

Exhibit R-156

CFA Candidate Readings

1996-1998

1996 CFA Level I Candidate Readings

Portfolio Management

This book contains the readings assigned in Study Session 21–Study Session 23 of the 1996 Level I curriculum.

- “An Introduction to Risk and Return—Part I,” Franco Modigliani and Gerald A. Pogue, *Financial Analysts Journal*, AIMR (March/April 1974)
- “An Introduction to Risk and Return—Part II,” Franco Modigliani and Gerald A. Pogue, *Financial Analysts Journal*, AIMR (May/June 1974)
- *Cases in Portfolio Management*, John W. Peavy III and Katrina F. Sherrerd (AIMR, 1990)
 - “Portfolio Management: The Portfolio Construction Process”
 - “The Allen Family” and Guideline Answers
 - “Mid-South Trucking Company” and Guideline Answers
- “Top-Down Investing in Emerging Markets,” Lyle H. Davis, *Managing Emerging Market Portfolios* (AIMR, 1994)
- “Real Estate Investments,” Ch. 14, *Fundamentals of Investing*, 5th edition, Lawrence J. Gitman and Michael D. Joehnk (HarperCollins, 1993)
- “The Performance of Real Estate as an Asset Class,” William N. Goetzmann and Roger G. Ibbotson, *Journal of Applied Corporate Finance*, Stern Stewart Management Services (Spring 1990)

1997 LEVEL II READINGS CONTENTS

ASSET VALUATION II

| Study Session | | |
|------------------|---|-----|
| 16-2 | "Guide to Evaluating Sovereign Credits," <i>Fixed Income Credit Research</i> , Aida der Hovanessian (Morgan, Stanley & Co., November 1992) | 3 |
| 17-2 | "High-Yield Bond Analysis: The Equity Perspective," <i>Credit Analysis of Nontraditional Debt Securities</i> , Stephen F. Esser (AIMR, 1995) | 26 |
| 17-4 | "RJR Nabisco: Addition by Subtraction" <i>U.S. Research</i> , Marc I. Cohen and Katherine K. Oakley (Goldman, Sachs & Co., May 25, 1994) (Not included here. See Study Session 14-2 in Asset Valuation I.) | |
| 18-1 | "Analysis of Bonds With Embedded Options," <i>Bond Markets, Analysis and Strategies</i> , 3rd edition, Frank J. Fabozzi (Prentice Hall, 1996) | 34 |
| 18-2 | "A Framework for Analyzing Bonds: Horizon Return, Duration, and Convexity," <i>Current Topics in Investment Management</i> , Ravi E. Dattatreya and Frank J. Fabozzi (HarperCollins, 1990) | 59 |
| 18-3 | "Overview of Forward Rate Analysis—Understanding the Yield Curve: Part 1," <i>United States Fixed-Income Research: Portfolio Strategies</i> , Antti Ilmanen (Salomon Brothers, May 1995) | 80 |
| 18-4 | "Option-Adjusted Spread Analysis: Going Down the Wrong Path?" Robert W. Koprassch, <i>Financial Analysts Journal</i> (May/June 1994) | 101 |
| 18-5 | "Bond Yield Spreads: A Postmodern View," Chris P. Dialynas and David H. Edington, <i>The Journal of Portfolio Management</i> (Fall 1992) | 107 |
| 19-2 | "Beyond Duration: Risk Dimensions of Mortgage Securities," Michael Waldman, <i>The Journal of Fixed Income</i> (December 1992) | 115 |
| 19-3 | "Understanding CMOs, REMICs, and Other Mortgage Derivatives," Andrew S. Carron, <i>The Journal of Fixed Income</i> (June 1992) | 126 |
| 19-4 | "Introduction to Asset-Backed Securities," <i>Fixed Income Research Mortgage and Asset-backed Strategies</i> , Chris Ames (Lehman Brothers, July 1994) | 144 |
| 21-1A | "Overview of the Appraisal Process," <i>Real Estate</i> , 12th edition, Jerome Dasso, James D. Shilling, and Alfred A. Ring (Prentice Hall, 1995) | 197 |
| 21-1B | "Income-Property Analysis and Appraisal," <i>Real Estate</i> , 12th edition, Jerome Dasso, James D. Shilling, and Alfred A. Ring (Prentice Hall, 1995) | 211 |
| 21-1C | "Advanced Appraisal Topics," <i>Real Estate</i> , 12th edition, Jerome Dasso, James D. Shilling, and Alfred A. Ring (Prentice Hall, 1995) | 221 |
| 21-2 | "Appraisal Practices and Issues," <i>The Handbook of Real Estate Portfolio Management</i> , Frank P. Liantonio and Roy L. Gordon (Irwin Professional Publishing, 1995) | 231 |

ASSET VALUATION II (cont.)

Study
Session

- | | | |
|------|---|-----|
| 21-3 | "Past and Future Sources of Commercial Real Estate Returns," Joseph L. Pagliari, Jr., and James R. Webb, <i>The Journal of Real Estate Research</i> (Fall 1992) | 249 |
| 21-4 | "Forecasting Demand for Commercial Real Estate Based on the Economic Fundamentals of U.S. Metro Markets," Emil E. Malizia, <i>The Journal of Real Estate Research</i> (Fall 1991) | 284 |

©1996 Association for Investment Management and Research

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the copyright holder.

ISBN 1-879087-67-7

Printed in the United States of America

**1998 LEVEL III READINGS
CONTENTS**

| <u>Study Session</u> | | |
|--------------------------|--|-----|
| | PORTFOLIO MANAGEMENT | |
| 10-1A | "The Real Estate Portfolio Management Process," <i>The Handbook of Real Estate Portfolio Management</i> , Frederick Lieblich (Irwin Professional Publishing, 1995) | 3 |
| 10-1B | "Real Estate Investment Trusts," <i>The Handbook of Real Estate Portfolio Management</i> , David H. Downs and David J. Hartzell (Irwin Professional Publishing, 1995) | 64 |
| 10-2 | "Real Estate Investment Performance and Portfolio Considerations," <i>Real Estate Finance and Investments</i> , 10th edition, William B. Brueggerman and Jeffrey D. Fisher, eds. (Irwin Professional Publishing, 1997) | 102 |
| 10-3 | "Investing in Foreign Real Estate," <i>Real Estate Investing in the 1990s</i> , Andrew E. Baum (AIMR, 1995) | 126 |
| 11-1 | "Dynamic Strategies for Asset Allocation," André F. Perold and William F. Sharpe, <i>Financial Analysts Journal</i> (January/February 1988) | 132 |
| 13-3 | "Pension Investing and Corporate Risk Management," <i>Managing Institutional Assets</i> , Robert A. Haugen (HarperCollins, 1990) | 144 |
| 14-1 | "Lessons for International Asset Allocation," Patrick Odier and Bruno Solnik, <i>Financial Analysts Journal</i> (March/April 1993) | 165 |
| 14-2 | "Industry versus Country Correlations," <i>Investing Worldwide IV</i> , Andrew Rudd (AIMR, 1994) | 180 |
| 14-3 | "Forecasting International Equity Correlations," Claude B. Erb, Campbell R. Harvey, and Tadas E. Viskanta, <i>Financial Analysts Journal</i> (November/December 1994) | 188 |
| 14-4 | "National Risk in Global Fixed-Income Allocation," Claude B. Erb, Campbell R. Harvey, and Tadas E. Viskanta, <i>The Journal of Fixed Income</i> (September 1994) | 202 |
| 17-1 | "Measuring Investment Risk: A Review," Leslie A. Balzer, <i>The Journal of Investing</i> (Fall 1995) | 212 |
| 17-2 | "Value at Risk—New Approaches to Risk Management," Katerina Simons, <i>New England Economic Review</i> (September/October 1996) | 224 |

Study
Session

PORTFOLIO MANAGEMENT (continued)

| | | |
|------|--|-----|
| 18-1 | "The Psychology of Risk," <i>Quantifying the Market Risk Premium Phenomenon for Investment Decision Making</i> , Amos Tversky (AIMR, 1990) | 235 |
| 18-2 | "Myopic Loss Aversion and the Equity Premium Puzzle," Shlomo Benartzi and Richard H. Thaler, <i>The Quarterly Journal of Economics</i> , (February 1995) | 240 |
| 18-4 | "Managing Relationships: The Culture of Institutional Investing," William M. O'Barr and John M. Conley, <i>Financial Analysts Journal</i> (September/October 1992) | 260 |
| 19-1 | Description of Change between the <i>Performance Presentation Standards</i> , 1st edition and <i>AIMR Performance Presentation Standards Handbook</i> , 2nd edition | 267 |
| 19-2 | "AIMR Performance Presentation Standards: An Update," <i>Performance Evaluation, Benchmarks, and Attribution Analysis</i> , Michael S. Caccese, J. Paul Dokas, and Edward P. Rennie (AIMR, 1995) | 269 |
| 20-1 | "Evaluation of Portfolio Performance," <i>Modern Portfolio Theory and Investment Analysis</i> , 5th edition, Edwin J. Elton and Martin J. Gruber (John Wiley & Sons, 1995) | 276 |
| 20-4 | "Asset Allocation: Management Style and Performance Measurement," William F. Sharpe, <i>The Journal of Portfolio Management</i> (Winter 1992) | 318 |
| 20-5 | "Benchmark Portfolios and the Manager/Plan Sponsor Relationship," <i>Current Topics in Investment Management</i> , Jeffery V. Bailey, Thomas M. Richards, and David E. Tierney (HarperCollins, 1990) | 331 |
| 20-6 | "Are Manager Universes Acceptable Performance Benchmarks?" Jeffery V. Bailey, <i>The Journal of Portfolio Management</i> (Spring 1992) | 346 |

©1997, Association for Investment Management and Research

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of the copyright holder.

ISBN 1-879087-88-X

Printed in the United States of America