CFA Institute

2026 CFA Program Level I Candidate Notice

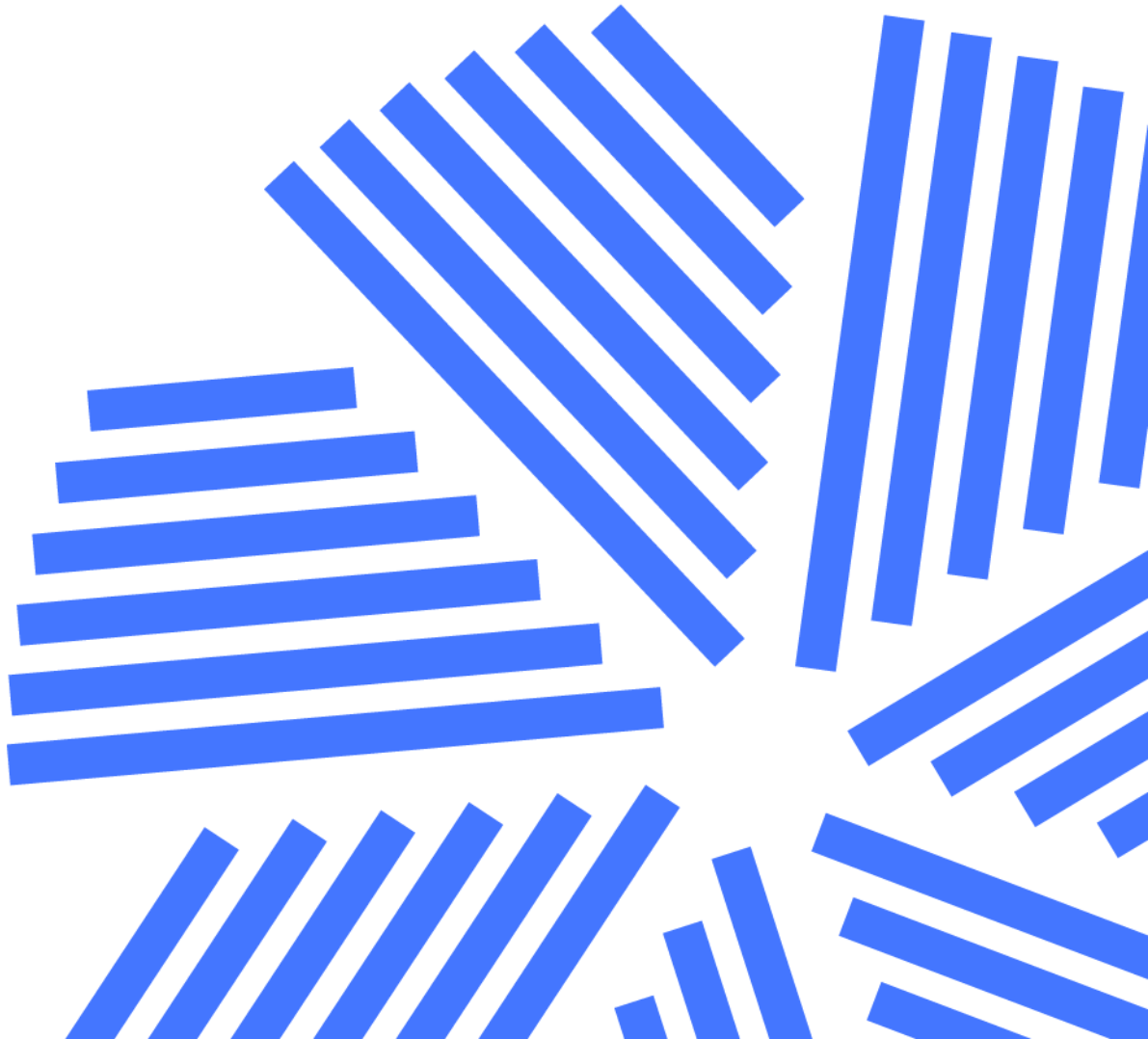
30 SEPTEMBER 2025

This document outlines the errors submitted to CFA Institute that have been corrected.

Due to the nature of our publishing process, we may not be able to correct errors submitted after 1 September 2024 in time for the publication of the following year's print materials. We do make it known in this notice when changes have been published in the curriculum and when they are still pending corrections. We release a new notice every two weeks.

We recommend checking either the LES or this document regularly for the most current information. Depending on when you purchase the print materials, they may or may not have the errors corrected.

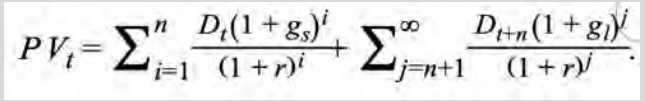
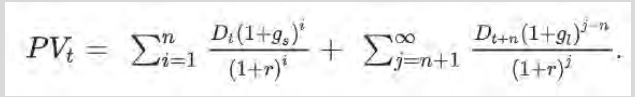
Quantitative Methods



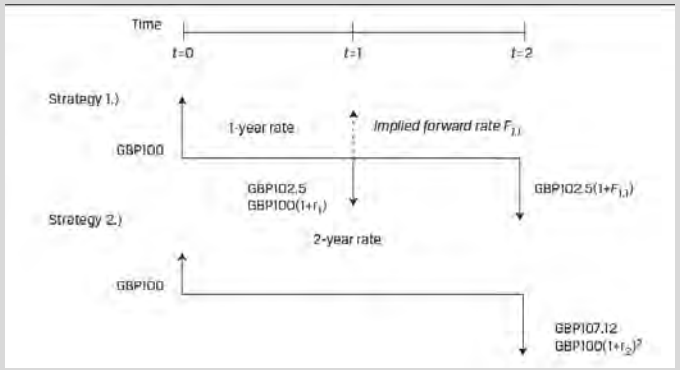
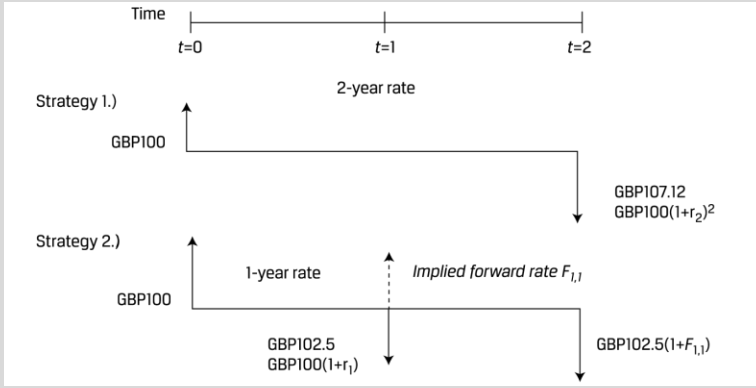
Rates of Return

Revised Date	Location	Page(s)	Replace	With
22 August 2025	Second paragraph	10	Using Equation 4, we can calculate the geometric mean return from the same three annual returns:	Using Equation 3, we can calculate the geometric mean return from the same three annual returns:
18 August 2025	Solution to Example 2	11	C is correct. Applying Equation 2, the holding period return is −10.1 percent, calculated as follows:	C is correct. Applying Equation **1**, the holding period return is −10.1 percent, calculated as follows:
20 August 2025	Exhibit 3 Title & Table	11	Exhibit 3: Mutual Fund Performance, 20X8–20X0 20X0	Exhibit 3: Mutual Fund Performance, 20X8–20Y0 20**Y**0
18 August 2025	Solution to Example 4	12	A is correct. Applying Equation 4, the fund's geometric mean return over the three-year period is 0.52 percent, calculated as follows:	A is correct. Applying Equation **3**, the fund's geometric mean return over the three-year period is 0.52 percent, calculated as follows:
14 August 2025	Paragraph and equation after Example 6	16	Because they use the same data but involve different progressions in their respective calculations, the arithmetic, geometric, and harmonic means are mathematically related to one another. We will not go into the proof of this relationship, but the basic result follows: Arithmetic mean × Harmonic mean = (Geometric mean)2.	~~Because they use the same data but involve different progressions in their respective calculations, the arithmetic, geometric, and harmonic means are mathematically related to one another. We will not go into the proof of this relationship, but the basic result follows:~~ ~~Arithmetic mean × Harmonic mean = (Geometric mean)2.~~

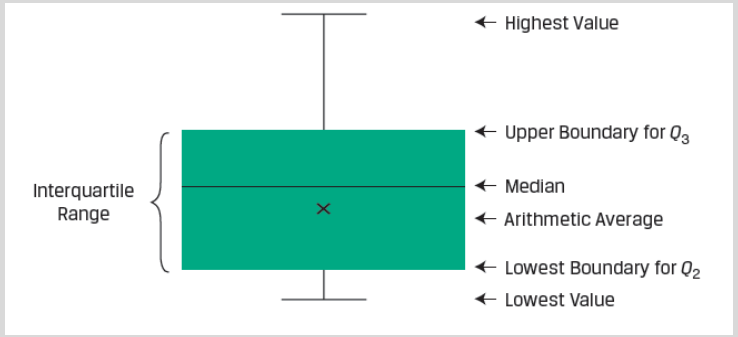
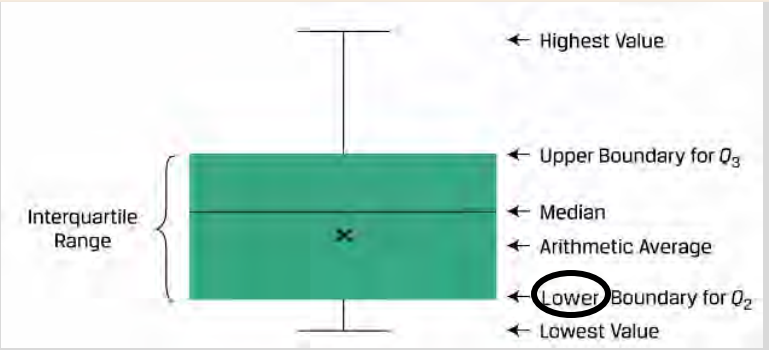
Rates of Return

Revised Date	Location	Page(s)	Replace	With
22 August 2025	Exhibit 13	22	Year 2, Investment Gain (Loss): 2.25	Year 2, Investment Gain (Loss): **-2.25**
22 September 2025	First sentence under Real Returns	34	Previously this learning module approximated the relationship between the nominal rate and the real rate by the following relationship:	**Previously the learning model approximated defined the relationship between the nominal rate and the real rate by the following relationship equation:**
26 August 2025	Paragraph under Equation 15	36	For example, for a EUR10 million equity portfolio that generates an 8 percent total investment return,	For example, for a **leveraged** EUR10 million equity portfolio that generates an 8 percent total investment return,
22 August 2025	Equation 15	58		

Time Value of Money in Finance

Revised Date	Location	Page(s)	Replace	With
26 September 2025	Equation 15	58	$PV_t = \sum_{i=1}^{n} \frac{D_t(1+g_s)^i}{(1+r)^i} + \sum_{j=n+1}^{\infty} \frac{D_{t+n}(1+g_l)^j}{(1+r)^j}.$	$PV_t = \sum_{i=1}^{n} \frac{D_t(1+g_s)^i}{(1+r)^i} + \sum_{j=n+1}^{\infty} \frac{D_{t+n}(1+g_l)^{j-n}}{(1+r)^j}.$
24 September 2025	Example 7, Solution 2	59	Step 2 As shown in Equation 17, the second expression simplifies as follows: $\frac{E(S_4)}{(1+r)^3}$; with $E(S_4) = \frac{D_4}{r-g_l}$.	Step 2 As shown in Equation 17, the second expression simplifies as follows: $\frac{E(S_4)}{(1+r)^3}$; with $E(S_4) = \frac{D_5}{r-g_l}$.
22 September 2025	Exhibit 10	72		

Statistical Measures of Asset Returns

Revised Date	Location	Page(s)	Replace	With
24 September 2025	Exhibit 5: Box and Whisker Plot	95		

Probability Trees and Conditional Expectations

Revised Date	Location	Page(s)	Replace	With
22 September 2025	Equation 8	143	This is the total probability rule in action. Now you can answer your question by applying Bayes' formula, Equation 8: P(EPS" " exceeded" " consensus \ DriveMed" " expands)	This is the total probability rule in action. Now you can answer your question by applying Bayes' formula, Equation 8: **P(EPS exceeded consensus | DriveMed expands)**
30 September 2025	Example 4 – Question 1	144	1. What is your estimate of the probability *P(EPS exceeded consensus | DriveMed expands)*	1. What is your estimate of the probability *P(EPS **met** consensus | DriveMed expands)*

Portfolio Mathematics

Revised Date	Location	Page(s)	Replace	With
2 September 2025	Equation 2	153	$\sigma^2(R_p) = E\{[R_p E(R_p)]^2\}.$	$\sigma^2(R_p) = E[(R_p E(R_p))^2].$
2 September 2025	Equation 5	154	$\sigma^2(R_p) = E[(R_p - ER_p)^2]$ $= E\{[w_1R_1 + w_2R_2 + w_3R_3 - E(w_1R_1 + w_2R_2 + w_3R_3)]^2\}$ $= E\{[w_1R_1 + w_2R_2 + w_3R_3 - w_1ER_1 - w_2ER_2 - w_3ER_3]^2\}.$	$\sigma^2 = E[(R_p - E(R_p))^2]$ $= E[(w_1R_1 + w_2R_2 + w_3R_3 - E(w_1R_1 + w_2R_2 + w_3R_3))^2]$ $= E[(w_1R_1 + w_2R_2 + w_3R_3 - w_1ER_1 - w_2ER_2 - w_3ER_3)^2]$
22 August 2025	Equation below Exhibit 3	155	$\sigma^2(R_p) = w_1^2\sigma^2(R_1) + w_2^2\sigma^2(R_2) + w_2^3\sigma^2(R_3) + 2w_1w_2\mathrm{Cov}(R_1, R_2)$	$\sigma^2(R_p) = w_1^2\sigma^2(R_1) + w_2^2\sigma^2(R_2) + w_3^2\sigma^2(R_3) + 2w_1w_2\mathrm{Cov}(R_1, R_2)$
18 August 2025	Last sentence in paragraph starting with "For example, given independence,"	163	The following condition holds for independent random variables and, therefore, also holds for uncorrelated random variables.	The following condition holds for independent random variables and, therefore, also holds for uncorrelated random variables**, since for two variables E(XY) = E(X)E(Y) + Cov(X,Y), and when the variables are uncorrelated, Cov(X,Y) = 0.**

Estimation and Inference

Revised Date	Location	Page(s)	Replace	With
22 September 2025	Solution to Question 1	210	Option 2: Apply the bootstrap method to construct the sampling distribution of the sample median, and then compute the standard error using Equation 7.	Option 2: Apply the bootstrap method to construct the sampling distribution of the sample median, and then compute the standard error using **Equation 4.**

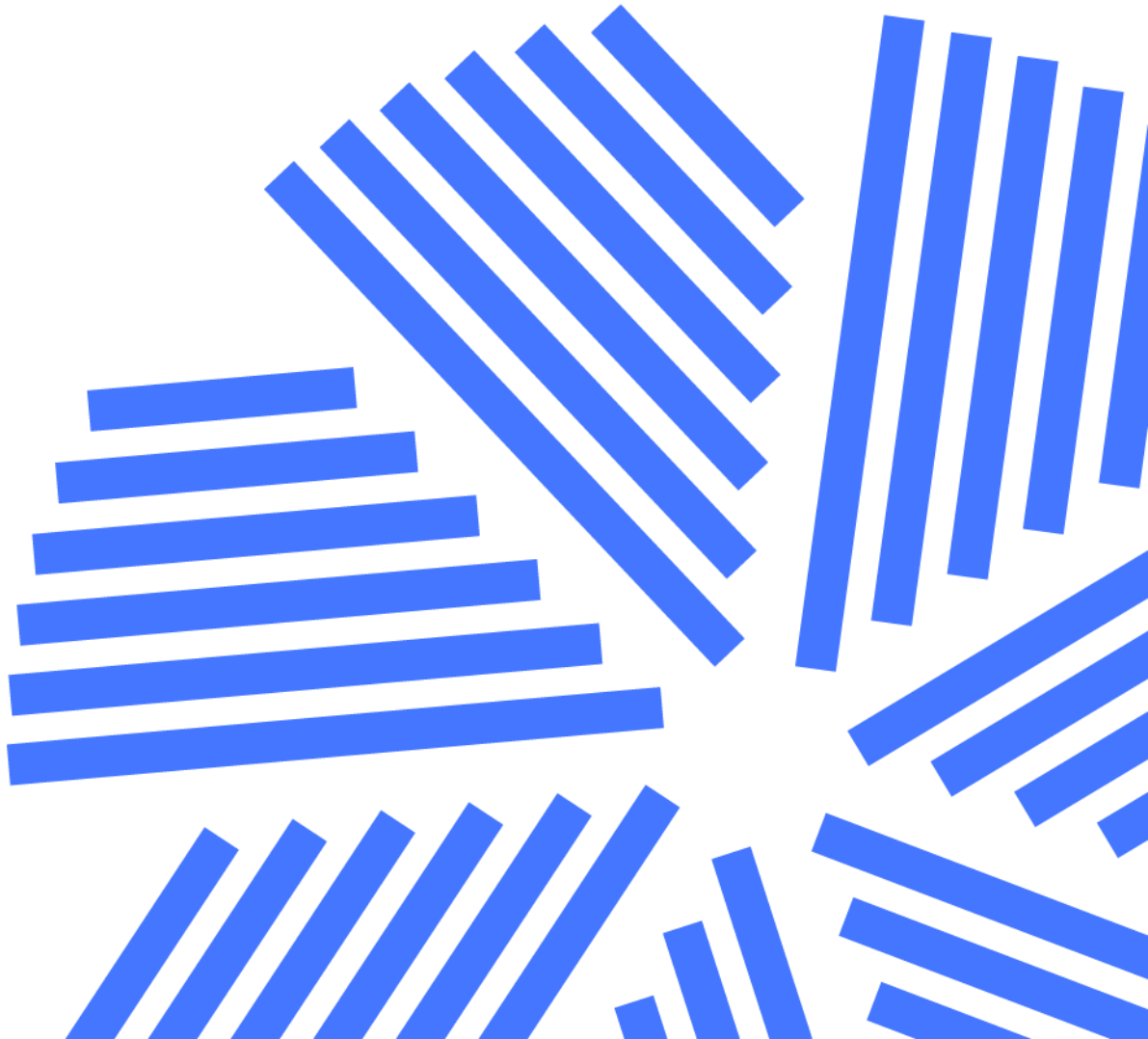
Hypothesis Testing

Revised Date	Location	Page(s)	Replace	With
18 September 20225	Learning Module Overview	216	To determine whether the difference between two population means from normally distributed populations with unknown but equal variances, the appropriate test is a t-test based on pooling the observations of the two samples to estimate the common but unknown variance. This test is based on an assumption of independent samples.	To determine whether the difference between two population means from normally distributed populations with unknown but equal variances **is significant**, the appropriate test is a t-test based on pooling the observations of the two samples to estimate the common but unknown variance. This test is based on an assumption of independent samples.
26 August 2025	Solutions, Solution 10	241	B is correct. The level of significance is used to establish the rejection points of the hypothesis test. A is correct because the significance level is not used to calculate the test statistic; rather, it is used to determine the critical value. C is incorrect because the significance level specifies the probability of making a Type I error.	B is correct. The level of significance is used to establish the rejection points of the hypothesis test. A is **incorrect** because the significance level is not used to calculate the test statistic; rather, it is used to determine the critical value. C is incorrect because the significance level specifies the probability of making a Type I error.

Simple Linear Regression

Revised Date	Location	Page(s)	Replace	With
23 September 2025	Information paragraph for Questions 35-38	320-321	Espey Jones is examining the relation between the net profit margin (NPM) of companies, in percent, and their fixed asset turnover (FATO). He collected a sample of 35 companies for the most recent fiscal year and fit several different functional forms, settling on the following model: $\ln(NPM_i) = b_0 + b_1 FATO_i$. The results of this estimation are provided in Exhibit 1. **Exhibit 1: Results of Regressing NPM on FATO** Source / df / Sum of Squares / Mean Square / *F* / *p*-Value Regression 1 102.9152 102.9152 1,486.7079 0.0000 Residual 32 2.2152 0.0692 Total 33 105.1303	Espey Jones is examining the relation between the net profit margin (NPM) of companies, in percent, and their fixed asset turnover (FATO). He collected a sample of 34 companies for the most recent fiscal year and fit several different functional forms, settling on the following model: $\ln(NPM_i) = b_0 + b_1 FATO_i$. The results of this estimation are provided in Exhibit 1. **Exhibit 1: Results of Regressing NPM on FATO** Source / df / Sum of Squares / Mean Square / *F* / *p*-Value Regression 1 102.9152 102.9152 1,486.7079 0.0000 Residual 32 2.2151 0.0692 Total 33 105.1303

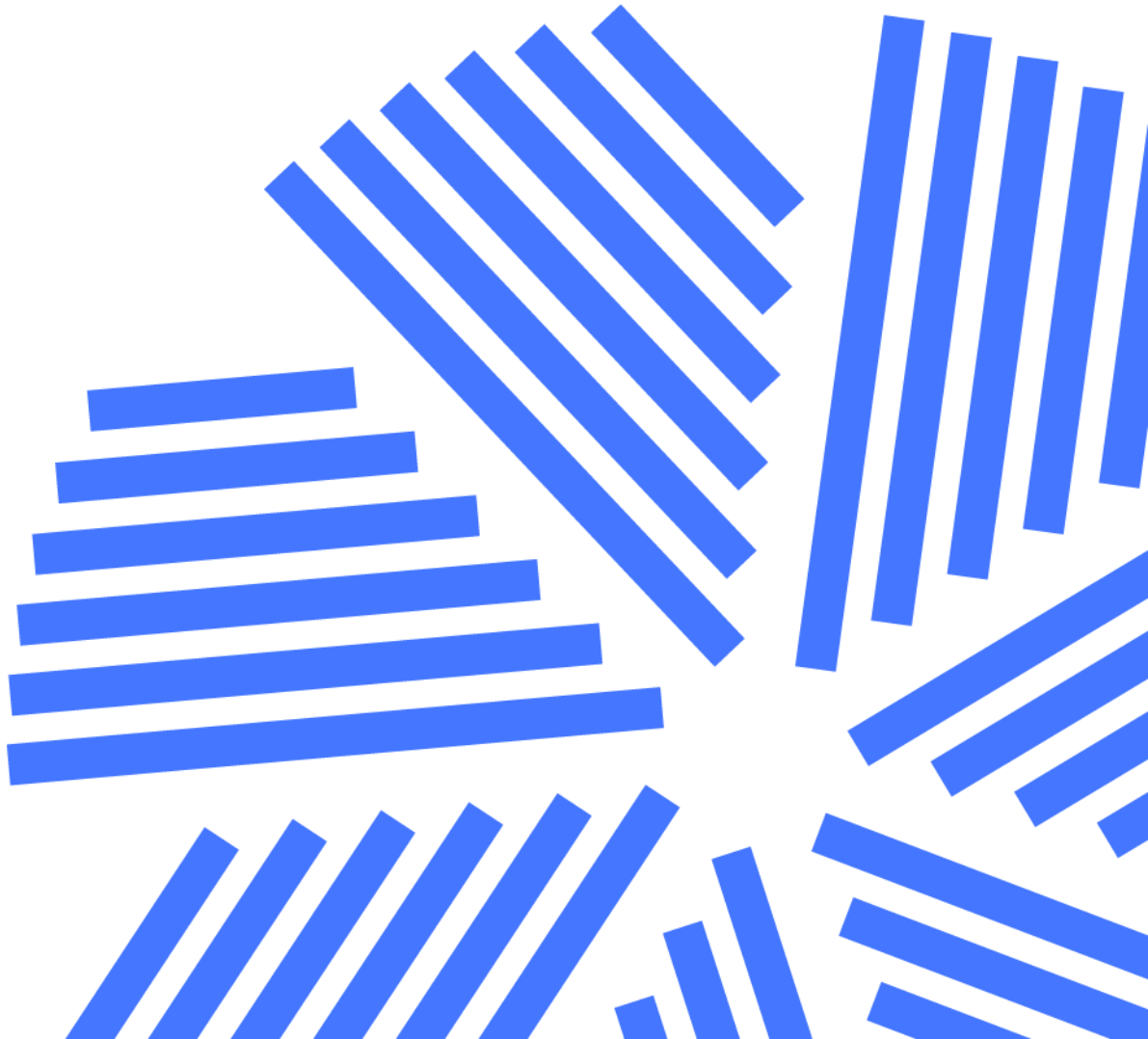
Economics



Exchange Rate Calculations

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Practice Problems, Solution 6	268	$Ff/d/\ Sf/d = (1+rf\tau\ /\ 1+rd\tau)$	$F_{f/d}/\ S_{f/d} = (1+r_f\tau\ /\ 1+r_d\tau)$

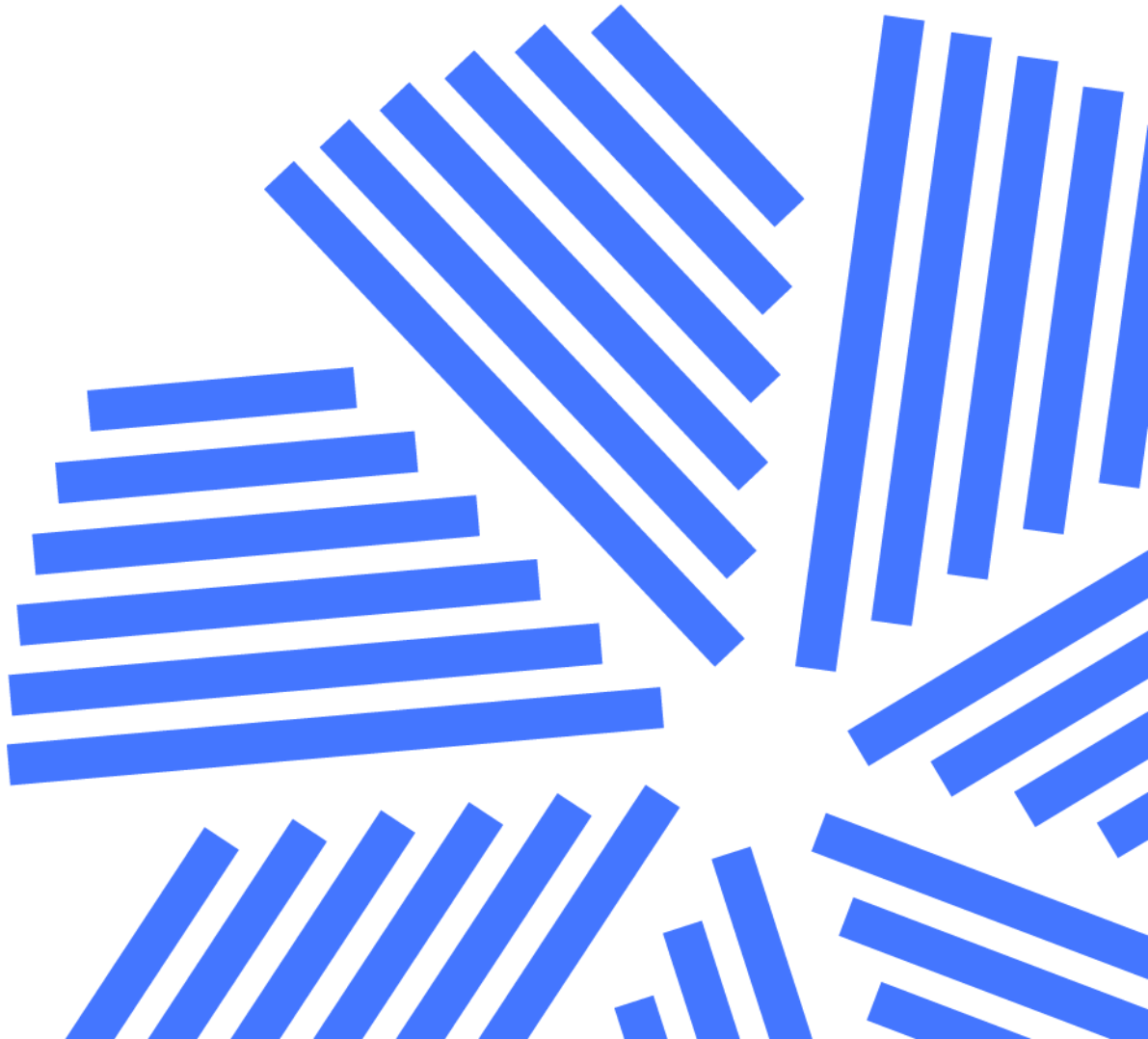
Corporate Issuers



Capital Structure

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Discussion box under Knowledge Check	178	Discussion box removed from curriculum	

Financial Statement Analysis



Analyzing Statements of Cash Flows I

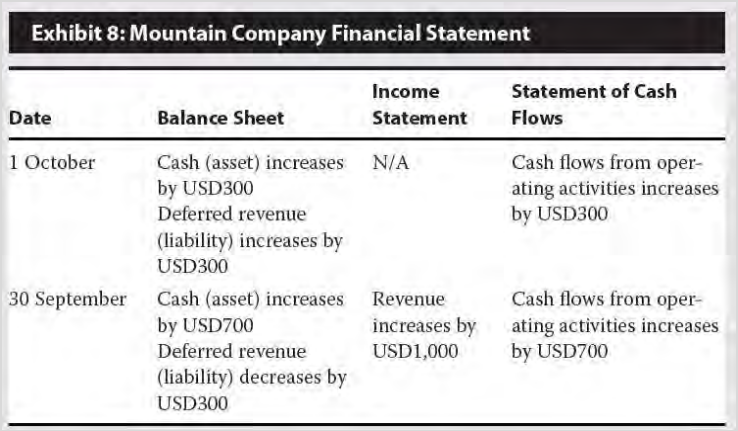
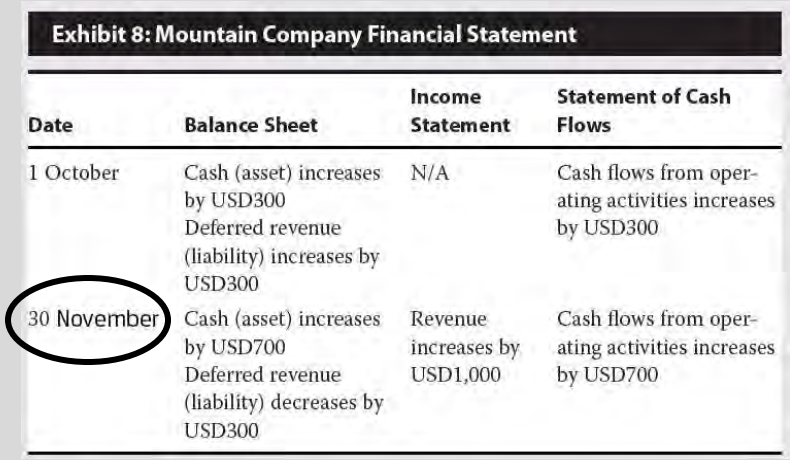
Revised Date	Location	Page(s)	Replace	With
24 September 2025	Exhibit 8, Mountain Company Financial Statement	130		

Exhibit 8: Mountain Company Financial Statement

Date	Balance Sheet	Income Statement	Statement of Cash Flows
1 October	Cash (asset) increases by USD300 Deferred revenue (liability) increases by USD300	N/A	Cash flows from operating activities increases by USD300
30 September	Cash (asset) increases by USD700 Deferred revenue (liability) decreases by USD300	Revenue increases by USD1,000	Cash flows from operating activities increases by USD700

Exhibit 8: Mountain Company Financial Statement

Date	Balance Sheet	Income Statement	Statement of Cash Flows
1 October	Cash (asset) increases by USD300 Deferred revenue (liability) increases by USD300	N/A	Cash flows from operating activities increases by USD300
30 November	Cash (asset) increases by USD700 Deferred revenue (liability) decreases by USD300	Revenue increases by USD1,000	Cash flows from operating activities increases by USD700

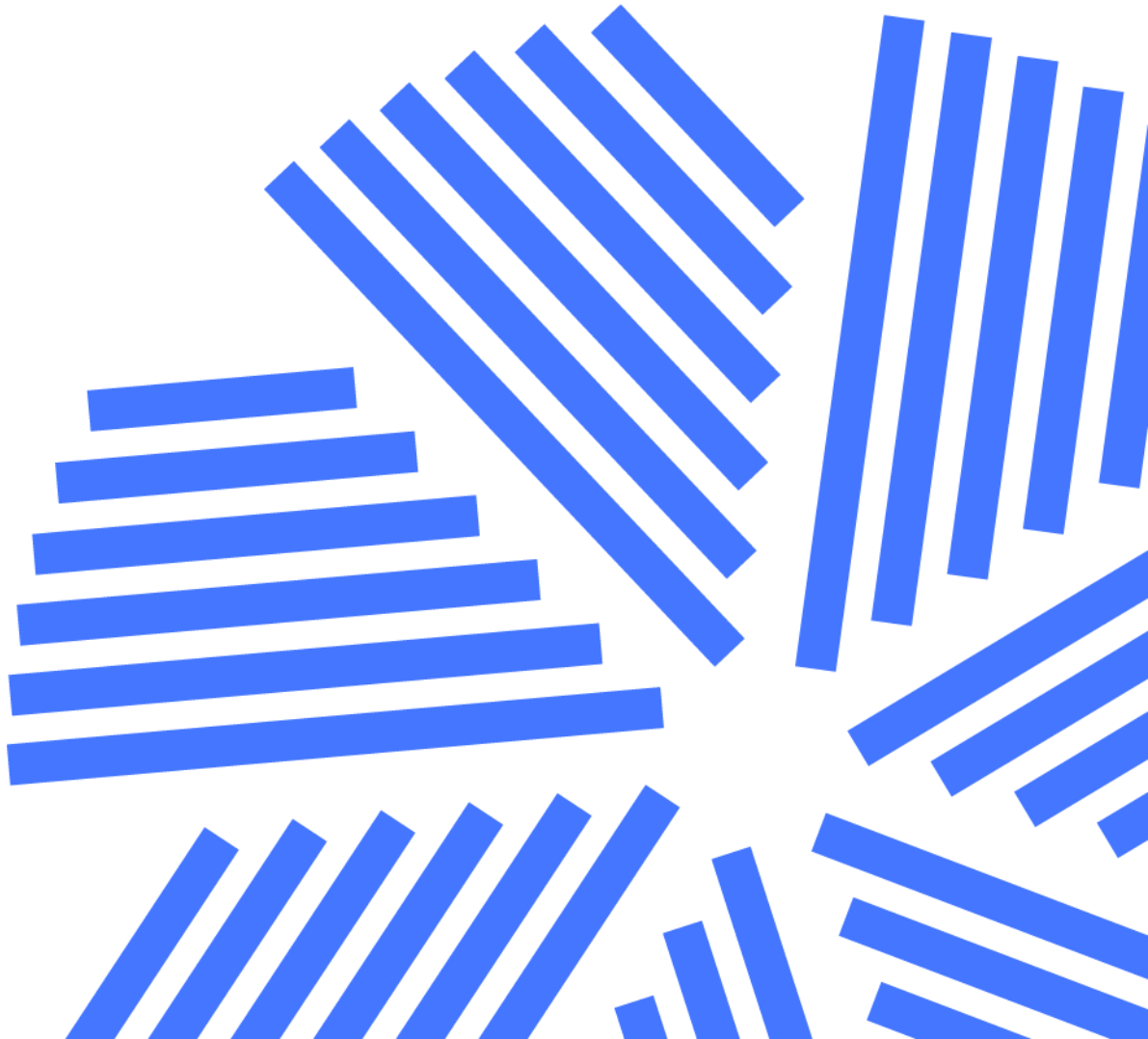
Analysis of Inventories

Revised Date	Location	Page(s)	Replace	With
5 September 2025	Practice Problems	186 – 187	Alcatel-Lucent	Jollof Inc.

Analysis of Long-Term Assets

Revised Date	Location	Page(s)	Replace	With
18 September 2025	Information for Questions 14-19	236	A financial analyst at BETTO S.A. is analyzing the result of the sale of a vehicle for 85,000 Argentine pesos (ARP) on 31 December 2021. The analyst compiles the following information about the vehicle: Acquisition cost of the vehicle ARP100,000 Acquisition date 1 January 2019 Estimated residual value at acquisition date ARP10,000 Expected useful life 9 years Depreciation method Straight-line	A financial analyst at BETTO S.A. is analyzing the result of the sale of a vehicle for 85,000 Argentine pesos (**ARS**) on 31 December 2021. The analyst compiles the following information about the vehicle: Acquisition cost of the vehicle **ARS100,000** Acquisition date 1 January 2019 Estimated residual value at acquisition date **ARS10,000** Expected useful life 9 years Depreciation method Straight-line
18 September 2025	Question 14	236	The result of the sale of the vehicle is *most likely:* A. a loss of ARP 15,000 B. a gain of ARP 15,000 C. a gain of ARP 18,333	The result of the sale of the vehicle is *most likely:* **A. a loss of ARS 15,000** **B. a gain of ARS 15,000** **C. a gain of ARS 18,333**

Equity Investments



Market Efficiency

Revised Date	Location	Page(s)	Replace	With
5 Sept 2025	Practice Problem #23	155	A. Semi-strong-form efficient	A. Stong form efficient

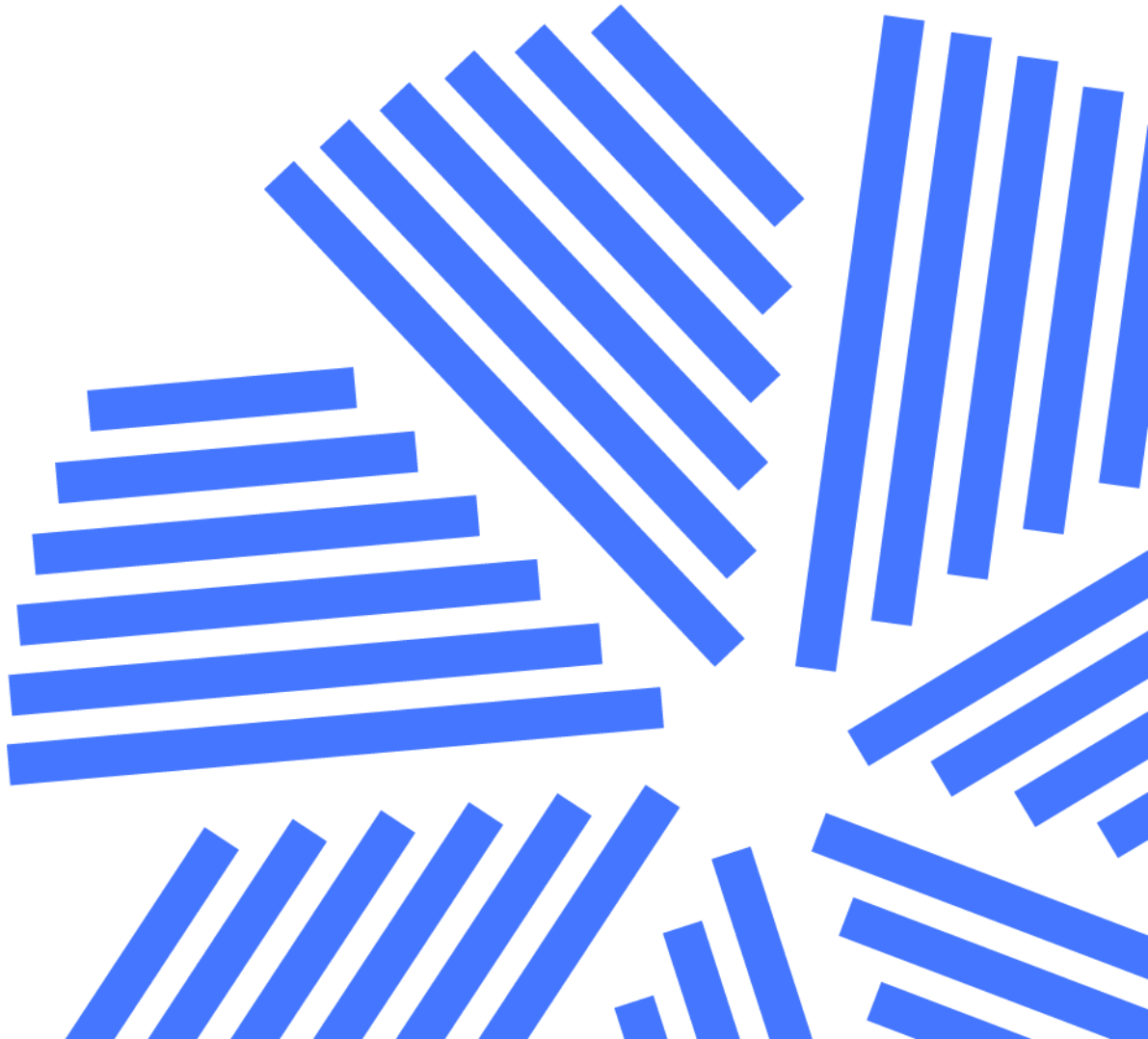
Company Analysis: Past and Present

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Discussion Board Question box under Example 1	212	Discussion box removed from curriculum	
18 August 2025	Discussion Board Question box under Case Study	222	Discussion box removed from curriculum	
17 September 2025	Question 3	240	Iliso's degree of financial leverage in 2X19 is closest to: A. 0.77. B. 1.13. C. 1.84.	Iliso's degree of financial leverage in 2X19 is closest to: A. 0.77. **B. 1.15.** C. 1.84.

Industry and Competitive Analysis

Revised Date	Location	Page(s)	Replace	With
29 September 2025	First sentence in third paragraph	276	Clearly, the analysis and the answers to these questions are company and industry specific (CFA Institute has published a helpful industry-by-industry reference titled *Sector Analysis: A Framework for Investors* with examples).	Clearly, the analysis and the answers to these questions are company and industry specific ~~(CFA Institute has published a helpful industry-by-industry reference titled *Sector Analysis: A Framework for Investors* with examples).~~

Fixed Income



Fixed-Income Issuance and Trading

Revised Date	Location	Page(s)	Replace	With
12 August 2025	Question Set – Question 3	65	B is correct.	**A** is correct.
18 September 2025	Solution to Question 1	77	A. III B. I C. II	A. III **B. II** **C. I**

Yield and Yield Spread Measures for Fixed-Rate Bonds

Revised Date	Location	Page(s)	Replace	With
4 September 2025	Question Set, Solution 4	171	$\frac{101.5 + 2}{(1 + r)^2}$	$\frac{101.25 + 2}{(1 + r)^2}$.

Curve-Based and Empirical Fixed-Income Risk Measures

Revised Date	Location	Page(s)	Replace	With
22 August 2025	Self-Assessment, Question 4	319	If the benchmark yield curve shifted by 50 bps, what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097?	If the benchmark yield curve **downward** shifted by 50 bps, what would be the percentage change in the full price of a bond if its effective duration is 6.094 and its effective convexity is –230.097?

Capital Structure

Revised Date	Location	Page(s)	Replace	With
18 August 2025	Discussion box under Knowledge Check	178	Discussion box removed from curriculum	

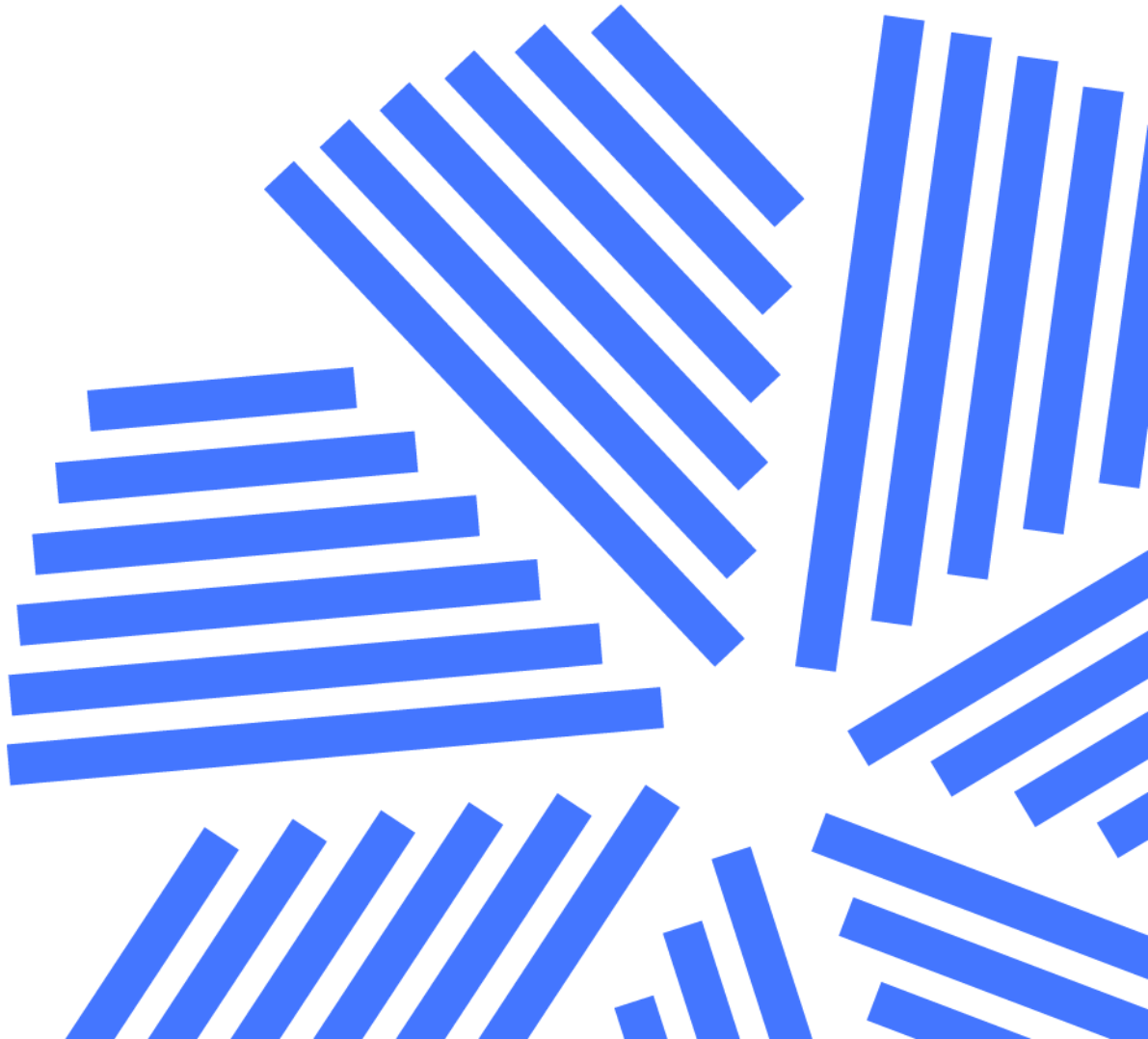
Key Rate Duration as a measure of Yield Curve Risk

Revised Date	Location	Page(s)	Replace	With
22 August 2025	Paragraph below Exhibit 5	331	Assume the portfolio is weighted by the prices of the respective 2-, 5-, and 10-year bonds for a total portfolio value of $293 million, or $1 million × (99.50 + 98.31 + 95.43). The portfolio's modified duration is calculated as 5.345 = [1.991 × (99.5/293.2)] + [4.869 × (98.3/293.2)] + [9.333 × (95.4/293.2)]. Alternatively, we could calculate each key rate duration by maturity. For example, the two-year key rate duration (KeyRateDur2) is 0.676 = 1.991 × (99.5/293.2).	Assume the portfolio is weighted by the prices of the respective 2-, 5-, and 10-year bonds for a total portfolio value of $277 million, or $1 million × (99.01 + 93.96 +84.01). The portfolio's modified duration is calculated as 5.367 = [1.990 × (99.006/277.0)] + [4.938 × (93.960/277.0)] + [9.828 × (84.010/277.0)]. Alternatively, we could calculate each key rate duration by maturity. For example, the two-year key rate duration (KeyRateDur2) is 0.711 = 1.990 × (99.006/277.0).

Credit Analysis for Corporate Issuers

<table>
<tr><th>Revised Date</th><th>Location</th><th>Page(s)</th><th>Replace</th><th>With</th></tr>
<tr><td>19 September 2025</td><td>Example 4</td><td>424</td><td>
<table>
<tr><th></th><th>Year 0</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr>
<tr><td>EBIT</td><td>1,330</td><td>1,122</td><td>890</td><td>632</td><td>346</td><td>364</td></tr>
<tr><td>EBITDA</td><td>1,730</td><td>1,589</td><td>1,407</td><td>1,180</td><td>906</td><td>916</td></tr>
</table>
</td><td>
<table>
<tr><th></th><th>Year 0</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr>
<tr><td>EBIT</td><td>930</td><td>655</td><td>373</td><td>86</td><td>-212</td><td>-189</td></tr>
<tr><td>EBITDA</td><td>1,330</td><td>1,122</td><td>890</td><td>633</td><td>347</td><td>363</td></tr>
</table>
</td></tr>
<tr><td>19 September 2025</td><td>Example 4</td><td>425</td><td>
<table>
<tr><th></th><th>Year 0</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr>
<tr><td>Debt to EBITDA</td><td>0.36</td><td>0.43</td><td>0.54</td><td>0.71</td><td>1.06</td><td>1.21</td></tr>
</table>
</td><td>
<table>
<tr><th></th><th>Year 0</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr>
<tr><td>Debt to EBITDA</td><td>0.47</td><td>0.61</td><td>0.85</td><td>1.32</td><td>2.77</td><td>3.04</td></tr>
</table>
</td></tr>
<tr><td>5 August 2025</td><td>Paragraph above Example 6</td><td>433</td><td>An issuer rating usually applies to its senior unsecured debt and addresses an obligor’s overall creditworthiness. On the other hand, an individual
issue rating refers to specific financial obligations of an issuer and takes such factors as seniority into account.</td><td>An issuer rating addresses an obligor’s overall creditworthiness. Rating agencies typically map it to the senior-unsecured debt level for consistency across issuers. On the other hand, an individual issue rating refers to specific financial obligations of an issuer and takes such factors as seniority into account.</td></tr>
</table>

Derivatives



Derivative Instrument and Derivative Market Features

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Paragraph under Exhibit 4	14	London Metals Exchange (LME)	London Metal Exchange (LME)

Forward Commitment and Contingent Claim Features and Instruments

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Example 2 image, paragraph under Ex. 2 image, Paragraph under Ex. 2, Example 3 image	30, 31, 32	London Metals Exchange (LME)	London Metal Exchange (LME)

Pricing and Valuation of Options

Revised Date	Location	Page(s)	Replace	With
29 September 2025	Equation 3	178	$\text{Max}\left(0,\ S_t - X(1+r)^{-(T-t)}\right)$	$\mathbf{c_t}\ -\ \text{Max}\left(0,\ S_t - X(1+r)^{-(T-t)}\right)$

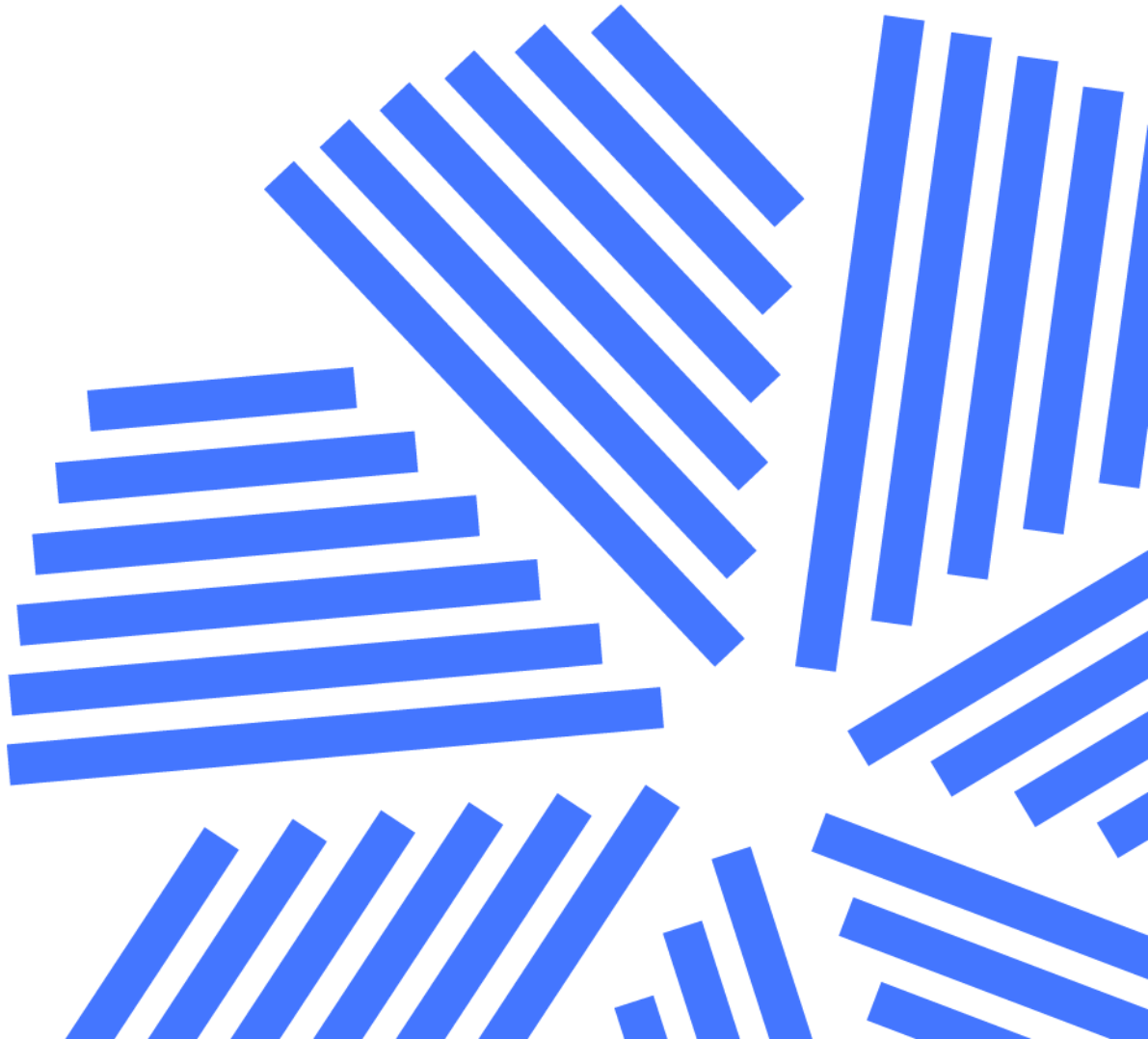
Option Replication Using Put-Call Parity

Revised Date	Location	Page(s)	Replace	With
26 September 2025	Question 3	199	Which of the following statements correctly describes a synthetic protective put position according to put–call forward parity? A.A long forward contract on the underlying, a long put option on the underlying, and a short risk-free bond B.A short forward contract on the underlying, a long put option on the underlying, and a short risk-free bond C.A short forward contract on the underlying, a short put option on the underlying, and a short risk-free bond Solution: A is correct. The formula for put–call forward parity is as follows: F0(T)(1 + r)–T + p0 = c0 + X(1 + r)–T. Rearranging the terms as follows shows the synthetic protective put position on the left-hand side of the equation: F0(T)(1 + r)–T + p0 – X(1 + r)–T = c0.	Which of the following statements correctly describes a synthetic protective put position according to put–call forward parity? A.A long forward contract on the underlying, a long put option on the underlying, and a **long** risk-free bond B.A short forward contract on the underlying, a long put option on the underlying, and a short risk-free bond C.A short forward contract on the underlying, a short put option on the underlying, and a short risk-free bond Solution: A is correct. The formula for put–call forward parity is as follows: F0(T)(1 + r)–T + p0 = c0 + X(1 + r)–T. ~~Rearranging the terms as follows shows the synthetic protective put position on the left-hand side of the equation:~~ ~~F0(T)(1 + r)–T + p0 – X(1 + r)–T = c0.~~

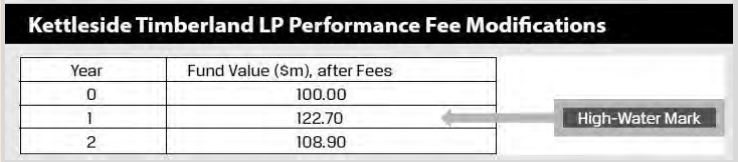
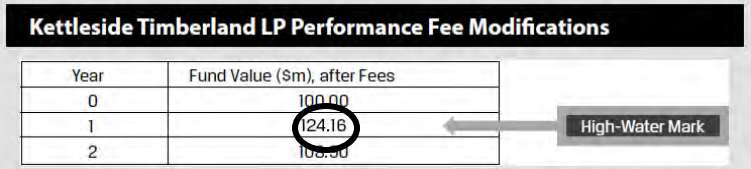
Valuing a Derivative Using a One-Period Binomial Model

Revised Date	Location	Page(s)	Replace	With
30 September 2026	Solution to Question 5 in Question Set	229	$\frac{£3}{£4} = -0.75$	$-\frac{£3}{£4} = -0.75$

Alternative Investments



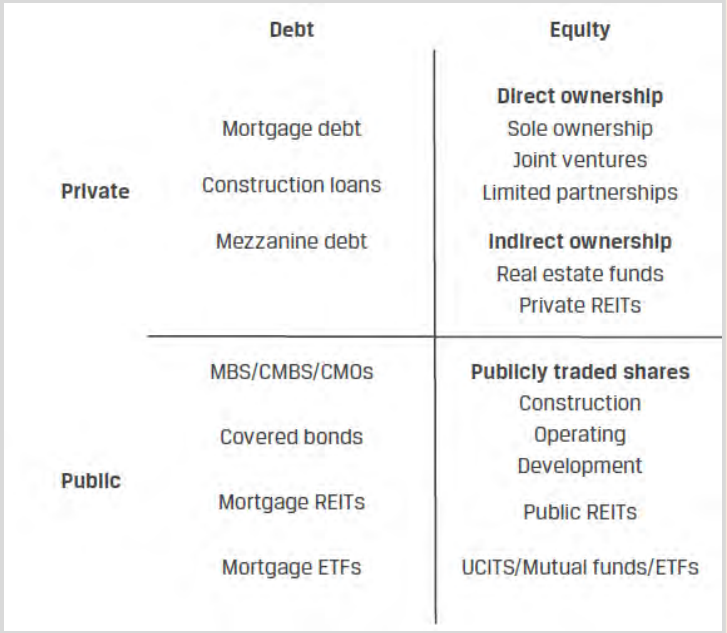
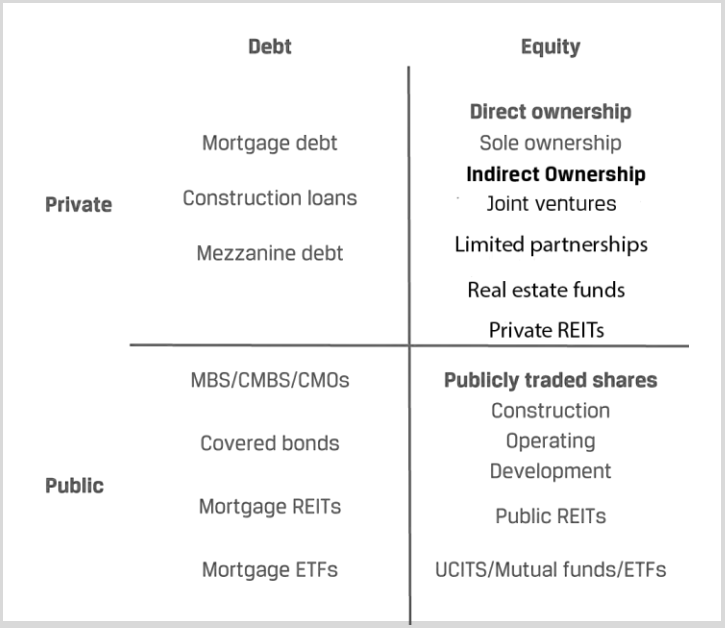
Alternative Investment Performance and Returns

Revised Date	Location	Page(s)	Replace	With
28 July 2025	Knowledge Check: MOIC Calculation	38	IRR 20%	IRR **6.82%**
18 September 2025	Example 4, Question 3	48	Note that the high-water mark, PHWM, is the highest value of the fund after fees in all previous years. In Kettleside's case, it was $122.7 million, the ending value in the first year, P1. 	Note that the high-water mark, PHWM, is the highest value of the fund after fees in all previous years. In Kettleside's case, it was **$124.16** million, the ending value in the first year, P1. 

Investments in Private Capital: Equity and Debt

Revised Date	Location	Page(s)	Replace	With
18 September 2025	First sentence in Public Listing section	75	Public listing on an exchange can take place either as an initial public offering (IPO), a direct listing, or a special acquisition company (SPAC).	Public listing on an exchange can take place either as an initial public offering (IPO), a direct listing, or a **special purpose acquisition company (SPAC).**

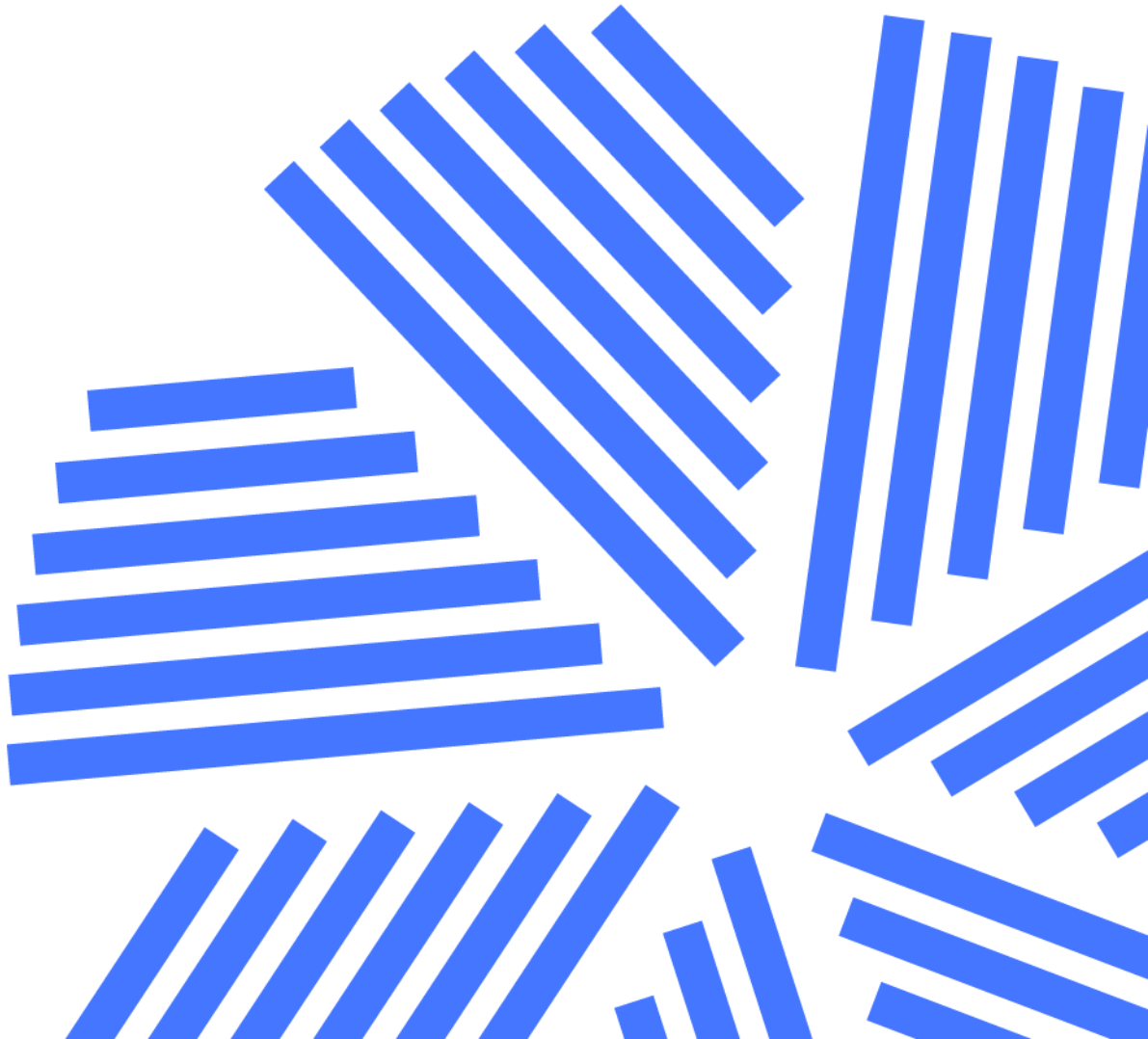
Real Estate and Infrastructure

Revised Date	Location	Page(s)	Replace	With
19 September 2025	Exhibit 2	98		

Hedge Funds

Revised Date	Location	Page(s)	Replace	With
4 June 2025	Learning Module Self-Assessment, Question/Solution 5	149 - 150	1. 16.38 Return to the investors = 20 million – 3.72 million = 16.38 million. Investors' return = 16.38%.	1. 16.28 Return to the investors = 20 million – 3.72 million = **16.28 million.** Investors' return = **16.28%.**
25 August 2025	Solutions	177	C is correct. Participating in a potential bankruptcy situation would be characteristic of an event-driven hedge fund manager and not a fundamental long/short manager. B is incorrect because a fundamental long/short manager would invest in securities expected to exhibit high growth and capital appreciation. C is incorrect because a fundamental long/short manager would short securities in sectors that project negative growth.	C is correct. Participating in a potential bankruptcy situation would be characteristic of an event-driven hedge fund manager and not a fundamental long/short manager. **A** is incorrect because a fundamental long/short manager would invest in securities expected to exhibit high growth and capital appreciation. **B** is incorrect because a fundamental long/short manager would short securities in sectors that project negative growth.

Ethical and Professional Standards



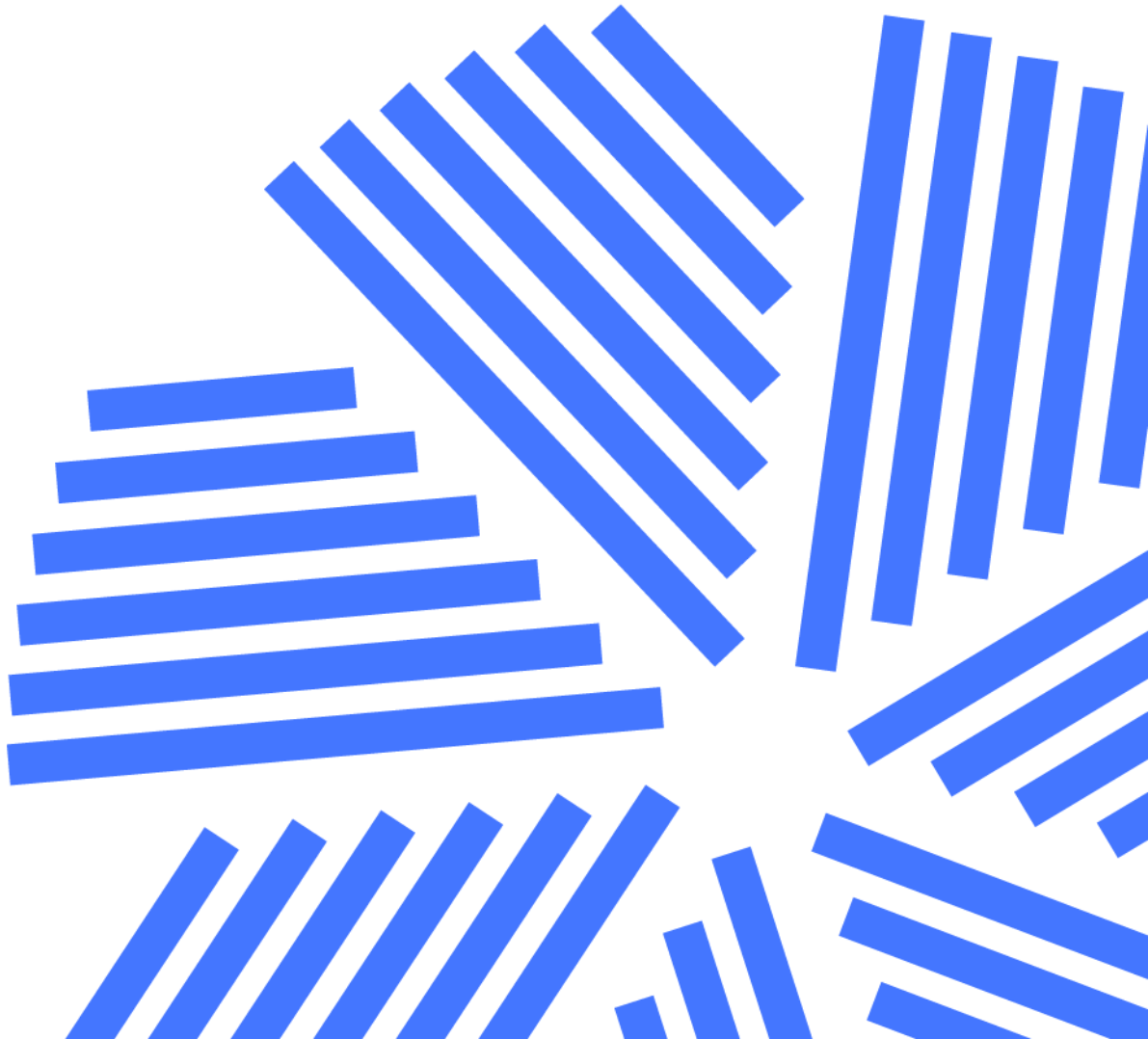
Guidance for Standards I - VII

Revised Date	Location	Page(s)	Replace	With
3 September 2025	Exhibit 1, Row 6, Column 1	57	Member resides in LS country, does business in MS country; LS law applies, but it states that law of locality where business is conducted governs	Member resides in LS country, does business in MS country; **MS** law applies, but it states that law of locality where business is conducted governs

Ethics Applications

Revised Date	Location	Page(s)	Replace	With
25 August 2025	Analysis under "Taveras"	286	"C is correct..." "B is incorrect..."	"**B** is correct..." "**C** is incorrect..."

Glossary



Key Terms

Revised Date	Location	Page(s)	Replace	With
19 May, 2025	Hedge ratio	G-14	The proportion of an underlying that will offset the risk associated with a derivative position	The proportion of an underlying **investment position** that will offset the risk associated with a derivative position
20 August 2025	Off-the-run-securities	G-20	Sovereign debt securities outstanding other than on-the-sun securities. Off-the-run securities are less liquid than on-the-run securities.	Sovereign debt securities outstanding other than on-the-**run** securities. Off-the-run securities are less liquid than on-the-run securities.