

CFA® SAMPLE QUESTION - LEVEL I

Alternative Investments

Q: Given the below financial figures, what is the NAV for the XYZ fund?

Assets:	\$350,000,000
Liabilities:	\$50,000,000
Shares outstanding	22,500,000
Base Management Fee	0.55%

CORRECT ANSWER:

(b) \$13.33

The Net Asset Value (NAV) is the investment company's assets minus its liabilities, stated on a per-share basis.

NAV therefore: $(\$350,000,000 - \$50,000,000) / 22,500,000 \text{ shares} = \13.33 per share

The base management fee figure in here is just to mislead you.



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