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CFA Society Cleveland  
3637 Medina Rd., Ste. 110  
Medina, OH 44256  
216-696-8066

Dear fellow members and stakeholders,

Planning started well over two years ago and included a large investment of both time and capital by the Society, without any guarantee it would result in an event. We first developed our marketing strategy and web site and formed a strategic partnership with Clear Perspective Group. Over the ensuing year, we thoroughly researched venues, event structure and issuer and sponsor interest. Concurrently, we also floated funding ideas by the Institute to garner national support and Institute funding. It was just about year ago that we were ready to put the plan in full motion and launch The Midwest Investment Conference, aka the MIC.

Over the summer, we received a major sponsorship from the Institute and momentum increased from there. At the same time, we secured additional sponsorships from vendors and issuer fees which significantly helped to provide the necessary funding for the conference. Importantly, the initiative started a platform for future conferences and a foundation from which to grow.

The MIC took place on November 19 at the new Cleveland Convention Center. We hosted 21 companies, 48 company representatives, 20 sponsor representatives, 126 investor attendees and 6 walk-ins. The meetings were well attended and 111 one on ones were held and all initial indications are that sponsors and issuers will return and we've received strong levels of interest from other issuers to participate in future conferences.

Our partnership with Clear Perspective Group is significant as they have invested high levels of human and financial capital into the conference. CFA Society Cleveland and Clear Perspective Group jointly own the Brand and the financial interest in the partnership. Our joint investment will pave the way toward future conferences as board members rotate.

Matt Dennis and his staff at Clear Perspective Group have been terrific to work with on the conference. His attention to detail and work ethic is second to none. James Bailey chaired the conference for CFA Society Cleveland and I can't thank him enough for the time and effort he has dedicated to the MIC and to the Society in general. In addition, I would like to thank the large committee who worked tirelessly to make the conference possible.

As you know, we are one of the most active societies in the world and initiatives such as the MIC continue to bolster this standing. Thank you for your membership and continued support!

Respectfully Submitted,



Craig Cimoroni

# WALL STREET COMES TO CLEVELAND



## INAUGURAL MIDWEST INVESTMENT CONFERENCE EXCEEDS EXPECTATIONS

Cleveland, OH – More than 200 institutional investors, corporate executives and professional industry analysts convened in the heart of downtown Cleveland on November 19 for the inaugural Midwest Investment Conference (MIC). Positive feedback from the event has been overwhelming, and plans are already underway to host a similar event next year.



Lunch tables were labeled with the corresponding ticker symbols for each presenting company. Attendees could then opt to sit with representatives from each issuer and continue one-on-one networking.

Unlike a sell-side conference sponsored by a single broker/dealer, MIC was made possible by the attendees themselves. Public issuers, institutional investors and sponsors pitched in to cover the logistical and marketing costs associated with putting on the event. This team effort resulted in an economically self-sufficient conference without any conflicts of interest. The conference was open to all qualified institutional investors and representatives from numerous sell-side, buy-side and independent research shops took part.

The forum featured auditorium-style group presentations by leading Midwest-based companies in the materials, and industrial sectors such as TransDigm Group, RPM International and The Lincoln Electric Company. Institutional investors heard directly from executive management teams about their company's strategies and specific plans for enhancing shareholder value. Additionally, qualified investors could request private or small group meetings with those same senior

management teams. There were 114 private meeting requests and event organizers were able to successfully accommodate virtually every one.

The 194 registered attendees included 48 company agents (representing 20 issuers), 20 sponsor representatives and 126 investor attendees.

### Interactive Workshops Were a Conference Bonus!

Title sponsor for MIC 2013, Tucker Ellis, LLP, conducted several free interactive workshops on site. The workshops covered relevant subjects such as shareholder activism the SEC's current position on hot topic issues adding even more value for conference participants.

### CFA Institute Research Challenge—Bolt On

Nordson Corporation, also a presenting issuer at the MIC, is this year's subject company for our local version of CFA Institute's Research Challenge. By holding their company presentation at MIC, teams of students from several Northeast Ohio colleges and universities were also able to experience the conference and learn about corporate transparency in the field. Teams will present their respective equity research reports covering their estimates and outlook for Nordson's stock to a panel of local judges in February. The winning team will move on the national competition in Denver, CO, and then hopefully onto the global final in Bangkok, Thailand, next April.

"The entire conference was well received by all attendees," said James Bailey, CFA, MIC Committee Chairman. "Feedback received from public issuers as well as investors and sponsors has been very encouraging. The conference line up of high-quality issuers attracted a number of out-of-state investors to Cleveland. We are looking forward to showcasing even more of the region's finest public issuers to institutional investors at MIC 2104."

MIC 2013 took place at the newly opened Cleveland Convention Center, which is home to state-of-the-art meeting rooms and gorgeous views of Lake Erie. Out-of-state travelers were able to easily access the venue by major interstates or by air via Cleveland Hopkins International Airport (CLE).

*Information on MIC 2014 will be posted at [www.go2mic.org](http://www.go2mic.org) as it becomes available.*

# THE ECONOMICS OF OBAMACARE

## IN 1991, MILTON FRIEDMAN UPDATED THE FAMOUS GAMMON'S LAW STUDY BY APPLYING IT TO THE U.S. HEALTH-CARE SYSTEM:

Progress in medical science may well explain most of the decline in output [e.g., occupied beds]; it does not explain much, if any, of the rise in input per unit of output. True, medical machines have become more complex. However, in other areas where there has been great technical progress – whether it be agriculture or telephones or steel or automobiles or aviation or, most recently, computers and the Internet – progress has led to a reduction, not an increase, in cost per unit of output. Why is medicine an exception? Gammon's law, not medical miracles, is clearly at work."

## PART 1: THE IMPLICATIONS FOR HEALTH CARE INVESTING

By Ron Rimkus, CFA

Now that the U.S. Supreme Court has upheld the Patient Protection and Affordable Care Act (PPACA) – known simply as the Affordable Care Act and more popularly as "Obamacare" by conservatives and, yes, liberals alike – it is a good time to explore what the legislation really means. The architects of PPACA emphasize three main goals: to provide access to health care to all; to improve the quality of care; and to find ways to slow or reduce the cost of care. Can the law meet these lofty goals? And what are the implications for investors in hospital and insurance stocks?

It's impossible to answer these questions without understanding the deeply complex historical background of health care in the United States, so I'm breaking my analysis into three posts. In this first post, I'll cut to the chase and lay out my investment thesis in brief. In a second post, I'll delve into the history of health care insurance, working through the lens of American economist Milton Friedman and British physician Max Gammon, so that those interested in the deeper context can better understand my rationale. And in my third post, I'll assess what the central lessons of Medicare can teach us about the economic impact of the new health care law.

The centerpiece of PPACA – and the core of the controversy over the law – centers on the mandate that most Americans obtain insurance, either from private insurers or new government-run plans, or face a penalty. As I see it, though, the analysis must really begin on the other side of the pond. About 30 years ago, Gammon embarked on a journey to understand the cause of Great Britain's explosion in health care costs. He began by studying the creation and role of the National Health Service (NHS) in the United Kingdom in 1948, which is that country's government-run health care program. Gammon ultimately concluded that the NHS created a bureaucratic black hole in which input costs rose and displaced the quality of care. This theory of "bureaucratic displacement" became known as Gammon's Law and is visible just about anywhere the government has a large influence.

Now that the Affordable Care Act is the law of the land, new price mandates and cost shifting will drive ever more people of all age groups to migrate into government insurance plans. We have seen this before: it is a central lesson from the government-run health insurance plan for people over age 65, known as Medicare, which came into effect in 1966 and subsequently drove a dramatic increase in both the cost and bureaucracy associated with U.S. health care.

*Continued on page 4*

# THE ECONOMICS OF OBAMACARE

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## PART 1: THE IMPLICATIONS FOR HEALTH CARE INVESTING CONTINUED

### Future of U.S. Health Care To Unfold in Three Phases

In my view, the future of U.S. health care will have three phases, each with important implications for investors:

- **Phase I:** In this phase, the number of people added to the insurance rolls will grow by about 30 million. Of course, this new enrollment of mostly younger, healthier people will boost the premiums and profitability of private insurers in the short run. This phase may last two to three years. In this phase, hospitals such as HCA Holdings (HCA), Tenet Healthcare (THC), and Lifepoint Hospitals (LPNT) will be helped by getting fewer uninsured people and hence lower bad debts.
- **Phase II:** The government will create exchanges to sell government-run policies in competition with the private market. Because it is the U.S. federal government, it has the power to negotiate prices below the private market and thereby force additional costs onto private insurers, just like Medicare. Over time, this will erode the competitiveness and solvency of the private insurance plans. As they struggle for growth and then survival, they will be forced to steadily raise prices, leaving them vulnerable to political attack as the "bad guys." This will likely occur as "death by water torture" with a steady drip, drip, drip rather than one dramatic event. This phenomenon will take about ten years to fully play out. Nevertheless, in phases II and III, the economics of the private health-care business will be dramatically changed and the franchise values of United Health Group (UNH), WellPoint (WLP), and Aetna (AET) will be harmed substantially, and likely fatally, as they will for most private insurers. Phase II clearly paves the way for a single-payer system. In addition, in phase II (and phase III – see below), hospitals will succumb to an ever-increasing bureaucratic wall in which access to care is restricted and the needs of the bureaucracy outweigh their ability to provide care.
- **Phase III:** This phase will begin after phase II is entrenched but well before it is complete, in about five years, maybe sooner. This is when the growing cost pressures become too onerous on all insurers. Consequently, the bureaucracy of the system takes over and restricts access to medical services as a means to control costs. This is where such medical technology companies as General Electric (GE), Medtronic (MDT), Zimmer Holdings (ZMH), and major pharmaceutical companies like Merck & Co. (MRK), Pfizer (PFE), and Johnson & Johnson (JNJ) are confronted with a wave of restrictions on reimbursements for their products, particularly for expensive therapies. Somewhere before or when phase III begins, the market will focus on the difficulties these companies will have in achieving adequate returns on capital. Steadily, capital investment in research and development will slow and health innovation will slow as well.

At present, Medicare covers only 13% of the population who themselves spend about 30% of all health care dollars. The remaining 70% is spent on those below age 65. Until now. Going forward, the Affordable Care Act will immediately cover another 30 million people that are not directly in the system, and due to the mechanics at work in the various phases described above, the remaining 70% of health care dollars will increasingly flow through the government – meaning the government will have to supersize its bureaucracy, in my view likely tripling its size in the next ten years. Look for bureaucracy to grow and centralized decision-making to become paramount. More importantly, look for the system to become a swirling vortex of taxpayer dollars... in other words, a black hole.

# PROGRAMMING

## CALENDAR OF EVENTS

**January 8**

**Glenn Eisenberg, Executive Vice President, Finance and Administration, The Timken Company**

### **Glenn Eisenberg, Executive Vice President, Finance and Administration, The Timken Company, Wednesday, January 8, 2014: "Strategic Planning and Timken's Transformation"**

Glenn A. Eisenberg is executive vice president – finance and administration and chief financial officer of The Timken Company. He also is an officer of the company. Eisenberg is responsible for the executive leadership of the company's financial organization, including accounting, tax, treasury, audit, risk management, financial analysis and investor relations. He also has responsibility for strategic planning, corporate development, communications, information technology and shared services. He is a member of the company's executive council. Since joining Timken in 2001, Eisenberg has been instrumental in executing Timken's global growth and financial strategies, including the billion-dollar acquisition of The Torrington Company. Prior to joining the company, Eisenberg served as president and chief operating officer of United Dominion Industries, a diversified industrial manufacturing company with \$2.5 billion in sales, prior to its acquisition by SPX Corporation. At UDI, he also held the positions of president – test instrument segment, executive vice president and chief financial officer and vice president – planning and development. Before joining UDI in 1990, he was a vice president at the Citizens and Southern Corporation. Eisenberg serves on the boards of directors for Family Dollar Stores Inc. (NYSE: FDO), where he chairs the Audit Committee, and Alpha Natural Resources Inc. (NYSE: ANR), where he is the lead independent director and chairs the Nominating and Corporate Governance Committee. In addition, he serves on the boards of Aultman Hospital, the Akron-Canton Airport and the Manufacturers Alliance/MAPI. He holds a bachelor's degree in economics and environmental studies from Tulane University and a master's degree in business administration from Georgia State University.

**January 15**

**Linda Duessel, CFA, Senior Vice President, Senior Equity Strategist and Senior Client Portfolio Manager, Federated Investors**

### **Linda Duessel, CFA, Senior Vice President, Senior Equity Strategist and Senior Client Portfolio Manager, Federated Investors, Wednesday, January 15, 2014**

As senior equity market strategist, Linda Duessel is part of the team responsible for formulating house views about various equity market conditions and the firm's positioning strategies. As senior client portfolio manager, she also is responsible for articulating the strategy, process, positioning and performance of Federated's domestic and international equity portfolios.

Duessel has been a regular contributor to CNBC's "Closing Bell" and other programs. In addition, she has appeared on Fox News "Your World With Neil Cavuto" and Bloomberg Television. Duessel has also been extensively quoted by Associated Press, The Wall Street Journal and Barron's and has been extensively featured in the annual roundtables for USA Today and Smart Money Magazine. Linda also discusses personal finance with investor groups across the country on topics of interest ranging from the impact of the alternative minimum tax to investing for retirement. She has more than 25 years of investment experience.

Duessel earned her master's degree from Carnegie Mellon University and bachelor's degree from Wharton School of the University of Pennsylvania. Duessel is a CPA, CFA charterholder and a CFP professional.

# PROGRAMMING

## CALENDAR OF EVENTS

February 5

**Lawrence S. Speidell, CFA, Chief Investment Officer, Frontier Market Asset Management, LLC**

February 12

**Joshua Chisari, Executive Director and Head of the Client Portfolio Manager Team, US Behavioral Finance**

**Lawrence S. Speidell, CFA, Chief Investment Officer, Frontier Market Asset Management, LLC, Wednesday, February 5, 2014**

Larry Speidell is founding Partner and Chief Investment Officer of Frontier Market Asset Management, LLC.

From 2003 to 2006 he was Executive Vice President at Laffer Associates, an investment management and economic research firm. Prior to joining Dr. Laffer, Larry was a Partner and Director of Global Research and Management at Nicholas Applegate where he launched the firm's emerging markets products and developed and enhanced the firm's international and global quantitative disciplines.

Larry also spent eleven years as a Trustee at Batterymarch Financial Management where he was a portfolio manager for domestic and international strategies, was responsible for one of the first equity funds in China and worked on the development of a fund for Russia. As Senior Vice President and portfolio manager at Putnam Management Company, Larry served as a member of that firm's Investment Policy Committee.

He is a past president of the Boston Securities Analysts Society and a past director of the Investor Responsibility Research Center in Washington, D.C. He is a member of the CFA Institute Speakers Bureau and has spoken on Frontier Markets, global portfolios, the outlook and Behavioral Finance at CFA Societies worldwide.

Larry earned his B.E. in Mechanical Engineering from Yale University, his M.B.A. from Harvard University, and served as a submarine officer in the U.S. Navy.

**Joshua Chisari, Executive Director and Head of the Client Portfolio Manager Team, US Behavioral Finance, Wednesday, February 12, 2014**

Joshua Chisari, executive director, is the head of the Client Portfolio Manager Team for US Behavioral Finance. The team is responsible for communicating strategy, outlook and investment performance to the firm's clients and prospects as well as the internal sales force. An employee since 2011, Josh joined Asset Management from UBS Global Asset Management where he was head of Client Portfolio Management for UBS's Global Growth Equity Platform. Prior to UBS Josh was a Senior Product Specialist for J&W Seligman and prior to that he was a sell side analyst, covering Closed End Equity Funds for Morgan Stanley. He obtained a B.S. in Business Administration from Concordia College.

# MEMBERSHIP



Bruce McCain, Ph.D., CFA  
Senior Vice President &  
Chief Investment Strategist,  
Key Private Bank

## MEMBERSHIP SPOTLIGHT

*Interview conducted by Bradley Knapp, Membership Chair*

### **Q: Why did you first pursue the CFA designation?**

**A:** I did not start out my professional life working in the investment industry. I previously worked in academia as a university professor focused on both research as well as teaching students. I eventually moved to Cleveland to begin my investment career in the Research Department of Society Bank as an analyst. I had a theoretical knowledge of investments from my time in academia, but found I was more interested in practical application. I was familiar with the CFA program and knew it to be the "gold standard" of both theory & practice within finance. It carried with it a great deal of credibility with members of the public as well as with investment professionals. I thought the best way to build on my new career endeavors was through pursuing the CFA designation as well as participating in the Cleveland Society of Securities Analysts (predecessor organization to the CFA Society of Cleveland). Through my work as an analyst, the self study for the CFA program, and building professional relationships through the local society, I found a great blend of theory and practice.

### **Q: Can you share with me some of the greatest learning's from the CFA that you still use today?**

**A:** I learned a tremendous amount not only from the CFA program but also from attending some of their conferences over the years. Just as graduate students go to business school to become experts, and complete their program with a broader understanding of how much they don't yet know, professional investors need to understand the limits of the approaches they use. The CFA program helps candidates develop tools for analyzing the investment landscape. Then, over time, we learn which tools to use and when to use them. I was especially impressed by a CFA Institute conference I attended, as it was clear that the type of clients each person served was strongly related to the investment philosophy that professional used. One size does not fit all. The challenge is to understand both the approach that is appropriate for our clients and then to understand how the market cycle and other factors affect that preferred investment approach. My academic experience and the CFA program have provided a solid foundation for what I believe is a lifelong need to continue honing the skills we use to serve our clients.

### **Q: University professor to Chief Investment Strategist. Why the change and has your work in academia been helpful to the other facets of your career?**

**A:** My years within academia were very enjoyable and I learned a great deal. In my last role within a University setting, I was teaching graduate courses and conducted research in Organizational Behavior at the University of Iowa. My focus at that time was on the psychology of investment decision making. This was before Behavioral Finance became commonly accepted within the investment community. My interest was escalating commitment theory; the idea that people throw good money after bad as they attempt to psychologically justify their own failing investments. The theory of that research suggests people find it more important to believe they are rational than to act rationally. I wanted to make the lab research I conducted more meaningful by studying actual decisions within the financial markets. The more I focused on the financial markets, the more interested I became in becoming an investment professional. One thing leads to another and I found myself moving to Cleveland to become a research analyst.

*Continued on page 8*

# MEMBERSHIP

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## MEMBERSHIP SPOTLIGHT CONTINUED

My background in academia has proven more helpful than I might have thought. Throughout my career as an Analyst, Director of Research, Portfolio Manager, and now Chief Investment Strategist I have continued to draw on my academic experience. The disciplined scientific method used in academic research has helped me design studies of economic and corporate trends, and has also helped me understand the limits of what empirical studies can tell us. The years of teaching taught me a lot about how to translate complex topics into practical and understandable presentations for clients and other audiences. Anticipating what clients are worrying about and proactively addressing those concerns was not much different than helping graduate students understand why theoretical courses had practical relevance for them. Those lessons from my time in academia have served me well.

### **Q: For those CFA candidates and young professionals, can you share any lessons that have served you well over your career?**

**A:** Certainly. Two come to mind right away. The first concerns dealing with clients and the second is more about working within a broader organization. I do believe it is helpful to realize that an innate need to rationalize what we have done often conflicts with the goal of making rational decisions. Especially when facing complex decisions with many inputs. To effectively guide clients, we need to take the time to listen to our clients, get to know them, and learn not only what they are saying they want but also consider unspoken needs. Making too many assumptions instead of working to truly understand our clients can be a critical error. The same holds true for assuming one size fits all clients. Each is unique in their own way and it is our job to learn how to best serve each one. Organizationally, much of my career advancement has come through volunteering to meet specific organizational needs. Identifying what may be needed and showing the willingness to do something about it has allowed me to contribute more to the organization and has been personally and professionally fulfilling.

### **Q: As Chief Investment Strategist, what are your thoughts for the investment outlook for 2014?**

**A:** Hopefully, the world will see a little better growth in 2014 than we have seen over the last two years. Overseas economies should see better growth as some of the stressed economies continue to heal. On the other hand, baby boomers in developed markets across the world may reduce their tendency to spend as they continue to age, while new government policies such as healthcare costs in the United States or increased taxes here and abroad may also impede faster growth. Emerging markets should continue to be among the world's fastest growers, but apparently well below their historical growth rates. That slowing may indicate that global supply is getting too far ahead of the growth of consumption. In the airline industry and in some areas of consumer electronics, suppliers have exited selected markets. Especially in industries with razor-thin profit margins, we may see more consolidation of firms and product lines, and that could reduce the need for additional capacity in the emerging world. Still, there seems to be little risk that the global economy will slip into recession, so while economic growth should accelerate, the growth rate may remain well below what it has been historically. Slower economic and earnings growth can still be a good backdrop for stocks, but price gains may need to moderate in order to avoid having valuations climb to excessive levels.

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# EDUCATION

## CFA TEST PREP:

CFA Society Cleveland is thrilled to announce two strategic partnerships with CFA test-prep providers, making it less expensive for you to prepare for the upcoming December CFA exam.

### **OPTION #1: Boston Securities Analysts Society (BSAS)**

BSAS has been offering a successful practice exam to CFA Candidates at all three levels for the past 18 years. The BSAS practice exam is widely considered the best proxy for the regular exam and is a great way to judge your level of preparedness. Stay tuned! More information regarding this option is forthcoming.

### **OPTION #2: Kaplan Schweser**

Schweser offers a number of different packages and options to choose from. For more than 20 years, Kaplan Schweser has helped hundreds of thousands of candidates prepare for the CFA exam. Connect with the prep provider more candidates turn to for a concise review of the curriculum, expert instruction by CFA charterholders, and online tools that allow you to study anytime, anywhere. Kaplan Schweser—the essential complement to the CFA curriculum.

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## **CFA INSTITUTE RESEARCH CHALLENGE: GRADERS & JUDGES NEEDED**

The Northeast Ohio University teams participating in this year's CFA Research Challenge are beginning the process of completing a written report and oral presentation for early 2014. The CFA Society Cleveland is assembling Report Graders and Presentation Judges. The written reports are slated to be completed by February 11, 2014 with the oral presentations to be held February 22, 2014. Please contact Greg Halter at 216-767-1340 or CFA Society Cleveland to volunteer.

### **ABOUT THE RESEARCH CHALLENGE:**

The CFA Institute Research Challenge is a global competition that tests the equity research and valuation, investment report writing, and presentation skills of university students. This annual educational initiative promotes best practices in equity research among the next generation of analysts through hands-on mentoring and intensive training in company analysis and presentation skills. Last year, more than 3,500 students from over 775 universities in 54 countries participated and learned best practices in equity research from leading industry experts including 2,200+ industry volunteers and 113 Member Societies.

Local CFA Societies host and launch local competitions involving teams of three-to-five business and finance students from participating universities who work directly with a local company, Faculty Advisor and Mentor in researching and preparing a company analysis – a Sell-Side Research Report.

**Analysis of a Public Company:** Teams research a publicly traded company, and company management presents to the teams and participates in a Q&A session.

**Mentoring by a Professional Research Analyst:** Each team works with a CFA charterholder who mentors the team during the research process and reviews and critiques its report.

**Writing a Research Report:** Each team produces an Initiation of Coverage report on its chosen company. The report is reviewed and scored by a group of judges.

**Presentation of Research to a Panel of Experts:** The teams' final presentations are locally evaluated by high-profile panels of experts from top financial institutions: Heads of research, portfolio managers, and chief investment officers from the world's top firms. The team with the highest combined report and presentation score is declared the winner of the Local competition.

The Research Challenge is composed of three levels of competition. Local (Cleveland), Regional (Denver – March 18 & 19, 2014) and Global Final (Bangkok, Thailand – April 25, 2014).

*For more information, visit: <http://www.cfainstitute.org/researchchallenge> or email [researchchallenge@cfainstitute.org](mailto:researchchallenge@cfainstitute.org) or contact Greg Halter at 216-767-1340.*

# ADVOCACY

## ETHICAL DECISION-MAKING WEBINAR

### Register for an upcoming session:

[11 December at 12:00 p.m. ET](#)

[15 January at 12:00 p.m. ET](#)

[29 January at 12:00 p.m. ET](#)

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Mohammad Shoaib, CFA,  
CEO of Al Meezan Investment  
Management Limited

## ETHICAL DECISION-MAKING WEBINAR ONLINE ETHICS EDUCATION FROM CFA INSTITUTE

The Ethical Decision-Making Webinar is a free, highly interactive, case-based webinar led by CFA Institute staff that will provide participants with the [framework to analyze situations from an ethics perspective](#) (PDF).

### Each 60-minute session will include:

- An examination of the factors that lead well-meaning individuals to make unethical decisions
- An explanation of how to apply a framework for analysis of ethical dilemmas common in investment practice
- Several case studies involving real-life situations with the opportunity for participants to vote on the appropriate conduct
- A facilitated discussion of those studies that allow participants to apply ethical framework

[View slides from our online ethical decision-making webinar](#) (PDF)

### Additional Online Learning:

- [Interactive case-based course](#) reviews six standards that reinforce the expected ethical behaviors associated with the development of research reports and recommendations
- [Seven-module course](#) designed to familiarize participants with the CFA Institute Code of Ethics and Standards of Professional Conduct and reinforce ethical behavior in the global investment management industry

### Who Is a Good Candidate for the Program?

This course is geared toward investment professionals who want to increase their awareness and appreciation for ethical issues that are a normal and predictable part of most jobs, and who want to learn how to effectively address these issues in an appropriate manner – before the issues become unmanageable or destructive. Ethics isn't just about compliance with rules and procedures; it's a way of thinking critically about issues and taking the appropriate path forward. This course will help professionals become more conscious of their thoughts and actions by using a decision-making framework to facilitate analysis of ethical matters and lead to appropriate decisions and conduct.

### What Are the Benefits?

The primary benefit is an increased understanding of the fundamental ethical principles applicable to investment professionals and how to make those principles a key factor in everyday decision making and action. Trust is a critical element in the investment services arena. Clients highly value investment professionals they can trust and investment professionals, in turn, can gain client trust by demonstrating honesty, integrity, and ethical behavior. By making ethical conduct a priority, this webinar will help you improve client relationships by building confidence and trust, limit reputational and regulatory risks, and solidify your company's ethical culture. CFA Institute members are eligible for one hour of continuing education credit including SER credit.

# ADVOCACY



[Download the Full Report](#)

## A CRISIS OF CULTURE REPORT VALUING ETHICS AND KNOWLEDGE IN FINANCIAL SERVICES

*An Economist Intelligence Unit Report, Sponsored by CFA Institute*

This report examines the role of integrity and knowledge in restoring culture in the financial services industry and in building a more resilient industry. The financial services industry recognizes the importance of creating a resilient and pervasive culture based on ethics and mutual understandings.

*A Crisis of Culture: Valuing Ethics and Knowledge in Financial Services* was conducted to take the temperature as the financial services industry starts to emerge from the financial crisis. It shows that although executives overwhelmingly recognize the importance of ethical behavior in the industry, there is still a significant gap between that belief and the industry's practices. The study also shows that while building a culture based on integrity and financial knowledge across firms helps mitigate risk and makes for a more resilient business, a silo culture remains pervasive and integrated functional and management approaches to risk-proof organizations remains weak.

The study concludes that within the industry there is strong evidence that sincere attempts are being made to change cultures. It still has a long way to go to create a finance industry where professional and organizational values truly align with those that serve client, shareholder and societal needs.

### Ethics

- 91% of financial executives support the notion that aspiring to a globally recognized set of ethical standards would make the financial services industry more resilient
- 53% of financial services executives say strictly adhering to ethical standards inhibits career progression at their firm

### Financial Knowledge

- 60% of financial executives highlight gaps in employees' knowledge as a significant risk for their firm
- 59% of financial executives agree improving knowledge of the industry as a whole would help make their firm more resilient

# CAREER SERVICES

## Quantitative Analyst III

### Company: PNC

For over 150 years, PNC has grown into one of America's most respected banks, because we're committed to helping customers and employees reach their goals. You can depend on PNC to provide the training you need, along with an inclusive culture that recognizes your talent, values diversity and cares about social responsibility. Working with us means having an opportunity you can feel good about, with a Fortune 200 company that's been selected as a "Great Place To Work" by Gallup.

The PNC Financial Services Group, Inc. is seeking a highly motivated business professional with a passion to provide data driven solutions in locations namely: Pittsburgh PA, Wilmington DE, and Cleveland OH. For our Quantitative Analyst III position, we are looking for an experienced candidate with strong analytics credential in banking industry and prefer prior work experience in Consumer Auto and Unsecured Lending.

This candidate will join our Analytics and Portfolio Management (APM) group within Risk Management. PNC takes pride in its strong risk management culture. As a member of the APM team, your primary responsibility will be to provide analytical foresights and insights into the risk/return dynamics of the Auto, Unsecured Installment Loan portfolio and help make more effective business decisions related to risk appetite, return and profitable growth. In particular, your role will require working collaboratively with team members across the organization to ensure solutions and strategies recommended support the business goals.

In your role, you will need to draw upon a combination of skills in problem-solving, quantitative research and analysis, statistics, project and team management. You will also need strong communication skills to share results and recommendations with multiple audiences and influence decision making by providing data driven solutions. When you join PNC, you will benefit from access to senior professionals and extraordinary leaders that will provide you excellent opportunity to learn and grow and contribute to the success of the organization.

The following qualifications are typical of the successful candidate:

- Roles at this level typically require a university / college degree. Higher level education such as a Master's degree, PhD, JD or certifications is desirable.
- 10+ years relevant experience is typically required.
- An outstanding academic and professional record of achievement
- Experience in Risk Management or Financial/Marketing Analysis. Strong familiarity with Profit & Loss (P&L) statements and Return on Capital is expected
- Proven ability to evaluate the business climate, anticipate change and provide solutions
- Proven ability to successfully negotiate and motivate at all levels
- Demonstrated leadership in applying analytics to efficiently and logically solve business problems
- History of communicating to senior leaders of an organization
- Excellent knowledge in statistics, mathematics, and financial modeling
- Ability to work in a team environment and collaborate with other internal staff and external consulting firms
- Strong technical skills in SAS, Statistical software, MS Office, etc.

*To learn more, visit [www.pnc.jobs](http://www.pnc.jobs) and search by keyword '164237BR'.*

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# CAREER SERVICES

## Specialist I

### Company: PNC

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The Residential Real Estate Data Team, part of Analytics and Portfolio Management within Risk Management, is responsible for aggregating, standardizing, and managing the data set for Home Equity and Mortgage portfolios at PNC, which is used for analytics, CCAR loss estimation and fed stress testing, reserves, IOQ/K, supporting credit policies, and providing ad hoc analyses support.

The Data Infrastructure & Analysis-Specialist I position is located in downtown Cleveland or downtown Pittsburgh. The candidate for this role will be responsible for the design and development of production applications that are used for pulling and standardizing data extracts, applying business logic via multifaceted calculations, and creating output files consumed by the user community. The position requires involvement in all phases of implementing new applications, which includes research, requirements gathering, analysis, design, development, testing and execution. The candidate will also be expected to look for ways to enhance the automation and efficiency of current processes and should possess the ability to accurately document technical requirements and procedures. The candidate must be able to establish a detailed understanding of the underlying data, structures, and the efficient means to utilize available data for complex computations.

This position requires strong analytical and problem-solving skills as well as being able to understand the business logic driving the development. Solid understanding of the Systems Development Lifecycle and how it affects deliverables is critical to success in this role. The candidate should possess workload management skills and be flexible to respond to urgent project requests and/or changing

priorities. In addition, the candidate must have the ability to be engaged in complex assignments, meet tight deadlines, and possess strong accountability and leadership skills. Effective written, oral, and interpersonal skills, with both business and technical resources, are necessary. Experience with mortgage and home equity data products is highly preferable.

### Candidate must possess the following technical skills:

- Roles at this level typically require a college degree with 7+ years relevant experience

### The ideal candidate will have the following experience:

- SQL and SAS programming experience is required along with the ability to write complex stored procedures and well performing code.
- Strong skills in relational database management development and/or support required; preferable experience includes MS SQL, Oracle, and/or SQL-PL programming.
- Experience in proper database design methodologies such as normalization, constraints, keys, etc.
- Skilled in database/procedure tuning methodologies to enhance efficiency.
- Ability to write, read, and understand complex SQL and SAS procedures, including Macros.
- Understanding complex database structures and techniques needed for data extraction and manipulation.
- Ability to implement controls and quality assurance audits in all processes, including new development.
- Experience in software and database engineering.
- Experience working with agile, production, Big Data columnar in-memory databases
- Strong data analysis skills.
- Strong Microsoft Office (Excel) skills.

*To learn more, visit [www.pnc.jobs](http://www.pnc.jobs) and search by keyword '168074'.*

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# CAREER SERVICES

## Portfolio Strategy and Analytics Specialist I

### Company: PNC

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Portfolio Strategy and Analytics Specialist I, you are a member of PNC's Analytics and Portfolio Management (APM) organization. You will work within the APM's Consumer Secured Analytics team. Your hours will generally conform to those of a regular workweek within the Bank. In your role, you will need to draw upon a combination of skills in problem-solving, project management, technology, and the developing of professional relationships.

This position will provide strategic and operational support across different teams within Consumer Secured Analytics area. It will be located in Pittsburgh, PA or Cleveland, OH.

### Job duties may include:

- Assisting in projects that are meant to improve PNC's management of consumer credit portfolio risk analytics across different asset classes. You will be asked to perform regular and ad-hoc analysis of loans, portfolios, and other risk pools which will include interaction with other areas of the Bank.
- Coordinate the efforts of the different product and modeling teams under management to ensure superior execution on key initiatives. Directs and manages different initiatives from beginning to end including defining scope, goals and deliverable that support business goals in collaboration with senior management and stakeholders.
- Facilitate strategic planning and execution for consumer real estate secured portfolio analytics - Be an integral part and driver of the strategic planning, business requirements and decision making processes around key initiatives. Plans and schedules project timeliness and milestones using appropriate tools to achieve strategic plans for the department.

- Acquires human and material resources, assigns tasks, directs activities, and controls project execution. Coach, mentor, motivate and supervise team members and influences them to take positive action and accountability for their assigned work. Builds, develops, and grows business relationships with other stakeholders within the company.
- Designs / enhances standard reporting suites for regular product / portfolio reviews across consumer asset classes.
- Tracks and reports progress, analyzes the results based on the facts achieved, defines the deliverables of the projects, and help teams in taking care of initiative impediments. Develops best practices and tools for project execution and management.
- Determine and analyze training and development needs for managers and ensure they do the same for their teams. Ensure that identified training is budgeted for and executed.
- Effectively communicates management expectations to team members and stakeholders in a timely and clear fashion. Define initiative success criteria and disseminates them to involved team members throughout work life cycle. Identifies, manages, and controls changes and communicate to stakeholders.

### Qualifications for a successful candidate:

- Roles at this level typically require a university / college degree, with 7+ year's relevant experience.
- Industry related/financial services experience required at senior levels and prior experience with consumer risk analytics or consumer lending products.
- Excellent communication and presentation skills and ability to work closely with cross-functional teams comprising of experts is valuable.

*To learn more, visit [www.pnc.jobs](http://www.pnc.jobs) and search by keyword '165669BR'.*

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# CAREER SERVICES

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## Portfolio Manager – Large Cap Value Equity & Balanced

**Company:** First Fiduciary Investment Counsel, Inc.

First Fiduciary (FFIC) is a leading manager of separate accounts with a highly disciplined investment process and a well-established large cap value equity strategy. Founded in 1975, FFIC successfully employs a team approach to decision making and portfolio management. In addition to producing excellent investment results, FFIC strives to maintain superior client relationships. Work is conducted in a collegial work environment requiring open communication.

First Fiduciary (FFIC) has an immediate opening for an outstanding, experienced investment management professional to join our large-cap value and balanced account investment team. The ideal candidate will be a self-motivated team player with an exceptional track record and an ability to work on a variety of tasks involved in portfolio management, investment selection and client relations. This position also requires strong communication skills and new business development ability.

### Responsibilities:

- Manage institutional and individual equity and balanced accounts.
- Maintain and strengthen client relationships through periodic contacts and meetings.
- Fully participate as a member of our investment committee with a focus on individual stock selection. Generate excellent investment ideas and actionable recommendations for portfolio additions and deletions. Participate in critical team discussions involving investment ideas.
- Utilize valuation models to evaluate portfolio companies and investment prospects.
- Assist in business development efforts, identify prospective clients and consultants, assist in the preparation of RFPs and participate in new business presentations.
- Willingness to accept new responsibilities/tasks as required by the press of business.

### Qualifications:

- At least seven years of relevant investment management experience.
- Record of success in portfolio management and proven ability to pick outperforming stocks across different sectors.
- Ability to enthusiastically share ideas and accept input from others in a small and collaborative investment management organization.
- Well-organized, flexible and self-motivated with strong attention to detail.
- Exceptional written and oral communications skills, including public speaking.
- Ability to comfortably pursue and cultivate institutional and individual new business opportunities.
- Strong academic record; MBA and/or CFA would be advantageous.
- Significant relevant financial analysis experience, including excellent skills in financial statement analysis.
- Experience maintaining superior client relationships with both individuals and institutions.
- Fixed income experience is a plus.

**Contact:** Bill Henry – [bill@firstfiduciary.com](mailto:bill@firstfiduciary.com), no phone calls, please.

# CAREER SERVICES

## Risk Quality Control Associate III

### Company: PNC

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As an employee of PNC Financial Services Group, you become part of an organization committed to customers, employees, investors, and the communities in which we do business. PNC is an established, growing and successful financial services company, with businesses organized around retail and commercial banking, asset management, and funds processing. Our branches are concentrated in thirteen states and the District of Columbia; additional offices are located nationwide and internationally. We are growing in size and through recent acquisitions have become the fifth largest bank by deposits in the US. We are also growing in reputation, as a leader in areas such as work/life family culture, "green" building design, frontier technology, and strong corporate social responsibility.

This full-time position will be a member of the Risk Model Process Management Team in PNC's Analytics and Portfolio Management Department. The person will serve as a project manager and the control point for data code changes, production process governance, Audit/SOX controls, and policy/procedure documentation. Activities to support this critical function include: interfacing with numerous subject matter experts, documenting the current state process and variables and assisting with the operation of controls for any requested changes. This position will be responsible for seeking management approval before any changes are executed. The key stakeholders this position will interact with on a regular basis are Analytics and Portfolio Management, Credit Risk, Loan Accounting, Finance, Asset Resolution Team, Operational Risk, SOX, Audit, and PwC.

### The successful candidate will:

- Lead special projects for the Senior Management Team.
- Assist the Process Control Manager as the central point of contact for production change management processing, SOX, Audit, and process governance.
- Assist with the management of the flow of loan portfolio data between multiple business teams, servicing platforms and PNC, while ensuring proper controls are in place around the data to ensure we are receiving accurate and timely data to feed into the modeling processes and to complete general ledger postings.
- Responsible for production Change Management processes and leading the implementation of required changes. Own the Change Management Process to ensure changes are tested and implemented properly and appropriately communicate to Senior and Executive Management on material impacts to financial statements.
- Assist with overall governance of production processes.
- Representative and point of contact for Senior Level Management and 3rd party vendors.
- Assist with coordinating internal and external audits, data collection, leading preparation of response, and assisting with remediation efforts.
- Identify process improvements and present to Management.
- Oversee the establishment of new controls when deemed necessary.
- Monitor status of open issues with SOX, Internal Audit, Risk Management, and PwC and facilitate action as necessary.
- Update appropriate process documentation (production documentation, frameworks, procedural documentation, process flows, etc...)
- Play an integral role in collaboration of team members.
- Maintain monthly production schedule/calendar.
- Maintain Sharepoint sites.
- Manage access to data sources/Sharepoint sites.
- Facilitate Quarterly SOX Certifications and management testing of key controls.
- Confirm with line of business owners on an annual basis that all Contingency Plans remain updated.
- Confirm with IT on an annual basis that the Disaster Recovery plan remains updated.
- Complete periodic reviews of data for accuracy (QA testing/data validations, etc...)

# CAREER SERVICES

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## **Risk Quality Control Associate III (Continued)**

### The successful candidate will:

- Provide guidance on corporate data repository projects.
- Assist with the establishment and implementation of any data oversight.
- Assist with designing, testing, implementing and supporting new business processes.
- Assist with the development of training.
- Provide ad-hoc support to the Analytics and Portfolio Management Senior Management Team

### Education and Skill Requirements:

- BS/BA required; master's in business preferable.
- Strong process and project management experience.
- 5-7 years of lending and system/IT related experience.
- Knowledge of lending, systems, operations, and associated lending platforms is required.
- Experience with establishing and/or managing disciplined data streams with significant rigor for controls, change processes, documentation, policies and procedures.
- Strong attention to details and deadlines is required.
- Excellent analysis and problem solving skills.
- Strong communication skills (written and verbal) with an ability to present ideas to a diverse cross-functional team for execution and an ability to interact effectively with Senior and Executive Management on a regular basis.
- Proficient with MS Word, Excel, PowerPoint, Visio, Project and Sharepoint.
- SAS and/or SQL experience are desirable, but not required.

*To learn more, visit [www.pnc.jobs](http://www.pnc.jobs) and search by keyword '170076BR'.*

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# OHIO INSTITUTIONAL INVESTOR FORUM



## FOR SPEAKING OPPORTUNITIES OR TO SECURE YOUR ATTENDANCE:

Daniela Guerrero  
 (917) 551-5726  
[daniela.guerrero@usmarkets.org](mailto:daniela.guerrero@usmarkets.org)

Dear CFA Members,

We would like to notify you of the Ohio Institutional Investor Forum in Columbus on January 22nd. US Markets is running this program. If you're interested in participating, or strictly to attend for the education and networking, please contact Daniela Guerrero at [daniela.guerrero@usmarkets.org](mailto:daniela.guerrero@usmarkets.org)

### Topics

- A Conversation with the Region's Leading Chief Investment Officers
- Alternative Investment Manager Due Diligence
- What Investors Need to Know about Investments in the U.S. and beyond
- Investing in US Energy Opportunities
- Asset Allocation Strategies

### Top executives from:

Ohio Public Employees Retirement System, American Electric Power System Retirement Plan, State Teacher's Retirement System of Ohio, University of Cincinnati, School Employees Retirement System of Ohio, Ohio State University, Rhodes State College, Ohio Bureau Workers' Compensation, Ohio State Highway Patrol Retirement System, West Ohio Conference of the United Methodist Church, Denison University,... and many others.

### *View a detailed agenda here*

This meeting is a closed door educational forum, designed by and for the institutional investors in each region. US Markets' programs meet the fiduciary and educational needs of administrators, trustees, board members and investment staff members. With the exception of 10 experts needed to address technical aspects on the agenda, our forums are bid of vendors and exhibits.

Additionally, each forum is endorsed by and qualifies for Continuing Education credits for CFA, CFP, and CPA holders.

The cost to attend is \$295. CFA Society Cleveland members may enter CODE: OHIO321 to receive an additional 33.3% off which comes to \$130.00.

See you in Columbus on January 22.

Regards,

Spencer Craig  
 Head of US Markets: Center for Institutional Investor Education