

## 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