CFA Institute®

Curriculum Errata Notice

2027 Level I CFA Program

Issue date: May 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.

All the best as you continue your studies!

Table of Contents

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

Complete list of errata

Quantitative Methods

Revised	Module	Lesson	Location (PDF)	Replace	With
31 Apr 2026	1: Returns of Financial Assets and Instruments	1.02 Financial Returns	Page 12 Under Equation 5	Insert the following: We also note that, for an investment vehicle with no intermediate cash flows, we can simply calculate the average geometric return by dividing the **terminal value** by the starting value. $1+\overline{r}_{Gi}=\sqrt[T]{\frac{\text{Terminal Value}}{\text{Starting Value}}}$ Terminal value often refers to the residual value of an investment at a date post receiving of intermediate cash flows—it is a key concept in equity valuation that we will cover later in this learning module.	
12 Mar 2026	1: Returns of Financial Assets and Instruments	1.02 Financial Returns	Page 14 Exhibit 7	$\overline{r}_{Gi}=\sqrt[T]{(1+r_{i1})x(1+r_{i2})x\ldots x(1+r_{i,T-1})x(1+r_{iT}}$ $=[(1+r_{2017})x(1+r_{2018})x\ldots x(1+r_{2022})x(1+r_{2023})]^{\frac{1}{7}}-1$ $=[(1+0.2881)x(1+0.3130)x(1+0.6037)x(1+0.8200)x(1-0.2292)x(1-0.3857)]^{\frac{1}{7}}-1$	$\overline{r}_{Gi}=\sqrt[T]{(1+r_{i1})x(1+r_{i2})x\ldots x(1+r_{i,T-1})x(1+r_{iT}}$ $=[(1+r_{2017})x(1+r_{2018})x\ldots x(1+r_{2022})x(1+r_{2023})]^{\frac{1}{7}}-1$ $=[(1+0.2881)x(1+0.3130)x(1+0.6037)x(1+0.8200)x(1-0.2292)x(1-0.3857)]^{\frac{1}{7}}-1$ $=[\mathbf{1.2881x1.3130x1.6037x1.8200x0.6809x0.7708x0.6143}]\text{^}(\mathbf{1/7})-\mathbf{1}$ $=[\mathbf{1.5915}]^{\frac{1}{7}}-\mathbf{1}=\mathbf{6.86}\%$

15 Apr 2026	3: Benchmark Returns	3.03 Index Definition and Calculation	Page 89 Exhibit 6	1.The objective of the index • Specifying the market or sector 2.The selection of constituents • Selection based on predefined criteria 3.The weighting methodology • Determines how constituent security price changes affect index value 4.The calculations • The initial date and value to calculate the value and performance of the index 5.The maintenance • Through rebalancing and reconstitution, adjusting the weight and changing constituents • Address the impact of corporate actions • Review and update the index construction process and selection criteria	**1.Specify the objective of the index** • Specifying the market or sector **2. Select constituents** • Selection based on predefined criteria **3.Determine the weighting methodology** • **How constituent security price changes affect index value** **4.Perform calculations** • The initial date and value to calculate the value and performance of the index **5.Perform maintenance for the index** • Through rebalancing and reconstitution, adjusting the weights and changing constituents • Addressing the impact of corporate actions • Reviewing and updating the index construction process and selection criteria

15 Apr 2026	3: Benchmark Returns	3.03 Index Definition and Calculation	Page 90 Second paragraph above Exhibit 7	Total return indexes, which provide a more complete picture by also accounting for reinvested dividends and distributions, are appropriate for benchmarking dividend-paying stocks, long-term investment growth, mutual funds, dividend reinvestment plans, and where reinvested capital distributions contribute significantly to returns.	Total return indexes **provide a more complete picture by also accounting for reinvested dividends and distributions and are therefore appropriate for benchmarking situations where such reinvestments contribute significantly to returns – such as dividend-paying stocks, long-term investment growth, mutual funds, and dividend reinvestment plans.**
12 Mar 2026	8: The Return and Risk of a Financial Portfolio	8.02 Calculating Portfolio Statistics	Page 409 Question 2	$\sigma\rho = (0.0036 + 0.0071 - 0.0101)^{0.5}$ $= 0.0006^{0.5} \approx 0.240$	$\boldsymbol{\sigma\rho = \sqrt{w_1^2\sigma_1^2 + w_2^2\sigma_2^2 + 2w_1w_2\sigma_{1,2}}}$ $\boldsymbol{\sigma\rho}$ $= \sqrt{\mathbf{0.3^2 20\%^2 + 0.7^2 12\%^2 + 20.30.7 -0.240}}$ $\sigma\rho = (0.0036 + 0.0071 - 0.0101)^{0.5}$ $= 0.0006^{0.5} \approx 0.240$

Economics

Revised	Module	Lesson	Location (PDF)	Replace	With
9 Mar 2026	2: Understanding Business Cycles	2.04 Economic Indicators over the Business Cycle	Page 64 Exhibit 9 Inventory sales ratio	Begins to fall as sales recovery outpaces production. Ratio stable. Ratio increases. Signals weakening economy. Ratio begins to fall back to normal.	Begins to fall, **reaching low levels** as sales recovery outpaces production. **Ratio begins to increase and finally restores to a normal level.** Ratio increases**, signalling a weakening economy, and reaches high levels.** Ratio begins to fall back to normal **levels.**
9 Mar 2026	2: Understanding Business Cycles	2.04 Economic Indicators over the Business Cycle	Page 64 Example 2 Question 2	A is correct. When the economy starts to recover, sales of inventories can outpace production, which results in low inventory–sales ratios. Companies then need to accumulate more inventories to restore the ratio to normal level. C is incorrect because in the early stages of a recovery, inventories are likely to fall as sales increase faster than production.	**A is correct. Inventory-sales ratios are low at the end of the Recovery phase, when sales can outpace production. As the economy enters Expansion and production rises rapidly, companies accumulate inventories to restore the ratio to a normal level.**
15 Jan 2026	3: Fiscal Policy	3.05 Fiscal Policy Implementation	Page 102 Question 4	A. An increase in the budget deficit is always expansionary	A. An increase in the budget deficit is **usually** expansionary.

4 May 2026	5: Introduction to Geopolitics	5.03 Forces of Globalization	Page 155 Example 4 Question 1 Solution	Although political cooperation and non-cooperation can be driven by national actors, globalization as the result of economic and financial cooperation is carried out mostly by subnational actors, such as corporations, individuals, or organizations.	Although political cooperation and non-cooperation can be driven by national actors, globalization as the result of economic and financial cooperation is carried out mostly by **non-state** actors, such as corporations, individuals, or organizations.

Corporate Finance

Revised	Module	Lesson	Location (PDF)	Replace	With
2 Feb 2026	4: Working Capital and Liquidity	4.01 Introduction	Pages 98-99 Question 2	A is correct. Forgoing the discount is using the supplier's financing and will result in the issuer stretching out payments on accounts payable, putting less drain on liquidity in the short run. This action increases the issuer's cash conversion cycle.	A is correct. Forgoing the discount is using the supplier's financing and will result in the issuer stretching out payments on accounts payable, putting less drain on liquidity in the short run. This action **decreases** the issuer's cash conversion cycle.

Financial Statement Analysis

Revised	Module	Lesson	Location (PDF)	Replace	With
15 Apr 2026	5: Analyzing Statements of Cash Flows II	Ratios and Common-Size Analysis	Page 161 Exhibit 3	Net cash used for financial activities (2,120)	Net cash used for financial activities **(2,220)**
2 Feb 2026	6: Analysis of Inventories	Practice Problems	Page 207 Question 34 Solution	C is correct. In a period of rising inventory costs, inventory valued using FIFO would have relatively higher values compared to inventory valued using LIFO. Thus, any mark downs of inventory values to NRV would have the least impact on inventories valued using the LIFO method as they are already conservatively valued.	C is correct. In a period of **declining** inventory costs, inventory valued using FIFO would have relatively **lower** values compared to inventory valued using LIFO. Thus, any mark downs of inventory values to NRV would have the least impact on inventories valued using the **FIFO** method.
15 Jan 2026	9: Analysis of Income Taxes	9.03 Deferred Tax Assets and Liabilities	Page 284 Realizability of Deferred Tax Assets	A deferred tax liability may be created only if the company expects to be able to realize the economic benefit of the deferred tax liability in the future.	A deferred tax **asset** may be created only if the company expects to be able to realize the economic benefit of the deferred tax liability in the future.

21 Apr 2026	9: Analysis of Income Taxes	9.05 Presentation and Disclosure	Page 301 Example 6 Question 1	Use the financial statement information and disclosures provided by MU in Exhibit 18–Exhibit 20 to answer the following questions: 1. MU discloses a valuation allowance of USD2,321 million (see Exhibit 20) against gross deferred assets of USD3,782 million in 2017. Does the existence of this valuation allowance have any implications concerning MU's future earnings prospects? Solution: According to Exhibit 20, MU's deferred tax assets expire gradually until 2037 (2018 to 2037 for the net operating loss carryforwards and the tax credit carryforwards).	Use the financial statement information and disclosures provided by MU in Exhibit 18–**Exhibit 22** to answer the following questions: 1. MU discloses a valuation allowance of USD2,321 million (see **Exhibit 22**) against gross deferred assets of USD3,782 million in 2017. Does the existence of this valuation allowance have any implications concerning MU's future earnings prospects? Solution: According to **Exhibit 22**, MU's deferred tax assets expire gradually until 2037 (2018 to 2037 for the net operating loss carryforwards and the tax credit carryforwards).

Equities

Revised	Module	Lesson	Location (PDF)	Replace	With

Fixed Income

<table>
<tr><th>Revised</th><th>Module</th><th>Lesson</th><th>Location (PDF)</th><th>Replace</th><th>With</th></tr>
<tr><td>1 Apr 2026</td><td>1: Fixed-Income Instrument Features</td><td>1.01 Introduction</td><td>Page 4 Question 1</td><td>For example, a bond with a par value of 100 and a coupon rate of 6% paid quarterly would pay coupon payments of 0.06 × 100 = 60/4 = 15 four times per year.</td><td>For example, a bond with a par value of 100 and a coupon rate of 6% paid quarterly would pay coupon payments of (0.06 x 100)/4 = 1.5, four times per year.</td></tr>
<tr><td>16 Dec 2025</td><td>3: Fixed-Income Issuance and Trading</td><td>Solutions</td><td>Page 77 Question 1</td><td>A. Commercial paper – III. Money market funds
B. Secured corporate bonds – II. Hedge funds
C. Unsecured corporate bonds – I. Insurance companies</td><td>A. Commercial paper – III. Money market funds
B. Unsecured corporate bonds – I. Insurance companies
C. Distressed debt – II. Hedge funds</td></tr>
<tr><td>16 Dec 2025</td><td>7: Yield and Yield Spread Measures for Fixed-Rate Bonds</td><td>7.03 Other Yield Measures, Conventions, and Accounting for Embedded Options</td><td>Page 169 Exhibit 4</td><td colspan="2">Added new line in Exhibit
<table>
<tr><td>Issuer:</td><td>Vivivyu Incorporate</td></tr>
<tr><td>Settlement Date:</td><td>[T + 3 Business Days]</td></tr>
<tr><td>Maturity Date:</td><td>[Seven Years from Settlement Date]</td></tr>
<tr><td>Principal Amount:</td><td>US$ 400 million</td></tr>
<tr><td>Price (per 100 of par):</td><td>106.50</td></tr>
<tr><td>Interest</td><td>6.5% fixed coupon</td></tr>
</table></td></tr>
<tr><td>13 Apr 2026</td><td>8: Yield and Yield Spread Measures for Floating-Rate Instruments</td><td>8.03 Yield Measures for Money Market Instruments</td><td>Page 199 Second paragraph</td><td>The sale price for the CD can be calculated using Equation 4 for FV = 20,005,918, Days = 45, Year = 365, and AOR = 0.0012. The sale price is EUR20,004,438.</td><td>The sale price for the CD can be calculated using Equation 4 for FV = 20,005,918, Days = 45, Year = 365, and AOR = 0.0006. The sale price is EUR20,004,438.</td></tr>
</table>

12 Feb 2026	8: Yield and Yield Spread Measures for Floating-Rate Instruments	8.03 Yield Measures for Money Market Instruments	Page 200 Example 3	AOR = 0.00122. The 90-day commercial paper discount rate of 0.10% converts to an add-on rate for a 365-day year of 0.1014%. This converted rate is called a bond equivalent yield, or sometimes just an “investment yield.” A bond equivalent yield is a money market rate stated on a 365-day add-on rate basis. If the risks are the same, BRWA’s CP offers 0.2 bps more in annual return than CFP Bank’s CD.	AOR = **0.001014.** The 90-day commercial paper discount rate of 0.10% converts to an add-on rate for a 365-day year of 0.1014%. This converted rate is called a bond equivalent yield, or sometimes just an "investment yield." A bond equivalent yield is a money market rate stated on a 365-day add-on rate basis. If the risks are the same, **CFP Bank’s CD** offers **1.86** bps more in annual return than **BRWA’s CP**.
9 Dec 2025	9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.02 Maturity Structure of Interest Rates and Spot Rates	Page 220 Question 4 Solution	(1 + 0.095)2	(1 + **0.0095**)2
14 Apr 2026	Fixed Income 9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.03 Par and Forward Rates	Page 224 Example 3	(1+0.0188) x (1+0.0277) = $(1 + Z2)^2$	**$(1+0.0057)^2 \times (1 + IFR_{2,1}) = (1.0080)^3$**

28 Apr 2026	9: The Term Structure of Interest Rates: Spot, Par, and Forward Curves	9.03 Par and Forward Rates	Page 226 Example 4 Question 2	$\frac{100.50}{1.003117 \text{x} 1.008250 \text{x} 1.0012587}$	$\frac{100.50}{1.003117 \text{x} 1.008250 \text{x} 1.012587}$
21 Apr 2026	10: Interest Rate Risk and Return	Solutions	Page 264 Question 2 Solution	The sale price of the bond at the end of six years is = PV(0.054,2,6.40,100,0) = 98.202	The sale price of the bond at the end of six years is = PV(**0.074**,2,6.40,100,0) = 98.202
21 Apr 2026	12: Yield-Based Bond Convexity and Portfolio Properties	Practice Problems	Page 316 Question 1	A 5.5% semiannual-pay fixed-coupon bond is issued at par on 1 May 2025 and matures on 1 May 2029. For a 50 bps increase and decrease in yield-to-maturity, *PV*+ and *PV*– are 99.82283 and 100.177546, respectively. The approximate convexity is *closest* to:	A 5.5% semiannual-pay fixed-coupon bond is issued at par on 1 May 2025 and matures on 1 May 2029. For a **5 bps** increase and decrease in yield-to-maturity, *PV*+ and *PV*– are 99.82283 and 100.177546, respectively. The approximate convexity is *closest* to:
21 Apr 2026	12: Yield-Based Bond Convexity and Portfolio Properties	Solutions	Page 318 Question 1 Solution	B is correct. $ApproxCon = \frac{100.177546 + 99.82283 - (2 \text{x} 100)}{(0.005)^2 \text{x} 100} = 15.04$	B is correct. $ApproxCon = \frac{100.177546 + 99.82283 - (2 \text{x} 100)}{(0.0005)^2 \text{x} 100} = 15.04$

21 Apr 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.01 Introduction	Page 323 Self-Assessment Question 4	If the benchmark yield curve shifted by 50 bps, what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097?	If the benchmark yield curve shifted by **+50 bps,** what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097.
4 May 2026	13: Curve-Based and Empirical Fixed-Income Risk Measures	13.01 Introduction	Page 323 Self-Assessment Question 4 Solution	$\%\Delta PV^{Full} \approx 3.33\%$	$\%\Delta PV^{Full} \approx -3.33\%$

Derivatives

Revised	Module	Lesson	Location (PDF)	Replace	With
1 Apr 2026	9: Option Replication Using Put-Call Parity	9.02 Put-Call Parity	Pages 204 and 205 Exhibits 1 and 3	Exhibit 1: Payoffs at Time for *T* for Two Portfolios Exhibit 3: Portfolio 2 (Protective Put) Payoff at Time *T*	Exhibit **1**: Portfolio 2 (Protective Put) Payoff at Time *T* Exhibit **3**: Payoffs at Time for *T* for Two Portfolios

Alternative Investments

Revised	Module	Lesson	Location (PDF)	Replace	With
27 Jan 2026	2: Alternative Investment Performance and Returns	Solutions	Page 63 Solution—Question 7	C is correct. The management fee for the year is $642 million × 0.02 = $12.84 million. Because the ending gross value of the fund of $642 million exceeds the high-water mark of $610 million, the hedge fund can collect an incentive fee on gains above this high-water mark but net of the hurdle rate of return. The incentive fee calculation becomes {$642 – [$610 × (1 + 0.04)]} × 0.20 = $1.52 million. The net return to the investor for the year is [($642 – $12.84 – $1.52)/$583.1] – 1 = 0.07638 ≈ 7.64%.	C is correct. The management fee for the year is $642 million × 0.02 = $12.84 million. Because the ending gross value of the fund of $642 million exceeds the high-water mark of $610 million, the hedge fund can collect an incentive fee on gains above this high-water mark but net of the hurdle rate of return. The incentive fee calculation becomes **Net Value Post Management Fees = (1-0.02) × $642 = $6.2916 Million.** **Incentive Fee = max(0,[629.16-max(610,1.04 × 583.1)] × 0.2)=$3.832 Million** **Total fees are 3.832+12.84 = $16.672 Million and the final NAV is 642-16.672 = $625.328 Million. So, the net return is 625.328/583.1-1=7.24%**
16 Jan 2026	6: Hedge Funds	6.04 Hedge Fund Investment Risk, Return, and Diversification	Page 171 Under Exhibit 7	The coefficient of variation can be thought of as the price of return in terms of risk or the relative returns adjusted for risk: A higher coefficient of variation provides greater return for the same amount of risk.	The coefficient of variation can be thought of as the price of return in terms of risk or the relative **risk** adjusted for **returns**: A **lower** coefficient of variation provides **lower risk** for the same amount of **returns**.

Portfolio Construction

Revised	Module	Lesson	Location (PDF)	Replace	With

Ethical and Professional Standards

Revised	Module	Lesson	Location (PDF)	Replace	With

Glossary

Revised	Location (PDF)	Replace	With