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Wayne Chamberlain, MBA, CFA

Dear Fellow Society Members and Stakeholders,

Happy New Year! It is always exciting to look back to see what was accomplished in the past year. CFA Society Cleveland had a great year in 2014. We won Society of the Year for the second time in two years; we continued our tradition of strong programming; we had a fantastic golf outing; and we successfully hosted the second annual Midwest Investment Conference, among others. These accomplishments were the result of hundreds of hours of work from our volunteers. I am truly grateful for all of the hard work and sacrifices they made to make 2014 a great year. We are excited to continue our work and look forward to many successes in 2015.

Last month I discussed why ethics is so critical to the very mission of CFA Society Cleveland and all CFA Charterholders. This month, I will be discussing why awareness is part of our mission and our work toward this endeavor. Awareness is a very broad term that can mean numerous things depending on one's perspective. Awareness, for inclusion in our mission statement, conveys the importance of our work to:

- Increase visibility of CFA Institute, the CFA Charter, and CFA Society Cleveland to the general public,
- Elevate our influence in shaping legislative and regulatory actions that impact our industry,
- Encourage investment and finance professionals to pursue the CFA Charter, and
- Promote the importance of engagement among all CFA Charterholders.

Several years ago, CFA Institute recognized the increasing importance of awareness and the impact that we can have in the abovementioned areas. As a result, CFA Institute began promoting advocacy to CFA Societies around the globe. At that time, the Board of CFA Society Cleveland recognized the importance of this function and dedicated a Board position to Advocacy, and it continues to be a vital position in promoting awareness.

Since the creation of the Advocacy position to the Board of CFA Society Cleveland, we have met with leaders of many financial and investment firms in Northeast Ohio to promote our Society and CFA Institute initiatives. Through these actions, member and firm engagement has improved, and many firms have adopted the Asset Manager Code. CFA Society Cleveland has also provided comments affecting legislative actions. We are continuing to pursue relationships with legislatures and regulators to influence laws and regulations that affect our industry.

While a specific position is dedicated to Advocacy, other Board members and committees also help with this endeavor. We continually work with area universities and are very active in several mediums of social media. Our members also continue to be instrumental in enhancing our awareness by providing critical introductions to key individuals and through championing the CFA Charter within their spheres of influence.

As 2015 commences, CFA Society Cleveland is as dedicated as ever to increasing awareness. We will continue to pursue our current paths of success and we are exploring other strategies to continue to build on the current foundation. Each of us can make an impact in this vital area. If you are interested in making an impact, please contact Cindy Nace or any of our Board members, as there is always a need for your help. I wish you a happy and prosperous new year.

Regards,

Wayne Chamberlain, MBA, CFA

Check us out on LinkedIn,
Twitter, Facebook and YouTube



CFA Society Cleveland
24199 Lyman Blvd.
Shaker Heights, Ohio 44122
216-696-8066

PROGRAMMING

CALENDAR OF EVENTS

Networking Happy Hour
January 14, 2015
Flannery's Pub



**CABE Economic
 Forecast Luncheon**
**Dr. Ken Mayland, ClearView
 Economics, Guhan Venkatu,
 Reserve Bank of Cleveland**
Thursday, January 22, 2015

REGISTER HERE

**Networking Happy Hour, January 14, 2015, Flannery's Pub,
 323 E. Prospect, 5-7 PM**



Join us for a night of drinks, appetizers and networking at Flannery's Pub. Please bring a co-worker and friend! No RSVP is necessary,

Joint Event With CFA Cleveland and CABE, Economic Forecast Luncheon, Dr. Ken Mayland, President, ClearView Economics, and Guhan Venkatu, VP and Senior Regional Officer, Federal Reserve Bank of Cleveland, Pittsburgh Branch, Thursday, January 22, 2015

Dr. Ken Mayland

Dr. Ken Mayland is President of ClearView Economics, LLC, a firm specializing in economic research and forecasting. Ken was previously the Chief Economist of two major financial institutions (First Pennsylvania Bank and KeyCorp). Graduating with degrees in economics from MIT (undergraduate) and the University of Pennsylvania (M.A. and Ph.D.), he has spent more than thirty eight years studying the business cycle and providing economic analyses to a variety of constituencies.

Guhan Venkatu

Guhan Venkatu is vice president and senior regional officer at the Pittsburgh Branch of the Federal Reserve Bank of Cleveland. Mr. Venkatu has 15 years of Reserve Bank experience and is responsible for maintaining a strong presence for the Bank throughout western Pennsylvania, southeastern Ohio, and the northern panhandle of West Virginia. As the senior official of the Pittsburgh Branch, he manages relationships with key stakeholders in the area, and is responsible for monitoring the region's economic environment.

Mr. Venkatu joined the Cleveland Reserve Bank in 1998 as a research analyst. In his tenure with the Bank, he has held positions of increasing responsibility within the Research Department. Most recently, he held the position of economist. For the past several years, his economic research has focused on inflation and inflation expectations, housing and household finance, and factors related to regional economic growth. His research and analysis have been a resource for the public, and he has advised and informed the Bank's president and board of directors on economic conditions and various policy issues.

PROGRAMMING

CALENDAR OF EVENTS



January 28, 2015
Stewart Kohl
The Riverside Company

REGISTER HERE

February 4, 2015
Oleg Sydnak
PNC Capital Advisors

REGISTER HERE

Stewart Kohl, Co-CEO, The Riverside Company, Private Equity Market Update, January 28, 2015



Lunch Sponsored By The Riverside Company

Stewart A. Kohl is Co-Chief Executive Officer of The Riverside Company, a global private equity firm with offices across North America, Europe and the Asia-Pacific region. Mr. Kohl joined Riverside in 1993. Prior to that, he was a vice president of Citicorp Venture Capital, Ltd., the private equity arm of Citibank. In addition to his work with Riverside, Mr. Kohl is active with many civic organizations, including: Oberlin College Board of Trustees; Co-Chair of the Museum of Contemporary Art Cleveland Board of Trustees; the Cleveland Clinic Board of Trustees, Wellness Institute Leadership Board, and Co-Chair of the Cleveland Clinic Capital Campaign. Mr. Kohl was inducted into the Ohio Foundation of Independent Colleges Hall of Excellence in 2009. He previously served as Co-Chair of the Building for Hope Capital Campaign of the Center for Families and Children. For 15 years, he was a "Heavy Hitter" participant in the Pan-Mass Challenge bicycle fundraiser for the Jimmy Fund of the Dana-Farber Cancer Institute. Mr. Kohl is the Founding Chairman of VeloSano, a charity cycling event benefitting research at the Cleveland Clinic Taussig Cancer Institute.

Mr. Kohl is a graduate of Oberlin College

Oleg Sydnak, PNC Capital Advisors, Liability Driven Investing, February 4, 2015



Lunch Sponsored by PNC Capital Advisors

More details to follow

PROGRAMMING

CALENDAR OF EVENTS



February 11, 2015

Rafer A. Kingston, CFA
PIMCO

REGISTER NOW

Rafer A. Kingston, CFA, Senior Vice President, PIMCO, February 11, 2015

Mr. Kingston is a senior vice president and a member of the global wealth management team in the Newport Beach office. In this role, Mr. Kingston is responsible for managing relationships with financial intermediaries serving the private wealth marketplace, including trust bank and private bank segments, for all product and vehicle offerings globally, such as mutual funds, ETFs, private funds, alternative investments and asset allocation. Prior to joining PIMCO in 2005, he was a product manager with TimeValue Software, a southern California-based software technologies firm specializing in financial applications development. He has 12 years of investment experience and holds an undergraduate degree from San Diego State University.



February 18, 2015

Dan Clifton,
Strategas

REGISTER NOW

Dan Clifton, Strategas, Head of Policy Research, Political Update and Business Impact, February 18, 2015

Mr. Clifton is a Partner at Strategas and the head of the Firm's DC office. He directs its legislative and public policy research efforts. Prior to joining Strategas he served as Executive Director of the American Shareholders Association (ASA), a non-partisan, non-profit organization which analyzes public policy affecting shareholders.

His research and political analysis on the interaction between legislation, policy and capital markets has been widely cited in the media. Mr. Clifton and his team have been recognized by Institutional Investor magazine in their annual survey for the past five years.

Prior to joining the ASA, Mr. Clifton served as Chief Economist and Federal Affairs Manager for Americans for Tax Reform and as a senior staff member in two gubernatorial administrations working on economic issues. Mr. Clifton received a MS in Economics and Public Finance from Rutgers University and a BA in Urban Planning and Policy Development also from Rutgers.

MEMBERSHIP



Timothy Compan, CFA
Senior Portfolio Manager
PNC

Tim is the lead portfolio manager for the Core and Core Plus fixed income products, as well as co-lead of the Credit Research team. His responsibilities include integrating investment-grade and high yield resources and implementing credit portfolio strategies. He was an investment-grade bond trader for Goldman Sachs Asset Management prior to joining the firm in 2003. A CFA charterholder, Tim possesses a B.S. from Case Western Reserve University and an M.B.A. from the University of Chicago.

MEMBERSHIP SPOTLIGHT

Interview conducted by Grant Guyuron, Membership Chair

1. Please describe your background and current role at PNC. What inspired you to choose fixed income research as a career?

I've been at PNC Capital Advisors for eleven years, starting as a credit analyst and now as a portfolio manager. My current role is lead portfolio manager for our Core and Core Plus fixed income strategies as well as co-head of our credit analyst team. My inspiration for choosing fixed income as a career really came from my prior job at Goldman Sachs Asset Management where I was in their risk management area. That position exposed me to all asset classes, and the one I found most compelling was fixed income. I was eventually hired by their fixed income team to trade corporate credit, which ultimately led me to PNC.

2. What do you believe are the key qualities to be a successful analyst and portfolio manager in fixed income?

Patience and skepticism! Patience in that opportunities in fixed income can take a long time to develop, and when they do, may take a long time to play out. Sometimes it is okay to sit on your hands and wait. Skepticism in that, in bond investing, protecting against the downside is far more important than looking for upside. When we look at companies, we are always trying to determine where things could go wrong to ensure the safety of our clients' investments.

3. How much do you value the opinion of a rating agency in determining the quality of a credit issue?

We do our own credit analysis for all corporate and structured securities that are purchased in our clients' portfolios. While we recognize the value of credit rating agencies in the investment process, and we do follow their research and opinions, we take responsibility for all securities purchased in our clients' portfolios.

4. How has the recent decline in oil prices affected the credit markets and where are you finding the best opportunities?

The recent movement in oil prices has led to a severe decline in corporate bond prices, particularly in the high yield market, for energy and commodity producers. We believe it has also led to some of the decline in overall interest rates. As a result, we are looking for opportunities in the energy space where companies have the strength to withstand extended oil price declines and have seen widening in their credit spreads.

MEMBERSHIP



Timothy Compan, CFA
Senior Portfolio Manager
PNC

Join CFA Society Cleveland

[\\$150 Local Membership](#)

[\\$125 Candidate Membership](#)

[\\$100 Student Membership](#)

MEMBERSHIP SPOTLIGHT CONTINUED

5. How has becoming a CFA charterholder benefitted you personally? Please describe how you view the value of the CFA charter for fixed income analysts?

I took the CFA exams relatively early in my career and shortly after completing business school. It helped to better prepare me for my career and also identify areas of particular interest to me. I believe that anyone who completes earns the CFA charter demonstrates a commitment to the investment management business. We encourage all of our fixed income team members to pursue the CFA charter.

January 22 Dr. Ken Mayland, President, ClearView Economics, and Guhan Venkatu, VP and Senior Regional Officer, Federal Reserve Bank of Cleveland, Pittsburgh Branch

January 28 Stewart Kohl, Riverside Company, *Private Equity Market Update*

February 4 Oleg Sydvak, PNC Capital Advisors, *Liability Driven Investing*

February 18 Dan Clifton, Strategas, *Political Update and Business Impact*

February 25 Colonel Mateo Martemucci, U.S. Air Force, *U.S. Cyber Security and Economic Threats*

March 25 David MacGregor, Longbow Research, *Latest for Longbows 50 channel surveys & investor implications (durables)*

Registration links for events can be found at

www.cfasociety.org on the [CFA Society Cleveland calendar](#)

EDUCATION

CFA INSTITUTE RESEARCH CHALLENGE: OPPORTUNITIES FOR MENTORS, GRADERS, AND JUDGES

The seven Northeast Ohio university teams participating in this year's CFA Institute Research Challenge are looking forward to the challenge of analyzing and making a recommendation on Stepan Company (SCL), a local specialty chemical company. Stepan Company will present to the teams at the Midwest Investment Conference on November 18th, 2014. The teams will complete their research reports by February 9th, 2015. An oral presentations to judges is scheduled for Saturday, February 21st, 2015.

CFA Society Cleveland is currently assembling its Research Challenge Team and has some volunteer spots available for Mentors, Report Graders, and Presentation Judges. Please contact Deborah Kidd, CFA, for more information at 216-771-4210 or DKidd@BoydWatterson.com.

Continuing Ed Corner

In the News: Oil Prices!

The surprising and swift drop in oil prices brings to mind this literature review from CFA Institute Research Foundation. [Commodities as an Investment](#) explores whether oil and other commodities provide exposure to unique market factors and have special hedging properties. The historical record of commodity investment performance is discussed, as well as the advantages and disadvantages of the various vehicles used to access the asset class.

Investing Trends: Green Bonds

Green bonds, a sector of the growing climate-themed bond market, are issued to fund assets and activities that address climate change issues. In the January 2015 Investment Risk and Performance Newsletter article, [Indexes Sprout Up as Green Bonds Take Root](#), I take a look at opportunities and risks in the budding green bond market and the assess four of the new green bond indices.

Highlight from the Fixed Income Annual Conference:

In the webcast, [Closer to the Brink: Managing High Yield into the Next Default Wave](#), Martin Fridson, CFA, provides an overview of today's high yield bond market and a prediction that if the current high yield bond cycle follows historical patterns, the next default wave will total more than \$1.5 trillion. (1.0 CE)

Easy Ethics Credit

Because the distinction between brokers and investment advisors has blurred during the past few decades, the SEC recommends that one uniform standard be adopted for both broker/dealers and investment advisers. In this Research Foundation Literature Review, [Investment Professionals and Fiduciary Duties](#), Marianne Jennings distills market history and fiduciary principles into simple concepts that can help investment professionals navigate conflicts of interest. Earn half of your annual ethics (SER) credit. (1.0 SER credit)

Access Scholarships Awarded

CFA Society Cleveland was pleased to be able to award nine Access Scholarships to local CFA candidates for the upcoming June or December 2015 CFA exams. Access Scholarships are needs-based scholarships allocated to societies for candidates applying to the 2015 CFA Exam Program. CFA Institute has awarded more than 2,700 Access Scholarships to individuals for the 2015 exam year.

Deborah Kidd, CFA

Education Chair

CFA® Instruction and Review

Study Packages

Review Workshops and Mock Exam >

Study Packages

PremiumPlus™ Package | starting at \$1,189* (\$1,399 retail)

Our most comprehensive CFA® study package includes everything you need to effectively **prepare, practice, and perform** on the CFA exam. This complete package combines efficient, effective CFA study materials, expert instruction and guidance, plus a final review to reinforce everything you've learned in the final weeks before exam day.

The **PremiumPlus™ Package** comes with your choice of:

- > Live or Online Weekly Classes
(see website for live class location listing)
- plus
- > Live or Online Review Workshops
(see website for live workshop location listing)



Premium Instruction Package | starting at \$934* (\$1,099 retail)

The Premium Instruction Package combines expert instruction with our most popular CFA study materials to give you a strong foundation for you to **prepare, practice, and perform** on the CFA exam. If you prefer the guidance and expertise of experienced instructors to make the best use of your study time, then the Premium Instruction Package is right for you. Choose between live or online weekly classes.

The **Premium Instruction Package** comes with your choice of:

- > Live or Online Weekly Classes
(see website for live class location listing)

Essential Study Package | \$552* (\$649 retail)

The Essential Self Study Package is an excellent choice for candidates who want a comprehensive CFA® study program, but would prefer to **prepare, practice, and perform** on their own. If you have the commitment and motivation to study and learn at your own pace, choose the Essential Self Study Package for your CFA exam preparation.

SchweserNotes™ Package | \$379 (retail)

The SchweserNotes™ Package is the foundation for a successful CFA® exam study program based on our proven learning strategy of **prepare, practice, and perform**. Our basic package combines candidates' favorite study tool, SchweserNotes™, with three full-length practice exams, and the go-anywhere QuickSheet. The SchweserNotes™ Package offers a solid foundation for your CFA exam preparation!

*15% discount applies to select products/services.

CFA Society of Cleveland

15% OFF

Retail Price*

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ADVOCACY



Providing insight to investors worldwide, the 2015 CFA Institute Global Market Sentiment Survey (GMSS) reflects the views and expectations of CFA Institute members – respected experts in the industry – on financial markets, integrity, and performance for the coming year.

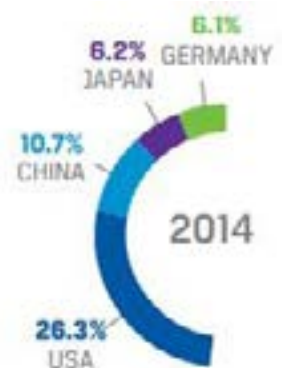
Download the GMSS Report (PDF)

2015 GLOBAL MARKET SENTIMENT SURVEY

The Market Outlook for 2015

The United States and China are expected to be the top equity market performers.

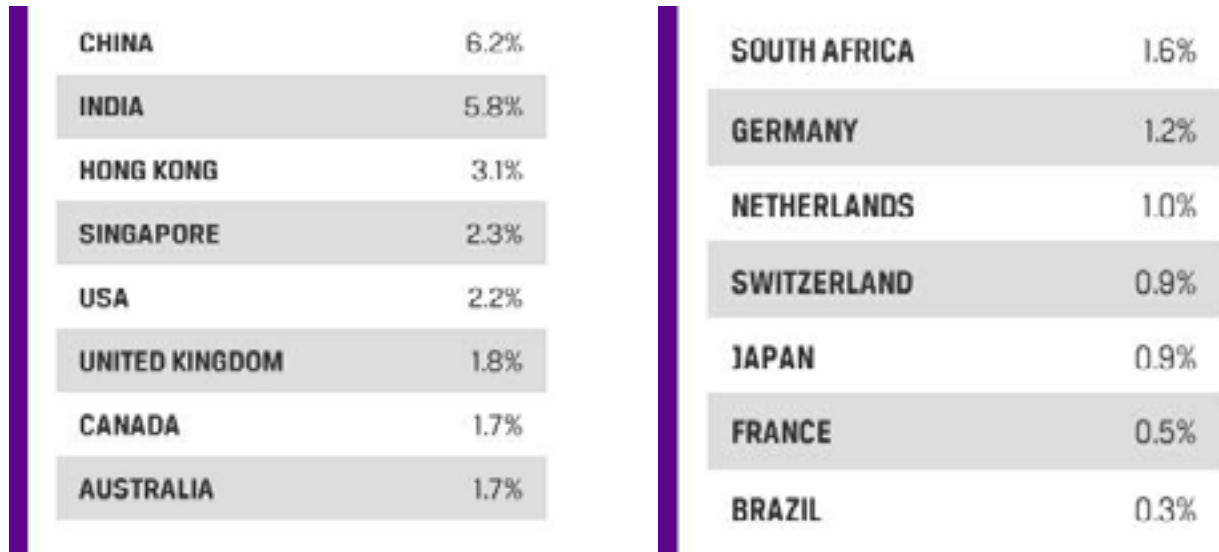
- S&P 500 +4.8%
- EuroStoxx 50 +1.9%
- Nikkei 225 +1.6%
- 30-year Treasury Bond Yield 3.46%
- Gold +0.4%



ADVOCACY

Economic Outlook for 2015

Members expect a modest 2% growth in the global economy in 2015.

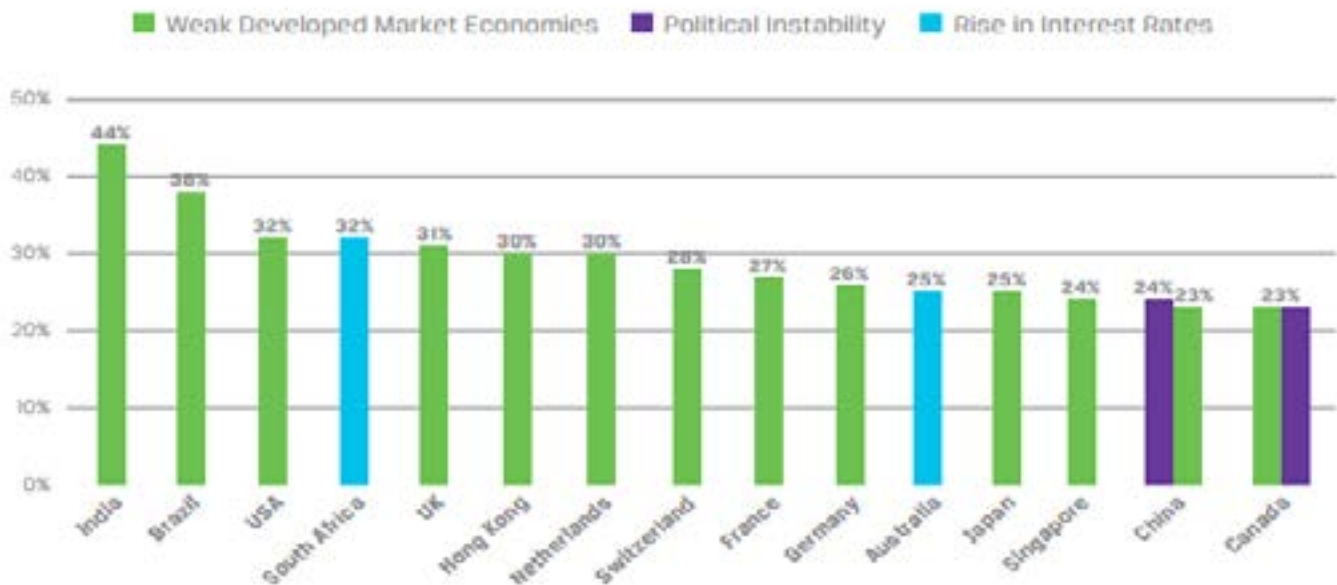


Global Risks

Developed market weakness and political instability underscore major concerns for investors

Biggest Risk to Global Markets in 2015

*Both responses shown when top choices are within margin of error.



ADVOCACY

Trust in Practitioner's

Similar to past surveys, over half of members (63%) point to a lack of ethical culture within financial firms as the factor that has contributed the most to the current lack of trust in the financial industry.



ABOUT THE SURVEY

The CFA Institute 2015 Global Market Sentiment Survey was created to seek input from CFA Institute members and to gather feedback on market sentiment, performance, and market integrity issues and to further our mission of promoting ethical and trustworthy investment markets.

METHODOLOGY

An online survey was conducted from 14 to 28 October 2014. All CFA Institute members globally (119,817) were invited to participate in the survey; 5,259 responded, for an overall response rate of 4% and a margin of error of ±1.3%.