Dear Members and Readers,

This year's Americas Society Regional Meeting will take place in Newport Beach from March 14 to 16, and CFA Society Cleveland will be represented by Advocacy Chair Wayne Chamberlain, CFA, Executive Administrator Natalie Unsworth, and me. The meeting, which takes place on an annual basis, is an excellent opportunity to meet society leaders from North and South America, exchange ideas, and discuss issues. It's also a significant training resource with a number of workshops offered in advocacy, staffed office, and other special topics. CFASC has been asked to present at one of these workshops, and we're honored and excited to do so. Because of our recent efforts to better understand our market, we've been asked to speak at: Understanding Your Members and Market: Market Research Resources and Application.

In addition to attempting to better understand our markets, CFASC has also been busy promoting advocacy, which is in line with CFA Institute's stated strategic objectives – and for good reason. Results of the 2013 Edelman Trust Barometer were released recently, and the financial services industry did not fare well again – only 50% of survey responders trust banks and financial services firms. Continuing and numerous scandals and a lack of ethical culture within financial firms were cited as reasons for the low level of trust. Our job at CFASC is not to try and combat the perception, but to build a stronger culture of ethical activity. This includes encouraging local firms to adhere more closely to stronger ethical codes and standards such as CFA Institute's Code of Ethics & Standards of Professional Conduct, which, once adopted, is highly valuable in the eyes of current and potential clients.

While advocacy in the context of CFA Institute is usually mentioned in conjunction with ethics, it is much more than that. Advocacy means supporting, recommending, or promoting, and CFASC realizes how important social media is in order for us to effectively promote our brand. That's why we hope you'll visit our new Facebook page and "like" it, as well as check out some new functionality that will allow you to register for events. You'll also see additional updates to our LinkedIn and Twitter pages in the coming months.

Lastly, one way to increase recognition of CFA Institute and CFASC's efforts to restore trust in the financial services industry is by hosting events that appeal to people beyond our membership, especially those featuring regulators and policymakers. Later this month, CFASC is welcoming Sandra Pianalto, President, Federal Reserve Bank of Cleveland. This event is likely to sell out, so register early if you'd like to attend.

Sincerely,
James Bailey
President, CFA Society Cleveland
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MEMBERSHIP

MEMBER SPOTLIGHT

Interview conducted by Paul Lebo, CFA, Membership Chair

Q: Hypothetically, if you had all of your investable assets in cash today, how would you invest that cash (asset classes/countries) to position yourself for the next 5 years?

A: I would put the majority of assets in equities, probably 90%, and 10% in TIPS. Equities look attractive. They look very attractive compared to bonds. The 30-year run in bonds is either near to being over, over, or in some stage of transition. As far as countries, I tend to look at fundamentals. As we stand today, I would probably avoid Europe and invest in the U.S., emerging markets with an emphasis on China, and the Asia Pacific area (Australia). I would be equally weighted, 1/3 in the U.S., 1/3 in the emerging markets, and 1/3 in commodity based countries like Australia and Canada.

Q: Do you foresee covered calls and protective puts gaining traction moving forward?

A: From where I work and what I do, working with high net worth clients, I tend to be more of a buy and hold investor. In general I can see more use of covered calls and protective puts. My inclination has been, especially over the last couple years, to sell the rallies and buy the dips. That has worked well going back to 2000 and has helped to mitigate downside. If we are at the end of the secular bear market, things could turn. Selling the rally could be the wrong thing to do. In that sense, the use of puts and calls could be a detriment. We will know it after the fact.

Q: In your role as Director of Investments, what does a typical day entail?

A: My main focus is to oversee the investment of the assets of my clients. Like any small firm, I have a lot of hats. What we do on a daily basis is to monitor accounts, view asset allocation models, keep abreast of current markets, and read research. I meet clients probably twice a week on average and conduct a lot of client outreach. I support the sales team in that aspect. I have functional responsibility of the investment team and am responsible for all assets in clients’ accounts. What I try to focus on most are the assets we hold within our models, trying to give the best return for the client’s risk tolerance.

Q: What are your thoughts on the growing number of mutual funds and ETFs for the alternatives space, which seem to give everyone the opportunity to obtain that alternative exposure?

A: Going back 3 years to 2010, we developed a liquid alternatives model consisting of 8 mutual funds that mimic different alternative strategies. We were on the cutting edge of doing that in the industry, and that has helped to mitigate client risk. We think bonds are going to have a difficult time moving forward, especially given that the 10-year is at 1.8%, the use of liquid alternatives can mitigate that risk. Alternatives are a growing part of our business. We advocate 10-20% in client accounts if they have liquid assets of $1 million or more, have a time horizon of 5 years or more, and have low income needs. I would like to give credit to Rick D’Amico, CFA, for doing a lot of the work on this together.

Q: You serve as Treasurer of CFA Society Cleveland. How did you decide to join the Board of Directors?

A: I joined the board to get more involved in the community. With my background as a CFA Charterholder and experience in the finance side of things, I thought I could leverage my skills.

John Silvis, CFA
Director of Investments,
Fairport Asset Management

AT-A-GLANCE
Experience: 15 years in financial services industry
Education: Penn State, BA in Economics; Baldwin-Wallace, MBA
Hobbies: Outdoors activities
Family: Married with 3 Children
CFA SOCIETY CLEVELAND IS HOSTING AN AFTER-EXAM PARTY!

Don’t miss the opportunity to unwind and mingle with your fellow test-takers. Food and drinks will be compliments of CFA Society Cleveland.

When: Approximately 4:30-6:30 p.m. on Saturday, June 1, 2013

Where: Sheraton Cleveland Airport Hotel
5300 Riverside Drive
Cleveland, OH 44135
216-267-1500

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MOCK EXAM

CFA Society Cleveland will be hosting a mock exam in May 2013. Stay tuned for details!
On behalf of CFA Society Cleveland, a sincere thank you goes out to the volunteers who assisted with the 2013 CFA Institute Research Challenge. This is the fourth year local Colleges and Universities have participated in the event. Report graders included John King, Mary Lau, Nick Perini and Tyler Denholm. Presentation judges included Linda Fousek, Brett Hillard, Nick Mitchell and Nick Perini. Without your help, this worthwhile educational event would be unable to proceed. Teams from the University of Findlay, Hiram College, John Carroll and Walsh Universities competed for the opportunity to travel to Toronto for the Americas Regional Finals to be held on March 20 & 21 (among 47 local societies/schools - Universidad Torcuato Di Tella, Atlanta/South Carolina, Atlantic, Canada, Baltimore/Washington DC, Boston, Insper, Buffalo/Rochester, Calgary/Edmonton/Winnipeg, Central America, Chicago, Universidad de Los Andes, Cincinnati, Cleveland, Universidad Externado de Colombia, Colorado, Florida, Hawaii, Idaho, Iowa/Nebraska, Kansas City, Los Angeles/Orange County, Louisville, Madison, Memphis, ITESM - Ciudad de México, Milwaukee, Minnesota, Montreal/Quebec, Nashville, Nevada/Phoenix, North Carolina, Okanagan/Vancouver/Victoria, Peru, Philadelphia, Pittsburgh, Portland, Sacramento/San Francisco, Salt Lake, San Diego, Seattle, Spokane, St. Louis, Texas/Louisiana, Toronto, Virginia, and West Michigan). The winner of the Americas Regional will compete in London for the overall title in the Global Final on April 12, going against the winners from the New York Region, 20 schools from the Asia-Pacific Region (held February 22 & 23 in Kuala Lumpur, Malaysia) and schools from 24 countries in the EMEA Region (to be held April 10 & 11 in London).

Congratulations go out to The University of Findlay, which on February 16, 2013, ably presented their case as equity research analysts for their recommendation of "Buy" on the shares of Lincoln Electric Holdings, Inc. (LECO – NASDAQ). Their rating was made somewhat challenging given the 45% move upward in Lincoln's share price between the October start of the competition and the February report due date (vs a 4% gain for the S&P 500 Index). The Findlay team consisted of Shishir Kumar Kathurwar (Team Leader), Garrett Busch, Trelyn Gerlinger and Jose Montilva Zambrano directed by faculty advisor Joonyoung Song, Ph.D. and Industry Mentor Alex Vallecillo, CFA, PNC Capital Advisors. The CFA Society Cleveland would like to extend our best wishes for good luck to the participants from The University of Findlay at the Americas Regionals in Toronto.
SAVE THE DATE:

MARCH 27, 2013

THE CITY CLUB | 850 EUCLID AVE. | 12:00 – 1:30 P.M.

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CLEVELAND ASSOCIATION FOR BUSINESS ECONOMICS

AND RISK MANAGEMENT ASSOCIATION

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FEDERAL RESERVE BANK OF CLEVELAND

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Click here to register

SPECIAL ANNOUNCEMENT
Joseph Brusuelas, Senior Economist, Bloomerg, March 6, 2013: "Fiscal Policy, the Fed and the U.S. Economic Outlook"

Joseph Brusuelas is a Senior Economist with Bloomberg, LP and the Bloomberg Briefs newsletter group. He specializes in analyzing the US economy, labor markets and monetary policy. Mr. Brusuelas has more than 20 years of experience in finance and economics. Prior to joining Bloomberg in May 2010, he was a director at Moody's Analytics. Earlier in his career, he served as Chief Economist and Strategist at Merk Investments and also was Chief US Economist at IDEAglobal.

Harry Blount, Chairman and CEO, Discern, March 13, 2013: "Using Big Data for Investing"

We are pleased to present Harry Blount, Chairman and CEO of Discern, who will discuss how to use Big Data in your investment process. Investment research industry veteran Harry Blount formed the DISCERN founding team, building on more than 20 years of executive and financial experience on Wall Street, including senior roles at Lehman Brothers, Credit Suisse First Boston, Donaldson Lufkin & Jenrette, and CIBC Oppenheimer.

"The Economy 2013, Rebuilding the Economy to Last Beyond 2013:" Presented by The University of Akron, March 19, 2013

We are pleased to present, in partnership with The University of Akron: "The Economy 2013, Rebuilding the Economy to Last Beyond 2013." Panelists include Richard Ciccarele, Managing Director & Chief Research Officer McDonnell Investment Management, Barry James, President and Portfolio Manager, James Investment Research and Stuart Lichter, President and Chairman of the Board, Industrial Realty Group, LLC.

Dave Rogers, CEO and Andrew Gregoire, CFO, Sovran Self Storage (Ticker SSS), March 20, 2013: Industry and Company Update

We are pleased to present Dave Rogers, Chief Executive Officer and Andrew Gregoire, Chief Financial Officer of Sovran Self Storage, a $2B market capitalization fully integrated, self-administered and self-managed real estate investment trust (REIT) that acquires and manages self-storage properties. The company owns and/or operates more than 400 self-storage facilities encompassing over 30 million square feet, making it one of the largest self-storage companies in the United States.

Sandra Pianalto, President, Federal Reserve Bank of Cleveland, March 27, 2013: "An update on current and most topical Federal Reserve issues"- presented in conjunction with CABE and RMA

As president and chief executive officer of the Federal Reserve Bank of Cleveland, Sandra Pianalto has both national and local leadership responsibilities. She participates in the formulation of U.S. monetary policy, and she oversees 1,000 employees in Cleveland, Cincinnati, and Pittsburgh who conduct economic research, supervise financial institutions, and provide payment services to commercial banks and the U.S. government.
"THE ECONOMY 2013, REBUILDING THE ECONOMY TO LAST BEYOND 2013:"
PRESENTED BY THE UNIVERSITY OF AKRON, MARCH 19, 2013

We are pleased to present, in partnership with The University of Akron: “The Economy 2013, Rebuilding the Economy to Last Beyond 2013.” Panelists include Richard Ciccarone, Managing Director & Chief Research Officer McDonnell Investment Management, Barry James, President and Portfolio Manager, James Investment Research and Stuart Lichter, President and Chairman of the Board, Industrial Realty Group, LLC. We have reserved a table of 8 free of charge and seats will be allocated first come first serve. Please click on the link above for full details and to register for the event.
INDUSTRY ETHICS: ARE WE STILL IN SELF-DENIAL?

The Public Hates Financial Firms and Our Members Think They Know Why
By Kurt N. Schacht, JD, CFA

The more things change, the more they stay the same.

These words offer an astonishingly clear picture of the state of things some four years since Bernard Madoff’s multi-billion dollar scam and the worst financial crisis in decades ripped through the global markets, both leaving a wide swath of damage in their wake. Although we anticipated a long-term impact on the global financial system and the world economy, we did not expect the lack of fundamental change on Wall Street and beyond. In other words, it’s been business as usual for large financial firms, which has left the global financial system paralyzed by a crisis of confidence that began in 2007-2008 and has only intensified since.

With news about our industry’s ethical missteps dominating headlines in 2012, it’s no surprise that the results of the 2013 Global Market Sentiment Survey (GMSS) – which polled CFA Institute members on their outlook for world capital markets in the coming year – show that major work is needed to restore market integrity. Interestingly, members think the primary fix is to encourage a culture of ethics inside financial firms.

Asked which factor has most contributed to their current lack of trust in the finance industry, more than half (56%) of survey respondents identified the lack of ethical culture within financial firms. Surprisingly, conventional wisdom places the blame for the industry’s low standing on market disruptions (failed IPO’s, insider trading cases, flash crash, etc.). Our members reject that notion. Their message is clear: It is not market failures or a lack of government action that has gotten us to this point – it is the culture of the financial industry itself.

As if we needed any further confirmation of the challenge or urgency of ethical practice, the news isn’t any better in the 2013 Edelman Trust Barometer. The newly released global survey – which measures trust in institutions, industries, and leaders – found that banks and financial services remain the least trusted sectors worldwide, driven by poor performance and the perception of unethical behavior. In fact, more than half of survey respondents (56%) said they were aware of recent banking and financial services scandals (including 78% in the United Kingdom, ground zero for the LIBOR scandal), with 59% blaming those scandals on such inappropriate behaviors as corruption, poor corporate culture and bad leadership.

Continued on page 11
INDUSTRY ETHICS: ARE WE STILL IN SELF-DENIAL? CONTINUED

It remains an uphill battle to restore trust, and though market integrity won't be rebuilt overnight, there are some obvious places to start. Asked which firm-level action is needed in the coming year to help improve investor trust and confidence, two-thirds of GMSS respondents believe it is vital for top management to establish an expectation of professional integrity and to constantly remind all staff, not just executives, about that expectation. There is also an important role for well-established and practical codes of ethical conduct. One such approach that the CFA Institute has been strongly encouraging members and the industry at large to embrace, is the Asset Manager Code of Professional Conduct.

Maybe it is sinking in. In a recent development, Barclays, one of the financial institutions at the center of the LIBOR storm, told its employees either to commit to a new set of ethical standards or leave the organization. Only time will tell whether this is evidence of true transformation or merely public relations. In any event, a strong proclamation from one of the world's largest banks is a step in the right direction.

In 2013, CFA Institute is rededicating its efforts to foster a more honest and ethical industry. In addition to the traditional advocacy work of the division, the entire organization is beginning its work to assess and reshape adherence to ethical constructs in finance through a new project called the Future of Finance. Stay tuned for further details on this project in the first quarter.

For more on this and other industry developments, please follow us on our blog, “Market Integrity Insights.”

Kurt N. Schacht, JD, CFA, is managing director of Standards and Financial Market Integrity for CFA Institute.
CAREER SERVICES

**Associate Consultant, Hartland & Co.**

Summary:
An Associate Consultant serves as a member of a team that works directly with clients to provide investment and financial counsel. Responsibilities include, but are not limited to, development of investment policy, asset allocation modeling, spending policy analysis, performance attribution, performance monitoring, investment research projects and preparation of client meeting materials. The Associate Consultant also reviews and finalizes clients’ quarterly evaluation reports and monthly flash reports, providing a summary analysis to the consultants. A successful Associate will have the opportunity to advance and to become a shareholder in the firm.

*Interested applicants should contact Lisa Dearden at LDearden@hartlandco.com.*

**Research Analyst, Hartland & Co.**

Summary:
Hartland & Co. has an open position for a Research Analyst in our Downtown Cleveland office. This role will require the candidate to cover designated portions of the global capital markets with primary focus on investment manager due diligence and client-related research requests.

*Interested applicants should contact Lisa Dearden at LDearden@hartlandco.com.*

**Junior Equity Analyst, Longbow Research, LLC**

Summary:
The successful candidate for Junior Equity Analyst will write research reports, maintain and update financial models, establish and nurture relationships with industry contacts, conduct market research and evaluate trends, participate in conference calls, analyst conferences, and industry seminars, speak with senior management of companies under coverage and create/maintain financial models. The ideal candidate will have an MBA from a recognized business school. A background in investment research and a CFA designation are preferable but not a necessity. The candidate must have solid verbal and written communications skills, be highly driven to succeed, yet capable of contributing within a team environment to the success of his/her peers. A keen interest in the stock market is a prerequisite. The Junior Analyst position is designed to prepare the individual for a Senior Analyst position with full coverage responsibilities within a period of two to three years. Compensation consists of (i) a base + bonus arrangement typical of the position and competitive with current Wall Street levels, and (ii) a generous benefits package. No phone calls please.

*Interested candidates should submit a resume, cover letter and a one-page writing sample (investment related) to Matt Griswold at mgriswold@longbowresearch.com*

*To learn more about Longbow Research, LLC, please visit our website at www.longbowresearch.com.*
Senior Investment Consultant, The Investment Counsel Company
Summary:
The Investment Counsel Company, Nevada's first investment management consulting firm and a recognized leader in the industry, is seeking a Senior Investment Consultant (IC) who will make a significant contribution by providing valued guidance, perspective, and judgment to current and prospective clients and capitalizing on business opportunities consistent with continuing to build a world-class financial organization.

To Apply: Please send cover letter and resume to Lynn LeMond via email: lynn@iccnv.com

Relationship Management Associate, Glenmede
Summary:
We are currently looking for a Relationship Management Associate in our Cleveland, Ohio office. The successful candidate will assist the Portfolio Managers in the remodeling and rebalancing of client portfolios, analyze client portfolios to ensure that they are in line with their asset allocation objective, and act as an initial point of contact for client and internal communications. The position requires a bachelor's degree, superb technology skills, strong analytical skills, excellent written and verbal communication skills, and a detail-orientation.

Qualified candidates should forward a cover letter (including salary requirements) and resume to jobs@glenmede.com. Note "RMA Ohio" in the subject line.

Associate Portfolio Manager, Carnegie Investment Counsel
Summary:
As an Associate Portfolio Manager, you will work closely with Carnegie's Chief Investment Officer and team of Portfolio Managers to assist in the delivery of disciplined investment strategies. Responsibilities include the development of investment policy statements, portfolio construction and monitoring, preparation of client review presentation agendas and material, internal communication and support and general support for the Investment Committee.

Please contact Gary Wagner at 216-367-4106 or gwagner@ccamc.com for more information.
"MANAGING YOUR EMPLOYEES’ MARCH MADNESS:
How Financial Firms can Balance Productivity and College Basketball"
By Daniel L. Messeloff, Esq. and Corey Donovan Tracey, Esq., Jackson Lewis LLP

Welcome to the first of a series of articles about "Legal News That You (and Your Clients) Can Use." Many of you are responsible for running your workplace, and many more of you have clients who own businesses and/or may be responsible for running their own workplaces. These articles will help you manage this task under the law, and they will also provide you with valuable advice to forward to your clients. With the month of March at hand, many businesses find their employees crowded around televisions or computers, watching March Madness. March Madness can be an effective way for an office to develop camaraderie among its employees, which can result in higher employee satisfaction. However, it can also be a severe distraction: A recent survey estimated that March Madness costs companies $175 million in productivity each year in the first two days of the tournament alone. As just one illustration, CBS Sports’ tournament website has a "Boss Button," which permits viewers of games to quickly switch to a generic spreadsheet on their computers when their boss passes by.

Two major areas of concern for companies are listed below with some suggestions for keeping employees’ interest in March Madness from going "out of bounds."

1. Managing Employees’ Time Watching Basketball
March Madness may be fun, but your employees have a job to do: It is to work. A frequent lament of employers is that March Madness exacts a significant toll both on employees’ productivity as well as on the employer's computer infrastructure, since instantaneous streaming of games is available from virtually everyone's work computer and phones. As for Internet use, if your business has a policy, March Madness is a great time to put that policy to use. If you don't have a formal policy in place, ask employees to limit their time watching basketball games to breaks. Still, don’t forget that March Madness can also be an opportunity to build office morale. If you want to embrace March Madness as a team-building event, order in lunch and watch games together from a conference room, allowing you to control the "game clock," and determine when the game-watching ends.

2. Office Pools
If someone in your office runs a March Madness pool, welcome to the club: An estimated 58.3 million people participate in an office pool each year. Company-sponsored office pools with cash prizes are generally illegal, although small, informal pools organized by employees are unlikely to attract the attention of any authorities. To be safe, companies should take the opportunity to remind employees about any applicable policies against workplace gambling and solicitation. In the interest of team-building, the company can organize a tournament contest for employees (as compared to an office pool; participants do not need to pay to play), whereby the employee with the winning bracket could win a free vacation day or other work-related perk.
14TH ANNUAL HARRY W. MILLIS MEMORIAL GOLF OUTING

SPONSORSHIP OPPORTUNITIES

Showcase your products or services to the decision-makers in Northern Ohio's Investment Community. By proudly sponsoring this event, you'll be supporting a non-profit organization committed to professional excellence and financial market integrity. Don't miss out! Sponsorship opportunities are limited!

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This exclusive sponsorship position is limited to a single TITLE SPONSOR. The Title Sponsor receives four complimentary golfers and dinners, recognition on all event literature, signage at registration, recognition in the program and the opportunity to contribute a promotional item to the welcome packages for attendees.

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- Signage at dinner
- Recognition in the program
- Provide promotional item for welcome bags

**Lunch Sponsor — $1,250**
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- Two complimentary golfers
- Two complimentary dinner guests
- Signage at lunch
- Recognition in the program
- Provide promotional item for welcome bags

**Refreshment Stand/Cart Sponsorships — $500**
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- Signage at the refreshment stand
- Recognition in the program
- Provide promotional item for welcome bags

**Hole Sponsorships — $325**
(18 Available)
- 24” x 18” sign on a hole the day of the event
- Recognition in the program
- Returning sponsors save $50 and only pay $275, as the Society will not need to create new signage

**FOR MORE INFORMATION OR TO REGISTER:** 2013golfouting.eventbrite.com
Or contact CFA Society Cleveland at 216-696-8066 or cfa@cleveland.cfasociety.org