

CFA® SAMPLE QUESTION - LEVEL I

Alternative Investments

Q: A primary motivation for investment in commodities is most likely the:

CORRECT ANSWER:

- a) positive correlation of commodities with unexpected inflation.**

A primary motivation for an investment in commodities, commodity derivatives, commodity-linked bonds, and commodity-linked equity are the diversification benefits provided due to the negative return correlation with other assets and the positive correlation with unexpected inflation.



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