Provided Formulas

These formulas are provided with the exam booklets when taking the CFP® Certification Examination:

$$V = \frac{D_1}{r - g}$$

$$r = \frac{D_1}{P} + g$$

$$COV_{ij} = \rho_{ij}\sigma_i\sigma_j$$

$$\sigma_p = \sqrt{W_i^2\sigma_i^2 + W_j^2\sigma_j^2 + 2W_iW_jCOV_{ij}}$$

$$\beta_i = \frac{COV_{im}}{\sigma_m^2} = \frac{\rho_{im}\sigma_i}{\sigma_m}$$

$$\sigma_r = \sqrt{\frac{\sum_{t=1}^{n}(r_t - \bar{r})^2}{n}}$$

$$S_r = \sqrt{\frac{\sum_{t=1}^{n}(r_t - \bar{r})^2}{n-1}}$$

$$CV = \frac{Par}{CP} \times P_s$$

$$r_i = r_f + (r_m - r_f)\beta_i$$

$$r_p = r_f + \sigma_p\left(\frac{r_m - r_f}{\sigma_m}\right)$$

$$S_p = \frac{\overline{r_p} - \overline{r_f}}{\sigma_p}$$

$$\alpha_p = \overline{r_p} - \left[\overline{r_f} + \left(\overline{r_m} - \overline{r_f}\right)\beta_p\right]$$

$$T_p = \frac{\overline{r_p} - \overline{r_f}}{\beta_p}$$

$$D = \frac{\sum_{t=1}^{n}\frac{c_t(t)}{(1+i)^t}}{\sum_{t=1}^{n}\frac{c_t}{(1+i)^t}}$$

$$D = \frac{1+y}{y} - \frac{(1+y) + t(c-y)}{c\left[(1+y)^t - 1\right] + y}$$

$$\frac{\Delta P}{P} = -D\left[\frac{\Delta y}{1+y}\right]$$

$$IR = \frac{R_P - R_B}{\sigma_A}$$