

CFA® SAMPLE QUESTION – LEVEL I

Portfolio Management

- Q:** Research showed that differences in target asset allocations can explain as much as 90% of the variation in a portfolio's returns over time, it is most likely because of:
- a** target asset allocation should match the weights of asset classes in the market as a whole.
 - b** market timing with respect to asset class exposure has not greatly improved returns.
 - c** on average, portfolio managers are better at selecting asset class allocations than selecting stocks.



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