

LEVEL II 2019-2020 CFA® Program Curriculum Changes

New Readings

Dropped Readings

Major Revision

(in LOS or in content)

		2019			2020			
Book	Topic	SS	Reading #	Reading Name	SS	Reading #	Reading Name	Annotation
1	Ethical & Professional standards	1	1	Code of Ethics and Standards of Professional Conduct	1	1	Code of Ethics and Standards of Professional Conduct	
			2	Guidance" for Standards I-VII		2	Guidance" for Standards I-VII	
		2	3	Application of the Code and Standards	3	Application of the Code and Standards	Major revision	
			4	Trade Allocation:				
			5	Changing Investment Objective				
	Quantitative Methods	3	6	Fintech in Investment Management				
			7	Introduction to linear regression	2	4	Introduction to linear regression	Major Revision
		8	Multiple regression		5	Multiple regression	Major Revision	
		9	Time-Series Analysis		6	Time-Series Analysis		
					3	7	Machine Learning	
						8	Big Data Projects	
	Economics	4	10	Excerpt from "Probabilistic Approaches"		9	Excerpt from "Probabilistic Approaches"	
			11	Currency Exchange Rates:	4	10	Currency Exchange Rates:	
12			Economic Growth & the Investment Decision		11	Economic Growth & the Investment Decision		
		13	Economics of Regulations		12	Economics of Regulations	Major Revision	
2	Financial Reporting & Analysis	5	14	Intercorporate Investments	5	13	Intercorporate Investments	Major Revision
			15	Employee Compensation		14	Employee Compensation	
			16	Multinational Operations		15	Multinational Operations	
			17	Analysis of Financial Institutions		16	Analysis of Financial Institutions	
		6	18	Evaluating Financial Reporting Quality	6	17	Evaluating Financial Reporting Quality	
			19	Integration of Financial Statement Analysis Techniques		18	Integration of Financial Statement Analysis Techniques	

3	Corporate Finance	7		Capital Budgeting	7	19	Capital Budgeting	
			20	Capital Structure		20	Capital Structure	
			22	Analysis of Dividends and Share Repurchases		21	Analysis of Dividends and Share Repurchases	
		8	23	Corporate Performance Governance and Business Ethics	8	22	Corporate Governance and Other ESG Considerations in Investment Analysis	
			24	Corporate Governance				
		25	Mergers and Acquisitions		23	Mergers and Acquisitions		
4	Equity Valuation	9	26	Equity Valuation: Applications and Processes	9	24	Equity Valuation: Applications and Processes	
			27	Return Concepts		25	Return Concepts	
		10	28	Industry and Company Analysis	10	26	Industry and Company Analysis	
			29	Discounted Dividend Valuation		27	Discounted Dividend Valuation	
		11	30	Free Cash Flow Valuation	11	28	Free Cash Flow Valuation	
			31	Market-Based Valuation: Price and Enterprise Value Multiples		29	Market-Based Valuation: Price and Enterprise Value Multiples	
			32	Residual Income Valuation		30	Residual Income Valuation	
33	Private Company Valuation		31	Private Company Valuation				
5	Fixed Income	12	34	The Term Structure & Interest Rate Dynamics	12	32	The Term Structure & Interest Rate Dynamics	
			35	The Arbitrage Free Valuation Framework		33	The Arbitrage Free Valuation Framework	
		13	36	Valuation & Analysis: Bonds with Embedded Options	13	34	Valuation & Analysis: Bonds with Embedded Options	
			37	Credit Analysis Models		35	Credit Analysis Models	
	Derivatives	14	38	Credit Default Swaps	14	36	Credit Default Swaps	
			39	Pricing & Valuation of Forward Commitments		37	Pricing & Valuation of Forward Commitments	
			40	Valuation of Contingent Claims		38	Valuation of Contingent Claims	
		41	Derivatives Strategies					
6	Alternative Investments	15	42	Private Real Estate Investments	15	39	Private Real Estate Investments	
			43	Publicly Traded Real Estate Securities		40	Publicly Traded Real Estate Securities	
			44	Private Equity Valuation		41	Private Equity Valuation	
			45	Introduction to Commodities & Commodity Derivatives		42	Introduction to Commodities & Commodity Derivatives	
	Portfolio Management	16	46	The Portfolio Management Process & the Investment Policy Statement	16	43	Exchange-Traded Funds: Mechanics & Applications	
			47	An Introduction to Multifactor Models		44	An Introduction to Multifactor Models	
			48	Measuring & Managing Market Risk		45	Measuring & Managing Market Risk	

		17	49	<i>Economies and Investment Markets</i>		46	<i>Economies and Investment Markets</i>	
			50	<i>Analysis of Active Portfolio Management</i>		47	<i>Analysis of Active Portfolio Management</i>	
			51	<i>Algorithmic Trading & High Frequency Trading</i>		48	<i>Trading Costs and Electronic Markets</i>	