

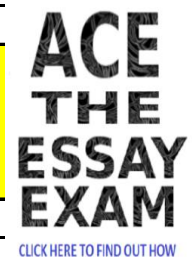


# ACE THE ESSAY EXAM

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This document attempts to identify questions from past Level III essay exams (2012 - 2018\*) which are based on the **2022 curriculum**. Green highlight indicates that all parts of the question are based on the 2022 curriculum. Yellow highlight indicates that some parts of a question are based on the 2022 curriculum. There is no guarantee that the information presented here is 100% accurate. If you have any suggested updates please visit our support help desk at <http://ift.freshdesk.com> (\*After 2018 CFA Institute stopped making actual essay exams available)

Year	Question	Based on 2022 curriculum	Topic	Comment
2012	1	No	Individual PM	
2012	2	No	Individual PM	
2012	3	No	Trading, Monitoring and Rebalancing	
2012	4	Yes	Individual/Behavioral	This question covers behavioral biases.
2012	5	No	Economics	
2012	6	Partial	Institutional PM	Part A covers calculation of pension Plan return requirement. Part B covers Plan's risk tolerance. Part C covers Plan's asset allocation and funding shortfall. Part D & E are not relevant. Part F covers switching from DB to a DC plan.
2012	7	No	Fixed Income	
2012	8	Partial	Risk Management (Derivatives & Currency Management)	Part A.i. covers equity futures calculation. Part B covers profit calculation. Part Aii is not relevant.
2012	9	No	Risk Management (Derivatives & Currency Management)	
2013	1	No	Individual PM	
2013	2	Yes	Individual PM	Part A covers estate planning. Part B covers benefits of trust. Part C covers gift vs bequest. Part D covers generation skipping.
2013	3	Partial	Individual/Behavioral	Part A is not relevant. Part B covers behavioral biases. Part C covers behavioral portfolio theory vs mean-variance framework.
2013	4	No	Equity	
2013	5	No	Economics	
2013	6	Partial	Institutional PM	Part A covers Foundation's risk tolerance. Part B covers the calculation of Foundation's return requirement. Part C covers determination of the Foundation's liquidity requirement. Part D covers the determination of Foundation's return and liquidity requirement.
2013	7	No	Institutional PM	
2013	8	No	Fixed Income	
2013	9	No	Fixed Income	
2013	10	No	Risk Management	
2013	11	No	Performance Evaluation	



Relevance of Questions from past Level III Essay Exams

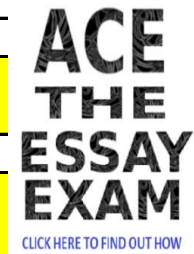
2014	1	Partial	Individual PM	Part A covers risk tolerance of an individual. Part B covers liquidity requirements. Part C is not relevant. Part D is not relevant (it is related to Part C). Part E covers calculation of portfolio returns net of taxes.
2014	2	Yes	Individual PM	Parts A, B, and C cover options strategies to reduce wealth concentration and defer C.G.T, reduce cost of hedging, cashless collar. Part D covers forward conversion with options strategy.
2014	3	No	Equity	
2014	4	Partial	Economics	Part A covers calculation of return based on Singer-Terhaar approach. Part B covers calculation of Taylor Rule. Part C covers risks of emerging markets
2014	5	Partial	Institutional PM	Part A covers risk tolerance of a pension plan. Part B covers liquidity requirement of the DB plan. Part C is not relevant.
2014	6	Partial	Institutional PM	Part A covers Endowment's risk tolerance. Part B covers Endowment's required return. Part C covers Endowment's risk tolerance and liquidity requirement.
2014	7	No	Fixed Income	
2014	8	Partial	Asset Allocation	Part A covers calculation of expected utility. Part B covers calculation of Roy's safety first criterion. Parts C & D are not relevant.
2014	9	No	Risk Management (Derivatives & Currency Management)	
2014	10	No	Trading, Monitoring and Rebalancing	
2014	11	Yes	Individual/Behavioral	This question covers behavioral biases.
2015	1	Partial	Institutional PM	Part A covers the Plan's risk tolerance. Part B not relevant. Part C covers Plan's liquidity requirement and duration.
2015	2	Partial	Institutional PM	Parts A & B are not relevant. Part C covers Foundation's risk tolerance
2015	3	No	Fixed Income	
2015	4	No	Alternative Investments	
2015	5	No	Performance Evaluation	
2015	6	No	Risk Management	
2015	7	Partial	Individual PM	Parts A and B cover calculation of bequest amount and gift amount. Parts C and D are not relevant.
2015	8	Partial	Individual PM	Part A is not relevant. Part B covers fixed annuity. Part C covers life insurance.
2015	9	Partial	Asset Allocation	Part A is not relevant Part B covers hedged v/s unhedged return. Part C covers selecting appropriate options trade.
2015	10	No	Economics	
2015	11	Yes	Individual/Behavioral	This question covers behavioral biases.

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2016	1	Partial	Institutional PM	Part A is not relevant. Part B covers the risk tolerance of the Endowment. Part C covers Foundation's ability to take risk vs. the Endowment. Part D is not relevant.
2016	2	No	Fixed Income	
2016	3	No	Equity	
2016	4	No	Asset Allocation	
2016	5	No	Trading, Monitoring and Rebalancing	
2016	6	Partial	Individual PM	Parts A & B cover individual's risk tolerance. Parts C, D & E are not relevant.
2016	7	Yes	Individual PM	Part A covers behavioral biases. Part B covers monetization strategy to manage concentrated single asset positions. Part C covers mortgage financing and sale and leaseback.
2016	8	No	Risk Management (Derivatives & Currency Management)	
2016	9	No	Economics	
2016	10	Partial	Individual/Behavioral	Part A is not relevant. Parts B and C cover behavioral biases.
2017	1	No	Alternative Investments	
2017	2	Partial	Institutional PM	Part A covers DB Plan's risk tolerance. Part B covers DB Plan's time horizon. Parts C & D are not relevant.
2017	3	Partial	Performance Evaluation	Parts A & B are not relevant. Part C covers appraisal measures.
2017	4	No	Individual PM	
2017	5	Yes	Individual/Behavioral	Parts A, B, C and D cover behavioral biases.
2017	6	Partial	Individual PM	Part A is not relevant. Part B covers risk tolerance. Part C covers IPS constraints. Part D covers portfolio allocations.
2017	7	No	Economics	
2017	8	Partial	Asset Allocation	Parts A & C are not relevant. Part B covers asset class criteria. Part D covers choosing Monte Carlo Simulation (advantages of MCS).
2017	9	No	Fixed Income	
2017	10	No	Risk Management (Derivatives & Currency Management)	
2018	1	Yes	Equity	Part A covers passive investment approach Part B covers methods for constructing equity portfolios - Full replication, Stratified sampling, Optimization Part C covers approaches to equity portfolio construction - Top down vs bottom up, and Systematic vs discretionary Part D covers active risk and active share
2018	2	Partial	Economics	Part A covers Singer-Terhaar approach. Part B covers Grinold-Kroner model. Part C is not relevant.



Relevance of Questions from past Level III Essay Exams

2018	3	Yes	Institutional PM	Part A covers Foundation's spending rate calculation. Part B covers Foundation's risk tolerance. Part C covers Foundation's cash needs.
2018	4	Yes	Behavioral Finance	Part A covers overconfidence bias Part B covers representativeness bias and conservatism bias Part C covers how behavioral biases affect asset allocation decisions - asset weights
2018	5	Yes	Private Wealth	Part A covers community property and forced heirship payoff calculations before estate taxes Part B covers forced heirship payoff calculations after estate taxes Part C covers estate planning benefit of making lifetime gifts Part D covers how life insurance can be a tax-efficient means of wealth transfer Part E covers benefits of trusts
2018	6	Partial	Private Wealth	Part A is not relevant. Part B covers risk tolerance. Part C covers return and risk objectives and the liquidity constraint.
2018	7	Yes	Fixed Income	Part A covers immunization of a single liability Part B covers calculating the number of futures contracts required to close the duration gap Part C covers yield curve strategies - Barbell, bullet and ladder portfolios Part D covers calculating expected return for fixed income instruments
2018	8	Partial	Risk Management (Derivatives & Currency Management)	Part A covers calculation of futures contracts. Part B is not relevant. Part C covers portfolio hedging
2018	9	Yes	Asset Allocation	Part A covers calculating expected utility Part B covers hedging/return-seeking portfolio approach Part C covers goals based approach given a set of sub-portfolio modules
2018	10	No	Trading, Monitoring and Rebalancing	