CFA Program - Abbreviation Guidelines for Level III

Candidates are responsible for knowing and understanding the following abbreviations, which may appear in Level III item set and essay CFA examination questions.

**Currency/Economics**
- EUR = Euro
- GBP = British pound
- JPY = Japanese yen
- USD = US dollar
- PPP = Purchasing Power Parity
- GDP = Gross Domestic Product

**Asset Classes**
- bp or bps = Basis Point(s)
- ABS = Asset-backed Security
- CDO = Collateralized Debt Obligation
- D/E = Debt-to-Equity ratio
- DCF = Discounted Cash Flow
- EPS = Earnings per Share
- ETF = Exchange-traded Fund
- FIFO = First-In, First-Out
- IPO = Initial Public Offering
- IRR = Internal Rate of Return
- Libor = London Interbank Offered Rate
- MBS = Mortgage-backed Security
- NAV = Net Asset Value
- NPV = Net Present Value
- OAS = Option Adjusted Spread
- P/E ratio = Price-to-Earnings ratio
- PEG ratio = P/E to growth ratio
- ROE = Return on Equity
- REIT = Real Estate Investment Trust
- US GAAP = US Generally Accepted Accounting Principles
- YTM = Yield to Maturity

**Portfolio Management**
- CAPM = Capital Asset Pricing Model
- CML = Capital Market Line
- IPS = Investment Policy Statement
- SML = Security Market Line
- VaR = Value at Risk

**Miscellaneous**
- CEO = Chief Executive Officer
- CIO = Chief Investment Officer
- ESG = Environmental, Social, and Governance
- n/a = not applicable