EASY INTERMEDIATE HARD

CFA® SAMPLE QUESTION – LEVEL I

Portfolio Management

Q: A portfolio was created by investing 35% of the funds in asset A (standard deviation = 22%) and the balance has been invested in Asset B (standard deviation = 15%).

If the correlation coefficient is 0.85, what is the overall standard deviation of the portfolio?

ⓐ 16.79%

ⓑ 5.17%

ⓒ 22.35%

CFA Society Hong Kong
Candidate Services

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