

Tips for Passing CFA Level I

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Professor

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Note:

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Prof. Ted

- I neither work for nor represent CFA Institute or CFA Society Toronto.
- This is 100% volunteer advice session based on my experience
- I passed CFA Levels I in 2001, II in 2002 & III in 2003 – all three exams on first attempt.
- I have done CFA training since 2010 from time to time.
- I do not answer many questions where the information is on CFA Institute website – like exam dates, registration requirements etc.

CFA Program

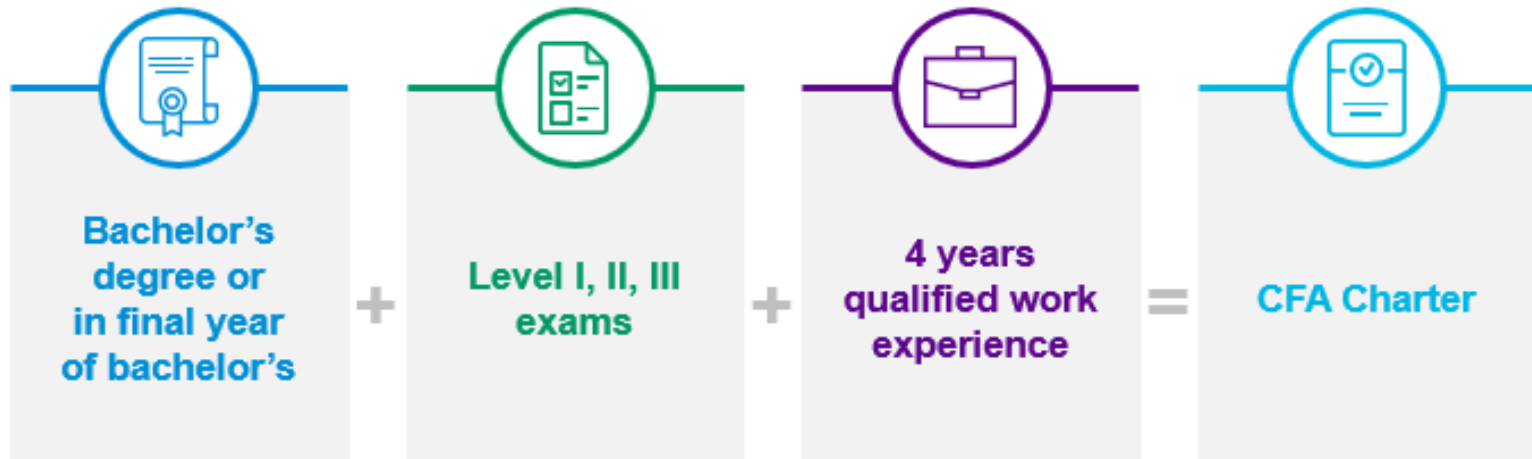
The CFA[®] Program bridges current practice, investment theory, and ethical and professional standards to give you a strong foundation of advanced investment analysis and real-world portfolio management skills.

- The CFA charter is a globally recognized graduate-level designation that is based on the highest ethical and professional standards.
- The CFA charter demonstrates fluency in advanced investment management and analysis that bridges practical investment decision-making skills and theoretical knowledge.
- The self-study program is divided into three exam levels, and the curriculum is organized into 10 general topic areas that provide a framework for making investment decisions.



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Topic	Topic	Weight	Weight	Exam Qs	Exam Qs	Modules	LOS	2023 Learning Modules
1	Quantitative Methods	8.00%	12.00%	14.40	21.60	7	81	1,2,3,4,5,6,7
2	Economics	8.00%	12.00%	14.40	21.60	8	83	8,9,10,11,12,13,14,15
3	Financial Reporting & Analysis	13.00%	17.00%	23.40	30.60	12	107	16,17,18,19,20,21,22,23,24,25,26,27
4	Corporate Issuers	8.00%	12.00%	14.40	21.60	8	40	28,29,30,31,32,33,34,35
5	Equity Investments	10.00%	12.00%	18.00	21.60	6	62	36,37,38,39,40,41
6	Fixed Income	10.00%	12.00%	18.00	21.60	6	60	42,43,44,45,46,47
7	Derivatives	5.00%	8.00%	9.00	14.40	10	23	48,49,50,51,52,53,54,55,56,57
8	Alternative Investments	5.00%	8.00%	9.00	14.40	3	11	58,59,60
9	Portfolio Management	5.00%	8.00%	9.00	14.40	8	55	61,62,63,64,65,66,67,68
10	Ethical & Professional Standards	15.00%	20.00%	27.00	36.00	5	21	69,70,71,72,73
		87.00%	121.00%	156.60	217.80	73	543	
				180				

- The Level I computer-based exam consists of **180** multiple choice questions, split between two 135-minute sessions. There is an optional break between sessions. Candidates must take both sessions in order to receive an exam result.
- First session (2 hours, 15 minutes): 90 multiple choice questions, covering the topics of ethics & professional standards, quantitative methods, economics, and financial reporting and analysis
- Second session (2 hours, 15 minutes): 90 multiple choice questions, covering the topics of corporate finance, equity, fixed income, derivatives, alternative investments and portfolio management



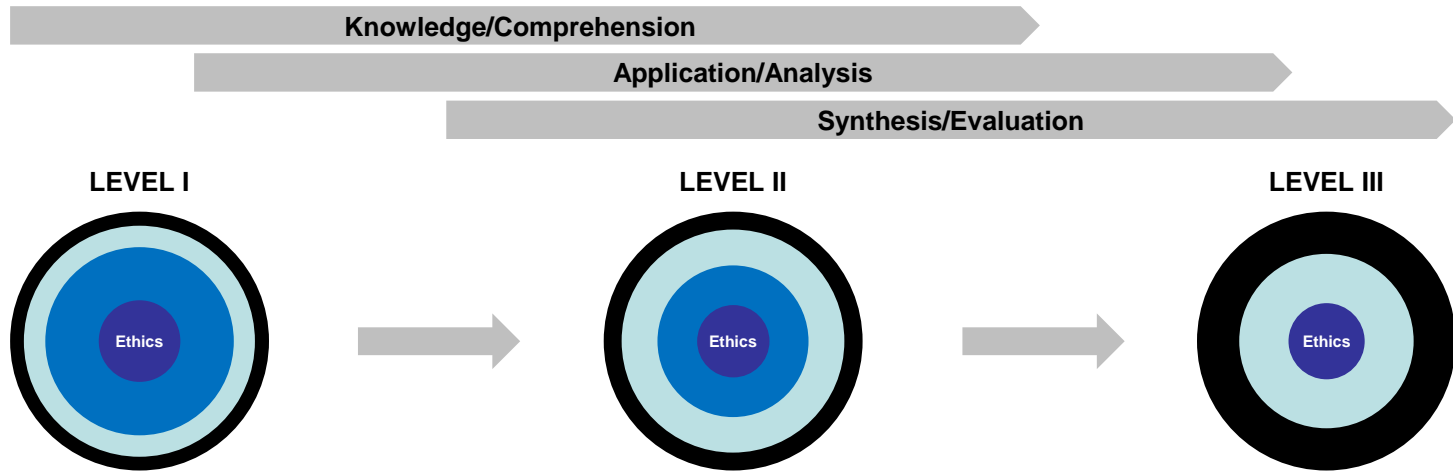
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	Session 1			Exam Qs	Exam Qs
1	Ethical & Professional Standards	15.00%	20.00%	27.00	36.00
2	Quantitative Methods	8.00%	12.00%	14.40	21.60
3	Economics	8.00%	12.00%	14.40	21.60
4	Financial Reporting & Analysis	<u>13.00%</u>	<u>17.00%</u>	<u>23.40</u>	<u>30.60</u>
	Session 1	44.00%	61.00%	79.20	109.80
	Session 2			Exam Qs	Exam Qs
5	Corporate Issuers	8.00%	12.00%	14.40	21.60
6	Portfolio Management	5.00%	8.00%	9.00	14.40
7	Equity Investments	10.00%	12.00%	18.00	21.60
8	Fixed Income	10.00%	12.00%	18.00	21.60
9	Derivatives	5.00%	8.00%	9.00	14.40
10	Alternative Investments	<u>5.00%</u>	<u>8.00%</u>	<u>9.00</u>	<u>14.40</u>
	Session 2	43.00%	60.00%	77.40	108.00

First session (2 hours, 15 minutes): 90 multiple choice questions, covering the topics of ethics & professional standards, quantitative methods, economics, and financial statement analysis

Second session (2 hours, 15 minutes): 90 multiple choice questions, covering the topics of corporate finance, equity, fixed income, derivatives, alternative investments and portfolio management





1. Ethics & Professional Standards

Investment Tools	Asset Classes	Portfolio Management & Wealth Planning
<ul style="list-style-type: none"> 2. Quantitative Methods 3. Economics 4. Financial Reporting & Analysis 5. Corporate Finance 	<ul style="list-style-type: none"> 6. Equity Investments 7. Fixed Income 8. Derivatives 9. Alternative Investments 	<ul style="list-style-type: none"> 10. Portfolio Management

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Average completion time is four years, with most candidates taking between two and five years



Successful candidates report dedicating more than 300 hours of study per level



The CFA program curriculum is the only source material for exam writers

AVAILABLE STUDY TOOLS

- Curriculum eBook
- Interactive study planner
- Topic tests and mock exams
- Mobile study app

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CFA Program Benefits



GOLD STANDARD

CFA equips you not only to enter the profession but also to excel



UNMATCHED EXPERTISE

Our rigorous curriculum will equip you for complex investment decisions



STRONG ETHICAL FOUNDATION

Gain confidence and clarity in navigating ethical issues



PRESTIGIOUS NETWORK

Connect with an exclusive group of outstanding investment professionals



GLOBAL PASSPORT

Earn waivers from regulatory agencies, graduate programs, and more



CAREER RESOURCES

Gain access to career guides, thought leadership, and continuing education



Year	CFA Candidates		LEVEL I				LEVEL II				LEVEL III			
	Total	% Pass	Total	Pass	Fail	% Pass	Total	Pass	Fail	% Pass	Total	Pass	Fail	% Pass
2019B	73,688	42%	73,688	30,628	43,060	42%								
2020B	55,678	52%	26,212	12,806	13,406	49%	18,136	10,025	8,111	55%	11,330	6,290	5,040	56%
2021 February	28,683	44%	28,683	12,510	16,173	44%								
2021 May	80,674	36%	26,005	6,506	19,499	25%	33,066	13,300	19,766	40%	21,603	9,088	12,515	42%
2021 July	28,849	22%	28,849	6,468	22,381	22%								
2021 August	29,360	29%	16,026	4,211	11,815	26%	10,565	3,064	7,501	29%	2,769	1,169	1,600	42%
2021 November	62,403	37%	28,170	7,607	20,563	27%	18,047	8,290	9,757	46%	16,186	6,989	9,197	43%
2022 February	30,691	39%	18,992	6,801	12,191	36%	11,699	5,132	6,567	44%				
2022 May	31,787	42%	19,403	7,315	12,088	38%					12,384	6,047	6,337	49%
1963-2022	3,514,754	45%	2,046,135	848,956	1,197,179	41%	935,673	429,353	506,320	46%	532,946	297,617	235,329	56%
2013-2022*	1,799,875	44%	1,046,933	427,581	619,352	41%	474,144	213,341	260,803	45%	278,798	145,468	133,330	52%

* 10 year average pass rate



Exam Results

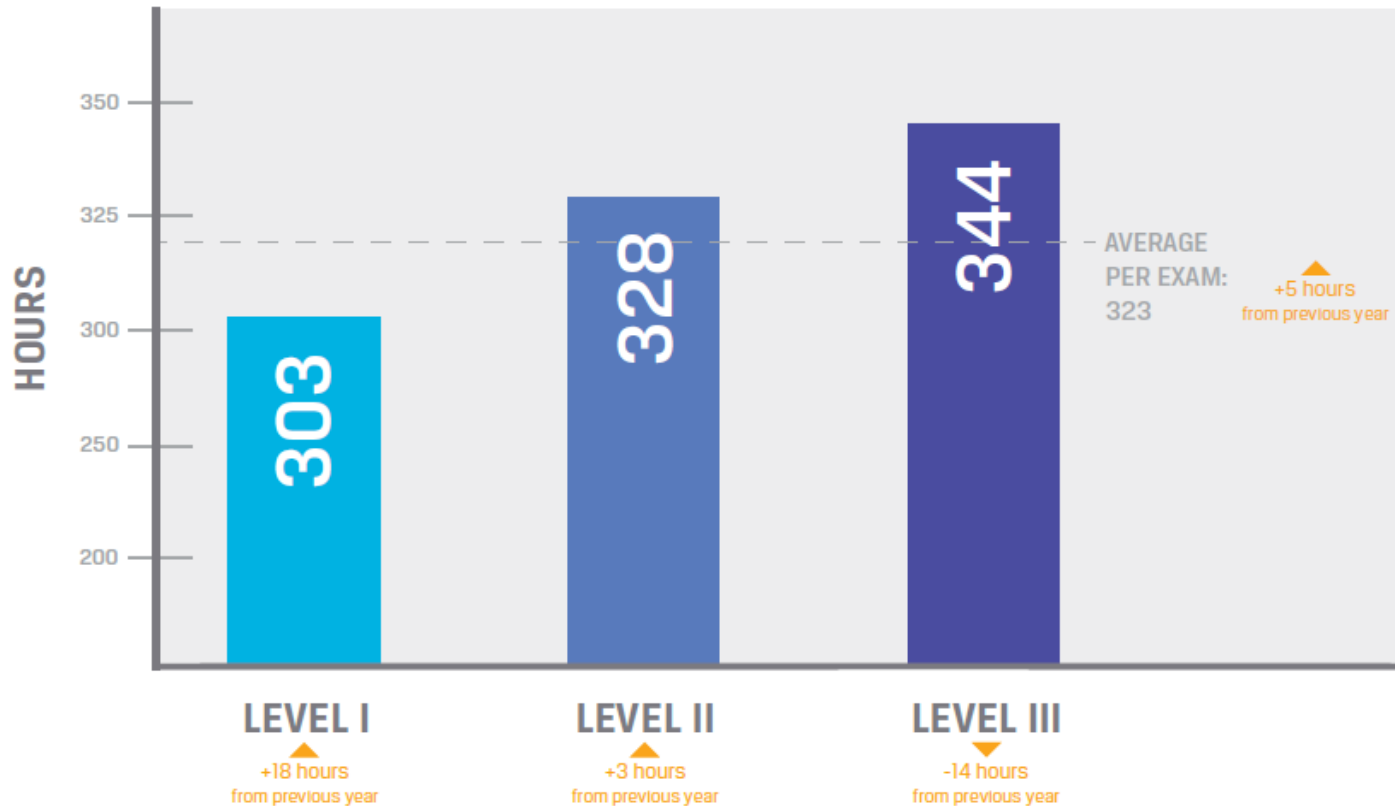
<https://www.cfainstitute.org/en/programs/cfa/exam/results-info>

EXAM PREPARATION



TIME SPENT PREPARING FOR THE EXAMS

Candidates spent an average of 323 hours preparing for the exams, with Level III candidates reporting the most time preparing. The most commonly used study material was the CFA Institute curriculum (75%).



TOP 3 MOST DIFFICULT AREAS ON THE EXAM*

	LEVEL I	LEVEL II	LEVEL III
Ethical and Professional Standards	Dark Blue	Light Blue	Dark Blue
Quantitative Methods	Light Blue	Light Blue	
Economics	Light Blue	Light Blue	Light Blue
Financial Reporting and Analysis	Dark Blue	Dark Blue	
Corporate Finance	Light Blue	Light Blue	
Equity Investments	Light Blue	Light Blue	Light Blue
Fixed Income	Dark Blue	Light Blue	Dark Blue
Derivatives	Light Blue	Dark Blue	Light Blue
Alternative Investments	Light Blue	Light Blue	Light Blue
Portfolio Management	Light Blue	Dark Blue	Dark Blue

*Please note this is the difficulty as reported by candidates, not the level of difficulty CFA Program is assigning to the topic areas.

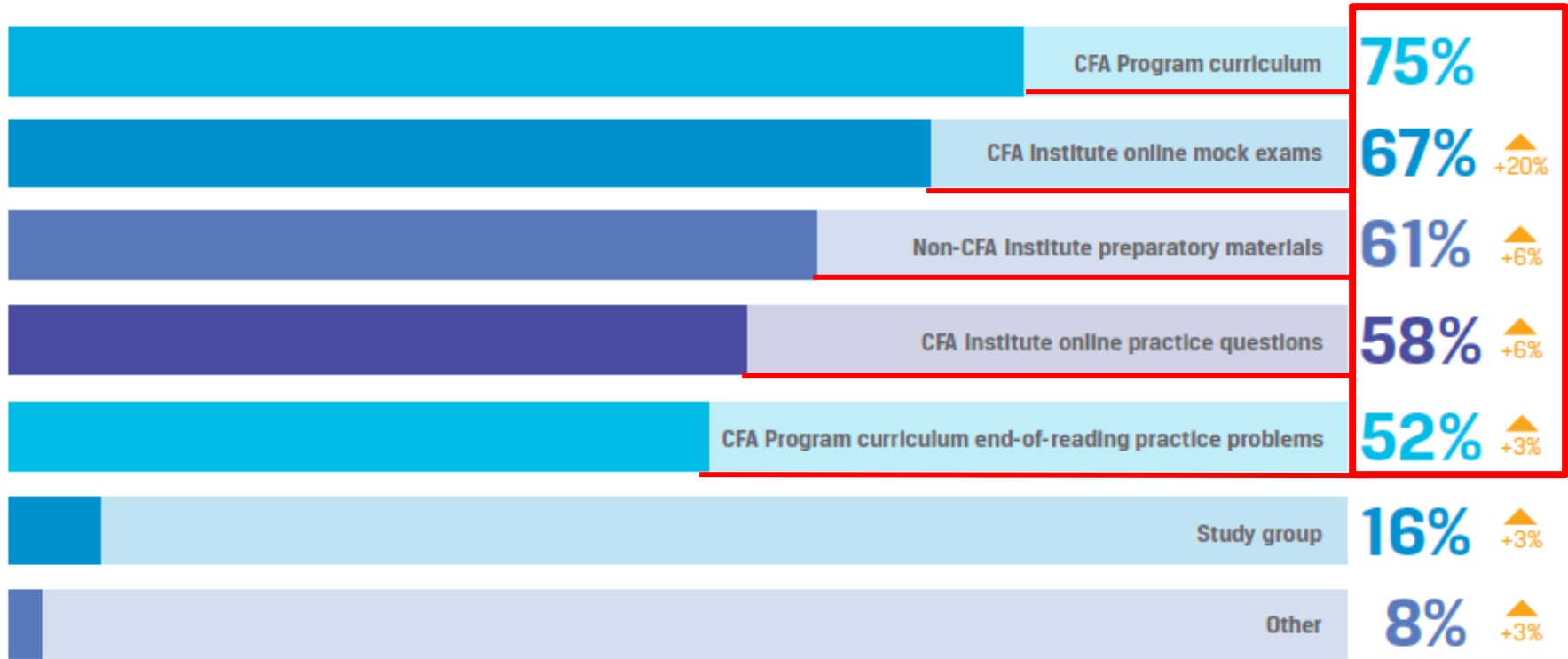
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Adobe Acrobat
Document

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RESOURCES USED TO PREPARE



- 1 **Look at the LOS when starting a study session;** In review mode – should be Green, Yellow or Red
- 2 Review the notes, watch the videos – get into the material;
- 3 Do as many practice problems as possible:
 - “Fool me once, shame on you, fool me twice, shame on me”:
 - Speed is a skill – skill gets rewarded
 - When an answer is wrong - go back to the text.
- 4 You must review the CFA Institute readings – Summaries, Practice Problems, Examples & Glossary;
- 5 Move forward – go back and review and then move forward again..
 - Short term memory in last few weeks.....
- 6 Manage your energy but be always working.
- 7 Have printed – the LOS, the Reading Summaries, the Glossary



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The readings and end-of-reading questions are the basis for all examination questions and are selected or developed specifically to teach the knowledge, skills, and abilities reflected in the CBOOK. All readings include problems and solutions to help you understand and master the topic areas.

You should use the LOS to guide and focus your study because each examination question is based on the assigned readings and one or more LOS. The readings provide context for the LOS and enable you to apply a principle or concept in a variety of scenarios. The candidate is responsible for the entirety of the required material in a study session, which includes the assigned readings as well as the end-of-reading questions and problems.



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Every question on the CFA examination is based on the content contained in the required readings and on one or more LOS. **Frequently, an examination question is based on a specific example highlighted within a reading or on a specific end-of-reading question and/or problem and its solution.** To make effective use of the CFA Program curriculum, please remember these key points:

1. All pages of the curriculum are required reading for the examination except for occasional sections marked as optional. You may read optional pages as background, but you will not be tested on them.
2. All questions, problems, and their solutions—found at the end of readings—are part of the curriculum and are required study material for the examination.

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1. Be comfortable with your calculator; **(Ted – show BA II Plus here)**
2. Read each question carefully;
3. Sometimes: read the answers first – know what you are looking for first;
4. Answer the easier questions first – but keep track of the bubble sheet
5. Skip questions and go back – calm your nerves by starting with your best!
6. Manage your time;
7. Eliminate obviously incorrect answers;



8. Answer all questions;
9. Least likely / Most likely – write down “true” or “false” beside the answers;
10. Increase / Decrease – do a quick real example and check using 10s, 1s, 100s;
11. Stay focused & avoid distractions – scout the exam location, wake up the same time all exam week
12. Exercise & Sleep well – being rested is key.
13. Don't waste your time on social media – focus and do it!
14. Be competitive – look left – look right – who's going to fail? Not me – I did the extra....
15. Have fun – it is just a test!



CFA Exam – some historical facts

Congratulations! We are very pleased to inform you that you passed the June 2016 Level I CFA exam. 43% of candidates passed the June 2016 Level I CFA exam.

You are one step closer to achieving your goal of earning the globally respected CFA charter. Registration for the June 2017 Level II CFA exam will be available tomorrow, 27 July after 9:00 a.m. ET on the [CFA Institute website](#). (Please note that you must have a valid international travel passport to register. Learn more about the [identification policy](#).)

A summary of your exam result is provided below. The three columns on the right are marked with asterisks to indicate your performance on each topic area.

Kindly [contact us](#) if we can answer any questions about the CFA Program.

Multiple Choice

Q#	Topic	Max Pts	<=50%	51%-70%	>70%
-	Alternative Investments	10	-	-	*
-	Corporate Finance	17	-	-	*
-	Derivatives	12	-	-	*
-	Economics	24	-	*	-
-	Equity Investments	24	-	-	*
-	Ethical & Professional Standards	36	-	-	*
-	Financial Reporting & Analysis	48	*	-	-
-	Fixed Income Investments	24	*	-	-
-	Portfolio Management	17	-	*	-
-	Quantitative Methods	28	-	*	-

Make your strong areas really strong. Focus on passing not perfection.

EXAMPLES OF PASSING SCORES **WILEY**

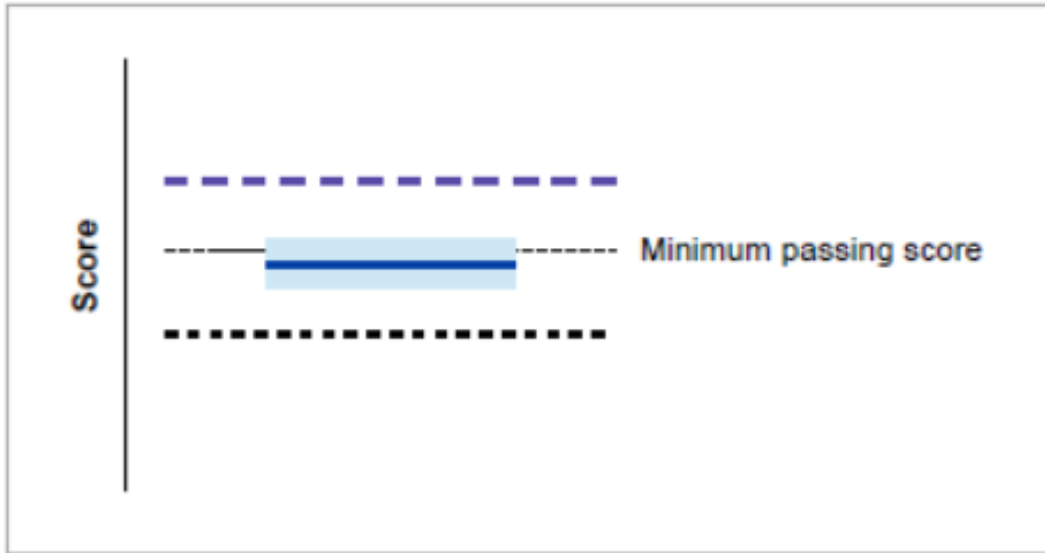
	Topic	Max Pts	<=50%	51%-70%	>70%	
4.17%	Alternative Investments	10	-	-	*	41.25%
7.08%	Corporate Finance	17	-	-	*	
5.00%	Derivatives	12	-	-	*	
10.00%	Economics	24	-	*	-	28.75%
10.00%	Equity Investments	24	-	-	*	
15.00%	Ethical & Professional Standards	36	-	-	*	
20.00%	Financial Reporting & Analysis	48	*	-	-	30.00%
10.00%	Fixed Income Investments	24	*	-	-	
7.08%	Portfolio Management	17	-	*	-	
11.67%	Quantitative Methods	28	-	*	-	
100.00%		240				100.00%

Make your strong areas really strong. Focus on passing not perfection.

- 1) What works for Level I does not work for Level II...
- 2) What works for Level II does not work for level III
- 3) Target to pass the CFA Program not the exam.



Your Performance on the Exam



Overall exam performance

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<https://www.schweser.com/cfa/blog/how-to-pass-the-cfa-exam/interpreting-your-cfa-exam-results-in-the-new-results-format>

The Wiley logo, consisting of the word "WILEY" in a bold, serif font.

Topic Breakdown

In addition to the overall pass or fail information, the report also gives a breakdown by topic.

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Thank You and Questions!

WILEY



GBC STRONG