

CFA® SAMPLE QUESTION - LEVEL I

Portfolio Management

Q: Compared to investors with long investment time horizon, investors with short investment horizons most likely require:

CORRECT ANSWER:

(b) more liquidity and less emphasis on capital appreciation

For investor with short investment horizons, the top priority will be the "liquidity" of the related instruments.

How easy it will be able to convert back into cash in market under fair conditions.

As a tradeoff, short investment horizon can't expect huge capital appreciation in relatively short period of time.



CFA Society Hong Kong
Candidate Services

