will define a negative roll yield. Moreover, the GBP has depreciated against the MXN, because the MXN/GBP spot rate declined between one month ago and now, which will also add to the negative roll yield.	With: B is correct. To implement the hedge, Brixworth & St. Ives must sell MXN against the GBP, or equivalently, buy GBP (the base currency in the P/B quote) against the MXN. The base currency is selling forward at a premium, and—all else equal—its price would "roll down the curve" as contract maturity approached. Having to settle the forward contract means then selling the GBP spot at a lower price. Buying high and selling low will define a negative roll yield. ~~Moreover, the GBP has depreciated against the MXN, because the MXN/GBP spot rate declined between one month ago and now, which will also add to the negative roll yield.~~
Currency Management Tools and Strategies: A Summary	Table within Example 8	203	3 September 2024	Replace: $s(\%\Delta_{SGBP/USD})$ | $\sigma(R_{DC})$ | $\rho(R_{DC};\%\Delta S_{GBP/USD})$ 2.7% | 4.4% | 0.2	With: $\sigma(\%\Delta S\_GBP/USD)$ | $\sigma(R_{DC})$ | $\rho(R_{DC};\%\Delta S_{GBP/USD})$ 2.7% | 4.4% | 0.2
Solutions	Question 33	236	20 August 2025	Replace: When hedging one month ago, Delgado would have sold USD2,500,000 one month forward against the euro. To calculate the net cash flow (in euros) today, the following steps are necessary: 1.Sell USD2,500,000 at the one-month forward rate stated in the forward contract. Selling US dollars against the euro means buying euros, which is the base currency in the USD/EUR forward rate. Therefore, the offer side of the market must be used to calculate the inflow in euros. All-in forward rate = 0.8914 + (30/10,000) = 0.8944 USD2,500,000 / 0.8944 = EUR2,795,169.95. 2.Buy USD2,500,000 at the spot rate to offset the USD sold in Step 1 above. Buying the US dollar against the euro means selling euros, which is the base currency in the USD/EUR spot	With: When hedging one month ago, Delgado would have sold USD2,500,000 one month forward against the euro. To calculate the net cash flow (in euros) today, the following steps are necessary: 1.Sell USD2,500,000 at the one-month forward rate stated in the forward contract. Selling US dollars against the euro means buying euros, which is the base currency in the USD/EUR forward rate. Therefore, the offer side of the market must be used to calculate the inflow in euros. All-in forward rate = **1.174 + (10/10,000) = 1.1724** USD2,500,000 / **1.1724 = EUR2,132,378.03.** 2.Buy USD2,500,000 at the spot rate to offset the USD sold in Step 1 above. Buying the US dollar against the euro means selling euros, which is the base currency in the USD/EUR spot

				rate. Therefore, the bid side of the market must be used to calculate the inflow in euros. USD2,500,000 / 0.8875 = EUR2,816,901.41. 3.Therefore, the net cash flow is equal to EUR2,795,169.95 – EUR2,816,901.41, which is equal to a net outflow of EUR21,731.46. To maintain the desired hedge, Delgado will then enter into a new forward contract to sell the USD2,650,000. There will be no additional cash flow today arising from the new forward contract.	rate. Therefore, the bid side of the market must be used to calculate the inflow in euros. USD2,500,000 / **1.575 = EUR2,159,827.21.** 3.Therefore, the net cash flow is equal to **EUR2,132,378.03 – EUR2,159,827.21**, which is equal to a net outflow of **EUR27,449.18**. To maintain the desired hedge, Delgado will then enter into a new forward contract to sell the USD2,650,000. There will be no additional cash flow today arising from the new forward contract.

Portfolio Management Pathway, Vol. 1

Active Equity Investing: Strategies

Lesson	Location	PDF Pg	Revised	Correction	
Activist Strategies	Paragraph above Exhibit 21	72	13 August 2025	Replace: Exhibit 21 shows the steps of identifying an activist investment target company.10 Target companies feature slower revenue and earnings growth than the market, suffer negative share price momentum, and have weaker-than-average corporate governance.11	With: Exhibit 21 shows **some of the factors activist investors usually consider when evaluating potential targets. To derive the Z-score, the statistical distribution for each factor across the full company universe is computed and then standardized against that distribution**. 10 **The resulting standardized scores show that activist targets tend to have: slower revenue and earnings growth than the market; weaker share-price momentum and return on equity than peers; and poorer-than-average corporate-governance metrics. Notably, these patterns, visible a year before the activist campaign, continue up to the event date**. 11

Active Equity Investing: Portfolio Construction

Lesson	Location	PDF Pg	Revised	Correction	
Building Blocks of Active Equity Portfolio Construction	Paragraph above Exhibit 4	124	12 August 2025	Replace: Exhibit 4 shows the cumulative value of $100 invested in both the Russell 1000 Growth Index and the Russell 1000 Value Index over a 10-year period ending in 2020. The Growth index produced superior performance over the full 10-year time span.	With: Exhibit 4 shows the cumulative value of $100 invested in both the Russell 1000 Growth Index and the Russell 1000 Value Index over a 10-year period ending in **2006**. The Growth index produced superior performance over the full 10-year time span.
Allocating the Risk Budget	3rd paragraph	157	3 September 2024	Replace: The risk attribution in Exhibit 15 not only considers the Market factor but also adds a sector factor and a style factor.	With: The risk attribution in **Exhibit 16** not only considers the Market factor but also adds a sector factor and a style factor.
Allocating the Risk Budget	Example 5 - Question 1	158	3 September 2024	Replace: Using the information in Exhibit 15, discuss key differences in the risk profiles of Manager A and Manager C.	With: Using the information in **Exhibit 16**, discuss key differences in the risk profiles of Manager A and Manager C.
Allocating the Risk Budget	Example 5- Solution to 2	159	3 September 2024	Replace: From Equation 8b (repeated below), the contribution of an asset to total portfolio variance is equal to the product of the weight of the asset and its covariance with the entire portfolio.	Replace: From **Equation 9** (repeated below), the contribution of an asset to total portfolio variance is equal to the product of the weight of the asset and its covariance with the entire portfolio.
Additional Risk Measures	Second paragraph under Formal Constraints	161	3 September 2024	Replace: Exhibit 18 presents five different risk measures for the same three products discussed in Exhibit 15.	With: Exhibit 18 presents five different risk measures for the same three products discussed in **Exhibit 16**.

Liability-Driven and Index-Based Strategies

Lesson	Location	PDF Pg	Revised	Correction	
Managing the Interest Rate Risk of Multiple Liabilities	Duration Matching – Last sentence	218	15 September 2025	Replace: With multiple liabilities, matching money durations is useful because the market values and cash flow yields of the assets and liabilities are not necessarily equal.	With: With multiple liabilities, matching money durations is useful because the market values and cash flow yields of the assets and liabilities are not necessarily equal. **Unlike the single liability case, where the asset portfolio's modified duration (money duration) must be slightly greater than that of the liability, immunization against multiple liabilities requires that the asset portfolio's money duration (BPV) match that of the liabilities. The match may be slightly above or below, provided it is the closest available to the liability BPV.**
Managing the Interest Rate Risk of Multiple Liabilities	Above Derivatives Overlay	223	15 September 2025	Add above Derivatives Overlay: As described in the case study, in addition to matching money duration, immunization against multiple liabilities requires an asset portfolio with convexity which exceeds that of the liabilities but must have the lowest possible convexity available in order to minimize the structural risk to the strategy.	
Practice Problems	Question 12	267	3 September 2024	Replace: A. only B. only	With: A. **Statement 1 only** B. **Statement 2 only**

Portfolio Management Pathway, Vol. 2

Yield Curve Strategies

Lesson	Location	PDF Pg	Revised	Correction	
Yield Curve Strategies	Example 3	16	3 September 2024	Replace: Rolldown return: The difference between the 10-year and 9.5-year PV with no change in yield-to-maturity of £262,363, or [PV (0.029535/2, 20, 1.125, 100)] − [PV (0.024535/2, 19, 1.125, 100)] × £1 million].	With: Rolldown return: The difference between the 10-year and 9.5-year PV with no change in yield-to-maturity of £262,363, or [PV (0.029535/2, 20, 1.125, 100)] − [PV (**0.029535**/2, 19, 1.125, 100)] × £1 million].
Yield Curve Strategies	End of second paragraph in Example 7	22	21 August 2025	Replace: We can therefore solve for the modified duration of the 2-year zero as 1.96 (= 2/1.02) and the 10-year zero as 9.62 (= 10/1.04), so net portfolio duration equals zero, or (124.6 - 25.41 × 1.96) + (-25.4/124.6 - 25.41 × 9.62).	With: We can therefore solve for the modified duration of the 2-year zero as 1.96 (= 2/1.02) and the 10-year zero as 9.62 (= 10/1.04), so net portfolio duration equals zero, or **[(124.6/(124.6 − 25.41)) x 1.96] + [(−25.41/(124.6 − 25.41)) x 9.62].**
Yield Curve Strategies	Equation 10	34	3 September 2024	Replace: $\text{KeyRateDur}_k = \frac{1}{PV} \times \frac{\Delta PV}{\Delta r_k}$	With: $\text{KeyRateDur}_k = \frac{\mathbf{1}}{\mathbf{PV}} \times \frac{\Delta PV}{\Delta r_k}$
Yield Curve Strategies	Solution 21	57	14 August 2025	Replace: C is Correct. The bear steepening in A involves a rise in the 10-year yield-to-maturity more than in the 5-year yield-to-maturity, causing portfolio loss.	With: **A** is correct. The bear steepening in A involves a rise in the 10-year yield-to-maturity more than in the **2**-year yield-to-maturity, causing portfolio loss.

Fixed-Income Active Management: Credit Strategies

Lesson	Location	PDF Pg	Revised	Correction	
Key Credit and Spread Concepts for Active Management	Example 4 – Solution to 2	71	3 September 2024	Replace: Price change: −1.11% (= (99.39 − 100.50)/100.50)	With: Price change: **-0.497%** (= (**100** − 100.50)/100.50)
Key Credit and Spread Concepts for Active Management	Second to last sentence	79	3 September 2024	Replace: For fixed-rate bonds priced at a spread over the benchmark, roll-down return from coupon income is higher by the bond's original credit spread.	With: For fixed-rate bonds priced at a spread over the benchmark, **the ~~roll-down~~** return from coupon income is higher by the bond's original credit spread.
Credit Strategies	Example 16 – Solution to 2	89	3 September 2024	Replace: B rated excess return is −0.86% = 3.5% − (7 × 0.35%) − (3.19% × 60%). The A rated bond is more attractive under this scenario.	With: B rated excess return is **0.89%** = 3.5% − (7 × **0.1%** − (3.19% × 60%). The **B** rated bond is more attractive under this scenario.
Credit Strategies	Example 17	90	3 September 2024	Replace: 10-year weight: w10 = 0.50% (= (20 − 10)/(15 − 10)) 20-year weight: w20 = 0.50% (= (1 − w10))	With: 10-year weight: w10 = **0.5** (= (20 − 10)/(15 − 10)) 20-year weight: w20 = **0.5** (= (1 − w10))
Credit Strategies	Exhibit 21	94	3 September 2024	Replace: legend labels for the solid line "10-year Treasury" and for the dotted line with "BB yield spread"	With: the legend labels for the solid line "BB yield spread" and for the dotted line with "10-year Treasury"
Liquidity and Tail Risk	Example 20	101	22 August 2025	Replace: What is the VaR for the full bond price at a 99% confidence interval for one month if annualized daily yield volatility is 1.75% (1.75 bps) and we assume that interest rates are normally distributed?	With: What is the VaR for the full bond price at a 99% confidence interval for one month if annualized daily yield volatility is 1.75% (**175 bps**) and we assume that interest rates are normally distributed?

Lesson	Location	PDF Pg	Revised	Correction	
Synthetic Credit Strategies	Equation 14	104	22 August 2025	Replace: CDS Price ≈ 1 + ((Fixed Coupon − CDS Spread) × $\text{EffSpreadDur}_{\text{CDS}}$)	With: CDS Price ≈ 1 **−** ((Fixed Coupon − CDS Spread) × $\text{EffSpreadDur}_{\text{CDS}}$)
Credit Spread Curve Strategies	Example 26 – Solution #3	113	19 March 2025	Replace: In total, the incremental roll-down strategy generates $504,540 (=$342,040 + **163,500**), of which $290,850 (= $215,850 + $75,000) is estimated to be due to credit spread curve roll down	With: In total, the incremental roll-down strategy generates $504,540 (=$342,040 + **162,500**), of which $290,850 (= $215,850 + $75,000) is estimated to be due to credit spread curve roll down
Credit Spread Curve Strategies	Example 29 – Solution to 1	117	13 September 2024	Replace: Since the investor must buy IG protection in one year at a lower discount to par of (1 – 0.99244), it has a $17,800 loss from the CDX IG position (= (0.99244 – 0.99066) × $10,000,000). Subtracting the $400,000 net coupon payment made by the investor results in a one-year loss from the strategy of $239,800 (= $178,000 – $17,800 – $400,000) with constant spreads.	With: Since the investor must buy IG protection in one year at a lower discount to par of (1 – 0.99244), it has a $17,800 **gain** from the CDX IG position (= (0.99244 – 0.99066) × $10,000,000). Subtracting the $400,000 net coupon payment made by the investor results in a one-year loss from the strategy of **$204,200 (= $178,000 + $17,800 – $400,000)** with constant spreads.
Credit Spread Curve Strategies	Example 29 - Solution to 2	118	3 September 2024	Replace: CDX IG: 99.066 per $100 face value, or 0.9966 (= 1 + (−0.2% × 34.67))	With: CDX IG: 99.066 per $100 face value, or **0.99066** (= 1 + (−0.2% × 34.67))
Credit Spread Curve Strategies	Example 30 -- Solution	119	19 March 2025	Replace: Passive portfolio return: **7.095%** (= (3.898% + 5.80% + 8.705% + 9.832%)/4)	With: Passive portfolio return: **7.059%** (= (3.898% + 5.80% + 8.705% + 9.832%)/4)

Trade Strategy and Execution

Lesson	Location	PDF Pg	Revised	Correction	
Evaluating Trade Execution	Sentence above equation	189	13 August 2025	Replace: The VWAP cost benchmark is computed as follows	With: The **T**WAP cost benchmark is computed as follows
Solutions	Solution 12 – Individual Risk Aversion	214	3 September 2024	Replace: The portfolio managers at North Circle and Valley Ranch have different aversions to risk, with North Circle's managers having higher risk aversion than the Valley Ranch managers.	With: The portfolio managers at North Circle and Valley Ranch have different aversions to risk, with **Valley Ranch's** managers having higher risk aversion than the **North Circle** managers.

Private Markets Pathway, Vol. 1

The Private Wealth Management Industry

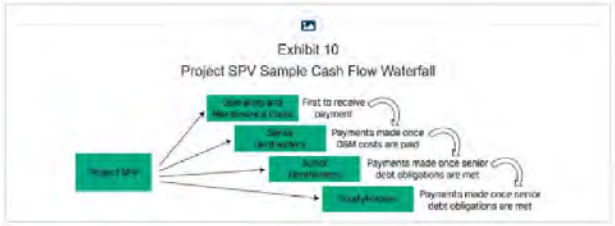
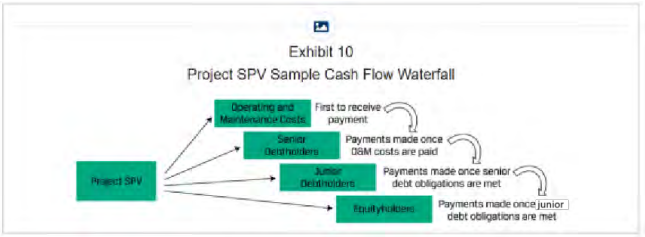
Lesson	Location	PDF Pg	Revised	Correction	
Solutions	Solution to 11	61	5 September 2025	Replace: A client who opts for less insurance coverage would	With: A client who opts for **more** insurance coverage would

General Partner and Investor Prespectives and the Investment Process

Lesson	Location	PDF Pg	Revised	Correction	
Investor (LP) Perspectives, Fees and Performance Measurement	Case Study – Solution to 1	56	6 September 2024	Replace: With the soft hurdle rate of 9%, Bardstown's fund must generate more than USD. 270 million = (9% x $360M x 10 years)	With: With the soft hurdle rate of 9%, Bardstown's fund must generate more than USD. 270 million = (9% x **$300M** x 10 years).The
Investor (LP) Perspectives, Fees and Performance Measurement	Case Study – Solution to 1	60	28 August 2025	Replace: The fund's excess returns in Year 4 were EUR140 million (= EUR200 million – EUR60 million), and Estragon collected EUR28 million (= EUR140 million × 0.20) in carried interest at the end of Year 4. However, the fund earned no additional return in the three subsequent years. The total carried interest at the end of fund's life could be no more than EUR19 million [= 0.20 × (EUR200 million – EUR105 million)]. So, the clawback provision mandates that Estragon must return EUR9 million (= EUR28 million – EUR19 million) to its LPs given the overpayment of carried interest early in the fund's life, since one highly successful investment was followed by three failures.	With: The fund's excess returns in Year 4 were **EUR175 million (= EUR200 million – EUR25 million),** and Estragon collected **EUR35 million (= EUR175 million × 0.20)** in carried interest at the end of Year 4. However, the fund earned no additional return in the three subsequent years. The total carried interest at the end of fund's life could be no more than EUR19 million [= 0.20 × (EUR200 million – EUR105 million)]. So, the clawback provision mandates that Estragon must return **EUR16 million (= EUR35 million – EUR19 million)** to its LPs given the overpayment of carried interest early in the fund's life, since one highly successful investment was followed by three failures.
Practice Problems	Practice Problem #8, Solution	144 – 145	11 Sept 2025	Replace: Pre-money Valuation = EUR 50M New Equity Investment = EUR 2.5M Fractional Ownership = 17.7%	With: Pre-money valuation = EUR 45M New equity investment = EUR 5M Fractional ownership to 17.0%

Private Markets Pathway, Vol. 2

Infrastructure

Lesson	Location	PDF Pg	Revised	Correction	
Infrastructure Investment Due Diligence and Valuation	Question Set, Solution to 4	154	9 September 2025	Replace: which results in a GP performance fee of GBP2,689,968	With: which results in a GP performance fee of **GBP2,689,698**
Infrastructure Investment Due Diligence and Valuation	Question Set, Solution to 1	168 - 169	5 September 2025	Replace: = 5.57% = RATE(3, 0, -315000000, 437514322).	With: = 5.57% = RATE(3, 0, -315000000, **370,642,367**).
Infrastructure Investment Due Diligence and Valuation	Question Set, Solution to 2	169	5 September 2025	Replace: In this case, the value of the project (USD527,514,322)	With: In this case, the value of the project (USD**460,642,367**)
Solutions	Solution to 12	181	12 September 2025	Replace: Net cash flow from operations = Revenue – Operating expenses. Solve for the equity dividend rate as 13.25%	With: Net cash flow from operations = Revenue – **(Operating expenses + Capital Expenditures)**. Solve for the equity dividend rate as **24.63%**
Infrastructure Investment Due Diligence and Valuation	Exhibit 10	352	12 Sept 2025		

Private Real Estate Investments

Lesson	Location	PDF Pg	Revised	Correction	
Private Real Estate Investment Features	Pandan East Expected NOI and Project Return Case Study	69	13 August 2025	Replace: Project planners estimate a monthly rent per ft2 net of expenses in Malaysian ringgit of MYR2.75, with no additional income. Occupancy is expected to be 95% upon completion in two years, with 30% of gross rent as expenses, including a small capital improvement allowance.	With: Project planners estimate a monthly rent per ft2 ~~net of expenses~~ in Malaysian ringgit of MYR2.75, with no additional income. Occupancy is expected to be 95% upon completion in two years, with 30% of gross rent as expenses, including a small capital improvement allowance.
Private Real Estate Investment Features	Pandan East Expected NOI and Project Return Case Study – Solution to 1	70	10 September 2025	Replace: Gross rent = MYR47,520,000 = 1,200ft2 × 1,200 units × 2.75 rent/ft2 × 12. NOI = MYR30,888,000 = (1 – 0.35) × MYR47,520,000.	With: Gross rent = **MYR45,144,000** = 1,200ft^2 × 1,200 units × 2.75 rent/ft^2 × 12 × **95%**. NOI = **MYR31,600,800** = (1 – **0.30**) × **MYR45,144,000**.

Private Wealth Pathway, Vol. 1

The Private Wealth Management Industry

Lesson	Location	PDF Pg	Revised	Correction	
Solutions	Solution to 7	61	13 August 2025	Replace: A is correct.	With **B** is correct

Wealth Planning

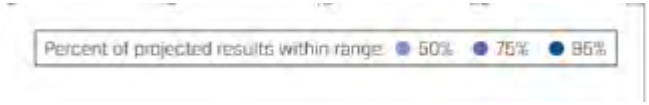
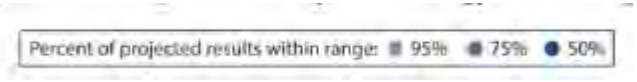
Lesson	Location	PDF Pg	Revised	Correction	
Practice Problem	Solution to Question 1	225	11 Sept 2025	Replace: B is correct.	With: A is correct.
Practice Problems	Passage to Questions 7 - 10	227	22 August 2025	Replace: In table: first 2 instances of “Tax deferred”	With “Tax **exempt**”
Solutions	Solution to Question 9	230	28 August 2025	Replace: B is correct. After making the charitable donation, Patterson’s total portfolio will be USD6.5 million, of which 40%, or USD2.6 million, would be bonds. As bonds are less tax efficient than equities, they should be held in the tax-exempt account to the extent possible. Thus, USD2.0 million of the USD2.6. million total should be held in the tax-exempt account.	With: **C is correct.** After making the charitable donation, Patterson’s total portfolio will be USD6.5 million, of which 40%, or USD2.6 million, would be bonds. As bonds are less tax efficient than equities, they should be held in the tax-exempt account to the extent possible. Thus, USD2.0 million of the USD2.6. million total should be held in the tax-exempt account.

Investment Planning

Lesson	Location	PDF Pg	Revised	Correction	
Taxation	Solution to 1	260	12 August 2025	Replace: B is correct. A is incorrect.	With: B is **incorrect.** A is **correct.**
Solutions	Solution to 15	299	27 August 2025	Replace: B is correct. To get the compound active return requires using the logarithmic active return, defined as: $\tilde{r}_{A,t} = \ln(1+r_{P,t}) - \ln(1+r_{B,t}) = \ln(1.073) - \ln(1.062) = 1.0\%$	With: **A is correct**. To get the compound active return requires using the logarithmic active return, defined as: $\tilde{r}_{A,t} = \ln(1+r_{P,t}) - \ln(1+r_{B,t}) = \ln(1.073) - \ln(1.062) = 1.0\%$

Private Wealth Pathway, Vol. 2

Preserving the Wealth

Lesson	Location	PDF Pg	Revised	Correction	
Risk Management Using Asset-Liability Management	Solution to 1	23	12 August 2025	Replace: 	With: 

Inflation	Third bullet under "Types of Inflation"	52	7 August 2025	Replace: Unanchored inflation expectations, in which households and firms start to believe that future prices will be higher (or become unanchored) and adapt their behavior accordingly.	With: Unanchored inflation expectations, in which households and firms start to believe that future prices will be higher (or become unanchored **to central bank inflation targets**) and adapt their behavior accordingly
Inflation	Knowledge Check, Solution to 1	60	22 August 2025	Replace: 0.343 x (EUR171,451 + EUR161,685) = EUR 121,675	With: 0.343 x (EUR171,451 + **EUR181,685**) = **EUR121,126**
Inflation	Exhibit 31	63	3 September 2024	Replace: 0%-2% inflation bucket column – cash row 13	With: 0%-2% inflation bucket column – cash row **1.5**
Inflation	Paragraph above Exhibit 33	64	7 August 2025	Replace: Exhibit 30 shows that spot commodity real returns are also positive. The positive correlation and positive real return, however, translates into a poor inflation hedge because the annual volatility of real return is high. Exhibit 33 shows that the annual volatility of an average spot commodity is 27.55%, which is comparable to the volatility of equity market returns and drives the geometric mean excess return down to –0.93%.	With: **Exhibit 33** shows that spot commodity real returns are also positive. **The positive correlation and positive real return unfortunately fail to translate to a good inflation hedge as the annual volatility of the real return is high. As exhibit 33 also shows** that the annual volatility of an average spot commodity is 27.55%, which is comparable to the volatility of equity market returns and drives the geometric mean excess return down to –0.93%.
Practice Problems	Passage to Practice Problems 11-13	84	3 March 2025	Replace: Investments (GBP) GBP375,000	With: Investments (GBP) **GBP2,875,000**
Practice Problems	Practice Problem 16	85	7 August 2025	Replace: Formulate steps a prudent wealth advisor should recommend to help Mr. Young maximize the benefits from his anticipated multi-million US dollar income resulting from the contract with the Japanese corporation?	With: **Mr. Young also expects a multi-million-dollar payout from an existing contract with a Japanese corporation. Formulate steps a prudent wealth advisor should recommend to maximize his after-tax wealth and long-term objectives?**

Solutions	Solution to 12	88	3 March 2025	Replace: Table header: (In CAD) & Investments (GBP) GBP375,000	With: Table header: **(In GBP)** & Investments (GBP) **GBP2,875,000**
Solutions	Solution to 17	89	7 August 2025	Replace: B is the correct answer. In choosing a new country of residence, Mr. Young's optimal tax system—either Residence Jurisdiction or Source Jurisdiction—depends on several factors, such as his non-US citizenship, EU citizenship, and the assumption of stable tax rates. In a Residence Jurisdiction, he would be taxed on his worldwide income in both the United States and his new residence. This includes income from all sources, not just the United States. Under Source Jurisdiction, taxation focuses on the income's origin. In the United States, this means taxing only income earned within the country, regardless of Mr. Young's citizenship. Income earned outside the United States may escape US taxation. Given constant tax rates in both countries, the choice between these systems isn't clear-cut. Source Jurisdiction might offer tax advantages, but that depends on various intricate factors. While constant tax rates don't tilt the balance toward either system, a detailed analysis of tax exposures is essential. Consulting international tax experts is crucial for an informed decision, although Source Jurisdiction could be more beneficial in Mr. Young's case.	With: B is the correct answer. **When statutory tax rates are identical, the key driver of total tax liability is the size of the taxable income base, not the rate itself. A territorial (source-based) system taxes only income earned within the new country. Consequently, royalties from Mr. Young's semiconductor IP, offshore portfolio income, and foreign real-estate rents can be recognized outside that jurisdiction, keeping them out of its tax net. A residence-based system, however, applies the same rate to all worldwide income; foreign-tax credits merely prevent double taxation—they do not lower the single-country bill. With rates held constant, taxing a smaller base (territorial system) will always produce a lower liability than taxing a larger base (residence system). While treaty relief, sub-national taxes, and compliance costs still warrant professional advice, the territorial approach remains more advantageous to Mr. Young as long as the statutory rates are equal under both regimes.**

Lesson	Location	PDF Pg	Revised	Correction	
Managing Concentrated Position for Professionals, Executives, and Others	Second bullet	153	10 December 2024	Replace: *Expires worthless*. The option premium may be treated as a taxable short-term or long-term capital.	With: *Expires worthless*. The option premium may be treated as a taxable short-term or long-term capital **loss**.
Managing Concentrated Position for Professionals, Executives, and Others	Last paragraph under "Total Return Swap", sentence two	159	22 August 2025	Replace: The reverse is true for losses.	With: The reverse is true for **gains on the underlying stock**.

Transferring the Wealth

Lesson	Location	PDF Pg	Revised	Correction	
Charities and Philanthropy	Case Study	220	17 September 2025	Replace: Case Study "Using a DAF for Charitable Giving – Murray Klein"	With: Content posted here.

Glossary

Lesson	Location	PDF Pg	Revised	Correction	
Glossary		G-10	30 October 2024	Replace: Trust A legal is a vehicle through which an individual (called a settlor) entrusts certain assets to a trustee (or trustees) who manages the assets for the benefit of assigned beneficiaries. A trust may be either a testamentary trust—a trust created through the testator's will—or a living or inter-vivos trust—a trust created during the settlor's lifetime.	With: Trust **A trust is a legal vehicle** through which an individual (called a settlor) entrusts certain assets to a trustee (or trustees) who manages the assets for the benefit of assigned beneficiaries. A trust may be either a testamentary trust—a trust created through the testator's will—or a living or inter-vivos trust—a trust created during the settlor's lifetime.