

Know what to expect on the exams.

Key to becoming a CFA® charterholder is successful completion of the three distinct CFA examinations, generally referred to as the Level I, Level II, and Level III exams. Each of these six-hour examinations is administered in two sessions—morning and afternoon—each lasting three hours, for a total duration of 360 minutes. The exams are offered by CFA Institute at hundreds of locations throughout the world: Level I twice yearly in June and December; Levels II and III once annually in June. A candidate who fails to pass may repeat an exam when it is offered next.

Technically, a candidate could complete the three exams in less than two years. Realistically, however,

many candidates do not pass each examination in rapid succession. On average, candidates take about four years to complete the program.

Exam topics.

The topics emphasized on each exam are similar but vary in focus and depth by program level. The major topics of focus and approximate weights by percent for each topic area are shown in the accompanying chart. The depth of your mastery of the curriculum will also be tested differently at each level.

| CFA® exam topics by exam level | | | |
|------------------------------------|-------------------|--------------------|---------------------|
| Exam topic | Level I weighting | Level II weighting | Level III weighting |
| Ethical and Professional Standards | 15% | 10% | 10% |
| Quantitative Analysis/Methods | 12% | 5–10% | |
| Economics | 10% | 5–10% | |
| Financial Reporting and Analysis | 20% | 15–25% | |
| Corporate Finance | 8% | 5–15% | |
| Equity Investments | 10% | 20–30% | 5–15% |
| Fixed Income | 12% | 5–15% | 10–20% |
| Derivatives | 5% | 5–15% | 5–15% |
| Alternative Investments | 3% | 3–15% | 5–15% |
| Portfolio Management | 5% | 5–15% | 45–55% |

Level I

The focus at Level I is on knowledge and comprehension, with emphasis on the tools and inputs relating to investment valuation and portfolio management. Level I also introduces basic concepts regarding securities laws, regulations, and ethical and professional conduct. The 2009 Level I exam consists entirely of free-standing multiple-choice questions. It includes a total of 240 questions—with three possible answers per question—

divided evenly between the two sessions. This means that over the course of each session you'll have, on average, 90 seconds to answer each question.

Level II

The focus at Level II is on analysis and application. The exam emphasizes asset valuation and tests your ability to apply in practice the concepts learned at Level I relating to investment analysis and valuation, as well as ethical and professional conduct.

The CFA® examinations (cont.)

The 2009 Level II exam consists entirely of item-set questions, which are essentially vignettes or “mini-cases,” each followed by six multiple choice questions. You will be required to answer 20 item sets of six questions each, giving you on average three minutes to complete each item set. As with Level I, you will be required to have a firm grasp of how to apply the CFA Institute Code of Ethics and Standards of Professional Conduct.

Level III

The focus at Level III is on synthesis and integration. The Level III exam is an in-depth review of the entire portfolio management process, and you must be able to apply concepts learned in Levels I and II. As with Levels I and II, you will be required to have a firm grasp of how to apply the CFA Institute Code of Ethics and Standards of Professional Conduct.

The 2009 Level III exam includes both essay (“constructed response”) and item-set questions. The item set portion of the exam consists of vignettes or “mini-cases,” each followed by six multiple choice questions. You will have 180 minutes to answer 10 item sets (60 questions total) and 180 minutes to answer a variable number of essay questions. The essay portion of the Level III exam requires you to read a question, which may have several parts, and then provide a written response.

Registering for an exam.

If you are a prospective candidate, you may register for your Level I CFA exam once you have met the minimum program entrance requirements and paid an initial enrollment fee to CFA Institute. You may register for

only one examination at a time, and cannot register for a subsequent examination until you have received your passing results for the prior level examination.

In addition to the initial enrollment fee, you are required by CFA Institute to pay a registration fee for each examination. Because CFA Institute imposes a graduating fee scale as the examination date approaches, you will benefit financially by registering for your examinations early.

Resources and guidance.

As CFA candidate enrollments have continued to increase over the past decade, exam pass rates have shown an overall decline. For example, Level I pass rates hit 34 percent in 2004 and have hovered in that range since, with the June 2008 Level I pass rate at 35 percent. The Level II pass rate for June 2008 was 46 percent and for Level III it was 53 percent.

At Stalla, we believe that the primary reason for low pass rates is insufficient preparation, exemplified by an over-reliance on shortcuts, memorization, and study notes as the primary method of exam prep.

That’s why we have developed a structured, holistic exam preparation approach focused on developing an in-depth understanding of the CFA Program curriculum and honing the test-taking skills needed under high-pressure exam conditions. For more information and expert guidance on how to get started on your path to achieving the CFA charter, please visit the “CFA Designation” section at stalla.com or go to “CFA Program/Candidate Resources” at cfainstitute.org.

Prepare to pass your CFA® exam with Stalla. For more detailed information and expert guidance on how to design a CFA exam preparation program that meets your unique needs and circumstances, please visit stalla.com or call 877-727-7232.

Outside North America, e-mail international@stalla.com or call +1-630-472-2213.

Follows CFA Institute Prep Provider Guidelines.

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