CFA Institute®

Curriculum Errata Notice

2026 Level II CFA Program

Issue date: February 2026

Welcome to the Curriculum Errata Notice.

We review and confirm potential errors to ensure you can study with confidence. This notice includes reported issues that could affect your understanding, such as miscalculations, incorrect explanations, or mislabeled exhibits.

For the most current information, regularly check the Learning Ecosystem (Canvas) or this document. Due to the nature of our publishing process, corrections may not appear immediately in our printed materials.

In this document, you will find:

- Table of Contents by Course
- New Errata marked since the last notice
- Full list of errata organized by Course

If you spot something that seems incorrect, please let us know: cfainst.is/errata. Every report is carefully reviewed and investigated by our subject matter experts.

Good luck with your studies!

New errata

Here are new posted errata since our last issue. You'll also find these same errata listed in the "Complete list of errata" below.

Revised	Course, Module	Lesson	Location (PDF)	Replace	With
8 Jan 2026	Equity Valuation 2: Discounted Dividend Valuation	2.05 The Gordon Growth Model: Other Issues	Pages 75 & 76 Question 2 Solution	Using Trice's assumptions, the Gordon growth model assigns a value of 3.85(1.0425)/(0.05 − 0.0425) = €297.31, which is above the current market price of €242.70.	Using Trice's assumptions, the Gordon growth model assigns a value of 3.85(1.0425)/(**0.056** − 0.0425) = €297.31, which is above the current market price of €242.70.
14 Jan 2026	Corporate Issuers 3: Cost of Capital: Advanced Topics	3.05 The Cost of Equity (Required Return on Equity)	Page 133 Equation 19	$r_e = r_f + \beta_{peer}(\text{ERP}) + \text{SP} + \text{SCRP}$	$r_e = r_f + \beta\textbf{(ERP)} + \text{SP} + \textbf{IP} + \textbf{SCP}$

26 Jan 2026	Financial Statement Analysis 5: Evaluating Quality of Financial Reports	5.05 M&A Issues and Divergence from Economic Reality	Page 301	An example is research and development (R&D) expense. Accounting standards do not permit the capitalization of expenditures for R&D expense, yet R&D produces assets that, in turn, produce future benefits. Accounting standards prohibit R&D's capitalization because of the difficulty in assessing which expenditures will actually produce future benefits and which expenditures will produce nothing.	An example is research and development (R&D) expense. **Under US GAAP, capitalization of R&D expenditure is not permitted, yet R&D produces assets that, in turn, produce future benefits. Under IFRS, research expenditures are, similarly, expensed as incurred. However, development expenditure can be capitalized if, and only if, an entity can demonstrate all of the following: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) its intention to complete the intangible asset and use or sell it; (c) its ability to use or sell the intangible asset; (d) how the intangible asset would generate probable future economic benefits; (e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.**

Complete list of errata

Quantitative Methods

Revised	Module	Lesson	Location (PDF)	Replace	With
19 Aug 2025	1: Basics of Multiple Regression and Underlying Assumptions	1.03 The Basics of Multiple Regression	Page 8 Bullet 2	The change in the bond index return for a given one-unit change in the monthly government bond yield, BY, is –5.0585%, holding CS constant. This means that the bond index has an empirical duration of 5.0585.	The change in the bond index return for a given one-unit change in the monthly government bond yield, BY, is –5.0585%, holding CS constant. This means that the bond index has an **effective** duration of 5.0585.
25 Aug 2025	1: Basics of Multiple Regression and Underlying Assumptions	1.03 The Basics of Multiple Regression	Page 9 Question 3—Solution	$R = 1.534 + 0.5892(1) - 0.8719(4) - 0.0560(-2) = -1.2524$.	$R = 1.534 + 0.5892(1) - 0.8719(4) - 0.0560(-2) =$ **-1.254**.
30 Oct 2025	2: Evaluating Regression Model Fit and Interpreting Model Results	2.02 Goodness of Fit	Page 27 Above Exhibit 1	If the coefficient's *t*-statistic > |1.0|, then R^2 increases. If the coefficient's *t*-statistic < |1.0|, then R^2 decreases.	If the coefficient's **|*t*-statistic|** > 1.0, then R^2 increases. If the coefficient's **|*t*-statistic|** < 1.0, then R^2 decreases.
20 Aug 2025	2: Evaluating Regression Model Fit and Interpreting Model Results	2.02 Goodness of Fit	Page 29 Text after Exhibit 2	(Equation 3)	(Equation **2**)

22 Aug 2025	2: Evaluating Regression Model Fit and Interpreting Model Results	2.03 Testing Joint Hypotheses for Coefficients	Page 41 Knowledge Check—Question 2 Step 5	F = 54.4039, as given in the regression output. (Note small difference vs. MSR/MSE from rounding.)	**F = 54.4029**, as given in the regression output. (Note small difference vs. MSR/MSE from rounding.)
21 Aug 2025	4: Extensions of Multiple Regression	Practice Problems	Page 104 Question 10	Based on the output from with Logistic Regression 1, how will the change in the probability that an ETF will be a winning fund increase if one of the other independent variable values, except for net_assets, is decreased by one unit, holding all else constant?	Based on the output from with Logistic Regression 1, how will the change in the probability that an ETF will be a winning fund increase if **all** independent variable values, except for net_assets, is decreased by one unit, holding all else constant?
22 Aug 2025	4: Extensions of Multiple Regression	Practice Problems	Page 107 Question 10—Solution	Therefore, as the portfolio_bonds variable increases by one unit, it results in a larger increase in profit than the price-to-earnings variable (0.1113 versus 0.0292), since its product is larger than the price-to-earnings product increase by one unit.	Therefore, as the portfolio_bonds variable increases by one unit, it results in a larger increase in profit than the price-to-earnings variable (0.1113 versus 0.0292), since its product is larger than the price-to-earnings product **decreases** by one unit.
20 Aug 2025	5: Time-Series Analysis	5.04 Trend Models and Testing for Correlated Errors	Page 120 Exhibit 10	Regression Statistics R^2 0.9771	Regression Statistics R^2 **0.95**

21 Aug 2025	5: Time-Series Analysis	5.07 Mean Reversion and Multiperiod Forecasts	Page 126 Example 4—Question 1	Analyst Melissa Jones decides to use a time-series model to predict Intel Corporation's gross margin [(Sales − Cost of goods sold)/Sales] using quarterly data from the first quarter of 2003 through the second quarter of 2019. She does not know the best model for gross margin but believes that the current-period value will be related to the previous-period value. She decides to start out with a first-order autoregressive model, AR(1): Gross margint = b0 + b1(Gross margint−1) + εt. Her observations on the dependent variable are 1Q 2003 through 2Q 2019. Exhibit 12 shows the results of estimating this AR(1) model, along with the autocorrelations of the residuals from that model.	Analyst Melissa Jones decides to use a time-series model to predict Intel Corporation's gross margin [(Sales − Cost of goods sold)/Sales] using quarterly data from the first quarter of 2003 through the **first** quarter of 2019. She does not know the best model for gross margin but believes that the current-period value will be related to the previous-period value. She decides to start out with a first-order autoregressive model, AR(1): Gross margint = b0 + b1(Gross margint−1) + εt. Her observations on the dependent variable are 1Q 2003 through **1Q** 2019. Exhibit 12 shows the results of estimating this AR(1) model, along with the autocorrelations of the residuals from that model.
15 Aug 2025	5: Time-Series Analysis	5.07 Mean Reversion and Multiperiod Forecasts	Page 129 Exhibit 13 Table 2	<table><tr><th></th><th>Coefficient</th><th>Standard Error</th><th>*t*-Statistic</th></tr><tr><td>Intercept</td><td>0.13346</td><td>0.2134</td><td>0.6254</td></tr></table>	<table><tr><th></th><th>Coefficient</th><th>Standard Error</th><th>*t*-Statistic</th></tr><tr><td>Intercept</td><td>**1.3346**</td><td>0.2134</td><td>**6.254**</td></tr></table>

Economics

Revised	Module	Lesson	Location (PDF)	Replace	With
15 Aug 2025	1: Currency Exchange Rates: Understanding Equilibrium Value	1.10 The Carry Trade	Page 40 Question 4	A.+0.03% B.+1.53% C.+1.63%	A.+0.03% B.**+1.42%** C.+1.63%
17 Dec 2025	1: Currency Exchange Rates: Understanding Equilibrium Value	1.13 Monetary and Fiscal Policies	Page 54 Exhibit 6	The Mundell-Fleming and portfolio balance models can be combined into a single integrated framework in which expansionary fiscal policy under conditions of high capital mobility may be positive for a currency in the short run but negative in the long run. Exhibit 6 illustrates this concept. A domestic currency may rise in value when the expansionary fiscal policy is first put into place. Exhibit 6: The Short- and Long-Run Response of Exchange Rates to Changes in Fiscal Policy	The Mundell–Fleming and portfolio balance models can be combined into a single integrated framework in which expansionary fiscal policy under conditions of high capital mobility may be positive for a currency in the short run but negative in the long run**. A domestic currency may rise in value when the expansionary fiscal policy is first put into place.** **Delete Exhibit 6**

<table>
<tr>
<td>4 Dec 2025</td>
<td>2: Economic Growth</td>
<td>2.10 Theories of Growth</td>
<td>Page 125 Example 10</td>
<td>Move table from Question 2 in Example 10 to right after the sentence “Given the following data, address these questions:”
<table>
<tr><th></th><th>Labor Cost in Total Factor Cost (%)</th><th>TFP Growth (%)</th><th>Labor Force Growth (%)</th></tr>
<tr><td>China</td><td>56.1</td><td>2.9</td><td>1.2</td></tr>
<tr><td>Japan</td><td>53.8</td><td>0.2</td><td>0.0</td></tr>
<tr><td>Ireland</td><td>57.4</td><td>0.9</td><td>0.3</td></tr>
</table>
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</tr>
</table>

Financial Statement Analysis

Revised	Module	Lesson	Location (PDF)	Replace	With
26 Aug 2025	1: Intercorporate Investments	1.02 Basic Corporate Investment Categories	Page 5 Exhibit 1	Remove last row in table.	

24 Nov 2025	1: Intercorporate Investments	1.08 The Consolidation Process	Pages 34-35 Goodwill Impairment	Under US GAAP, at the time of acquisition, the total amount of goodwill recognized is allocated to each of the acquirer's reporting units. A reporting unit is an operating segment or component of an operating segment that is one level below the operating segment as a whole. Goodwill impairment testing is then conducted under a two-step approach: identification of impairment and then measurement of the loss. First, the carrying amount of the reporting unit (including goodwill) is compared to its fair value. If the carrying value of the reporting unit exceeds its fair value, potential impairment has been identified. The second step is then performed to measure the amount of the impairment loss. The amount of the impairment loss is the difference between the implied fair value of the reporting unit's goodwill and its carrying amount. The implied fair value of goodwill is determined in the same manner as in a business combination (it is the difference between the fair value of the reporting unit and the fair value of the reporting unit's assets and liabilities). The impairment loss is applied to the goodwill that has been allocated to the reporting unit.	Under US GAAP, at the time of acquisition, **there is a process to allocate goodwill to each of the acquirer's reporting units (A reporting unit is an operating segment or component of an operating segment that is one level below the operating segment as a whole). Prior to 2017, there was a two-step process to measure goodwill impairment: the fair value of the reporting unit was compared to its carrying amount. If the fair value was less, one would calculate the implied goodwill and recognize impairment as: Impairment = Recorded Goodwill – Implied Goodwill. Post ASU 2017-04, under ASC 350 if the carrying value of the reporting unit exceeds its fair value, goodwill impairment is simply measured as the difference.**

18 Aug 2025	2: Employee Compensation: Post-Employment and Share-Based	2.04 Share-Based Compensation Tax and Share Count Effects, Note Disclosures	Page 76 Discussion Box	Discussion box removed from curriculum.	
31 Oct 2025	2: Employee Compensation: Post-Employment and Share-Based	2.06 Financial Reporting for Post-Employment Benefits	Page 92 Under "Pension obligation"	If the funded status is negative, the plan is an overfunded plan…	If the funded status is negative, the plan is an **underfunded** plan…
3 Nov 2025	2: Employee Compensation: Post-Employment and Share-Based	2.06 Financial Reporting for Post-Employment Benefits	Page 95 Example 10 Question 1	**Financial Statement** / **Impact** / **Note** Income Statement / Operating expense 5 million / Service costs. No interest costs because the beginning plan obligation is zero. Statement of Stockholders' Equity / Remeasurements of – 2.13 million / Difference in actual return on plan assets from net interest income.	**Financial Statement** / **Impact** / **Note** Income Statement / Operating expense 5 million / **Service costs 5 million and net interest income 14.2 million (2% x 710 million).** **Financing income 14.2 million** Statement of Stockholders' Equity / **Remeasurements of – 35.5 million** / **Difference in actual return on plan assets (-21.3 million) from net interest income (14.2 million).**

4 Dec 2025	2: Employee Compensation: Post-Employment and Share-Based	2.06 Financial Reporting for Post-Employment Benefits	Page 95 Example 10 – Solution to 2	Statement of Stockholder's Equity	Remeasurements of 30.3 million	Difference between actual return on plan assets and net interest income	Statement of Stockholder's Equity	Remeasurements of **32.24** million	**Difference between actual return on plan assets [5% of 1,010] and net interest income [2% of (1,010 – benefit obligation of 97 = 913)]**
4 Dec 2025	2: Employee Compensation: Post-Employment and Share-Based	2.06 Financial Reporting for Post-Employment Benefits	Page 95 Example 10 – Solution to 2	Balance Sheet	Net pension asset of 952.6 million	Beginning net pension asset of 913 million adjusted by return on plan assets, service costs, and interest costs (benefits paid is neutral to funded status).	Balance Sheet	Net pension asset of **952.56** million	**Beginning total pension assets of 1,010 + return of 50.5 - benefits paid of 5 = 1,055.5, then deduct benefit obligations of 97 + service cost of 5 + interest on benefits obligation of 1.94 (2% of 97) - benefits paid of 5 = 102.94. Net is 1,055.5 - 102.94 = 952.56**

2 Sept 2025	2: Employee Compensation: Post-Employment and Share-Based	2.06 Financial Reporting for Post-Employment Benefits	Pages 96-97 Exhibit 8	IFRS Component Service costs	IFRS Recognition Recognized in P&L. Past service costs	US GAAP Component Current service costs Recognized in OCI and subsequently amortized to P&L over the service life of employees	US GAAP Recognition Recognized in P&L.	IFRS Component Service costs	IFRS Recognition Recognized in P&L.	US GAAP Component Current service costs **Past service costs**	US GAAP Recognition Recognized in P&L. **Recognized in OCI and subsequently amortized to P&L over the service life of employees**
24 Nov 2025	3: Multinational Operations	Practice Problems	Page 180 Exhibit 2 Note 2	Add to Note 2: Ambleu's consolidated income tax rate decreases by 2.29%, from 34.94% (=94/269) in 2016 to 32.65% (=96/294) in 2017. The largest component of the decrease stems from the 1.42% change in the effect of tax rates in non-domestic jurisdictions, which lowers Ambleu's consolidated income tax rate in 2016 by 3.34% (=9/269) and in 2017 by 4.76% (=14/294).							

New: 26 Jan 2026	5: Evaluating Quality of Financial Reports	5.05 M&A Issues and Divergence from Economic Reality	Page 301	An example is research and development (R&D) expense. Accounting standards do not permit the capitalization of expenditures for R&D expense, yet R&D produces assets that, in turn, produce future benefits. Accounting standards prohibit R&D's capitalization because of the difficulty in assessing which expenditures will actually produce future benefits and which expenditures will produce nothing.	An example is research and development (R&D) expense. **Under US GAAP, capitalization of R&D expenditure is not permitted, yet R&D produces assets that, in turn, produce future benefits. Under IFRS, research expenditures are, similarly, expensed as incurred. However, development expenditure can be capitalized if, and only if, an entity can demonstrate all of the following: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) its intention to complete the intangible asset and use or sell it; (c) its ability to use or sell the intangible asset; (d) how the intangible asset would generate probable future economic benefits; (e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.**

Corporate Issuers

Revised	Module	Lesson	Location (PDF)	Replace	With
New: 14 Jan 2026	3: Cost of Capital: Advanced Topics	3.05 The Cost of Equity (Required Return on Equity)	Page 133 Equation 19	$r_e = r_f + \beta_{peer}(\text{ERP}) + \text{SP} + \text{SCRP}$	$r_e = r_f + \beta\textbf{(ERP)} + \text{SP} + \textbf{IP} + \textbf{SCP}$
1 Aug 2025	3: Cost of Capital: Advanced Topics	3.07 Mini-Case 2	Page 150 Knowledge Check – Question 4 Solution 2	r_e = rf + ERP + SP + SCRP + CRP r_e = 5.41% + 6% + 5% + 6% + 2% = 24.41%	r_e = rf + ERP + SP + **IP** + SCRP + CRP r_e = 5.41% + 6% + 5% +**1%** + 6% + 2% = **25.41%**
18 Aug 2025	3: Cost of Capital: Advanced Topics	3.07 Mini-Case 2	Page 150 Knowledge Check— Solution to 5	= (0.1749)(0.07096)(1 − 0.20) + (0.8251)(0.2441) = 0.2113, or 21.13%	= (0.1749)(**0.0887**)(1 − 0.20) + (0.8251)(0.2441) = **0.2138**, or **21.38**%
17 Nov 2025	4: Corporate Restructuring	4.03 Evaluating Corporate Restructurings	Page 178 Question 4 Solution	However, Wang's colleague could be correct if leverage, for example, is substantially higher for the Media segment spin off than for its peers, which could increase its cost of capital and thus its overall enterprise value.	However, Wang's colleague could be correct if leverage, for example, is substantially higher for the Media segment spin off than for its peers, which could **decrease** its cost of capital and thus its overall enterprise value.

Equity Valuation

Revised	Module	Lesson	Location (PDF)	Replace	With
19 Aug 2025	2: Discounted Dividend Valuation	2.03 The Gordon Growth Model	Page 73 Under Equation 12	If prices reflect value (P0 = V0), P0 less E1/r gives the market's estimate of the company's value of growth, PVGO. Referring back to Example 6, suppose that MSEX is expected to have average EPS of $1.52 if it distributed all earnings as dividends. Its required return of 6.8% and a current price of $43.20 gives $43.20 = ($1.52/0.068) + PVGO = $22.42 + PVGO and PVGO = $43.20 − $22.42 = $20.78. So, 48% ($20.78/$43.20 = 0.48) of the company's value, as reflected in the market price, is attributable to the value of growth.	If prices reflect value (P0 = V0), P0 less E1/r gives the market's estimate of the company's value of growth, PVGO. Referring back to Example 6, suppose that MSEX is expected to have average EPS of $1.52 if it distributed all earnings as dividends. Its required return of 6.8% and a current price of $43.20 gives $43.20 = ($1.52/0.068) + PVGO = **$22.35** + PVGO and PVGO = $43.20 − **$22.35** = $20.78. So, 48% ($20.78/$43.20 = 0.48) of the company's value, as reflected in the market price, is attributable to the value of growth.
New: 8 Jan 2026	2: Discounted Dividend Valuation	2.05 The Gordon Growth Model: Other Issues	Pages 75 & 76 Question 2 Solution	Using Trice's assumptions, the Gordon growth model assigns a value of 3.85(1.0425)/(0.05 − 0.0425) = €297.31, which is above the current market price of €242.70.	Using Trice's assumptions, the Gordon growth model assigns a value of 3.85(1.0425)/(**0.056** − 0.0425) = €297.31, which is above the current market price of €242.70.

30 Oct 2025	2: Discounted Dividend Valuation	Solutions	Page 117 Question 3	B is correct. $V_8/E_8 = 17$ $D_8/E_8 = 1 - 0.70 = 0.30$ From the table with the calculation details for the solution to Problem 22, D_8 = C$0.4992. So, 0.4992/ E_8 = 0.30, which means that E_8 = 0.4992/0.30 = 1.6640.	B is correct. $V_8/E_8 = 17$ $D_8/E_8 = 1 - 0.70 = 0.30$ From the table with the calculation details for the solution **to Problem 1**, D_8 = C$0.4992. So, 0.4992/ E_8 = 0.30, which means that E_8 = 0.4992/0.30 = 1.6640.
30 Oct 2025	2: Discounted Dividend Valuation	Solutions	Page 117 Question 4	A is correct. As computed earlier, V_8 = 17(1.6640) = C$28.2880. PV of V_8 = $28.2880/1.0872^8$ = 14.4919 From the table with the calculation details for the solution to Problem 22…	A is correct. As computed earlier, V_8 = 17(1.6640) = C$28.2880. PV of V_8 = $28.2880/1.0872^8$ = 14.4919 From the table with the calculation details for the solution to **Problem 1**…
31 Oct 2025	4: Market-Based Valuation: Price and Enterprise Value Multiples	4.12 Monumentum Valuation Indicators	Page 298 Question 2-- Solution	The December 2019 RSTR for the STOXX Europe 50 Index ends at 0.885, which is 2.7% lower than its value for the prior month (0.909).	The December **2018** RSTR for the STOXX Europe 50 Index ends at 0.885, which is 2.7% lower than its value for the prior month (0.909).
19 Aug 2025	5: Residual Income Valuation	5.03 Single-Stage and Multistage Residual Income Valuation	Page 358 Example 10	Total value is ZL$86.26, calculated by adding the present value of the terminal value, ZL$5.33, to $ZL83.93 (the sum of the PV of residual income in the first 19 years).	Total value is **ZL$89.26**, calculated by adding the present value of the terminal value, ZL$5.33, to $ZL83.93 (the sum of the PV of residual income in the first 19 years).

<table>
<tr>
<td>20 Oct 2025</td>
<td>5: Residual Income Valuation</td>
<td>5.06 Accounting Considerations: Other</td>
<td>Page 373 Example 14—Question 2</td>
<td>
<table>
<tr><th></th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr>
<tr><td>RI = (NI + OCI) – (SE_{t-1} x r)</td><td>$1.14</td><td>$0.45</td><td>$2.30</td><td>$2.00</td><td>$2.77</td></tr>
</table>
So, the estimated value using the RI model, with residual income based on net income adjusted for OCI, is
$$V_0 = \$8.58 + \frac{\$1.14}{(1.10)^1} + \frac{\$.45}{(1.10)^2} + \frac{\$2.30}{(1.10)^3} + \frac{\$2.00}{(1.10)^4} + \frac{\$2.77}{(1.10)^5} + \frac{\$68.40 - \$22.04}{(1.10)^5}$$
$$V_0 = \$8.58 + 35.01 = \$43.59$$
</td>
<td>
<table>
<tr><th></th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr>
<tr><td>RI = (NI + OCI) – (SE_{t-1} x r)</td><td>$1.14</td><td>$2.45</td><td>$2.30</td><td>$2.00</td><td>$2.77</td></tr>
</table>
So, the estimated value using the RI model, with residual income based on net income adjusted for OCI, is
$$V_0 = \$8.58 + \frac{\$1.14}{(1.10)^1} + \frac{\mathbf{\$2.45}}{(1.10)^2} + \frac{\$2.30}{(1.10)^3} + \frac{\$2.00}{(1.10)^4} + \frac{\$2.77}{(1.10)^5} + \frac{\$68.40 - \$22.04}{(1.10)^5}$$
$$V_0 = \$8.58 + \mathbf{\$36.67} = \mathbf{\$45.24}$$
</td>
</tr>
<tr>
<td>25 Nov 2025</td>
<td>6: Private Company Valuation</td>
<td>6.07 Private Company Valuation Approaches</td>
<td>Page 437 Example 8—Question 2</td>
<td>Determine how Carrenza’s CCF estimate changes if the expected growth rate is 2% instead.</td>
<td>Determine how Carrenza’s CCF estimate changes if the expected growth rate slows to 2% after 1 year.</td>
</tr>
<tr>
<td>25 Aug 2025</td>
<td>6: Private Company Valuation</td>
<td>6.07 Private Company Valuation Approaches</td>
<td>Page 437 Example 8—Solution to 2</td>
<td>$$\text{Firm Value}_t = \frac{\text{BRL}15,750,000}{0.142 - 0.02}$$</td>
<td>$$\text{Firm Value}_t = \frac{\text{BRL}15,\mathbf{300},000}{0.142 - 0.02}$$</td>
</tr>
</table>

1 Sept 2025	6: Private Company Valuation	6.08 Private Company Valuation: Income-Based Approach	Page 449 Step 3—FLI FCFF and Terminal Value Forecasts (SGD millions) Table	Terminal Value = 142.680	Terminal Value = **141.295**

Fixed Income

Revised	Module	Lesson	Location (PDF)	Replace	With
3 Nov 2025	1: The Term Structure and Interest Rate Dynamics	1.01 Spot Rates, Forward Rates, and the Forward Rate Model	Page 7 Equation 3	$DF_{A,B-A} = \frac{1}{\left(1 + F_{A,B-A}\right)^{B-A}}$	$DF_{A,B-A} = \frac{1}{\left(1 + \boldsymbol{f}_{A,B-A}\right)^{B-A}}$
1 Aug 2025	1: The Term Structure and Interest Rate Dynamics	1.05 The Swap Spread and Spreads as a Price Quotation Convention	Page 30 Paragraph under Exhibit 7	As market participants transition away from survey-based Libor to alternative benchmarks based on actual transaction data, the secured overnight financing rate (SOFR), or overnight cash borrowing rate collateralized by US Treasuries, has gained prominence and is expected to replace Libor in the future.	As market participants transition away from survey-based Libor to alternative benchmarks based on actual transaction data, the secured overnight financing rate (SOFR), or overnight cash borrowing rate collateralized by US Treasuries, has gained prominence and **has replaced** Libor.
19 Aug 2025	5: Credit Default Swaps	5.05 Application of CDS	Page 298 Last Sentence—6th Paragraph	In buying protection without owning the underlying, the investor is taking a position that the entity's credit quality will improve.	In buying protection without owning the underlying, the investor is taking a position that the entity's credit quality will **deteriorate.**

Derivatives

Revised	Module	Lesson	Location (PDF)	Replace	With
31 Oct 2025	2: Valuation of Contingent Claims	2.10 BSM Model: Carry Benefits and Applications	Page 118 Question 3	C is correct. The BSM model option value will be different because d1, d2, and the stock component are all adjusted for dividends.	A is correct. The BSM model option value **Equations (12) and (13) become Equations (10) and (11) when the stock does not pay a dividend.**

Alternative Investments

Revised	Module	Lesson	Location (PDF)	Replace	With
5 Aug 2025	1: Introduction to Commodities and Commodity Derivatives	1.09 Contango, Backwardation, and the Roll Return	Page 38 Paragraph Under Exhibit 14	However, since 2010, the emergence of shale oil production in the United States has increased oil's convenience yield to the point that historical scarcity risk is much lower than before.	However, since 2010, the emergence of shale oil production in the United States has **decreased** oil's convenience yield to the point that historical scarcity risk is much lower than before.
11 Aug 2025	2: Overview of Types of Real Estate Investment	2.02 Real Estate Investment Features	Page 105 Equation 17	$R_t = \frac{R_t^*}{a} + \left(\frac{1-a}{a}\right) R_{t-1}^*.$	$R_t = \frac{R_t^*}{a} - \frac{\mathbf{1-a}}{\mathbf{a}} R_{t-1}^*.$

Portfolio Management

Revised	Module	Lesson	Location (PDF)	Replace	With
25 Nov 2025	1: Economics and Investment Markets	1.24 Commercial Real Estate in	Page 72 Number 1	1.a developed-economy government tenant that agrees to pay rental income that is indexed to inflation (1 + lt,s)	1.a developed-economy government tenant that agrees to pay rental income that is indexed to inflation (1 + lt,s) **(note: in this case the expected cash flows should be expressed in real terms)**
4 Nov 2025	5: Measuring and Managing Market Risk	5.03 The Parametric Method of VaR Estimation	Page 259 Below grey box	With the distribution centered at the expected return of 0.0384% and a one standard deviation move equal to 0.996%, a 5% VaR is obtained by identifying the point on the distribution that lies 1.65 standard deviations to the left of the mean.	With the distribution centered at the expected return of 0.0384% and a one standard deviation move equal to **0.010112**%, a 5% VaR is obtained by identifying the point on the distribution that lies 1.65 standard deviations to the left of the mean.

Ethical and Professional Standards

Revised	Module	Lesson	Location (PDF)	Replace	With

Glossary

Revised	Location (PDF)	Replace	With
25 Aug 2025	G-20	Tokenization: The process of representing ownership rights to physical assets on a blockchain or distributed ledger.	Tokenization: The process of **splitting a given text into separate tokens**.