



CFA Institute

CFA[®] Program Curriculum Changes Guidebook

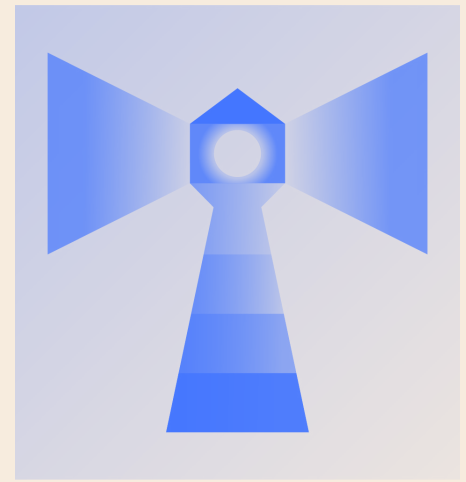
2025



Contents

Foreword	3
CFA Program Topic Areas	4
CFA Program Level I, II, and III Ethical and Professional Standards	6
CFA Program Level II Overview of Developments	7
CFA Program Level III Core	8
CFA Program Level III Portfolio Management Pathway	10
CFA Program Level III Private Markets Pathway	12
CFA Program Level III Private Wealth Pathway	14

Foreword



As the investment industry evolves, CFA Institute is committed to delivering the foundational knowledge that firms expect as well as the critical investment analysis and portfolio management skills that are needed in investment management today. We are excited to share the latest developments in the CFA® Program curriculum with our candidates for 2025.

Beginning in 2022, we made [comprehensive changes to the CFA Program curriculum including additional coverage on ESG at all three levels of the CFA Program](#). The 2024 readings built on those improvements by enhancing the pedagogical structure, improving key topic areas, and integrating extensive work from [Practice Analysis](#) and curriculum development. In 2024 there were key changes in the CFA Program curriculum for Corporate Issuers, Fixed Income, and Alternative Investments. The inclusion of learning modules at CFA Program Level I marked a significant change in the curriculum, enhancing the learning design to align with best practice in meeting adult learners' needs. We continue to include more visuals and examples, along with increased opportunities for candidates to practice their new skills.

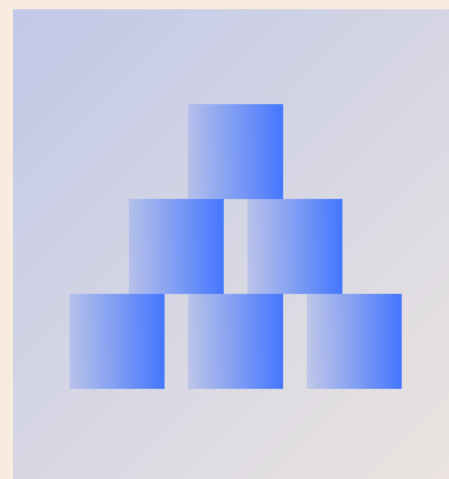
For 2025, we have made significant enhancements and additions to the CFA Program Level III. These represent some of the largest developments of new content to the Program since its inception and include the introduction of specialized pathways in Private Wealth, Private Markets, and Portfolio Management. Candidates are now able to select a path that teaches content more directly related to their interests and aspirations. The three versions have a 'common core' of curriculum at Level III, supplemented by specialized content for each pathway.

We hope you find this Guidebook helpful for your studies. We welcome your feedback and ideas for how we develop this resource further. Please contact us at professionallearning@cfainstitute.org.

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CFA PROGRAM 2025

Topic Areas and Weights



The 2025 CFA Program curriculum marks a significant year for CFA Program developments with the introduction at Level III of specialized pathways – two new versions of Level III in Private Wealth and Private Markets – while also keeping our traditional Portfolio Management path. Candidates are now able to select a path that teaches content more directly related to their personal interests and career aspirations.

The revised structure of the topic areas are listed below. There are no changes to the topic structure for CFA Program Levels I and II in 2025, but there are significant changes to Level III. The revised topic areas, along with their exam weights, are detailed below:

Topic	Level I	Level II	Level III
Ethical and Professional Standards	15-20	10-15	10-15
Quantitative Methods	6-9	5-10	
Economics	6-9	5-10	
Financial Statement Analysis	11-14	10-15	
Corporate Issuers	6-9	5-10	
Equity Investments	11-14	10-15	
Fixed Income	11-14	10-15	
Derivatives (I/II) / Derivatives and Risk Management (III)	5-8	5-10	10-15
Alternative Investments	7-10	5-10	
Portfolio Management (I/II)/ Portfolio Construction (III)	8-12	10-15	15-20
Asset Allocation			15-20
Performance Measurement			5-10
Pathway A: Portfolio Management			30-35
Pathway B: Private Wealth			30-35
Pathway C: Private Markets			30-35

The common core continues to provide the knowledge, skills, and abilities relevant to all investment management practitioners, whether they are working in portfolio management, private wealth, or private markets. This core content covers Asset Allocation, Portfolio Construction, Performance Measurement, Derivatives and Risk Management, and Ethical and Professional Standards.

Candidates choose one of three “specialized pathway” options at registration and receive the study materials related to the selected Pathway. 65-70% of the CFA Program Level III exam topic weight for 2025 will relate to the common core while the remaining 30-35% relate to the selected pathway. Questions related to the selected pathway will be a mix of item-set (multiple choice) and constructed response (essay) just as for the common core.

The changes to CFA Program Level III include four major developments to the content:

- 1) the creation of a revised topic structure (detailed in the table on the previous page);
- 2) the alignment and reordering of readings within topic areas;
- 3) adjustments to certain readings to ensure relevance or to realign content across readings, ensuring there is appropriate balance between core and specialized content.
- 4) the creation of new content, mostly in private wealth and private markets, according to the body of knowledge developed by a wide range of practitioners and CFA Institute members.

Ethical and Professional Standards



Readings with changes

Reading	Level
Code of Ethics and Standards of Professional Conduct	I, II, III
Guidance for Standards I-VII	I, II, III
Ethics Applications (Level I); Application of the Code and Standards: (Levels II and III)	I, II, III

In 2023, the CFA Institute Board of Governors revised the Standards of Professional Conduct in three areas, resulting in the inclusion of one new standard and revisions to two existing standards. The 2025 CFA Program curriculum has been revised across all three levels to reflect these changes. In the **“Code of Ethics and Standards of Professional Conduct”** we summarise these, providing the new or revised Guidance, Recommended Procedures, and Examples of Application In **“Guidance for Standards I-VII”**. The new and revised standards include:

- **Standard I: Professionalism**, where the Board has approved a new standard requiring members to act with and maintain the competence necessary to fulfill their professional responsibilities, thus reinforcing the principle set forth in the Code of Ethics.
- **Standard V: Investment Analysis, Recommendations, and Actions**, where the Board revised Standard V(B) Communication with Clients and Prospective Clients to require disclosures about the nature of the services provided by members and candidates and the costs to the client associated with those services.
- **Standard VI: Conflicts of Interest**, the Board changed the name to **“Standard VI(A) Avoid or Disclose Conflicts”** and revised the standard to require members and candidates to either avoid conflicts of interest or disclose those conflicts. Previously, there was no mention of avoiding conflicts of interest in the standard.

The **“Ethics Application”** readings across all three levels have been amended and updated for the developments listed above.

CFA PROGRAM LEVEL II

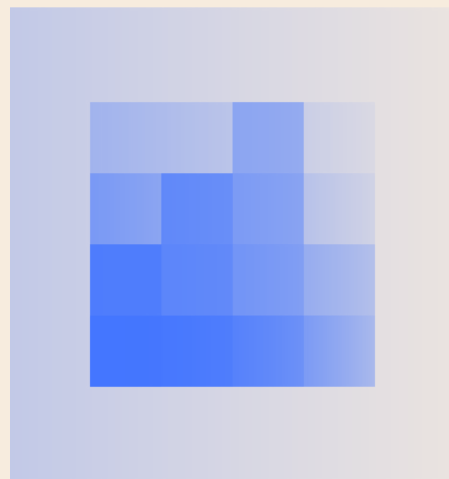
Overview of Developments

Minimal changes to Level II curriculum were undertaken in the 2025 curriculum. These changes aimed to better bridge Level I content to Level III and the new Pathways. A similar exercise was undertaken for the 2024 curriculum, where a new Level II Private Company Valuation reading was introduced in Equities to build a foundation in equity valuation and analysis contrasting public and private company features.

For 2025, the original Level II Real Estate reading was largely replaced with a new **“Overview of Types of Real Estate Investment”** reading which builds on concepts introduced in the Alternatives content introduced at Level I for 2024. This new Level II reading expands on the previous reading to further explain value drivers for real estate, investment characteristics, and valuation techniques used for income-producing properties. It prepares candidates for the LIII Private Markets pathway reading on Private Real Estate.

Readings with significant changes

Reading	Level
Overview of Types of Real Estate Investment	II



CFA PROGRAM LEVEL III

Core



CORE CURRICULUM

Asset Allocation

- Capital Market Expectations I
- Capital Market Expectations II
- Overview of Asset Allocation (PM)
- Principles of Asset Allocation (PM)
- Asset Allocation with Real-World Constraints

Portfolio Construction

- Overview of Fixed Income Portfolio Management
- Overview of Equity Portfolio Management
- Asset Allocation to Alternative Investments
- Overview of Private Wealth Management
- Portfolio Management for Institutional Investors
- Trading Costs and Electronic Markets
- Case Studies in Portfolio Management: Institutional (SWF)

Performance Measurement

- Portfolio Performance Evaluation
- Investment Manager Selection
- Overview of GIPS

Derivatives and Risk Management

- Options Strategies
- Swaps, Forwards, and Futures Strategies
- Currency Management: An Introduction

Ethics

- Code of Ethics and Standards of Prof. Conduct
- Guidance for Standards 1-VII
- Application of the Code and Standards - Level III
- Asset Manager Code of Professional Conduct

The changes to CFA Program Level III for 2025 have resulted in reordering how readings are presented to better align with the revised topic areas and provide candidates easier navigation through the content. This revised structure is shown above.

What is changing in the 2025 curriculum, and why does it matter?

Two of the core readings within the Portfolio Construction topic area have been extended. **“Overview of Equity Portfolio Management”** now includes case study excerpts on integrating ESG factors into portfolio management, and a revised section on Benchmark Selection and Index Construction Methodologies. The **“Overview of Fixed Income Portfolio Management”** is extended to include learning outcomes on liability-driven investing, strategies for cash-flow matching, and laddered bond portfolios. These are core areas of knowledge and understanding for all candidates.

A new reading **“An Overview of Private Wealth Management”** replaces two prior readings on Wealth Management, and provides core information to all Level III candidates, as well as a foundation for those choosing to take the specialized Private Wealth pathway. Given the increasing size and complexity of the Private Wealth industry and

the services offered, this reading provides context for how wealth is created and distributed globally and evaluates changes in human and financial capital across the stages of life and financial decision making. It evaluates the impact of taxes and inflation on investment decisions, and discusses how differences between private and institutional clients affects the formulation of the Investment Policy Statement.

It is important for investors to understand the process by which trades are executed so costs and risks can be managed. **“Trading Costs and Electronic Markets”** is the first of two readings focused on trading within CFA Program Level III. It explains the components of execution costs, the calculation of effective spreads, and describes factors driving the development of electronic trading systems. This reading, which was previously included within Level II, is for all Level III candidates and provides a foundation for candidates choosing the Portfolio Management pathway where they will also study from the **“Trade Strategy and Execution”** reading.

The **“Case Study in Portfolio Management: Institutional (SWF)”** provides a case study of an investment committee meeting at a sovereign wealth fund discussing direct investments in private equity and infrastructure. The reading has been renamed to better reflect the content.

Investment decisions are more often made by teams than individuals, and similarly to individuals, teams suffer from behavioural biases such as groupthink, authority bias, and aversion to complexity. A new section within **“Investment Management Selection”** describes these challenges and how they can be identified.

The readings within both **“Performance Measurement”** and **“Derivatives and Risk Management”** have been reorganized to sit within these revised topic areas; however, there have been no changes to the underlying content.

Developments to Ethical and Professional Standards content is described on page 6.

New readings or readings with changes

Learning Module	Level
Overview of Equity Portfolio Management	III
Overview of Fixed Income Portfolio Management	III
An Overview of Private Wealth Management	III
Trading Costs and Electronic Markets	III
Case Study in Portfolio Management: Institutional (SWF)	III
Investment Manager Selection	III

Portfolio Management Pathway



The Portfolio Management pathway readings are based on, and consistent with, portfolio management focused content which was included in the 2024 curriculum. This pathway now contains the advanced Level III Portfolio Management content from the traditional CFA Program. We provide the readings below for awareness of the separation and distinctness from the core content, highlighting instances where content has been refreshed.

We begin the pathway content with a reading on **“Index-Based Equity Strategies”**. This replaces the previous reading on “Passive Equity Investing” with updates to terminology across the reading. The reading compares market-cap weighted with factor-based strategies, different approaches to index return replication, and describes different approaches to portfolio construction (full replication, stratified sampling, and optimization) and causes for tracking error. Information has been updated to show how factor-based ETFs have become a large segment of the ETF market, whilst remaining a relatively small part of financial markets.

Active equity investing is addressed across two modules. In **“Active Equity Investing: Strategies”** we compare, analyze, and describe equity investment strategies. This includes fundamental and quantitative approaches to active management aimed at outperforming a benchmark, along with the rationale and processes for bottom-up, top-down, factor-based, activist and arbitrage strategies. In **“Active Equity Investing: Portfolio Construction”**, we discuss approaches for constructing actively managed equity portfolios, requiring candidates to distinguish, describe and evaluate a range of active management applications and concepts. This includes active share and active risk, risk budgeting, portfolio limits, and how portfolio size impact portfolio construction decisions.

Introductory content on liability-driven investing, strategies for cash flow matching, and laddered bond portfolios are now included within the core **“Overview of Fixed Income”** reading. This introduction is developed in **“Liability Driven and Index-Based Fixed Income Strategies”** which evaluates strategies for managing both single and multiple liabilities under various interest rate scenarios, and the risks associated with this. Approaches to, and challenges



We provide the readings for awareness of the separation and distinctness from the core content

of, managing a fixed-income portfolio to mimic a bond index are also discussed, along with criteria for selecting a benchmark.

Active fixed income investing is addressed across two readings. In **“Fixed-Income Active Management: Yield Curve Strategies”** candidates are asked to formulate portfolio positioning for interest rate and yield curve changes, as well as discuss and evaluate yield-curve changes. In **“Fixed-Income Active Management: Credit Strategies”** candidates must describe risk considerations for spread-based fixed-income portfolios and discuss both bottom-up and top-down credit strategies. The module discusses liquidity risks, managing tail risks in credit portfolios, using credit default swap strategies, and discusses various strategies for contrasting and managing portfolios.

The final module on **“Trade Strategy and Execution”** covers trading and execution from a portfolio manager’s perspective across various markets, including equities, fixed income, derivatives, and foreign exchange. Execution benchmarks, cost measurement, and the role of automation and algorithmic trading are discussed, alongside an evaluation of trading processes and procedures from a regulatory perspective.

The **“Case Study in Portfolio Management: Institutional”** brings together much of what is covered within the pathway, and analyses asset allocation and portfolio construction in relation to liquidity needs, demonstrates the use of derivatives overlays in tactical asset allocation, analyzes the costs and benefits of derivatives versus cash market techniques, and discusses ESG considerations in managing long-term institutional portfolios.

Readings with changes

Learning Module	Level
Index-Based Equity Strategies	III
Liability Driven and Index-Based Investment Strategies	III

Readings with no changes

Learning Module	Level
Active Equity Investing: Strategies	III
Active Equity Investing: Portfolio Construction	III
Fixed Income Active Management: Yield Curve Strategies	III
Fixed Income Active Management: Credit Strategies	III
Trade Strategy and Execution	III
Case Study in Portfolio Management: Institutional	III

CFA PROGRAM LEVEL III

Private Markets Pathway

The Private Markets pathway content introduces seven new readings, addressing private markets investing primarily from the perspective of the General Partner (GP). The content is based on a body of knowledge developed from interaction with a wide range of practitioners and CFA Institute members. The content builds on a range of competencies developed across the Alternative Investment topic areas in CFA Program Levels I and II. The readings include a range of engaging examples such as Elon Musk's acquisition of Twitter, Facebook's acquisition of WhatsApp, Blackstone's real-estate investment trust (REIT), events at Silicon Valley Bank, Gabon's debt-for-nature swap and several high-profile Leveraged Buyouts (LBOs) such as Thyssen Elevators in 2020.

Features of private and public investments and markets are contrasted in the first reading on **"Private Investments and Structures"**. Private investment methods and structures are discussed, along with the use of performance metrics, including distributed to paid-in, residual value to paid-in, and total value to paid-in. The reading compares the risk and return profile of investing in private markets to public markets as part of strategic asset allocation.

The roles and responsibilities of the general partner are covered in the **"GP and LP Perspective and the Investment Process"** reading. This includes interactions in managing private investment funds and aligning manager and investor interests. The calculation and interpretation of private market fund performance is discussed from an investor perspective, including management fees and carried interest. Favorable characteristics of private investment targets and sources of value creation in private markets are focused on, along with due diligence processes and activities.

Private equity strategies over the company life cycle, and discussion of the characteristics of venture capital, growth equity, and buyout investments are covered in the **"Private Equity"** reading. In this reading the identification of key inputs and calculation of valuations of private equity investments is covered. The role of private equity within a strategic asset allocation is also discussed.



It introduces seven new readings, addressing private markets investing primarily from the perspective of the General Partner

The use of debt financing within private market strategies is included in the reading on **“Private Debt”**. This includes discussion on the use of leveraged loans, high-yield bonds, and convertible bonds. Mezzanine debt is contrasted with unitranche debt, and candidates are required to analyse private debt profiles and calculate and interpret financial ratios used to value private debt investments. As highlighted in the Private Equity reading, there is discussion on the role of private debt investments as part of a strategic asset allocation.

The characteristics and risks of special investment situations are covered in the **“Private Special Situations”** reading. This discusses the features of distressed debt, financing alternatives for issuers in financial distress, and investment strategies in distressed situations. The reading discusses the due diligence and valuation processes used to evaluate special situations, and compares special situations to other forms of private debt as part of a strategic asset allocation.

The final two readings on **“Private Real Estate Investments”** and **“Infrastructure”** build upon real estate readings in Level II and discuss the important features of both asset classes, the due diligence and valuation processes, the economic value drivers of private real estate, timberland and farmland, and the investment vehicles and methods used for investing in infrastructure. Both readings include discussion on the role of each asset class within a strategic asset allocation.

New readings

Learning Module	Level
Private Investments and Structures	III
GP and LP Perspectives and the Investment Process	III
Private Equity	III
Private Debt	III
Private Special Situations	III
Private Real Estate Investments	III
Infrastructure	III

CFA PROGRAM LEVEL III

Private Wealth Pathway

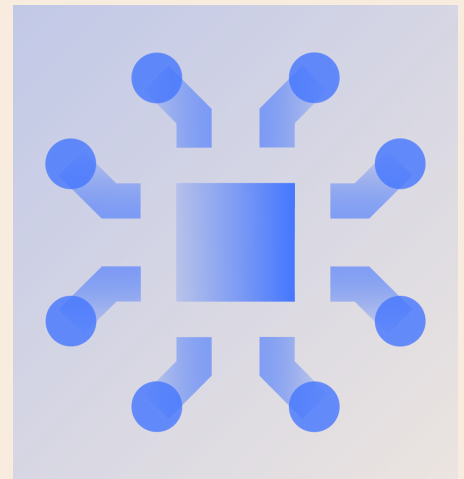
The Private Wealth pathway content introduces seven new readings, addressing private wealth from a global perspective, and providing universal, guiding principles for serving High Net Worth clients (worth US\$5M+). Based on a body of knowledge developed from interaction and engagement with private wealth managers from across the globe, it builds upon the **“Overview of Private Wealth Management”** reading from the Level III core content.

The readings within this pathway are structured as an arc, from a client being onboarded, to the private wealth manager advising a client seeking to transfer their wealth across future generations. The curriculum aims to replicate the customer journey from both the client and adviser’s perspective. It expands on previous versions of the CFA Program, extending beyond investment management and financial planning to cover new areas such as family governance and philanthropy across a range of client types, from entrepreneurs to inherited wealth.

“The Private Wealth Management Industry” discusses the business models of private wealth managers and how they segment their strategies. Typical fee and compensation structures are discussed, along with the various advisers and consultants who support wealth managers in their activities. High level regulatory principles and compliance considerations influencing the industry are also covered.

How family and human dynamics relate to wealth and its management is covered in **“Working With the Wealthy”**. This reading describes the process for profiling, acquiring, advising, and educating clients. The unique characteristics of ultra-high net worth individuals are described, along with approaches to developing a long-term framework for joint family decision making.

Formulating goals-based financial plans and recommending appropriate strategies for achieving these plans are covered in **“Wealth Planning”**. This reading requires candidates to develop and recommend methods for managing a family’s financial exposures holistically across their lifetime and retirement, as



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It introduces seven new readings, addressing private wealth from a global perspective for serving High Net Worth clients

well as evaluate how taxes influence such plans, and recommend liquidity strategies.

The fourth reading in the pathway on **“Investment Planning”** focuses on portfolio allocations and investments for the private client. Wealth management approaches are covered from a legal, tax, and jurisdiction perspective.

Wealth Managers must be able to mitigate the risks of their clients’ human capital through various financial and insurance products. This is the focus of **“Preserving the Wealth”** which recommends planning and investment strategies for protecting against inflation and mitigating against exchange rate risk, given the increased globalization of wealth.

Discussing and recommending appropriate private wealth management approaches that maximise human capital, financial capital, and the economic net worth of different client types and complex family situations is the focus of **“Advising the Wealthy”**. This reading addresses some specific situations that clients encounter, including international double taxation, differences in legal systems on family situations, selling a business, and hedging business equity risk.

The final pathway reading on **“Transferring the Wealth”** discusses and recommends appropriate wealth management planning approaches for transferring wealth in a controlled manner, both during lifetime, and at death. This includes bequests to organisations such as charities, as well as multigenerational wealth transfer through inheritance planning.

New readings

Learning Module	Level
The Private Wealth Management Industry	III
Managing the Wealthy	III
Wealth Planning	III
Investment Planning	III
Preserving the Wealth	III
Advising the Wealthy	III
Transferring the Wealth	III



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