

CFA® SAMPLE QUESTION - LEVEL I

Alternative Investments

Q: Bill is considering the purchase the shares of the XYZ fund that has an NAV equal to \$33.50.

Given that the current market price is \$35.50. Which of the following statements is true?

CORRECT ANSWER:

© Bill can purchase shares of the XYZ fund at a premium to NAV

The market price of \$35.50 is at a premium to NAV at \$33.50. The fund is not an open-end fund because shares of an open-end fund should always trade at NAV. The fund does not charge a front-end load because it is a closed-end fund.



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