

**Updates and Errata: ACTEX Study Manual for SOA Exam FM, Fall 2018 Edition
as of June 13, 2019**

Please note the following errors in the Fall 2018 Edition of the manual.
In each item, the change is shown in **red**.

Page M2-93, solution to Problem 15.

The second paragraph should begin:

Since **Susan** gets the next m payments ...

Page M2-104, solution to Problem 12.

The *Note* on the 8th line from the bottom of the page should read as follows:

(*Note: Calculator must be in **BGN** mode.*)

Page MT1-4, Problem 3.

The formula after the large paragraph should be:

$$FV = 8 \cdot s_{\overline{10}|i}^{5.25\%(4)} = 8 \cdot \frac{(1+i)^{10} - 1.0525^{10}}{i - 0.0525} \cdot \frac{i}{i^{(4)}}$$

Page M5-30, solution to Problem 5.

The 2nd line of the formulas in the middle of the solution requires an additional “0”:

$$1,050 - 100x = 90/0.08852 = 1,016.72 \rightarrow x = 0.333$$

Page PE6-9, Problem 35.

The first sentence should read:

A 4-year interest rate swap has a notional principal amount of **100,000**.

Page PE6-23, solution to Problem 33.

The equation in the last paragraph requires an additional “0”:

$$6,000 \cdot 1.003333^{10} = 6,203.03$$

Page PE8-18, solution to Problem 17.

The correct answer choice is **D**, not **B**.

Page PE9-7, Problem 25.

The number in the next-to-last line should be **1,275** (not 1,175).

Page PE9-14, solution to Problem 11.

The second equation should be:

$$X = 960 \cdot a_{\overline{168}|i} = 960 \cdot \frac{1 - 1.00526169^{-168}}{0.00526169} = 106,897.76$$

Page PE9-24, solution to Problem 29.

The first equation on the last line should be:

$$v^2 = 0.90525$$