2026 CFA Program Level I Candidate Notice

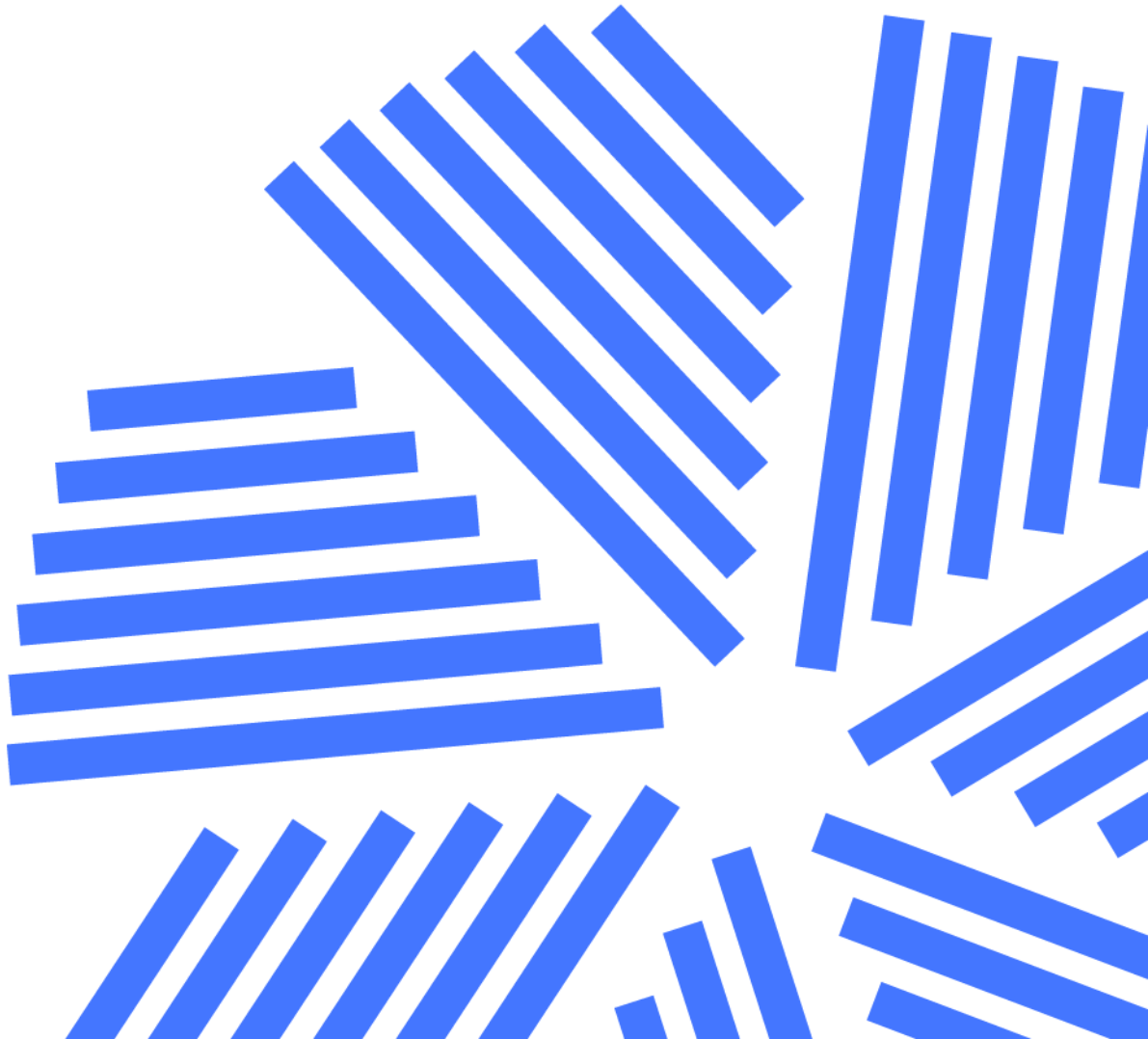
27 AUGUST 2025

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 2024 in time for the publication of the following year's print materials. We do make it known in this notice when changes have been published in the curriculum and when they are still pending corrections. We release a new notice every two weeks.

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.

Quantitative Methods



Rates of Return

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Solution to Example 2	11	C is correct. Applying Equation 2, the holding period return is −10.1 percent, calculated as follows:	C is correct. Applying Equation **1**, the holding period return is −10.1 percent, calculated as follows:
20 August 2025	Exhibit 3 Title & Table	11	Exhibit 3: Mutual Fund Performance, 20X8–20X0 20X0	Exhibit 3: Mutual Fund Performance, 20X8–20Y0 20**Y**0
18 August 2025	Solution to Example 4	12	A is correct. Applying Equation 4, the fund's geometric mean return over the three-year period is 0.52 percent, calculated as follows:	A is correct. Applying Equation **3**, the fund's geometric mean return over the three-year period is 0.52 percent, calculated as follows:
14 August 2025	Paragraph and equation after Example 6	16	Because they use the same data but involve different progressions in their respective calculations, the arithmetic, geometric, and harmonic means are mathematically related to one another. We will not go into the proof of this relationship, but the basic result follows: Arithmetic mean × Harmonic mean = (Geometric mean)2.	~~Because they use the same data but involve different progressions in their respective calculations, the arithmetic, geometric, and harmonic means are mathematically related to one another. We will not go into the proof of this relationship, but the basic result follows:~~ ~~Arithmetic mean × Harmonic mean = (Geometric mean)2.~~

Rates of Return

Revised Date	Location	Page(s)	Replace	With
26 August 2025	Paragraph under Equation 15	36	For example, for a EUR10 million equity portfolio that generates an 8 percent total investment return,	For example, for a **leveraged** EUR10 million equity portfolio that generates an 8 percent total investment return,

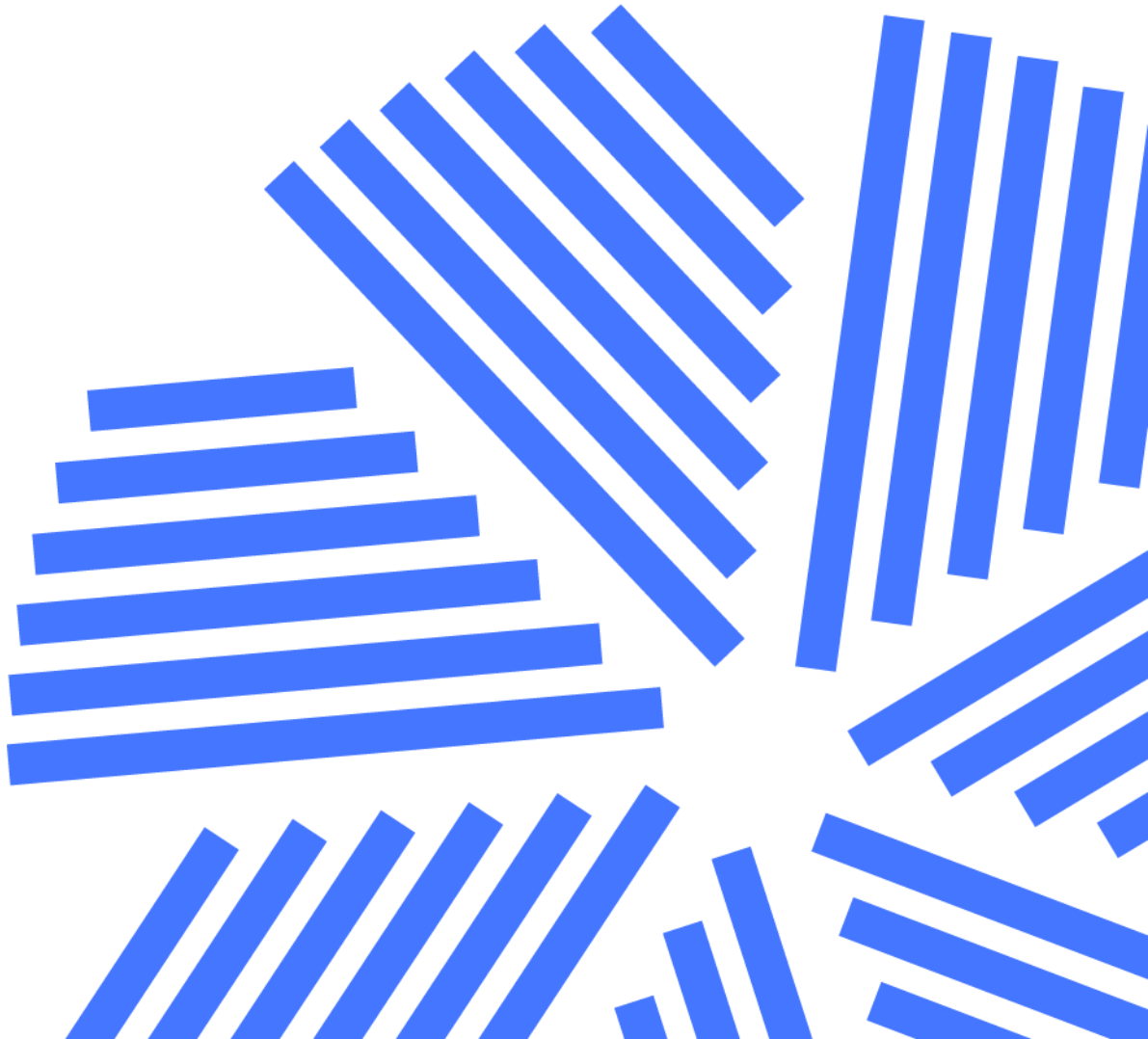
Portfolio Mathematics

Revised Date	Location	Page(s)	Replace	With
22 August 2025	Equation below Exhibit 3	155	$\sigma^2(R_p) = w_1^2\sigma^2(R_1) + w_2^2\sigma^2(R_2) + w_2^3\sigma^2(R_3) + 2w_1w_2\text{Cov}(R_1,R_2)$	$\sigma^2(R_p) = w_1^2\sigma^2(R_1)+w_2^2\sigma^2(R_2)+w_3^2\sigma^2(R_3)+2w_1w_2\text{Cov}(R_1, R_2)$
18 August 2025	Last sentence in paragraph starting with "For example, given independence, "	163	The following condition holds for independent random variables and, therefore, also holds for uncorrelated random variables.	The following condition holds for independent random variables and, therefore, also holds for uncorrelated random variables**, since for two variables E(XY) = E(X)E(Y) + Cov(X,Y), and when the variables are uncorrelated, Cov(X,Y) = 0.**

Hypothesis Testing

Revised Date	Location	Page(s)	Replace	With
26 August 2025	Solutions, Solution 10	241	B is correct. The level of significance is used to establish the rejection points of the hypothesis test. A is correct because the significance level is not used to calculate the test statistic; rather, it is used to determine the critical value. C is incorrect because the significance level specifies the probability of making a Type I error.	B is correct. The level of significance is used to establish the rejection points of the hypothesis test. A is **incorrect** because the significance level is not used to calculate the test statistic; rather, it is used to determine the critical value. C is incorrect because the significance level specifies the probability of making a Type I error.

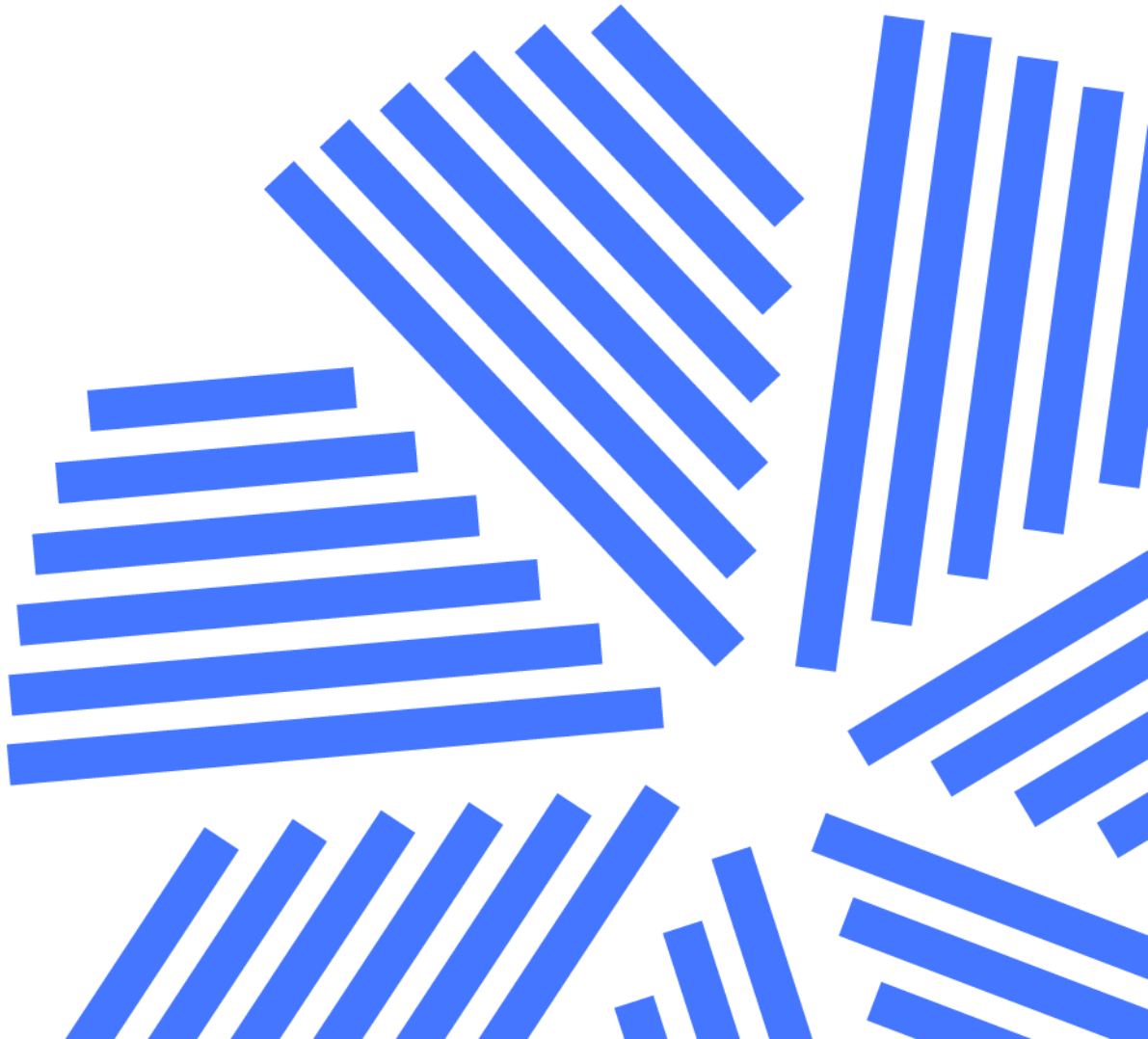
Economics



Exchange Rate Calculations

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Practice Problems, Solution 6	268	$Ff/d/\ Sf/d = (1+rf\tau\ /\ 1+rd\tau)$	$F_{f/d}/\ S_{f/d} = (1+r_f\tau\ /\ 1+r_d\tau)$

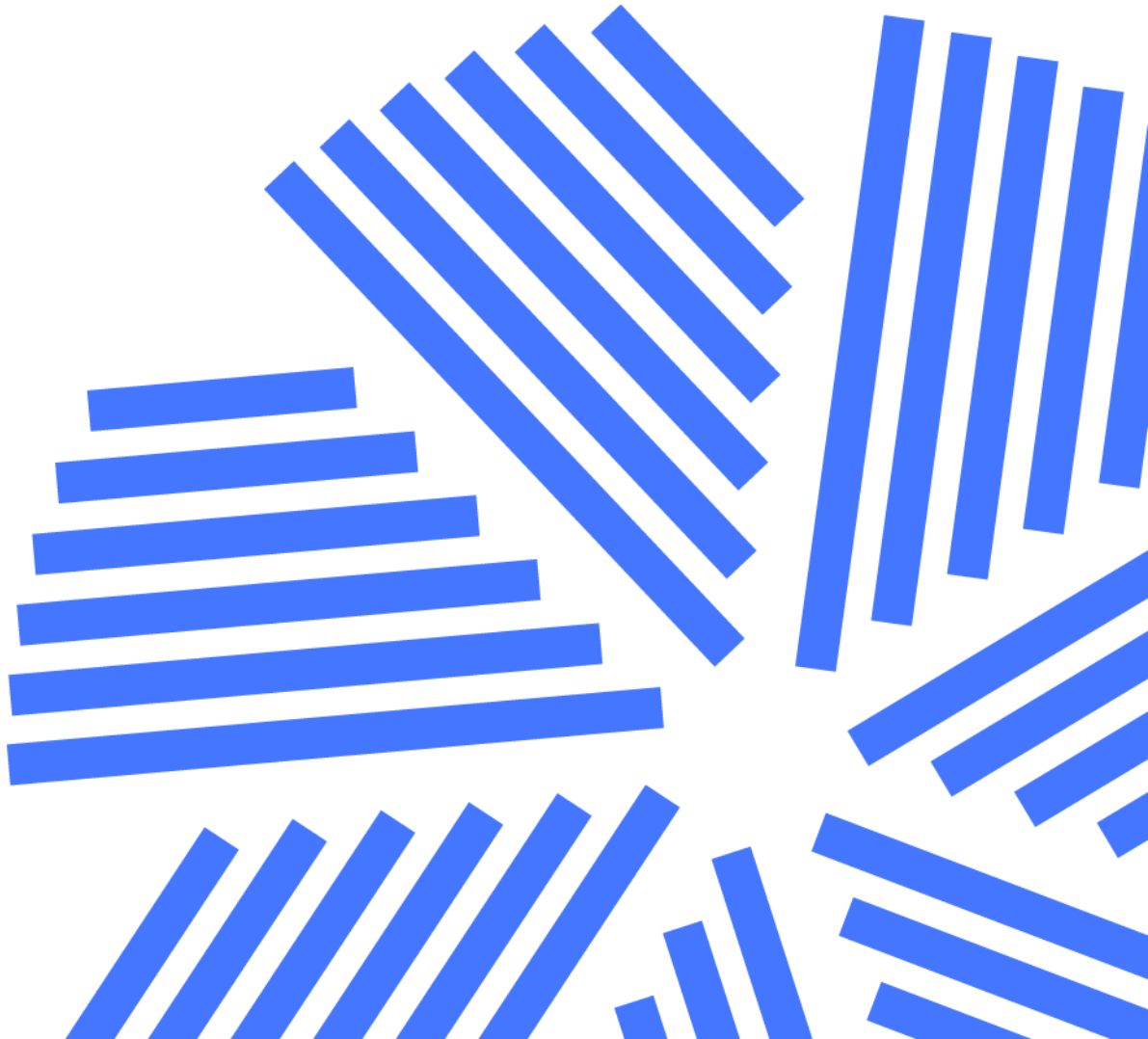
Corporate Issuers



Capital Structure

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Discussion box under Knowledge Check	178	Discussion box removed from curriculum	

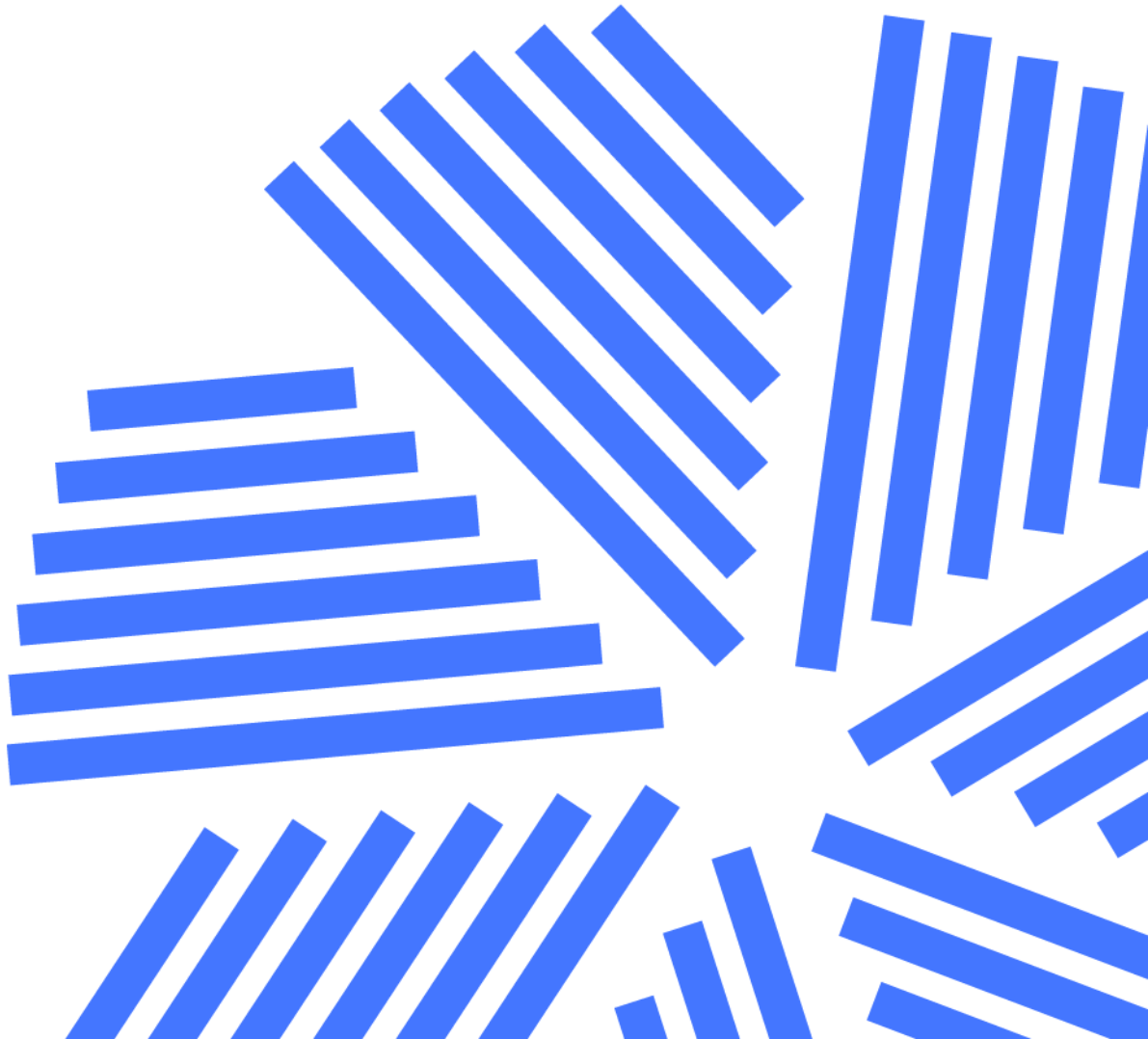
Equity Investments



Company Analysis: Past and Present

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Discussion Board Question box under Example 1	212	Discussion box removed from curriculum	
18 August 2025	Discussion Board Question box under Case Study	222	Discussion box removed from curriculum	

Fixed Income



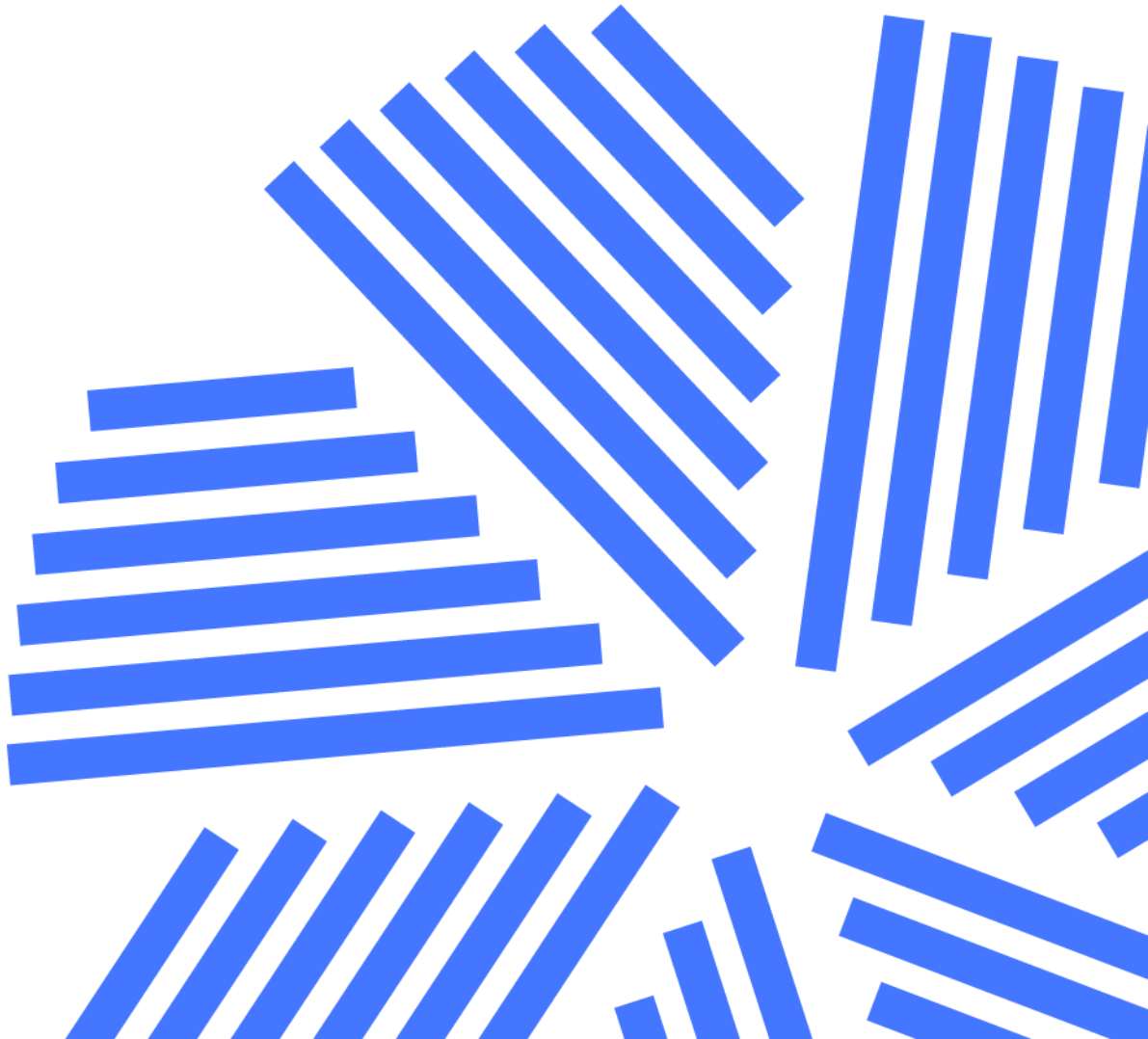
Fixed-Income Issuance and Trading

Revised Date	Location	Page(s)	Replace	With
12 August 2025	Question Set – Question 3	65 ---------- 3.02	B is correct.	**A** is correct.

Credit Analysis of Corporate Issuers

Revised Date	Location	Page(s)	Replace	With
5 August 2025	Paragraph above Example 6	433	An issuer rating usually applies to its senior unsecured debt and addresses an obligor's overall creditworthiness. On the other hand, an individual issue rating refers to specific financial obligations of an issuer and takes such factors as seniority into account.	**An issuer rating addresses an obligor's overall creditworthiness. Rating agencies typically map it to the senior-unsecured debt level for consistency across issuers.** On the other hand, an individual issue rating refers to specific financial obligations of an issuer and takes such factors as seniority into account.

Derivatives



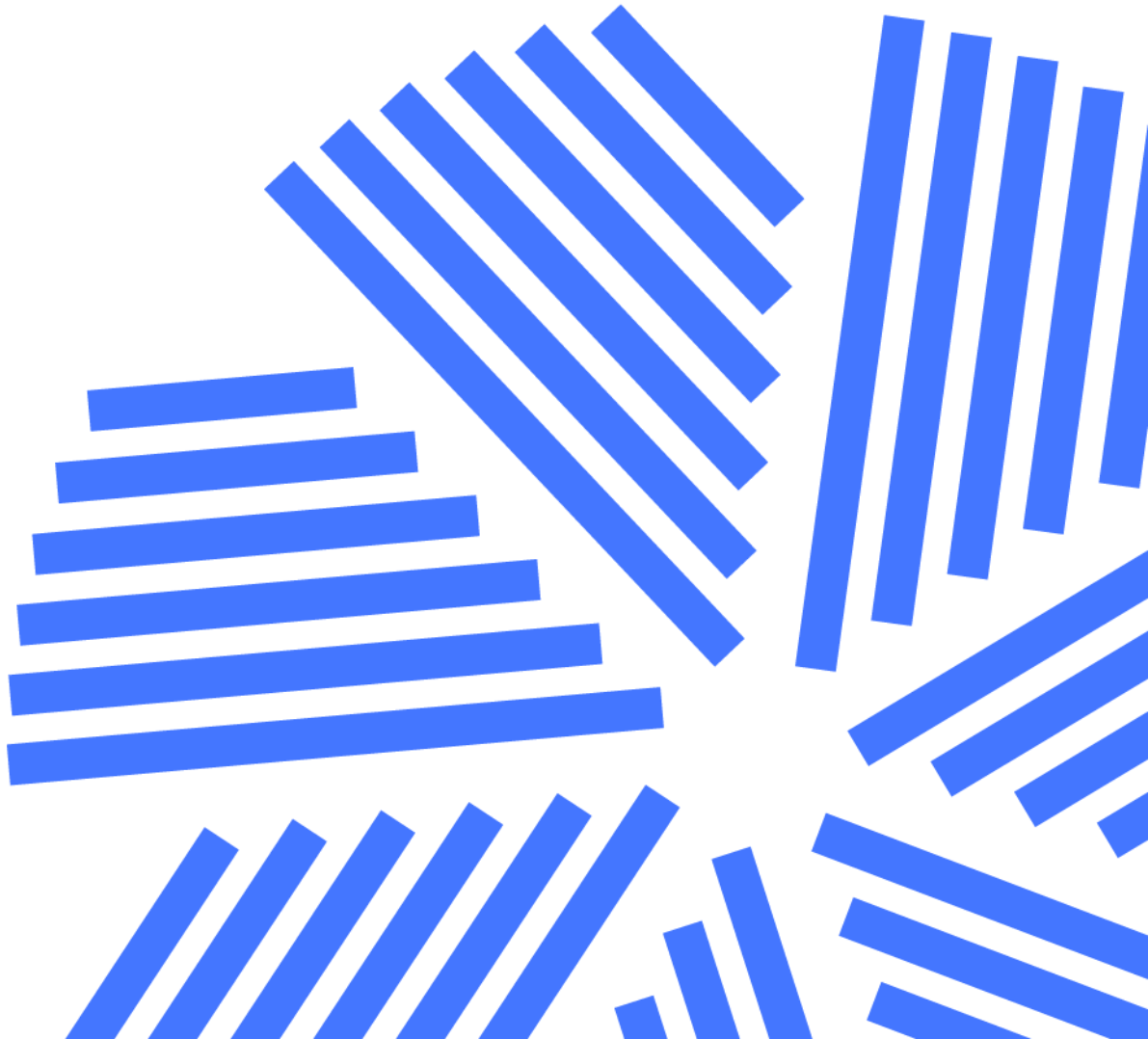
Derivative Instrument and Derivative Market Features

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Paragraph under Exhibit 4	14	London Metals Exchange (LME)	London Metal Exchange (LME)

Forward Commitment and Contingent Claim Features and Instruments

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Example 2 image, paragraph under Ex. 2 image, Paragraph under Ex. 2, Example 3 image	30, 31, 32	London Metals Exchange (LME)	London Metal Exchange (LME)

Alternative Investments



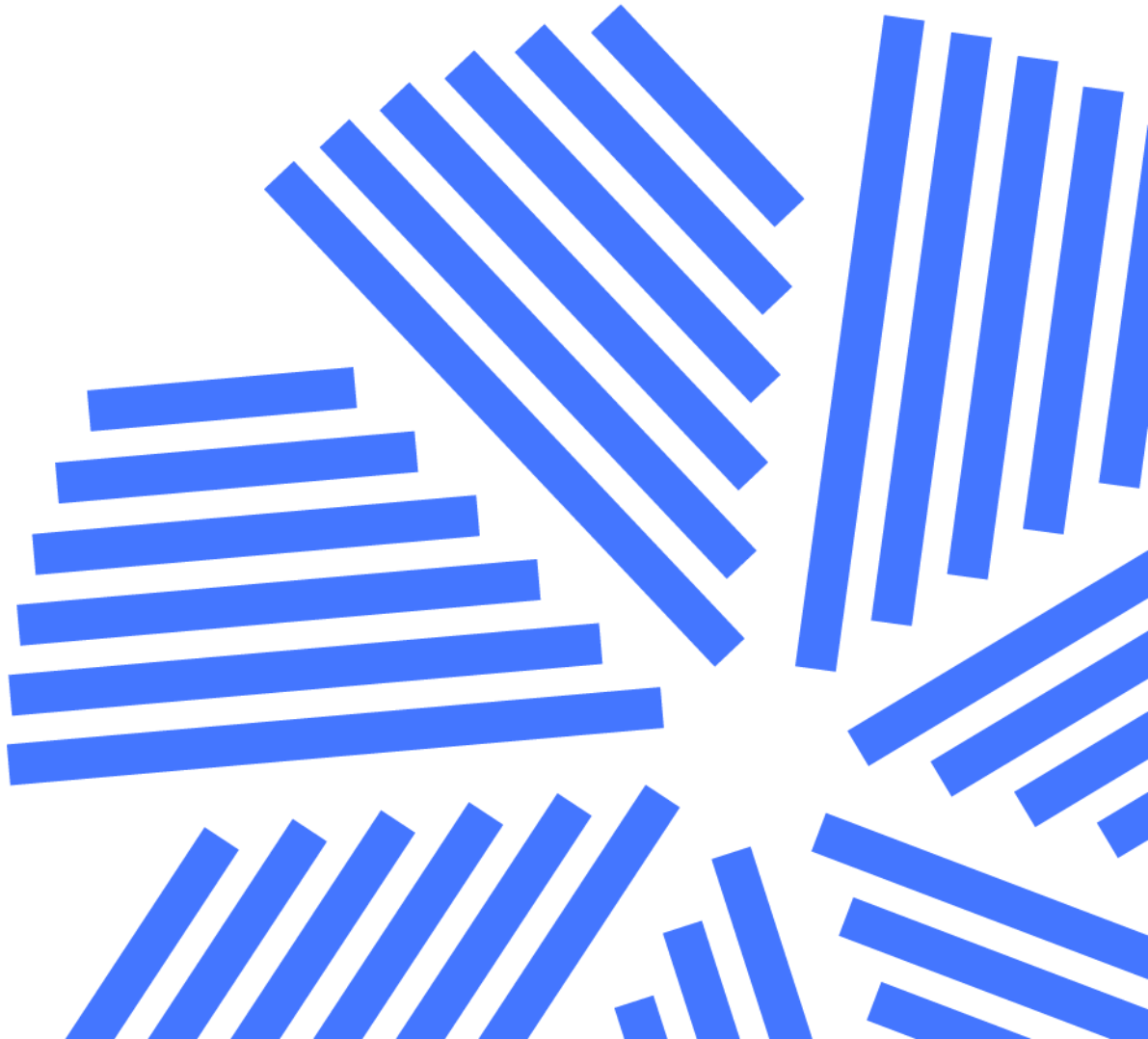
Alternative Investment Performance and Returns

Revised Date	Location	Page(s)	Replace	With
28 July 2025	Knowledge Check: MOIC Calculation	38	IRR 20%	IRR **6.82%**

Hedge Funds

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Learning Module Self-Assessment, Question/Solution 5	149 - 150	1. 16.38 Return to the investors = 20 million – 3.72 million = 16.38 million. Investors' return = 16.38%.	1. 16.28 Return to the investors = 20 million – 3.72 million = **16.28 million.** Investors' return = **16.28%.**
25 August 2025	Solutions	177	C is correct. Participating in a potential bankruptcy situation would be characteristic of an event-driven hedge fund manager and not a fundamental long/short manager. B is incorrect because a fundamental long/short manager would invest in securities expected to exhibit high growth and capital appreciation. C is incorrect because a fundamental long/short manager would short securities in sectors that project negative growth.	C is correct. Participating in a potential bankruptcy situation would be characteristic of an event-driven hedge fund manager and not a fundamental long/short manager. **A** is incorrect because a fundamental long/short manager would invest in securities expected to exhibit high growth and capital appreciation. **B** is incorrect because a fundamental long/short manager would short securities in sectors that project negative growth.

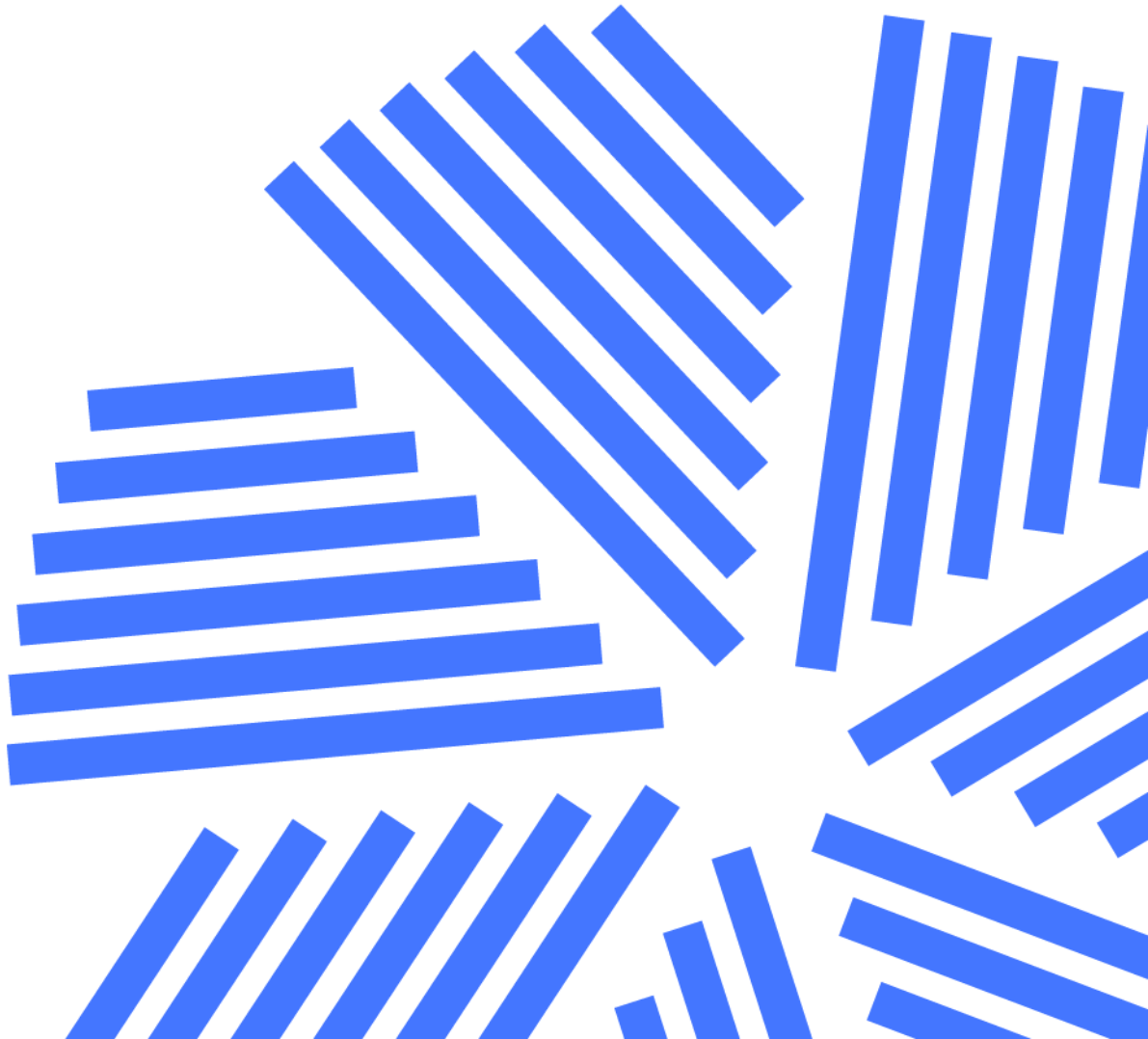
Ethical and Professional Standards



Ethics Applications

Revised Date	Location	Page(s)	Replace	With
25 August 2025	Analysis under "Taveras"	286	"C is correct..." "B is incorrect..."	"**B** is correct..." "**C** is incorrect..."

Glossary



Key Terms

Revised Date	Location	Page(s)	Replace	With
19 May, 2025	Hedge ratio	G-14	The proportion of an underlying that will offset the risk associated with a derivative position	The proportion of an underlying **investment position** that will offset the risk associated with a derivative position
20 August 2025	Off-the-run-securities	G-20	Sovereign debt securities outstanding other than on-the-sun securities. Off-the-run securities are less liquid than on-the-run securities.	Sovereign debt securities outstanding other than on-the-**run** securities. Off-the-run securities are less liquid than on-the-run securities.