



CFA Institute®



Annual Report

Fiscal Year 2025

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Contents

- Overview 4**
 - Message from our Chair 4
 - Message from our President and CEO..... 6
 - Exams and members overview..... 10
 - Codes adoption15

- Performance 16**
 - Year in summary 16
 - Revenues 17
 - Expenses..... 17
 - Financial condition 18
 - Cash and investment detail..... 19

- Accompanying consolidated information22**

Overview

Message from our Chair

Dear fellow members,

It is my privilege to again address you as we close another year of progress on our shared mission.

CFA Institute continues to thrive through the strength of that mission: to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

The Board and management spent a good part of FY25 focusing on ensuring that the organization stands well positioned for the future. We have entered a new strategic phase that looks ahead to 2030, one that builds on our recent successes and prepares CFA Institute to lead in a rapidly changing financial landscape. You will learn more about the 2030 strategy in the CEO's letter. In short, the strategy reaffirms our commitment to lifelong learning, to broadening the reach and impact of our membership, and to ensuring that our programs evolve alongside the needs of professionals and employers around the world.

As stewards of our mission, the Board's role remains clear: to uphold strong governance, to safeguard the organization's financial health, and to guide its long-term direction. The Board seeks to ensure that the organization remains financially resilient and strategically aligned with its mission. We are cognizant of the fact that not every member will agree with every decision we make. Yet I assure you that our mission and our membership remain at the core of our decision-making processes.



"Together, we are shaping the future of the profession."

I am pleased to report that CFA Institute remains on solid financial footing as you will see in this report and the accompanying audited financial results. The positive financial results, the strength of our reserves, and the discipline of our management team, under the leadership of President and CEO Margaret Franklin, CFA, have positioned us to continue to invest in innovation, technology, and growth for the benefit of our membership and our candidates around the world.

Our focus on ethics and professionalism remains unwavering. In a time of transformation across markets, sustainability, and technology, CFA Institute continues to serve as the trusted global standard-setter. The Board stands proud of the organization's continued

Overview

leadership and its ability to anticipate change while preserving the integrity of our brand and credentials.

I want to thank our members, society leaders, staff, and volunteers for their enduring commitment; the Board recognizes and truly values your extraordinary contributions. Your dedication and leadership sustain the vibrancy of our global community and help us fulfill our mission in every market we serve. Your energy and engagement sustain this organization and extend our impact worldwide. I saw this in action when I attended the regional Society Leadership Conferences in Baltimore, Lisbon, and Seoul, as well

as the Africa Investment Conference in Nairobi. The positive energy was contagious and palpable.

Together, we are shaping the future of the profession, one defined by integrity, innovation, and investment professionalism. With your continued partnership, CFA Institute will remain a powerful force for good in global finance for years to come.

Marshall Bailey, CFA
Chair, Board of Governors
CFA Institute



Overview

Message from our President and CEO

Dear fellow members,

Welcome to the FY2025 annual report, and thank you for taking the time to read through it.

Five years ago, we launched a strategic plan to take us through 2025. At a high level, that strategy focused on four pillars:

- Grow and evolve the CFA® Program;
- Shape the future of the industry and the profession;
- Diversify our portfolio of learning products to meet the needs of investment professionals throughout their careers; and
- Enhance and expand our membership community to better reflect the investment ecosystem.

Despite the challenges posed by the pandemic, we achieved our key objectives and emerged a stronger organization.

We added two new pathways at Level III of the CFA Program — Private Markets and Private Wealth, in addition to traditional Portfolio Management — to meet member and market demand. Employers have told us they value the knowledge and rigor of the CFA Program, but also indicated a need for more job-ready candidates. So, we added Practical Skills Modules to the program, with hands-on learning in areas like Python and best-in-class analyst skills of successful equity researchers. We have seen more than 100,000 completions of these modules, which are also available free to members.



"Now, we enter the next five-year phase of our strategy."

We have expanded and diversified our learning portfolio, adding new offerings in private markets, sustainability, and more. Not only have we seen significant uptake from members, but more investment professionals who do not have the charter have availed themselves of our programs, thus increasing our reach and influence.

We have significantly expanded our research and thought leadership via our [Research and Policy Center](#), publishing in-depth articles in areas such as AI and machine learning, tokenization, intangible

Overview

asset disclosures, the future of the US dollar as reserve currency, private markets, ethics, and much more. In keeping with our mission, we advocated for investor protection, writing myriad comment letters and participating on the boards of various industry bodies that seek our expertise and neutral voice on a range of investor-protection issues.

Members asked us to expand their benefits. We launched new initiatives like member-exclusive content, onboarding pilots, and expanded job board services, all of which are designed to strengthen their experiences, help navigate their careers and necessary learning, and increase long-term engagement of our membership. We are pleased to note your satisfaction with how we are performing as member survey results improved significantly year over year, so we are grateful for that.

We're also seeing strength in membership retention, with 93 percent of our members renewing. These represent meaningful signals that the improvements we've made are resonating with you. Thank you.

Now, we enter the next five-year phase of our strategy, one that seeks to reflect your aspirations, respond to global shifts, and elevate the influence of our community across a changing investment landscape.

Rapid advancements in AI and technology are reshaping the investment profession, challenging job roles and necessitating new skill sets for professionals, including you, our members. Today's learners expect personalized, digital-first, skills-oriented training and education aligned with their individual career paths. The old learning models must adapt and evolve. At the same time, our membership continues to

expand globally, demanding that we strive to meet you through enhanced content and experiences.

Our 2030 strategy, which was approved by the Board of Governors in FY25, builds on the pillars of the last five-year plan and will position our organization as the leading source of skills-based education solutions, practitioner-centered research, and thought leadership in public and private market investing, all in the age of AI. We are increasing our impact through our societies, an expanded network of members, and learning innovations that will keep our community at the forefront of the profession.

To do so, we will pursue the following initiatives in our 2030 plan:

Skills Development for Job-Ready Professionals

The labor market is undergoing rapid transformation, as well as disruption from AI, with increasing demand for continual skills acquisition. Skills-based learning is a transformative, mission-aligned initiative designed to:

- make our products more learner- and task-centric;
- be responsive to the evolving needs of learners;
- provide employers with job-ready candidates; and
- equip our candidates and members to meet the challenges of today's workplaces.

Our goal is to ensure our members are job-ready and current on the latest skills required for career success and professional enrichment. We will support our candidates and members not just at a single point in a career, but as a life-long learning partner.

Overview

Enhance and Expand Membership

We continue to strengthen our membership offering by focusing on what members value most: local societies, networking, professional development, events, career support, and recognition. As you have previously heard from us, we will introduce a new Associate Membership Class (non-voting) for candidates and early-career professionals, encouraging commitment to our high standards and ethics from the beginning of one's career. Our membership opportunities will welcome members at all stages of their investment career, with charterholders representing our highest standard of excellence and the pinnacle of membership.

More Institutional Solutions

We are developing onboarding and upskilling programs for financial institutions that will deliver the job-ready skills employers need, strengthen our relationships with employers, and deepen our influence across the profession. We see significant unaddressed demand in the industry for customized learning products at an enterprise scale. Tied closely to the skills initiative, this reinforces our role as a trusted provider of learning across the industry and deepens relationships with employers, who are a key driver of demand for the CFA Program and for hiring charterholders.

Localized Products for Market Relevance

The CFA Program will remain globally consistent across all markets, yet we see opportunities to make other offerings more accessible and relevant for different audiences in some markets. This includes translating certain certificates, developing localized marketing strategies, and offering local currency

pricing in the future. We are also exploring tailoring certificate content to meet local and regional regulatory requirements, as appropriate for local audience needs. Making our products more accessible and relevant to local audiences increases our reach and global leadership in the investment profession.

Our 2030 strategy reflects what we've heard from you:

- the charter must continue to be recognized and promoted as the global gold standard;
- we must unlock career value for members;
- continual learning is essential; and
- CFA Institute should be a trusted partner along the career journey.

This represents an ambitious plan but one that we are well-placed to deliver. CFA Institute stands as the global authority on current and future investment practice, leading through education, standards, research, and ethics. Our mission, underpinned by our not-for-profit status, provides us with the credibility, convening power, and confidence to lead the industry.

As we look back on FY25, I am pleased to report strong financial performance. Revenues came in at \$416 million vs. expenses of \$326 million, for a profit of \$90 million and an operating margin of 22 percent. We seek to generate a small profit every year, backed by strong reserves, to allow us to continue to reinvest in our growth initiatives, our global society network, member benefits, and thought-leadership and advocacy work that strengthens the professional community.

The CFA Program continues to attract new Level I candidates from all over the world. India now ranks as the top market for new Level I candidates, outpacing

Overview

China for the first time. We have made significant investments behind our efforts in India — adding test centers, partnering with more universities, and building institutional and regulatory relationships — and we are pleased to see those investments have truly paid off. China, the US, Canada, and the UK round out our top five markets for candidates globally.

In 2025, we marked two very significant milestones: the 80th anniversary of the Financial Analysts Journal and the 60th anniversary of the Research Foundation. These two entities exemplify our commitment to publishing insightful thought leadership that drives the industry's direction. To mark the FAJ's anniversary, we [published](#) a sample of some of the outstanding content that has appeared in the FAJ over the years, including articles by Benjamin Graham, Harry Markowitz, Willam Sharpe, Maureen O'Hara, and many other leading luminaries. The Research Foundation has published independent investment research since 1965 with rigorous, practitioner-led content and also [took a look back](#) at its last 60 years. Our reputation for thought-leadership content in financial services is peerless, and these two publications prove that point. Please do avail yourselves of these resources.

Thank you, as always, for your time, your commitment, and your leadership as stewards of the CFA Institute brand. Our collective work remains so important as we continue to demonstrate that our high standards of ethics and professionalism make a real difference to clients and society at large. As our organization continues to evolve, your active membership ensures that our professionalism and ethical core continue as the bedrock of our reputation and credibility. Your membership is what our collective reputation is built on — across markets, regulators,

employers, and investors alike — and is why our mission has enduring impact and relevance.

Thank you, as always, for your support.

Margaret Franklin, CFA
President and CEO
CFA Institute

For more information

Mission & vision

<https://www.cfainstitute.org/en/about/vision>

Governance

<https://www.cfainstitute.org/en/about/governance>

Corporate documents & policies

<https://www.cfainstitute.org/en/about/governance/policies>

Professional learning

<https://www.cfainstitute.org/en/membership/professional-development/collection>

Research and Policy Center

<https://rpc.cfainstitute.org/>

Office locations

<https://www.cfainstitute.org/en/utility/office-locations>

Overview

Exams and members overview

Credentialing Exam Administrations and Registrations by Region ⁽¹⁾

CFA Program Exam Administrations ⁽²⁾	FY2025	FY2024	FY2023	FY2022	FY2021
Global	200,000	208,300	211,100	262,400	214,900
AMER	50,200	50,100	48,300	65,200	46,700
EMEA	42,400	40,600	38,300	51,900	38,200
APAC	107,400	117,600	124,500	145,300	130,000
CIPM[®] Program Exam Administrations	FY2025	FY2024	FY2023	FY2022	FY2021
Global	900	900	800	900	1,500
AMER	400	400	300	400	700
EMEA	300	300	300	300	500
APAC	200	200	200	200	300
Sustainable Investing Certificate ⁽³⁾ Registrations	FY2025	FY2024	FY2023	FY2022	FY2021
Global	12,200	20,500	17,000	13,600	—
AMER	900	1,800	2,800	3,300	—
EMEA	2,500	4,100	5,800	6,500	—
APAC	8,800	14,600	8,400	3,800	—

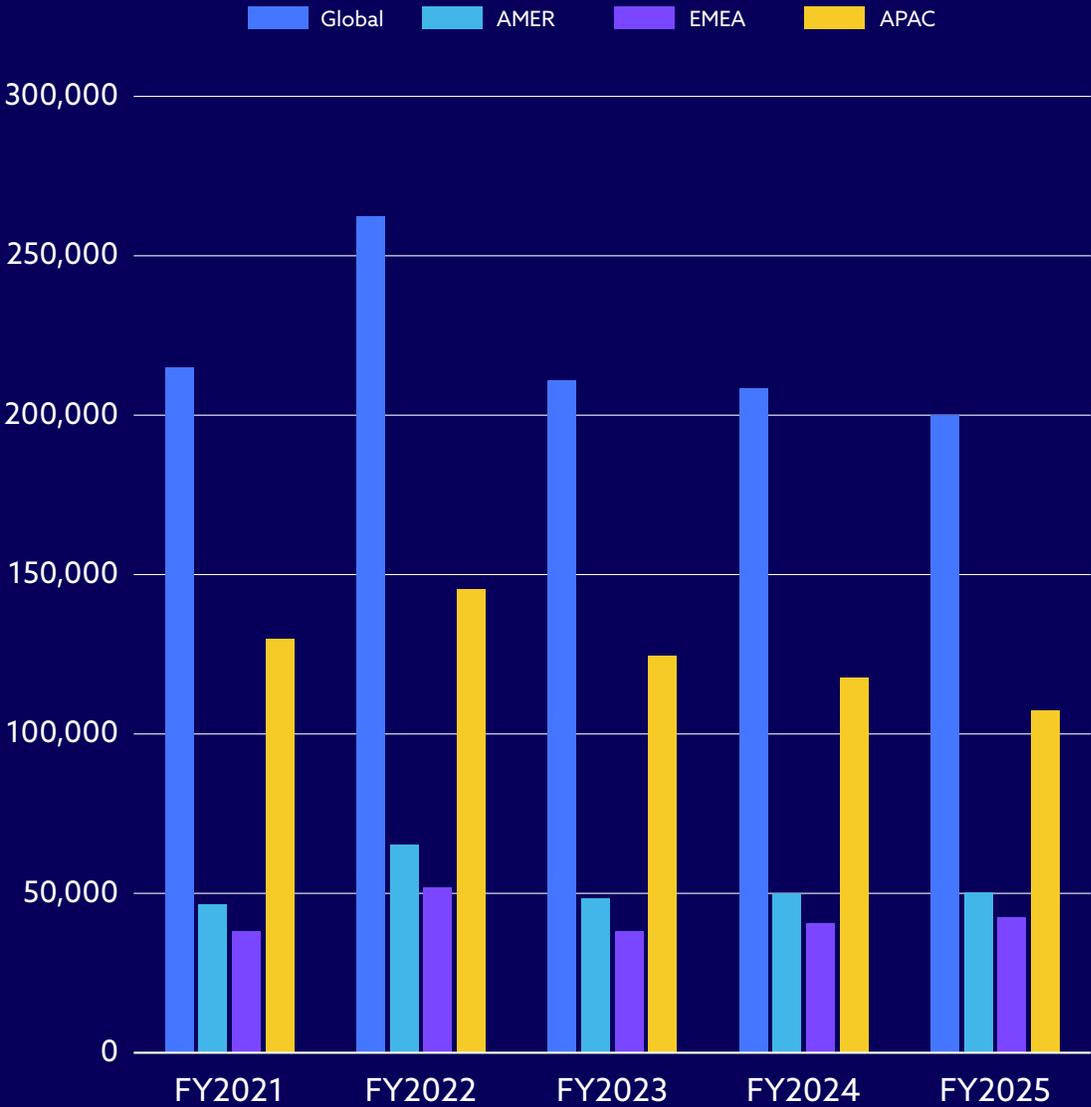
AMER = Americas; APAC = Asia Pacific; EMEA = Europe, Middle East, and Africa

⁽¹⁾ Numbers are rounded.

⁽²⁾ Administrations are defined as exam registrations for which we recognize revenue, realized net of adjustments.

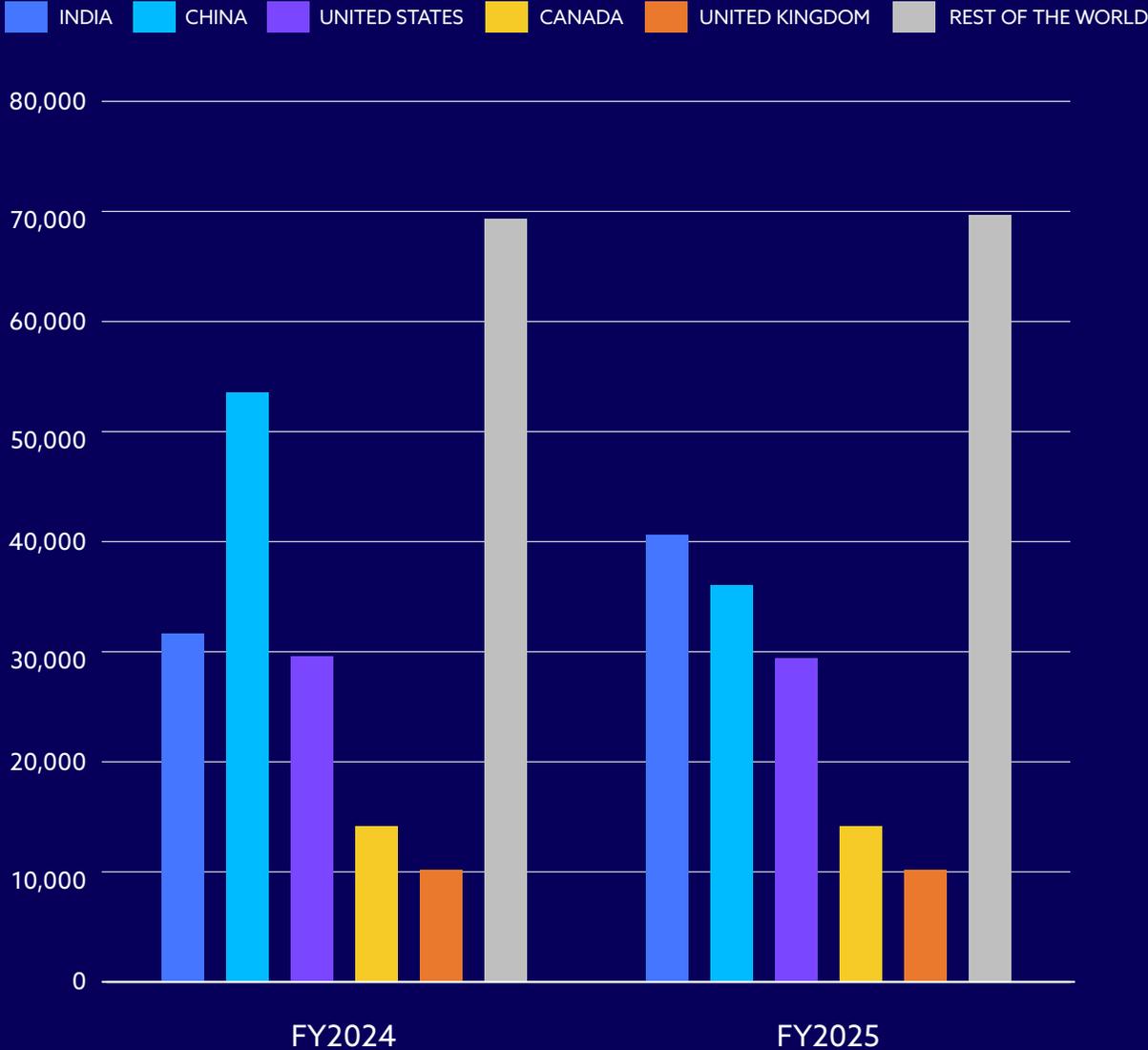
⁽³⁾ Previously Certificate in ESG Investing.

CFA Program Exam Administrations by Region

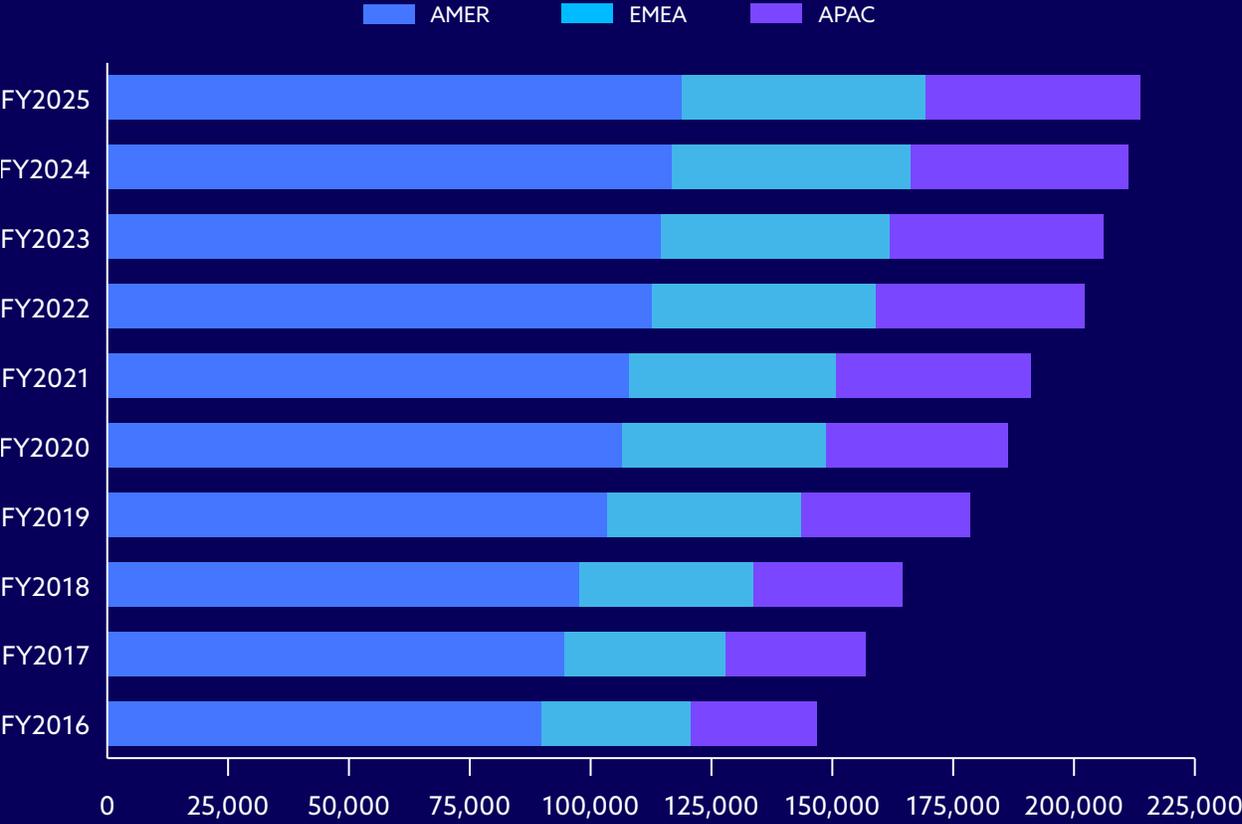


AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

CFA Program Exam Administrations: Top Markets

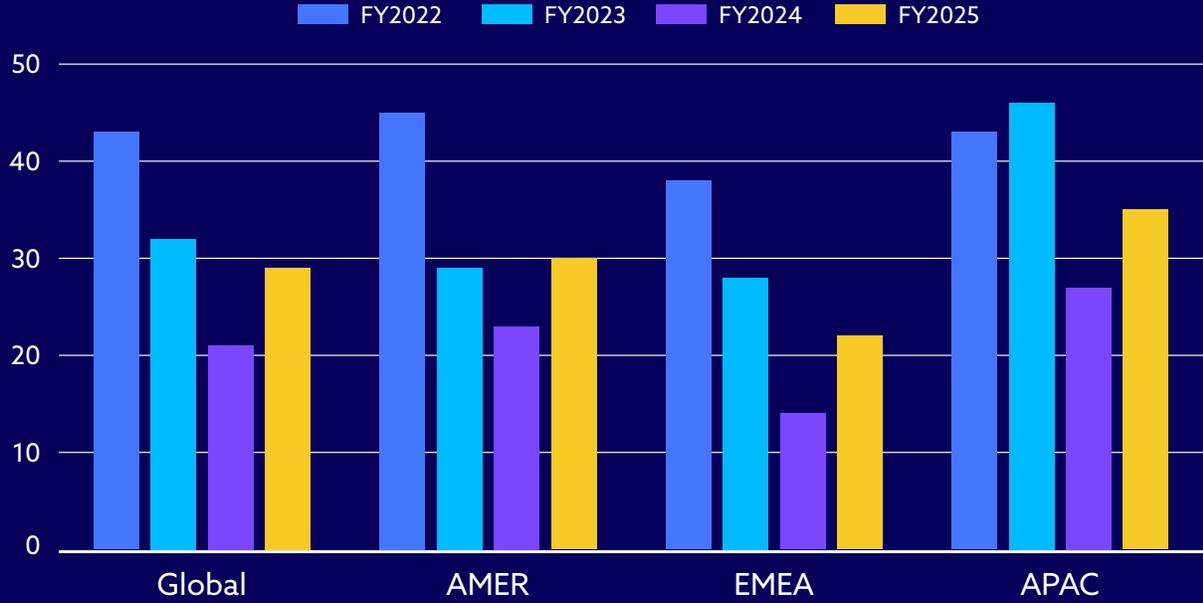


CFA Institute Membership by Region

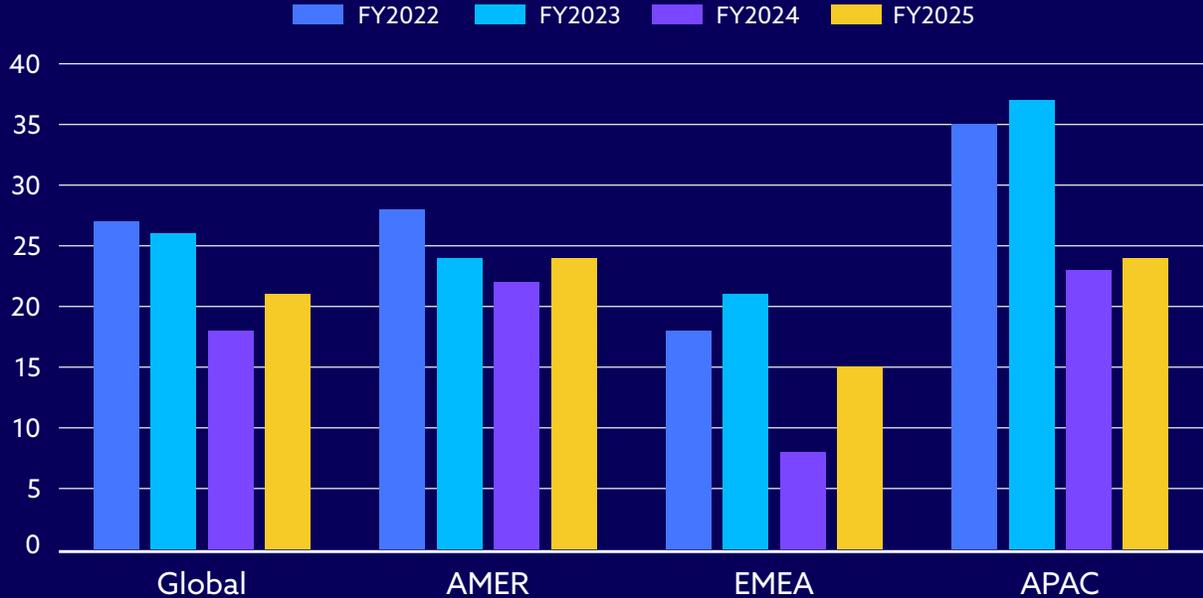


AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

CFA Institute Membership NPS ⁽¹⁾



CFA Society[®] NPS



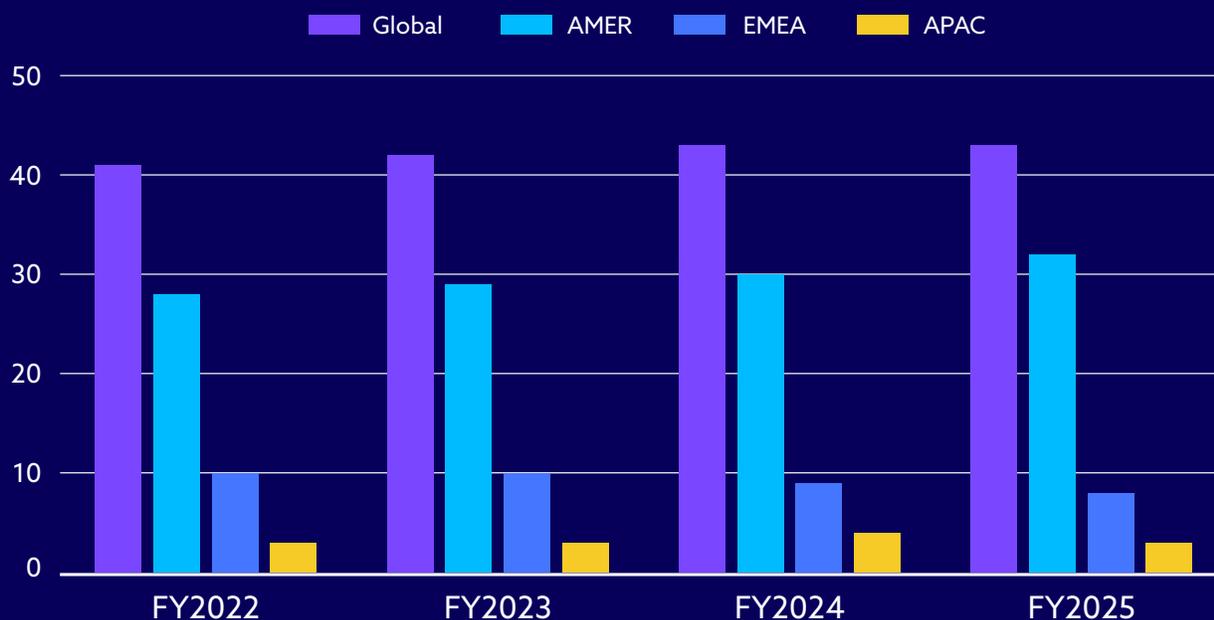
⁽¹⁾ Net Promoter Score (NPS) is a common metric used to measure customer loyalty. The question “How likely is it that you would recommend the product or service to a friend or colleague?” has a 0-10 scale, where 0 is not at all likely and 10 is extremely likely. Those responding 0-6 are categorized as “Detractors,” those rating 7 or 8 are “Passives” and those rating 9 or 10 are “Promoters.” NPS is calculated by subtracting the percentage of detractors from the percentage of promoters.
 AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

GIPS® Standards Adoption by Top 100 Asset Managers



GIPS = Global Investment Performance Standards
 AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

AMC Adoption by Top 100 Asset Managers



AMC = Asset Manager Code™
 AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

Performance

Year in summary

Consolidated Financial Results for Fiscal Years Ended 31 August 2025 and 2024

	FY2025	FY2024
Members and Exams		
CFA Institute Members	213,700	211,200
CFA Program Administrations ⁽¹⁾	200,000	208,300
CIPM Program Administrations ⁽¹⁾	900	900
Sustainable Investing Certificate ⁽²⁾ Registrations	12,200	20,500
Financial Performance (\$ in millions) ⁽³⁾	FY2025	FY2024
Operating revenues	\$415.7	\$375.8
Operating expenses	325.8	303.3
Income from operations	89.9	72.5
Other changes	74.2	90.2
Change in net assets without donor restrictions	\$164.1	\$162.7

⁽¹⁾ Administrations defined as exam registrations for which we recognize revenue, realized net of adjustments.

⁽²⁾ Previously Certificate in ESG Investing.

⁽³⁾ Numbers are rounded.

Performance

Revenues

Revenues for Fiscal Years Ended 31 August 2025 and 2024

<i>(US \$ IN MILLIONS)</i> ⁽¹⁾	FY2025	FY2024
Credentialing and certificate programs, net	\$351.9	\$310.4
Member value programs	58.8	56.1
Industry engagement and other	0.8	4.5
Contributions of cash and other financial assets	0.2	0.2
Contributions of non-financial assets	4.0	4.6
Total operating revenues	\$415.7	\$375.8

⁽¹⁾Numbers are rounded.

Expenses

Expenses for Fiscal Years Ended 31 August 2025 and 2024

<i>(US \$ IN MILLIONS)</i> ⁽¹⁾	FY2025	FY2024
Operating expenses		
Program services		
Credentialing and certificate programs	\$126.1	\$119.7
Member value programs	77.0	79.8
Industry engagement	18.6	19.2
Supporting services		
Management and general	104.1	84.6
Total operating expenses	\$325.8	\$303.3

⁽¹⁾Numbers are rounded.

Performance

Financial condition

Financial Position as of 31 August 2025 and 2024

<i>(US \$ IN MILLIONS) ⁽¹⁾</i>	FY2025	FY2024
Current Assets		
Cash and cash equivalents	\$355.0	\$285.3
Other current assets	15.7	13.4
Total current assets	370.7	298.7
Non-Current Assets		
Non-current investments, at fair value	650.8	589.8
Other non-current assets	39.6	45.6
Total non-current assets	690.4	635.4
Total assets	\$1,061.1	\$934.1
Current Liabilities		
Accounts payable and accrued liabilities	\$33.9	\$23.9
Deferred revenue	239.2	253.1
Other current liabilities	24.7	24.2
Total current liabilities	297.8	301.2
Non-Current Liabilities		
Deferred revenue	—	30.9
Other non-current liabilities	12.9	15.7
Total non-current liabilities	12.9	46.6
Total liabilities	310.7	347.8
Net assets	750.4	586.3
Total liabilities and net assets	\$1,061.1	\$934.1

⁽¹⁾ Numbers are rounded.

Performance

Cash and investment detail

Cash and Investment Portfolio Balance as of 31 August 2025 and 2024

<i>(US \$ IN MILLIONS)</i> ⁽¹⁾	FY2025	FY2024
Cash and cash equivalents	\$355.0	\$285.3
Non-current investments, at fair value	650.8	589.8
Total cash and non-current investments	\$1,005.8	\$875.1

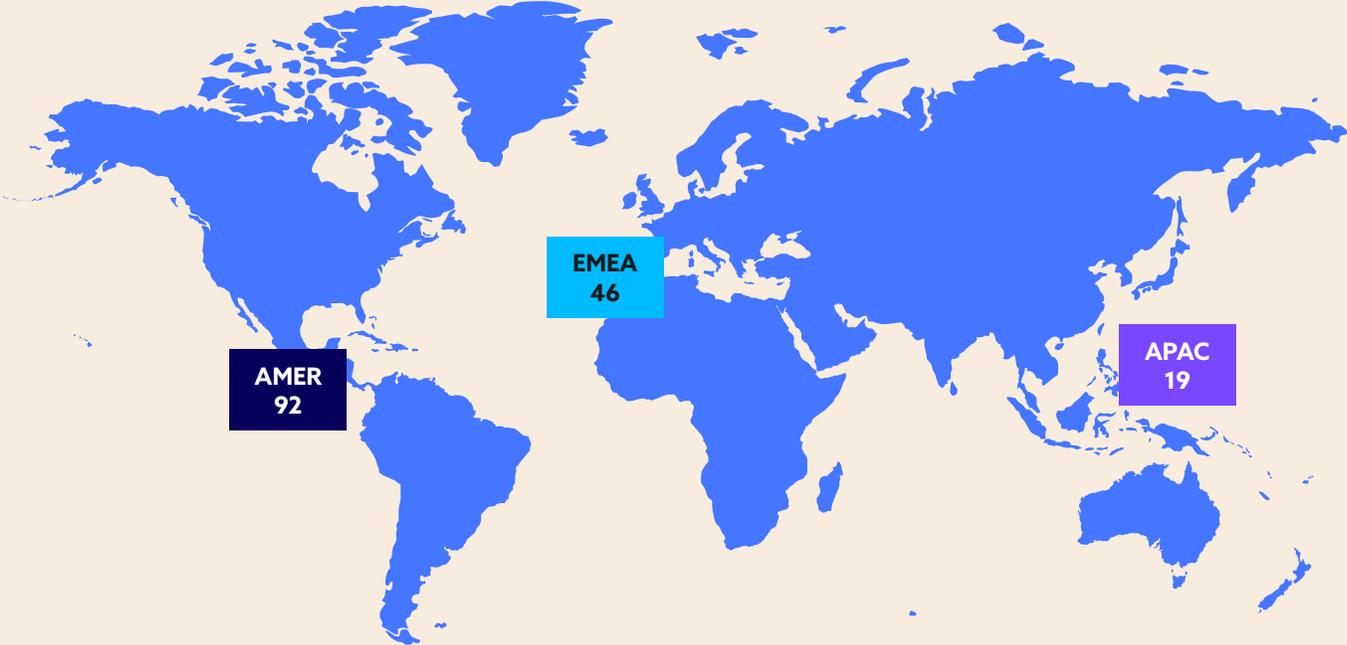
⁽¹⁾Numbers are rounded.

Cash Flows for Fiscal Years Ended 31 August 2025 and 2024

<i>(US \$ IN MILLIONS)</i> ⁽¹⁾	FY2025	FY2024
Change in net assets	\$164.1	\$162.7
Non-cash items	(43.1)	(56.0)
Changes in assets and liabilities	(36.0)	(25.9)
Net cash provided by operating activities	85.0	80.8
Capital receipts and expenditures, net	(8.4)	(10.6)
Maturities and purchases of investments, net	(6.6)	(6.9)
Net cash used in investing activities	(15.0)	(17.5)
Receipts and payments on borrowings, net	(0.3)	(0.2)
Net cash used in financing activities	(0.3)	(0.2)
Net increase in cash and cash equivalents	69.7	63.1
Cash and cash equivalents, beginning of year	285.3	222.2
Cash and cash equivalents, end of year	\$355.0	\$285.3

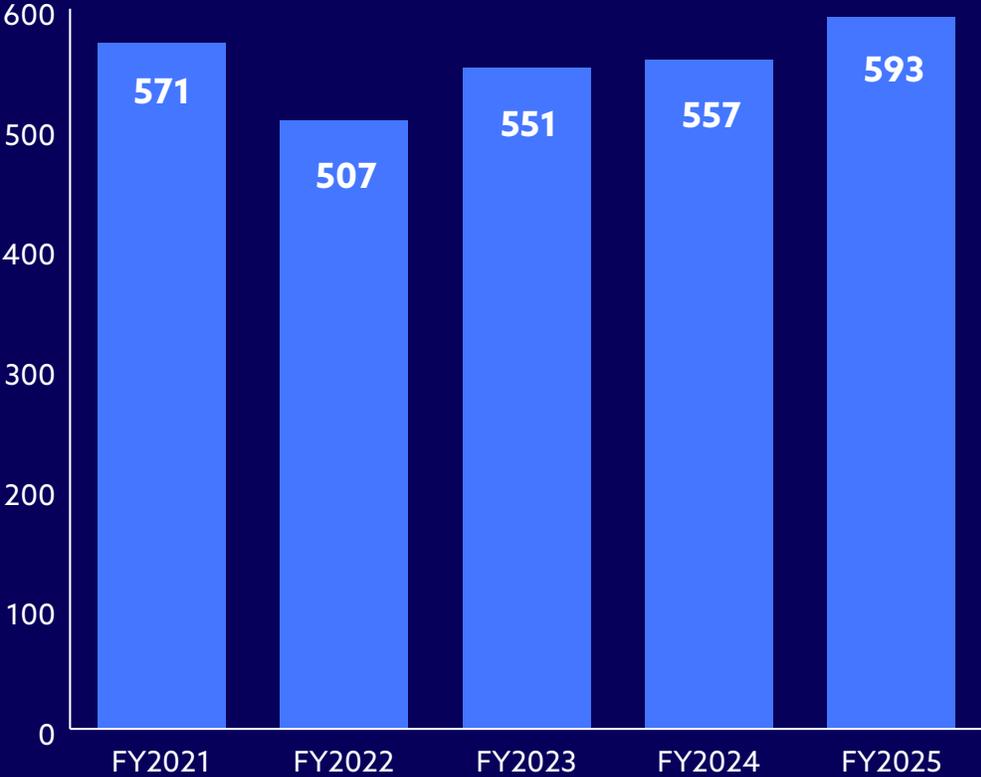
⁽¹⁾Numbers are rounded.

Society Locations by Region



AMER = Americas; EMEA = Europe, Middle East, and Africa; APAC = Asia Pacific

Total Number of CFA Institute Staff



Accompanying consolidated information

Independent auditors' report and audited financial statements

CFA Institute

Consolidated Financial Statements

**As of 31 August 2025 and 2024
and Independent Auditors' Report**

CFA Institute

Table of Contents

	Page(s)
<u>Independent Auditors' Report</u>	<u>1</u>
<u>Consolidated Statements of Financial Position</u> <u>As of 31 August 2025 and 2024</u>	<u>3</u>
<u>Consolidated Statements of Activities</u> <u>For the Years Ended 31 August 2025 and 2024</u>	<u>4</u>
<u>Consolidated Statements of Cash Flows</u> <u>For the Years Ended 31 August 2025 and 2024</u>	<u>5</u>
<u>Notes to Consolidated Financial Statements</u> <u>31 August 2025 and 2024</u>	<u>6</u>



KPMG LLP
1051 East Cary Street
Suite 900
Richmond, VA 23219

Independent Auditors' Report

The Board of Governors
CFA Institute:

Opinion

We have audited the consolidated financial statements of CFA Institute and its subsidiaries (the Company), which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Richmond, Virginia
December 3, 2025

CFA Institute
Consolidated Statements of Financial Position
As of 31 August 2025 and 2024

(in thousands)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 354,988	\$ 285,276
Accounts receivable, net	3,433	1,263
Prepaid expenses and other assets	12,310	12,213
Total current assets	<u>370,731</u>	<u>298,752</u>
Non-current assets		
Investments, at fair value	650,835	589,821
Prepaid expenses and other assets	6,209	5,734
Operating lease, right-of-use assets, net	5,276	7,702
Property and equipment, net	12,495	13,511
Intangibles, net	15,598	18,588
Total non-current assets	<u>690,413</u>	<u>635,356</u>
Total assets	<u>\$ 1,061,144</u>	<u>\$ 934,108</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable, accrued and other liabilities	33,927	23,882
Deferred revenue	239,171	253,083
Employee-related liabilities	18,027	18,193
Funds held for others	3,883	2,666
Finance liability	384	301
Operating lease liability	2,437	3,086
Total current liabilities	<u>297,829</u>	<u>301,211</u>
Non-current liabilities		
Accounts payable, accrued and other liabilities	36	37
Deferred revenue	—	30,856
Employee-related liabilities	2,307	2,395
Finance liability	6,240	6,624
Operating lease liability	4,360	6,678
Total non-current liabilities	<u>12,943</u>	<u>46,590</u>
Total liabilities	<u>310,772</u>	<u>347,801</u>
Net assets		
Net assets without donor restrictions		
Undesignated	749,387	585,352
Designated	985	955
Total net assets	<u>\$ 750,372</u>	<u>\$ 586,307</u>
Total liabilities and net assets	<u>\$ 1,061,144</u>	<u>\$ 934,108</u>

See accompanying notes to consolidated financial statements.

CFA Institute
Consolidated Statements of Activities
For the Years Ended 31 August 2025 and 2024

(in thousands)

	<u>2025</u>	<u>2024</u>
Change in net assets without donor restrictions		
Operating revenues		
Credentialing and certificate programs, net	\$ 351,918	\$ 310,391
Member value programs	58,788	56,080
Industry engagement and other	812	4,541
Contributions of cash and other financial assets	174	173
Contributions of nonfinancial assets	4,039	4,639
Total operating revenues	<u>415,731</u>	<u>375,824</u>
Operating expenses		
Program services		
Credentialing and certificate programs	126,147	119,685
Member value programs	76,953	79,861
Industry engagement	18,578	19,179
Supporting services		
Management and general	104,120	84,632
Total operating expenses	<u>325,798</u>	<u>303,357</u>
Income from operations	89,933	72,467
Interest and dividends, net	19,838	23,866
Change in net assets without donor restrictions from operations	<u>109,771</u>	<u>96,333</u>
Other changes		
Gains on investments, net	54,401	66,389
Loss on disposal of fixed assets	(107)	—
Change in net assets without donor restrictions	<u>164,065</u>	<u>162,722</u>
Net assets, beginning of year	586,307	423,585
Net assets, end of year	<u>\$ 750,372</u>	<u>\$ 586,307</u>

See accompanying notes to consolidated financial statements.

CFA Institute
Consolidated Statements of Cash Flows
For the Years Ended 31 August 2025 and 2024

(in thousands)

	<u>2025</u>	<u>2024</u>
Cash flows provided by operating activities		
Reconciliation of change in net assets without donor restrictions to net cash provided by operating activities		
Change in net assets	\$ 164,065	\$ 162,722
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	11,750	10,827
Losses on disposition of property and equipment	107	—
Gains on investments, net	(54,401)	(66,389)
Change in operating lease, right-of-use assets/operating lease liability	(541)	(383)
Changes in:		
Accounts receivable, net	(2,170)	191
Prepaid expenses and other assets	(630)	(548)
Accounts payable, accrued and other liabilities	10,614	(950)
Deferred revenue	(44,768)	(22,751)
Employee-related liabilities	(254)	411
Refund liability	—	(2,399)
Funds held for others	1,217	114
Net cash provided by operating activities	<u>84,989</u>	<u>80,845</u>
Cash flows used in investing activities		
Purchases of property and equipment	(1,323)	(699)
Purchases of intangible assets	(7,040)	(9,919)
Purchases of investments	(32,473)	(538,770)
Proceeds from investments	25,860	531,862
Net cash used in investing activities	<u>(14,976)</u>	<u>(17,526)</u>
Cash flows used in financing activities		
Finance liability principal repayments	(301)	(230)
Net cash used in financing activities	<u>(301)</u>	<u>(230)</u>
Net increase in cash and cash equivalents	69,712	63,089
Cash and cash equivalents, beginning of year	285,276	222,187
Cash and cash equivalents, end of year	<u>\$ 354,988</u>	<u>\$ 285,276</u>

See accompanying notes to consolidated financial statements.

1. Organization

CFA Institute is a not-for-profit professional association, incorporated in the state of Virginia, United States, with a mission of leading the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. CFA Institute administers the Chartered Financial Analyst® (CFA®) Program and serves more than 206,000 members, as well as 158 member societies around the world. CFA Institute also administers the Certificate in Investment Performance Measurement (CIPM®) Program and the CFA Institute Sustainable Investing Certificate. CFA Institute has offices in Abu Dhabi; Beijing; Charlottesville, Virginia; Hong Kong; London; Mumbai; New York City; and Washington, D.C.

CFA Institute qualifies as a tax-exempt organization under Internal Revenue Code (IRC) § 501(c)(6). CFA Institute was incorporated in 1990 as the Association for Investment Management and Research (AIMR) as a result of the combination of the Financial Analysts Federation (FAF) and the Institute of Chartered Financial Analysts (ICFA). The FAF and ICFA have histories dating back to 1947 and 1962, respectively. AIMR changed its name to CFA Institute in 2004.

The organization administers the flagship CFA Program, a globally recognized credential that demonstrates a commitment to ethics and professionalism. CFA Institute awards the CFA charter to those who successfully complete three levels of examination and meet stipulated standards of professional conduct and work experience. The organization provides comprehensive continuing professional development opportunities—through conferences, courses, events, publications, and personalized virtual resources—that empower members and other constituents to practice ethically and competently in dynamic global financial markets. The organization also promotes the use of professional standards for self-regulatory organizations, ethical conduct in the investment profession through the Code of Ethics and Standards of Professional Conduct, and other best practice guidance in conferences, publications, and webcasts.

CFA Institute Research Foundation (the Foundation), a wholly-owned and controlled subsidiary of CFA Institute, is a not-for-profit organization, incorporated in Virginia, that qualifies as a tax-exempt organization under IRC § 501(c)(3). The purpose of the Foundation is to sponsor, publish, and distribute cutting-edge research on topics that contribute to or improve global investment practices and the CFA Institute Global Body of Investment Knowledge used by investment professionals around the world. The Foundation also periodically delivers research through in-person conferences, online webinars, videos and podcasts and recognizes excellence in contributions to the global investment community through the James R. Vertin Award.

CFA Institute China Limited (CFA Institute China), a wholly-owned subsidiary of CFA Institute, is a limited company incorporated in 2008 in Hong Kong. CFA Institute China provides auxiliary services in China, including continuing professional development such as education, conferences, workshops, exhibitions, and other networking events.

Cville Operations Hub, LLC (HUB), Cville Operations Holdings, Inc. (Holdings), and Cville Master Tenant, LLC (CMT), all Virginia corporations, were wholly-owned entities of CFA Institute formed in 2012 to establish a legal entity relationship qualifying for the capture and use of Historic Rehabilitation Tax Credits pursuant to I.R.C. §§ 47-48 and Virginia Code § 58.1-339.2, relating to the acquisition and construction of the Charlottesville, Virginia property.

During the year ended 31 August 2013, partial interests in HUB and CMT were conveyed to unrelated third parties. HUB granted a ten percent (10%) non-preferred equity interest to certain unrelated third parties. CMT granted a ninety-nine and ninety-nine one-hundredths percent (99.99%) non-preferred equity interest to an unrelated third party. During the year ended 31 August 2020, Holdings purchased all of the non-preferred equity interests in HUB and CMT from the unrelated third parties. During the year ended 31 August 2024, Cville Operations Holdings, Inc, Cville Operations Hub, LLC, and Cville Master Tenant, LLC were dissolved.

CFA Institute India Private Limited (CFA Institute India) is a private corporation incorporated under the laws of India whose function is to provide marketing, promotional, and outreach services to CFA Institute for a fee, including continuing professional development such as education, conferences, workshops, exhibitions, and other networking events.

CFA Global Holdings, LLC (Global Holdings), a wholly-owned subsidiary of CFA Institute, is a private corporation incorporated in 2014 under the laws of Virginia whose function is to act as a holding company for a one one-hundredths percent (0.01%) share of CFA Institute India. CFA Institute retained a ninety-nine and ninety-nine one-hundredths percent (99.99%) share of CFA Institute India.

Si Wei Beijing Enterprise Management Consulting Company Limited (Si Wei), a wholly-owned subsidiary of CFA Institute China, is a private corporation incorporated under the laws of the People's Republic of China whose function is to provide marketing, promotional, and outreach services to CFA Institute for a fee, as well as to provide limited auxiliary services to CFA Institute members in China, including conferences, exhibitions, and other networking events. During the year ended 31 August 2025, to comply with regulatory requirements in the Chinese Mainland, CFA Institute established a Representative Office in Beijing to serve as its sole legal presence in the country and began the dissolution of Si Wei. The dissolution of Si Wei is expected to be fully completed during the year ending 31 August 2026.

CFA Institute (USA) Beijing Representative Office (RO) was established in April 2025 and is intended to serve as the sole legal presence of CFA Institute in the Chinese Mainland. The RO is registered under China's regulatory framework for foreign non-government organizations and operates as a non-commercial representative office. It facilitates brand visibility, government relations, industry collaboration and policy-aligned collaboration in support of CFA Institute's mission in China. Its activities are included in the consolidated financial statements of CFA Institute.

CFA Institute Singapore Private Limited (CFA Institute Singapore), a wholly-owned subsidiary of CFA Institute, is a private corporation incorporated under the laws of Singapore whose function is to provide consulting and training services on capital markets general knowledge and professional ethics, conference services, social and economic consulting services, market intelligence consultation, enterprise management consultation services, marketing strategy and market research services to CFA Institute for a fee, as well as to provide limited auxiliary services to CFA Institute members in Singapore, including

continuing professional development such as education, conferences, workshops, exhibitions, and other networking events. The entity is currently dormant and has no significant operating activity.

CFA Institute Limited (CFA Institute Abu Dhabi), a wholly-owned subsidiary of CFA Institute, is a private company limited under the laws of the United Arab Emirates whose function is to provide marketing, promotional, and outreach services to CFA Institute for a fee, as well as to provide limited auxiliary services to CFA Institute members in the United Arab Emirates, including continuing professional development such as education, conferences, workshops, exhibitions, and other networking events.

CFA Institute Canada Limited (CFA Institute Canada), a wholly owned subsidiary of CFA Institute, was incorporated in 2025 under the Canada Business Corporations Act. CFA Institute Canada supports the Institute's presence in Canada and facilitates regional governance and stakeholder engagement. As of August 31, 2025, the entity had minimal operations and no independent revenue activities.

2. Summary of significant accounting policies

Basis of accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). All monetary values are presented in US dollars (\$) throughout these consolidated financial statements.

Consolidation

The consolidated financial statements include the accounts of the CFA Institute Operations group and CFA Institute Research Foundation. The CFA Institute Operations group consolidates the accounts of CFA Institute, CFA Institute China, CFA Institute India, Global Holdings, Si Wei, CFA Institute Singapore, CFA Institute Abu Dhabi, and CFA Institute Canada given each entity is wholly-owned either by CFA Institute or by a wholly-owned subsidiary. CFA Institute Research Foundation is consolidated given that it is a wholly-controlled entity. All intercompany transactions and balances have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Measure of operations

Operating revenues include candidate fees, educational product sales, member dues, and contributions. Interest and dividend income from investments are reported separately net of investment expenses and are included in the change in net assets without donor restrictions from operations. Gains and losses on investments are reported as other changes in net assets without donor restrictions.

Concentration of credit risk

CFA Institute maintains cash balances in global bank accounts that exceed insured limits established by the Federal Deposit Insurance Corporation in the US and other national deposit protection programs. To

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

mitigate credit risk exposure, CFA Institute deposits funds in financially sound institutions and targets a maximum daily US operating cash balance of \$20,000,000 to support operational and business continuity needs. Short-term operating cash needs in excess of the \$20,000,000 ceiling are invested in US government securities until required for disbursement purposes. Working capital is also maintained in non-US bank accounts to support international operations. Global cash and short-term investment balances that are in excess of the deposit protection limits are subject to some degree of credit risk.

Net assets

CFA Institute classifies net assets into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are available for use at the discretion of the Board of Governors (the Board) and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes.

Net assets with donor restrictions consist of assets subject to donor-imposed stipulations. A donor stipulation specifies a use for a contributed asset that is more specific than the broad limits resulting from the nature of the nonprofit organization, the environment in which it operates, and the purposes specified in its articles of incorporation.

As of 31 August 2025 and 2024, all of CFA Institute's net assets were net assets without donor restrictions.

Board designated net assets

In 1990, AIMR (now CFA Institute) was formed as a result of the combination of ICFA and FAF. Prior to the combination, ICFA contributed \$950,000 to the Foundation. The contribution is a non-cumulative preferred claim of CFA Institute on the Foundation's net assets should the Foundation become unable to carry out its exempt purposes by reason of dissolution or otherwise. The claim is for \$950,000 or the Foundation's net assets, whichever is less. Because of the control relationship between CFA Institute and the Foundation, contributions are reported as board designated net assets.

The Foundation grants initial funding to authors for their proposed research projects. Upon completion and final approval of the research product, the remaining grant funding is paid. The amounts of committed and unpaid research grants are shown in designated net assets on the consolidated statements of financial position.

The consolidated schedule of board designated net assets is as follows (in thousands):

	2025	2024
ICFA contribution	\$ 950	\$ 950
Unpaid research grants	35	5
Total designated net assets	<u>\$ 985</u>	<u>\$ 955</u>

Contributed nonfinancial assets

For the years ended 31 August 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statements of activities were \$4,039,000 and \$4,639,000, respectively.

CFA Institute recorded the value of the contribution of services as contribution revenue with a corresponding amount to professional services.

CFA Institute receives contributed services from volunteers for contributions of their time grading CFA examinations and serving on various task forces and committees. The organization utilizes the committees and task forces for governance and to address different aspects of the CFA examinations, the CFA Program curriculum, continuing education, industry standards-setting, and other areas for its membership. Contributed services from volunteers is valued at the estimated fair value for services based on compensation rates for comparable professionals.

Cost classification

Operating expenses are classified as either program services or supporting services. Program services are those operating expenses that directly advance the mission of CFA Institute. Supporting services are general and administrative costs. A portion of general and administrative costs that benefit multiple functions are allocated from supporting services to program services. See Note 13 for more information on the functional expense allocation.

Cash and cash equivalents

Cash and cash equivalents include short-term liquid investments with original maturities of ninety days or less following the date of purchase. Credit card transactions that have been authorized by fiscal year-end but have not settled into operating accounts by 31 August are classified as cash and cash equivalents.

Accounts receivable

The accounts receivable aging report is reviewed periodically. In fiscal year 2024, the organization adopted the Current Expected Credit Loss (CECL) model in accordance with Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326) (ASU 2016-13). Under CECL, the organization recognizes an allowance for expected credit losses, using a forward-looking approach that estimates losses over the lifetime of receivables based on historical experience, current conditions, and reasonable forecasts.

Investments

CFA Institute records its investments, current and non-current, at fair value and any change in such value is reflected in the consolidated statements of activities. Gains and losses are determined using the weighted average per share cost basis.

Short-term certificates of deposit with an original maturity greater than 90 days and a remaining maturity of less than 365 days, when held, are included in current assets on the consolidated statement of financial position. Additionally, certificates of deposit with an original maturity of three months or less, when held, are classified as cash and cash equivalents and are reported at fair value on the consolidated statement of financial position.

Leases

CFA Institute applies Accounting Standards Codification (ASC) 842, Leases, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property or equipment for a period of time in excess of twelve months in exchange for consideration. CFA Institute defines control of the asset as the right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

CFA Institute's leases are primarily classified as operating leases and are included in right-of-use (ROU) assets and lease liabilities on the accompanying consolidated statements of financial position. Right-of-use assets represent the organization's right to use leased assets over the lease term. Lease liabilities represent the organization's contractual obligation to make lease payments and are measured at the present value of the future lease payments over the lease term. The lease liability is subsequently measured at amortized cost using the effective interest method.

Right-of-use assets are calculated as the present value of the future lease payments adjusted by any deferred rent liability and lease incentives. Right-of-use assets and lease liabilities are recognized at the lease commencement date. CFA Institute uses the rate implicit in the lease if it is determinable. When the implicit rate is not determinable, CFA Institute uses the risk-free rate, a practical expedient allowed for private entities, at the lease commencement date to determine the present value of the future lease payments. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. CFA Institute does not separate lease and non-lease components.

Right-of-use assets for leases can occasionally be reduced by impairment losses. CFA Institute monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding right-of-use asset unless doing so would reduce the carrying amount of the right-of-use asset to an amount less than zero. In that case, the right-of-use asset is reduced to zero and the remainder of the adjustment is recorded in profit or loss. There were no impairments for the years ended 31 August 2025 and 2024.

Property and equipment

Property and equipment are recorded at cost, are initially classified as construction in progress, and are depreciated when available for use. Maintenance and repairs are charged to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated life of the related asset or the remaining term of the lease.

The asset life ranges for each asset class are as follows:

Buildings	10 to 40 years
Computer hardware and equipment	3 to 5 years
Furniture and fixtures	10 years
Leasehold improvements	3 to 10 years

CFA Institute evaluates long-lived assets for impairment if an indicator exists that the estimated fair market value of the asset has declined below its carrying value. As of 31 August 2025 and 2024, no long-lived assets have been impaired.

Intangibles

CFA Institute capitalizes certain costs related to software and implementation in connection with its internal-use software systems and costs related to website development. CFA Institute also capitalizes certain costs related to the acquisition of intellectual property and other contractual rights. These costs are initially classified as work in progress and are amortized when available for use. Amortization is computed using the straight-line method over the expected useful life of the asset.

The asset life ranges for each asset class are as follows:

Computer software	3 years
Other intangibles	3 to 5 years

CFA Institute evaluates intangible assets for impairment if an indicator exists that the estimated fair market value of the asset has declined below its carrying value. As of 31 August 2025 and 2024, no intangibles have been impaired.

Cloud computing arrangement implementation costs

CFA Institute capitalizes certain cloud computing arrangement (CCA) implementation costs in connection with its internal-use software systems. These costs are initially classified as work in process and are amortized when available for use using the straight-line method over the term of the hosting arrangement but no more than 3 years. Capitalized CCA implementation costs are included in prepaid expenses and other assets on the accompanying consolidated statements of financial position. Capitalized CCA implementation costs as of 31 August 2025 consisted of \$15,148,000 gross costs less accumulated amortization of \$8,068,000. Capitalized CCA implementation costs as of 31 August 2024 consisted of \$10,429,000 gross costs less accumulated amortization of \$4,511,000. Amortization expense for the years ended 31 August 2025 and 2024 was \$3,557,000 and \$2,687,000, respectively.

Deferred revenue

Unearned registration, enrollment (applicable in fiscal 2024 only), member dues, and Learning Ecosystem (LES) curriculum are included in deferred revenue on the accompanying consolidated statements of financial position. The enrollment fee was eliminated in fiscal year 2025, and all previously deferred enrollment revenue was recognized in the period ended 31 August 2025 (see Revenue paragraph below and Note 12).

Health and welfare benefit liabilities

CFA Institute sponsors health and welfare benefit programs and, as of 1 January 2016, began partially self-funding medical and prescription benefits for US-based employees. CFA Institute purchases specific and aggregate stop-loss insurance to mitigate the risk of catastrophic losses on the health insurance plans.

CFA Institute recognizes health and welfare benefit liabilities at the time in which the liability is both probable and the amount of the liability is estimable by evaluating certain uninsured risk related to incidents occurring on or before the date of the consolidated statements of financial position. As of 31 August 2025 and 2024, the gross medical claims liability consisted of claims incurred but not reported of \$305,000 and \$515,000, respectively. In both years, there were no claims that had been paid by the third-party administrator but not yet reimbursed by CFA Institute.

Finance liability

Finance liability is classified as either current or non-current. The current portion is equal to the amount of principal due within twelve months of the end of the reporting period. The full balance of current and non-current finance liability relates to the failed sale and partial leaseback transaction of the Charlottesville headquarters building (see Note 11).

Revenue

CFA Institute earns its primary revenue from examination registration fees, enrollment fees, member dues, and educational product sales. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration CFA Institute expects to be entitled to in exchange for those goods or services. These revenues are recognized net of scholarships. Scholarships awarded were \$8,868,000 and \$12,806,000 for the years ended 31 August 2025 and 2024, respectively. Enrollment revenue was recognized in both years; however, CFA Institute eliminated the enrollment fee for candidates registering for exams scheduled for February 2026 and beyond (see Note 12).

The membership year for CFA Institute runs from 1 July to 30 June. Accordingly, CFA Institute recognizes membership dues on a pro-rata basis over the membership year. As a result, CFA Institute recorded deferred revenue for membership fees collected but not earned.

Revenue allocated to LES curriculum (which includes Learning Ecosystem, Practical Skills Module (PSM) and Practice Pack within the CFA Program) is recognized ratably from the time a candidate registers for an exam through the grade release date of the exam. As a result, CFA Institute recorded deferred revenue for fees allocated to LES curriculum collected but not earned.

Revenue from the CFA Practice Pack (PDF) is recognized at the time of sale when customers purchase the product. The PDF provides candidates with a comprehensive suite of study materials, including practice questions and mock exams, aimed at enhancing their exam preparation. This revenue is recognized in the period the sale occurs.

See Note 12 for more information on revenue recognition.

Grants

CFA Institute makes grants to various organizations where such funding supports its mission. For the years ended 31 August 2025 and 2024, CFA Institute provided direct operational, growth and partnership funding in the amount of \$14,082,000 and \$14,769,000, respectively, to the aforementioned member societies. CFA Institute also provided other services and funding to each society to leverage their outreach into local communities. Other services include, but are not limited to, society leader training, increasing engagement with stakeholders, and collecting and remitting society dues and events.

As of 31 August 2025 and 2024, current accounts payable and accrued liabilities included accrued grants in the amount of \$1,240,000 and \$341,000, respectively.

Advertising costs

Advertising costs are expensed as incurred. Total advertising expense was \$16,580,000 and \$13,193,000 for the years ended 31 August 2025 and 2024, respectively.

Income taxes

CFA Institute and the Foundation are exempt from US federal income taxes under IRC §§ 501(c)(6) and 501(c)(3), respectively, and Virginia state income taxes, except for unrelated business income. Unrelated business income is subject to US federal and Virginia state income taxes. Unrelated business income is generated from online career development resources. Lobbying activities engaged in by CFA Institute generate US federal proxy tax. Federal income tax estimated payments made by CFA Institute, inclusive of unrelated business income tax and proxy tax, were \$95,000 and \$87,000 for the years ended 31 August 2025 and 2024, respectively. The Foundation had no unrelated business income for the years ended 31 August 2025 and 2024, respectively.

CFA Institute and the Foundation have performed evaluations of all unrelated business income and have maintained their tax-exempt status. CFA Institute and the Foundation have determined that they have adequately provided for all open tax years and have no uncertain tax positions.

Interest costs

CFA Institute incurred interest costs of \$1,005,000 and \$1,044,000 for the years ended 31 August 2025 and 2024, respectively, primarily related to its finance liability. No portion of interest expense for either period presented has been capitalized.

New accounting pronouncements

In July 2025, Financial Accounting Standards Board (FASB) issued ASU 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update introduces a practical expedient and an accounting policy election designed to simplify the application of CECL to accounts receivable and contract assets. CFA Institute is required to adopt the ASU in the year ending 31 August 2027, but expects the impact to be minimal.

3. Accounts receivable

Accounts receivable, net as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
Accounts receivable, trade	\$ 783	\$ 1,313
Allowance for bad debt	(50)	(50)
Accounts receivable trade, net	733	1,263
Accounts receivable, other	2,700	—
Accounts receivable, net	<u>\$ 3,433</u>	<u>\$ 1,263</u>

4. Investments

Investments, at fair value (see Note 5) as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
CFA Institute	\$ 627,982	\$ 568,689
The Foundation – Endowment	22,853	21,132
Total investments	<u>\$ 650,835</u>	<u>\$ 589,821</u>

The following table details the fair value for the major types of investments of CFA Institute as of 31 August (in thousands):

	2025	2024
Global equity	\$ 351,776	\$ 319,208
Liquid growth fixed income	50,291	44,828
Global fixed income	192,114	175,734
Inflation-protected securities	46,432	40,080
Other real assets	10,222	9,971
Total investments	<u>\$ 650,835</u>	<u>\$ 589,821</u>

Investment gains, interest, and dividends, net for CFA Institute consisted of the following (in thousands):

	2025	2024
Interest and dividends	\$ 20,378	\$ 24,426
Investment expenses	(540)	(560)
Total interest and dividends, net	19,838	23,866
Investment gains, net	54,401	66,389
Total investment gains, interest and dividends, net	<u>\$ 74,239</u>	<u>\$ 90,255</u>

5. Fair value measurements

Fair value is determined based on the price a market participant would receive to sell an asset or pay to transfer a liability in an orderly arms-length transaction-the exit price. Fair value is disclosed using a three-tiered hierarchy that draws a distinction between market participant assumptions based on: (i) observable inputs such as quoted prices in active markets (Level 1), (ii) significant inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2), and (iii) unobservable inputs that require the use of present value and other valuation techniques in the determination of fair value (Level 3).

For Level 1 assets and liabilities that are measured using quoted prices in active markets, the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs.

For Level 2 assets and liabilities, fair value is measured using reference rates from market-based data including publicly observable data and non-public subscription based data.

CFA Institute has no assets or liabilities classified as Level 3, whose fair value is derived from significant unobservable inputs.

The following tables present information about assets and liabilities measured at fair value on a recurring basis as of 31 August 2025 and 2024 (in thousands):

	Fair value as of 31 Aug 2025	Fair value measurements as of 31 August 2025 using:			
		Level 1	Level 2	Level 3	Measured at NAV ¹
Assets:					
Global equity	\$ 351,776	\$ 40,278	\$ 35,067	\$ —	\$ 276,431
Liquid growth fixed income	50,291	—	26,255	—	24,036
Global fixed income	192,114	7,619	184,495	—	—
Inflation-protected securities	46,432	3,759	42,673	—	—
Other real assets	10,222	—	10,222	—	—
Investments, at fair value	650,835	51,656	298,712	—	300,467
Mutual funds - IRC § 457 accounts	2,307	2,307	—	—	—
Liabilities:					
Deferred compensation (see Note 10)	(2,307)	(2,307)	—	—	—
Net assets and liabilities subject to fair value measurement	<u>\$ 650,835</u>	<u>\$ 51,656</u>	<u>\$ 298,712</u>	<u>\$ —</u>	<u>\$ 300,467</u>

¹ In accordance with Subtopic 820-10, certain investments were measured using the NAV per share (or its equivalent) practical expedient and these investments have not been categorized in the fair value hierarchy. These investments consist of common collective trust funds and pooled investment funds. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated financial statements. At 31 August 2025, CFA Institute had a \$2.7 million trade rebalancing among these investment funds that was unsettled as of year-end and included in

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

Accounts receivable, net on the consolidated statement of financial position as of 31 August 2025; this transaction settled on 2 September 2025. CFA Institute has the ability to redeem its investment in the funds at or near the valuation date.

	Fair value as of 31 Aug 2024	Fair value measurements as of 31 August 2024 using:				Measured at NAV ²
		Level 1	Level 2	Level 3		
Assets						
Global equity	\$ 319,208	\$ 38,349	\$ 40,042	\$ —	\$ 240,817	
Liquid growth fixed income	44,828	—	25,194	—	19,634	
Global fixed income	175,734	6,719	169,015	—	—	
Inflation-protected securities	40,080	3,305	36,775	—	—	
Other real assets	9,971	—	9,971	—	—	
Investments, at fair value	<u>589,821</u>	<u>48,373</u>	<u>280,997</u>	<u>—</u>	<u>260,451</u>	
Mutual funds - IRC § 457 accounts	2,395	2,395	—	—	—	
Liabilities						
Deferred compensation (see Note 10)	(2,395)	(2,395)	—	—	—	
Net assets and liabilities subject to fair value measurement	<u>\$ 589,821</u>	<u>\$ 48,373</u>	<u>\$ 280,997</u>	<u>\$ —</u>	<u>\$ 260,451</u>	

² In accordance with Subtopic 820-10, certain investments were measured using the NAV per share (or its equivalent) practical expedient and these investments have not been categorized in the fair value hierarchy. These investments consist of common collective trust funds and pooled investment funds. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated financial statements. CFA Institute had no unfunded commitments related to the investment in these funds at 31 August 2024. CFA Institute had the ability to redeem its investment in the funds at the valuation date.

6. Property and equipment

Property and equipment, including construction in progress, as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
Buildings	\$ 16,258	\$ 14,805
Computer hardware and equipment	2,196	3,733
Furniture and fixtures	1,593	2,222
Leasehold improvements	5,275	5,633
Total property and equipment	<u>25,322</u>	<u>26,393</u>
Accumulated depreciation and amortization	(12,827)	(12,882)
Property and equipment, net	<u>\$ 12,495</u>	<u>\$ 13,511</u>

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

Buildings represent the value of the Charlottesville headquarters building leased back as part of the July 2023 sale and partial leaseback transaction. CFA Institute determined the portion of the transaction related to the leased back portion of the building did not meet the requirements for a sale under the failed sale leaseback accounting model. CFA Institute is deemed to own this part of the building and reflects it on the consolidated statement of financial position in property and equipment, net and will continue to depreciate the asset over the lease term (see Note 11).

Construction in progress, included in the schedule above, as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
Computer hardware and equipment	\$ 64	\$ 131
Leasehold improvements	—	368
Total construction in progress	<u>\$ 64</u>	<u>\$ 499</u>

Depreciation expense was \$2,192,000 and \$2,099,000 for the years ended 31 August 2025 and 2024, respectively.

Property and equipment assets of \$2,354,000 and \$5,177,000 were disposed during the years ended 31 August 2025 and 2024, respectively. Loss on disposition of property and equipment assets were \$107,000 and \$0 for the years ended 31 August 2025 and 2024, respectively.

7. Intangibles

Intangibles, including work in process, as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
Computer software (developed)	\$ 35,384	\$ 37,613
Computer software (website development)	225	—
Computer software (packaged)	437	524
Other intangibles	34,569	28,912
Total intangibles	70,615	67,049
Accumulated amortization	(55,017)	(48,461)
Intangibles, net	<u>\$ 15,598</u>	<u>\$ 18,588</u>

Work in process, included in the schedule above, as of 31 August 2025 and 2024 consisted of the following (in thousands):

	2025	2024
Computer software (developed)	\$ 17	\$ 146
Other intangibles	987	1,721
Total work in process	<u>\$ 1,004</u>	<u>\$ 1,867</u>

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

Amortization expense was \$9,500,000 and \$8,728,000 for the years ended 31 August 2025 and 2024, respectively.

Intangible assets other than software or website development are considered other intangibles. "Other intangibles" includes copyrighted materials, Investment Research Challenge rights, assigned rights used in a textbook, intellectual property consisting of materials used in the CFA Program curriculum and exams and materials used in various Certificate programs.

Intangible software assets of \$2,944,000 and \$2,257,000 were disposed during the years ended 31 August 2025 and 2024, respectively. Loss on disposition of intangible assets were \$0 for both years ended 31 August 2025 and 2024, respectively.

For the following fiscal years, future intangible amortization for assets placed in service as of 31 August 2025 is as follows (in thousands):

	Intangible amortization
2026	\$ 8,117
2027	5,250
2028	1,227
Total intangible amortization	<u>\$ 14,594</u>

8. Leases

CFA Institute has entered into various operating leases with original terms ranging from one to thirteen years that expire on various dates through fiscal year 2031. These operating leases cover office space in various cities in which CFA Institute operates as well as leased office equipment. Some leases contain early termination or renewal options, which CFA Institute is not reasonably certain to exercise. Leases with an initial term of one year or less are not recorded on the consolidated statements of financial position.

Lease expenses from operating leases were approximately \$2,865,000 and \$3,005,000 for the years ended 31 August 2025 and 2024, respectively. Sublease rental income was \$5,000 and \$38,000 for the years ended 31 August 2025 and 2024, respectively.

Operating lease liability maturities as of 31 August 2025 are as follows (in thousands):

<u>Fiscal Year</u>	<u>Lease payments</u>
2026	\$ 2,626
2027	1,501
2028	1,178
2029	933
2030	937
Thereafter	78
Total undiscounted lease payments	7,253
Less imputed interest	456
Total lease liability	<u>\$ 6,797</u>

The weighted average remaining lease term and discount rate related to the organization's lease liabilities as of 31 August 2025 and 2024 were 3.80 years and 4.26 years and 3.52% and 3.55%, respectively.

9. Retirement plans

In the United States, the 401(k) Retirement Plan (Plan) allows for discretionary employer and employee contributions, and fixed employer contributions, subject to IRS limits. As of 1 January 2020, participants become fully vested immediately. Employee contributions are always 100% vested. Plan oversight is the responsibility of the Chief People Officer (CPO), including appointment, monitoring, and replacement of the members of the Retirement Investment Policy Committee (RIPC). The RIPC, which is comprised of qualified CFA Institute employees, selects and monitors plan investments. The CPO will retain fiduciary responsibility for all Plan administration matters other than Plan investments.

A third-party investment management company is the trustee for the plan and is the custodian. CFA Institute is both the plan sponsor and the plan administrator. Each eligible employee may direct the investment of his or her balance in up to fifteen mutual fund alternatives offered by the Plan. Contribution expense for the 401(k) Plan totaled \$7,156,000 and \$7,042,000 for the years ended 31 August 2025 and 2024, respectively. Plan forfeitures of \$0 and \$1,200 were netted against contribution expenses for the years ended 31 August 2025 and 2024, respectively. CFA Institute accrues for incentive compensation and the related 401(k) contribution. Accruals for the related 401(k) contribution of \$874,000 and \$912,000 were made as of 31 August 2025 and 2024, respectively.

CFA Institute also has defined contribution plans for employees in its international operations. Contribution expense for these defined contribution plans totaled \$2,247,000 and \$1,992,000 for the years ended 31 August 2025 and 2024, respectively. Accruals for these plans of \$332,000 and \$311,000 were made as of 31 August 2025 and 2024, respectively.

10. Deferred compensation

CFA Institute maintains a deferred compensation program for participating key employees. Liabilities for the deferred compensation program of \$2,307,000 and \$2,395,000 were recorded as of 31 August 2025

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

and 2024, respectively, and are classified as non-current employee-related liabilities on the consolidated statements of financial position.

11. Finance liability

In July 2023, CFA Institute completed a sale and partial leaseback transaction of its Charlottesville headquarters building for net proceeds of \$21,191,000. The organization leased back select floors for a ten year term. CFA Institute assessed whether a contract existed and whether there was a performance obligation to transfer control of the asset when determining whether the transfer of the property shall be accounted for as a sale of the asset. CFA Institute determined the portion of the transaction related to the land and the portion of the building it will not lease back met the criteria to be accounted for as a sale. CFA Institute disposed of assets of \$25,488,000. Loss on sale was \$6,255,000 and was recorded in operating expenses in fiscal year 2023. CFA Institute determined the portion of the transaction related to the leased back portion of the building did not meet the requirements for a sale under the failed sale leaseback accounting model. For accounting purposes, CFA Institute is therefore deemed to own this part of the building and reflects it on the consolidated statement of financial position in property and equipment, net and will continue to depreciate the asset over the lease term. CFA Institute recorded a liability for the amount received related to the partial leaseback and has imputed an interest rate of 14.80% so the net carrying amount of the finance liability and remaining asset will be zero at the end of the lease term.

Minimum principal payments are as follows (in thousands):

	2025
2026	\$ 384
2027	480
2028	593
2029	725
2030	879
Thereafter	3,563
Total principal payments	<u>\$ 6,624</u>

12. Revenue

CFA Institute earns its primary revenue from examination fees, enrollment fees, member dues, and educational product sales. Substantially all of CFA Institute's revenues, with the exception of contributions, are generated from contracts with customers. Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration CFA Institute expects to be entitled to in exchange for those goods or services.

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

CFA Institute determines revenue recognition through the five-step model prescribed by ASC 606 as follows: (1) identify the contract, or contracts, with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when, or as, CFA Institute satisfies a performance obligation.

Credentialing and certificate programs, as reflected on the consolidated statement of activities, are net of CFA and CIPM certificate examination scholarships. CFA Institute has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities that are both imposed on and concurrent with specific revenue-producing transactions and collected by the entity from customers (e.g. sales, use, value added, and excise taxes). Fees paid by candidates are due at time of registration and are nonrefundable.

The following table disaggregates CFA Institute's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the years ended 31 August 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>
Performance obligations satisfied at a point in time	\$ 190,440	\$ 212,370
Performance obligations satisfied over time	221,076	\$ 155,287
Total operating revenues from contracts with customers	<u>\$ 411,516</u>	<u>\$ 367,657</u>

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in ASC 606. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service in the contract and recognized as revenue when, or as, the performance obligation is satisfied. When not directly observable, the primary method used to estimate standalone selling price is the market assessment approach, under which CFA Institute evaluates the market and estimates the price that a customer would be willing to pay for the goods and services provided.

Performance obligations for CFA Program, CIPM Program, and the CFA Institute Sustainable Investing Certificate examination fees (included in operating revenue from credentialing programs in the accompanying consolidated statement of activities) are recognized at a point in time when the candidates' grades are delivered. LES, PSM and Practice Pack curriculum revenue is recognized over time from the date of purchase to the respective exam's grade release date. Other educational product sales are recognized as revenue when those products are shipped or otherwise made available to the customer.

One-time candidate enrollment fees (included in credentialing programs on the accompanying consolidated statement of activities) were non-refundable upfront fees granting candidates a material right in the form of options to register for an unlimited number of CFA Program exams. Management elected to use the practical alternative to determine the standalone selling price of the option. Under the practical alternative, the enrollment fee was recognized according to the standalone selling price of each of the expected performance obligations. Enrollment revenue was recognized proportionally to the number of exams the average candidate was expected to sit. CFA Institute estimated a candidate would remain

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

active in CFA Program for approximately three years and sit for three exams. CFA Institute aligned the recognition of the enrollment fee portfolio to each exam's grade delivery date (i.e. the exam's performance obligation). This accounting treatment remained applicable until the enrollment fee was eliminated, as described below.

In April 2025, CFA Institute eliminated the enrollment fee for candidates registering for CFA Program exams scheduled for February 2026 and beyond. As of the fiscal year ended 31 August 2025, all previously deferred enrollment fee revenue had been fully recognized.

Performance obligations related to membership dues are satisfied over time and thus recognized as revenue on a straight-line basis over the period in which benefits are provided, which is generally the membership year.

Contract balances

The timing of cash collections and revenue recognition results in deferred revenue (contract liabilities) on the consolidated statement of financial position. Substantially all the current and non-current deferred revenue balances on the accompanying consolidated statement of financial position as of 31 August 2025 and 2024 consisted of contract liabilities.

13. Functional expenses

Expenses by functional classification for the years ended 31 August 2025 and 2024 consisted of the following (in thousands):

	Program Services			Supporting Services		FY 2025 Total
	Credentialing and Certificates	Member Value	Industry Engagement	Management and General		
Salaries, Wages and Benefits	\$ 31,045	\$ 32,707	\$ 11,168	\$ 39,472	\$ 114,392	
Cost of Sales	5,904	21	—	—	5,925	
Professional and Contract Services	57,919	14,891	5,223	42,913	120,946	
Facility and Equipment	1,125	4,713	406	2,506	8,750	
Travel Expenses	1,945	3,463	668	3,556	9,632	
Grants and Sponsorships	140	14,198	315	320	14,973	
Advertising	8,112	984	21	7,463	16,580	
Bank Charges and Merchant Fees	10,267	2,734	14	107	13,122	
Postage, Printing and Supplies	275	920	64	373	1,632	
Utilities	213	262	74	477	1,026	
Depreciation and Amortization	8,591	1,191	257	1,711	11,750	
Insurance, Taxes, Interest, and Other	611	869	368	5,222	7,070	
Total	\$ 126,147	\$ 76,953	\$ 18,578	\$ 104,120	\$ 325,798	

	Program Services			Supporting Services		FY 2024 Total
	Credentialing and Certificates	Member Value	Industry Engagement	Management and General		
Salaries, Wages and Benefits	\$ 28,249	\$ 29,229	\$ 12,078	\$ 39,561	\$	109,117
Cost of Sales	5,764	33	—	—		5,797
Professional and Contract Services	56,637	25,900	5,062	26,972		114,571
Facility and Equipment	1,067	1,837	401	2,499		5,804
Travel Expenses	1,372	2,306	411	2,400		6,489
Grants and Sponsorships	2	14,794	489	145		15,430
Advertising	8,380	—	—	4,813		13,193
Bank Charges and Merchant Fees	9,359	2,562	15	135		12,071
Postage, Printing and Supplies	194	1,027	45	295		1,561
Utilities	267	331	97	653		1,348
Depreciation and Amortization	7,431	1,211	299	1,886		10,827
Insurance, Taxes, Interest, and Other	963	631	282	5,273		7,149
Total	\$ 119,685	\$ 79,861	\$ 19,179	\$ 84,632	\$	303,357

In the above analysis, certain costs that benefit all functions have been allocated from management and general to program services. Supporting activity costs are allocated using the following methods:

<u>Supporting Activity</u>	<u>Allocation Method</u>
Facility Operations	Headcount
Information Technology	Headcount
Travel Support and Event Management	Virtual and In Person Meetings
Global Contact Center	Contacts by Customer

14. Liquidity resources

CFA Institute maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Operational cash not needed for immediate or short-term use is invested in U.S. government securities and certificates of deposit. Funds determined to exceed operational cash requirements and which are not needed for strategic or other specific purposes, may be transferred to long-term reserves and invested appropriately. Working capital is also maintained in non-U.S. bank accounts to support international operations. Where appropriate, any surplus working capital maintained in international bank accounts is invested in time deposits.

CFA Institute

Notes to Consolidated Financial Statements

31 August 2025 and 2024

CFA Institute's financial assets available within one year of the consolidated statements of financial position dated 31 August 2025 and 2024 for general expenditures are as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 354,988	\$ 285,276
Investments	650,835	589,821
Receivables, net	3,433	1,263
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,009,256</u>	<u>\$ 876,360</u>

15. Supplemental disclosure of cash flows information

Supplemental cash flows information for the years ended 31 August 2025 and 2024 consisted of the following (in thousands):

	<u>2025</u>	<u>2024</u>
Cash paid during the year for interest	\$ 1,005	\$ 1,044
Cash paid during the year for income taxes	\$ 664	\$ 407
Purchases of property and equipment included in accounts payable	\$ 2	\$ 42
Purchases of intangible assets included in accounts payable	\$ 304	\$ 834
Noncash recognition of operating lease right-of-use assets in exchange for new operating lease liabilities	\$ 151	\$ 422
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 3,100	\$ 3,089

16. Commitments and contingencies

The Foundation awards grants to individuals subject to completion of their respective research projects. Unpaid grants, subject to this condition, totaled \$35,000 and \$5,000 as of 31 August 2025 and 2024, respectively. Due to the conditional nature of these unpaid grants, they are not accrued in the accompanying consolidated statements of financial position. (see Note 2, Board designated net assets.)

CFA Institute has available a revolving line of credit for \$25,000,000 with a bank for short-term borrowings, of which any outstanding balance carries interest at the 1-month Term SOFR plus 90 basis points. For committed but unused amounts, CFA Institute was charged a commitment fee of 0.20% through 28 March 2024 and is now charged 0.15%. The line of credit expires on 27 March 2026 and has a financial covenant where CFA Institute must maintain unrestricted and unencumbered liquidity of \$125,000,000, which CFA Institute complied with as of 31 August 2025 and 2024. No amounts were outstanding as of 31 August, 2025 or 2024.

17. Risks and uncertainties

During the COVID-19 global pandemic, CFA Institute postponed the June 2020 CFA Program exams, and certain subsequent exam administrations were cancelled. When the pandemic occurred, CFA Institute held a custom business-interruption insurance policy that provided coverage for expenses incurred related to the June 2020 exam, additional costs incurred from June 2020 through July 2021 as a result of exam postponements, and revenue loss for candidates registered for the June 2020 exam who did not return to the program within thirteen months. In total, CFA Institute received approximately \$15.8 million under this policy, including a final payment of \$3,355,000 during the year ended 31 August 2024, when the related insurance claim was settled. These receipts were included in other operating revenues in the consolidated statements of activities during the fiscal year they were received. There were no remaining uncertainties or continuing financial impacts related to the COVID-19 pandemic as of 31 August 2025.

18. Subsequent events

CFA Institute has assessed the impact of subsequent events through 03 December 2025, the date the consolidated financial statements were available to be issued, and has concluded that no such events require adjustment to the consolidated financial statements.

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