Dear Fellow Society Members and Stakeholders,

This is the final newsletter of my term. We had many success stories over the past year, including:

- Society of the Year award for our second straight year
- Midwest Investment Conference
- Highest average event attendance since tracking began
- Beginning our relationship with CFA Institute Research Foundation

We have certainly had many more successes to detail than space permits. The point is that each of these items touch various Board chairs and committees. However, the one constant is the dedicated volunteers who made these things happen. Our volunteers take time away from their families and other pursuits to put in the countless hours of work that make CFA Society Cleveland a premier organization. To past and present volunteers, I want to say thank you and that I greatly appreciate your hard work and dedication to CFA Society Cleveland.

One thing I want to ensure is that CFA Society Cleveland continues its tradition of success long into the future. Therefore, I worked diligently with the recent Past Presidents to assemble the best possible Board for next year. The Board slate we put forward for your vote is one of the strongest Board slates I can recall. Considerable amounts of time and discussion centered on ensuring that each Board nominee is dedicated to advancing our mission and has solid leadership skills and experience to execute on our goals. I am confident that next year’s Board will excel in these areas and will continue our tradition of success.

I want to close by thanking you for allowing me to serve as President of CFA Society Cleveland for the past year. It has been a great honor to lead such a vibrant and dynamic organization. It has also been an honor to serve alongside the Board members and other Presidents over the past few years. It is truly a great group and I am confident that CFA Society Cleveland will continue its success long into the future.

Regards,

Wayne Chamberlain, MBA, CFA

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

Check us out on LinkedIn, Twitter, Facebook and YouTube
SPONSORSHIP

CFA Cleveland would like to thank all of our 2015 Lunch Sponsors

email cfa@cleveland.cfasociety.org for 2016 Sponsorship Opportunities
Recent Luncheon Spotlight


Luncheon extract by Bradley Knapp, Programming Chair

Speaker Background:

Sean joined Birchmere Ventures in 2012 as the partner leading Birchmere Labs, a seed and studio fund focused on community driven commerce startups. He has over 12 years founding, building and selling businesses in the media and software industries. Sean was previously Chief Operating Officer of ReadWriteWeb, one of the most influential sites about the future of technology and innovation. In December 2011, the company was acquired by SAY Media to strengthen its technology channel. Sean was previously co-founder and CEO of mSpoke, which was the first acquisition of LinkedIn.

Sean is currently an Adjunct Professor of Entrepreneurship at Carnegie Mellon University’s Tepper School. He also was a founding advisor to Innovation Works’ AlphaLab accelerator. He holds a B.S. in computer information systems from Grove City College and was a Research fellow at Carnegie Mellon’s Sloan Software Industry Center.

Luncheon Highlights:

Using his 12 years of experience focusing on new business start-ups and emerging technologies, Sean Ammirati shared with the luncheon attendees a fascinating evolution on the venture capital (VC) market. He first provided the audience with roughly a ten year evolution of venture start-ups and the trends that have emerged to today. The pace of innovation has and continues to accelerate very rapidly, breaching some very large barriers to entry for new technology companies that existed less than a decade ago.

Starting his first technology focused company over a decade ago, Sean said there was very little shared information and services available for new technology ventures. Much of the start-up capital and time were dedicated to focusing on the legal, administrative, and basic technology infrastructure of the new company. It was a process of trial and error. By the time he started his second venture in 2004, entrepreneurial bloggers began to collectively post a “how-to” guide for those interested in starting a technology company from scratch. This was a huge aid to new start-ups as it cut the learning time to market down significantly. The next barrier to fall was the introduction of a number of companies and organizations to cater to these new start-ups and help further build out the technology ecosystem. These included open source development tools like Ruby on Rails and Lamp, as well as cost effective software distribution and rental server space by companies like Apple and Amazon. This provides new companies with an even faster time to market while removing some of the burdensome technology and SG&A expenses. This trend continues today. Thus, cost to get started and acquire customers is decreasing while the total addressable market is increasing.

This fertile ground of innovation has led to a proliferation of VC funds over the last several years. Not only are the large long-tenured VC shops raising and investing funds in today's market, but there is also a significant amount of small, sub $200m funds launched over the last five years. In 2011 there were roughly 15 small VC funds raising a total of $600m in new capital. With a few years of economic recovery at our backs, 2014 delivered 75 new small VC funds raising close to $5 billion in fresh capital. This record level of capital raises for VC seed financing whoever is not correlating to strong series A follow-up funding commitments. This shows both the high rate of failure in the start-up market as well as the strong hunger for quickly buying out promising new companies long before profits are being generated.

Continued on Page 4
Sean Ammirati, Partner, Birchmere Ventures, VC Update – Why Now Is A Great Time to Invest in Tech Startups, April 29, 2015 Continued

The biggest challenge for VC fund investors is discerning luck vs. skill. Long-term top performing VC fund managers out-perform all other quartile competitors by a very wide margin. While sourcing these managers can be challenging, Sean shared several areas to investigate to help potential investors determine if a possible VC manager is truly skilled and could possibly be long-term top performers. A good due diligence checklist should include the following:

1. What is the investment process that is followed? Is it well defined and is it repeatable?

2. Is a well vetted thesis followed in sourcing investments or are they randomly discovering portfolio companies?

3. Asset Allocation does matter in a VC fund too. Are investments spread evenly among all portfolio companies or does the manager investment more heavily in high conviction companies?

4. Is the fund manager solely a passive investors or do they assist their portfolio companies in strategic and operational matters?

It is Mr. Ammirati’s belief that Tech valuations are very frothy in some geographies and some areas of the technology world, but not all. He reminded the attendees that great companies can be started anywhere and not just in Silicon Valley where the “heard” mentality can be a detriment. Even more so than any time in history, technological advances are creating great opportunities for disruptive new businesses that can prosper outside the normal business cycle. The challenge of a good VC partner is to source these companies and help them to market. Sean left the audience with some insightful words from Howard Marks (Oaktree Capitals Founder & Chairman), “To be a great investor, you have to be a contrarian and right.”

Upcoming Lunches and Events

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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>May 20</td>
<td>CFA Cleveland Annual Meeting featuring Vanguard....details to follow</td>
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<tr>
<td>May 21</td>
<td>Meet Us on the Roof Member Night at The Greenhouse Tavern 6-8PM</td>
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<td>May 27</td>
<td>David MacGregor, Longbow Research</td>
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<td>June 6</td>
<td>Tim Hayes, Ned David Research...details to follow</td>
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<tr>
<td>August 24</td>
<td>16th Annual Harry W. Millis Golf Outing</td>
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Join Us Tonight!

Meet Us On the Roof
join us for a night of networking,
and the food and drink of the greenhouse tavern
2015 Annual Members Night
May 21, 2015
5:30 to 8:00 P.M.
the greenhouse tavern
2038 East 4th Street

e-mail cfa@cleveland.cfasonety.org to attend
PROGRAMMING

2016 CFA Society Board Nomination, Wayne Chamberlain, President

Prior to voting, I would like to call your attention to the addition of Vice President for the 2016 fiscal year. Over the past several years, CFA Society Cleveland has undertaken several initiatives resulting in increased workloads for each of the Board members, with President and Programming Chair being the most affected. Therefore, our current Board, and recent Past Presidents, decided to add a position to the Board to help balance the workload. After much discussion, it was felt that CFA Society Cleveland would most benefit from the addition of Vice President. Adding a Vice President will result in several benefits including improved succession planning and a more balanced workload for the President and Programming Chair. The Vice President is to be a senior member of the Board of Directors who has a desire to lead CFA Society Cleveland as President the following year. This vital role will continue to move our Society forward. Thank you in advance for your support and for your participation in the voting process.

2016 BOARD NOMINATIONS

Tom Jalics, CFA                         President
John Silvis, CFA                        Vice President
Paul Lebo, CFA                          Program Chair
Nick Perini, CFA                        Membership Chair
Carolyn Rains, CFA                     Education Chair
Matt Scullen, CFA                      Treasurer
Mike Santelli, CFA                      Advocacy Chair
Grant Guyuron, CFA                     Public Awareness Chair
Joe Milford, CFA                        Career Services Chair

Congratulations
Ben Sayer
CFA Society Cleveland 2015 Volunteer of the Year Award
David MacGregor, CFA, CEO, Longbow Research, Review of Recent Channel Survey Insights, May 27, 2015

Experience:
- David is the founder and President of Longbow Research, as well as a publishing analyst covering Consumer Durables
- David is a three-time Wall Street Journal All-Star Analyst and two-time Financial Times World’s Top Analyst
- Prior to Founding Longbow Research in 2003, David was the founding Chairman and CEO of Midwest Research.

Qualifications:
- With finance/marketing degrees from McGill University and Columbia University, he has worked in the securities business since 1986 for Nesbitt Thomson in Toronto, Drexel Burnham Lambert and Banque Indosuez in NYC, Roulston & Company, Midwest Research and Longbow Research in Cleveland.
- David is a CFA Charterholder
- Since the inception of Longbow Research, David has covered over 80 companies in four separate industry groups.

Personal:
- David lives in Cleveland Heights with his wife Katerina and their four children. His pastimes include running, boating, skiing and playing squash.

Tim Hayes, Chief Global Investment Strategist

Timothy W. Hayes, CMT, is NDRG’s Chief Global Investment Strategist. He has been with the firm since 1986. Tim directs NDRG’s global asset allocation services, develops strategy and major investment themes, and establishes NDRG’s weightings for global asset allocation, presenting his views on the cyclical and secular outlook globally.

Tim oversees NDRG’s Monthly Digest, covering global strategy and allocation, and his timely market commentaries and studies are featured in Global Strategy publications, which focus on global allocation and the most significant global developments.

Tim has been featured many times on CNBC and Bloomberg TV, and his market views are often quoted in The Wall Street Journal and other financial media in the U.S. and internationally. He is author of The Research-Driven Investor, published in November 2000, and he has contributed to several other books. His research articles have appeared in the Journal of Technical Analysis, Technical Analysis of Stocks and Commodities, and other publications.

Tim received his Bachelor of Arts degree from Kenyon College, and he is a Chartered Market Technician. In 2008, the Investorside Research Association honored Tim with its Research Excellence Award for “Exiting Equities in ‘07.” In 1996, the Market Technicians Association awarded Tim the Charles H. Dow Award for groundbreaking research, recognizing an outstanding original work that best expounds on the principles of technical analysis.
16TH ANNUAL HARRY W. MILLIS MEMORIAL GOLF OUTING

Join us on Monday, August 24, 2015
at Lake Forest Country Club
100 Lake Forest Drive, Hudson, Ohio

11:30 a.m. Registration
12:00 p.m. Lunch
1:00 p.m. Shotgun Start
5:30 p.m. Cocktail Hour
6:30 p.m. Dinner

Members $100*
Non-Members $175*
Dinner only (includes Cocktail Hour) $65
*All entry fees include greens fees, cart, lunch, dinner, prizes and drinks
Golf format to be determined

FOR MORE INFORMATION VISIT WWW.CFASOCIETY.ORG/CLEVELAND
OR REGISTER AT 2015GOLFOUTINGREGISTRATION

Or contact CFA Society Cleveland at 216-696-8066 or cfa@cleveland.cfasociety.org
16TH 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!

**Title Sponsor – $3,000**
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.

**Contest Sponsor – $1,500**
(1 Available)
- Two complimentary golfers
- Two complimentary dinner guests
- Signage at kickoff key-sponsor putting competition and at contest holes
- Recognition in the program
- Provide promotional item for welcome bags

**Dinner Sponsor – $1,250**
(1 Available)
- Two complimentary golfers
- Two complimentary dinner guests
- Signage at dinner
- Recognition in the program
- Provide promotional item for welcome bags

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

**Cart Sponsor - $1,000**
- Two complimentary golfers
- Two complimentary dinner guests
- Signage on each cart
- Recognition in the program
- Provide promotional item for welcome bags

**Locker Room Sponsor - $1,000**
- Two complimentary golfers
- Two complimentary dinner guests
- Signage throughout locker room
- Recognition in the program
- Provide promotional item for welcome bags

**Refreshment Stand/Cart Sponsorships – $500**
(3 Available)
- Signage at the refreshment stand
- Recognition in the program
- Provide promotional item for welcome bags

**Hole Sponsorships – $325**
If purchased in conjunction with foursome-$200
- 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

**Create Your Own Sponsorship**
Please contact cfa@cleveland.cfasociety.org if you would like to create your own sponsorship.

FOR MORE INFORMATION VISIT WWW.CFASOCIETY.ORG/CLEVELAND
OR REGISTER AT 2015GOLFOUTINGREGISTRATION
contact CFA Society Cleveland at 216-696-8066 or cfa@cleveland.cfasociety.org
MEMBERSHIP SPOTLIGHT

David Frigo, Vice President, Financial Planning and Treasury, Akron General

1. What drew you to the health care industry and specifically Akron General?

20 year ago, I left banking looking for something different. Akron General was, and still is, considered an outstanding hospital, and I felt that working in the finance department of Akron General was a tremendous career opportunity.

2. You have a variety of responsibilities at Akron General, but which part of your job would you say provides the greatest challenges? Satisfaction?

I think the greatest satisfaction is working on projects with clinical departments and providing them with the tools and information that they need to care for patients.

I also enjoy working on business development projects. These projects can be extremely complex and require input from multiple disciplines, thus are both challenging and rewarding at the same time. It provides great satisfaction to work with physicians, clinical staff, and other healthcare leaders in developing and implementing new programs or businesses.

3. In your role, you are responsible for overseeing several asset pools that vary by purpose (e.g. balance sheet assets, defined benefit plan, defined contribution plan, insurance, etc.). Do you have investment practices that are consistent throughout each asset pool? How would you describe your approach to investing?

Akron General’s core investment practices are consistent throughout each of its assets pools. As an example, evaluation of investment managers, tracking investment performance, development of general investment guidelines (acceptable and unacceptable assets classes), roles and responsibilities of the AGHS Board, AGHS Management and our consultant, are primarily consistent across all asset pools.

Specific asset allocation will vary depending upon the investment pool given the unique nature and purpose of each pool.

Our approach to investing is to identify the specific needs associated with each asset pool, cash flow considerations and risk tolerance. Our goal is to create a well-diversified investment portfolio that takes into consideration all approved asset classes while protecting down-side risk.

Given the choice, we are willing to sacrifice some upside investment potential in order to protect the portfolio in a declining market. As we have all observed, it is hard to recover from significant investment losses, thus we prefer to err on protecting principal. However, we still want to ensure that we have exposure to asset classes and investment managers that will add value and long-term growth to the portfolio.

Continued on Page 11
MEMBERSHIP SPOTLIGHT CONTINUED

David Frigo, Vice President, Financial, Planning and Treasury, Akron General

4. What have been the biggest changes you have seen to the healthcare industry and at Akron General during your time there?

There are probably too many to list, but one of the most significant changes in healthcare has been the pending transformation in the way hospitals are likely to be paid in the future. We are transitioning from a fee-for-service industry (paid based on each hospital admission/visit) to a value-based, outcome-centric, population management industry (paid based on managing covered-lives with consideration for value, outcomes, and cost) that necessitates coordination amongst all healthcare providers (hospital, physicians, nursing homes, etc). This transition is creating numerous challenges for the industry because we are still being paid via a fee-for-service model but need to manage to a value-based future.

As part of this transition, we are seeing considerably more patients with high-deductible plans. These deductibles can be extremely high; we have seen them as high as $10,000. This can create a challenge for the health system trying to collect these deductibles.

Lastly, there has been a rapid and substantial change in information technology, such as the electronic medical records system. These systems have significant benefits but are costly and require significant resources to integrate and maintain.

5. The last few years have been difficult for not-for-profit healthcare institutions. What initiatives is Akron General working on to strengthen its financial position and remain a key resource for the community?

The most well-known initiative is Akron General’s partnership with the Cleveland Clinic. We are working with the Clinic in numerous areas to enhance the quality of care we are providing to the Akron community, reduce costs, and implement new technology. We are taking advantage of the Clinic’s buying power to save money on capital, supplies and purchased services. They are also assisting us in the process of recruiting physicians to Akron which will ultimately benefit our community.

That said, even prior to our partnership with the Clinic, Akron General had developed numerous endeavors that improved our financial performance such as a significant increase in physician recruiting, throughput and productivity initiatives, a move to all private beds (first in Akron), and a concerted effort to control costs.

As a result, Akron General is a financially-stronger institution and a key provider of healthcare service in Akron.
Continuing Ed Corner

Summer Reading Kick-Off!

Summer is the perfect time to catch up on reading. Stop by our May 27th or June 3rd luncheons and choose from a selection of free CFA Institute Research Foundation books. The books cover a variety of timely topics written for practitioners and are available on a first-come, first-serve basis. Read up on geopolitics, the economics of liquidity, equity risk premiums, and more.

About CFA Institute Research Foundation

CFA Institute Research Foundation supports the exploration of new and challenging topics in investment management by publishing online books that are free to everyone. Books are listed below by year of publication, and you may also browse these titles by topic. Sign up for e-mail alerts to find out when new publications are posted online. Research Foundation publications qualify for 5.0 CE credits each. CFA Institute offers the CE Diary as a member resource for tracking credits earned.

CFA Society Cleveland Hosts Mock CFA Exam

Less than two months remain until the June 2015 CFA exams! Prior to the main event, candidates can hone their exam-taking skills and discover which topics they need to focus on during their remaining study time by taking a mock exam administered by CFA Society Cleveland. The mock exam was developed by the Boston Society of Security Analysts and mimics the actual time spent on the exam. CFA Society Cleveland is offering the mock exam on May 16, 2015, from 9:00 a.m. to 4:00 p.m. at Cleveland State University's Marshall College of Law, 1801 Euclid Ave, Room LB 241.

2016 Access Scholarships Applications Now Available

Applications are now being taken for CFA Institute Access Scholarships. Access Scholarships provide financial support to those who may be unable to afford the full price for program enrollment and exam registration. In collaboration with member societies around the world, 3,000 Access Scholarships will be awarded to applicants for the 2016 exams. The scholarship covers the one-time CFA Program enrollment fee and reduces the exam registration fee (includes access to the curriculum eBook) to US$250.

Access Scholarships are awarded on or before December 1st to be applied to exams in the following year and may be applied to the June exam (Levels I, II, and III) or the December exam (Level I only). Applicants must wait until scholarship notifications occur in December 2015 before registering for the 2016 June exam, or the application will be voided. Because scholarship notifications occur after the early exam registration deadline has passed, CFA Institute offers a US$150 credit to those applicants who do not receive an Access Scholarship but who still wish to register for the June 2016 exam.

For more information, please see the Access Scholarship Official Rules and the Access Scholarship application. The application is available until September 15, 2015.

Deborah Kidd, CFA

Education Chair

Congratulations to the Research Challenge team from John Carroll University as they competed in Atlanta
Putting Investors First Month 2015

Debuted in 2013 by CFA Societies in Wisconsin, May is the month CFA Institute and societies embrace investors’ rights. The initiative to shape a trustworthy, forward thinking financial industry is gaining strong momentum. Societies around the globe are participating by hosting events, proclaiming investor days in participation with local governments, outreach and sponsoring presentations. Last year CFA Society Cleveland aired radio ads promoting the Statement of investor rights during May.

Why is this so important? According to the 2015 Edelman Trust Barometer, only 54% of respondents trust the financial services industry to do what’s right. Furthermore, the single most important attribute to investors in hiring an investment manager is to trust them to act their best interest. In fact, 35% view this as the most important attribute compared to only 17% viewing the ability to earn high returns as the most important attribute. Clearly the financial services industry needs to redirect its focus.

The investors first initiative is intended to have a large reach and big impact. While society and Institute programs are important, members can get involved too with minimal effort. Here, we’ll outline a couple of the ways to get involved, on an individual level or as recommendations to your firm:

1. Endorse the Statement of Investor Rights
   a. Share on LinkedIn, Twitter and Facebook
   b. Share and endorse it in your company newsletter
   c. Endorse it on your website

2. Adopt the Asset Manager Code
   a. A voluntary code of conduct for asset managers to demonstrate that they put their clients’ interests first
   b. More than 1,000 firms in 35+ countries now claim compliance
   c. Share the code with your firm and recommend they adopt it

In 2015 CFA Cleveland in cooperation with CFA Institute broadcasted a live viewing party on understanding Millennial Clients. We hope to continue the tradition of supporting this important initiative.
CAREER SERVICES

Job Title: Junior Equity Analyst
Employer: Longbow Research, LLC
Job Location: Cleveland, Ohio
Apply Here

Description

The successful candidate for Junior Equity Analyst will play a key role in furthering the success of a research franchise through varying avenues of contribution to client needs and the research investment narrative. Successful Junior Analysts can manage and develop market research, global trend evaluation, create and maintain financial models, manage the research marketing materials, converse with the senior management of companies under coverage, participate in conference calls, analyst conferences, and industry seminars, present investment opinions to Longbow's internal sales team, and develop client relationships. 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 be highly driven to succeed, yet capable of contributing within a team environment to the success of his or 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 in approximately three years. Compensation consists of 1) a base plus bonus arrangement typical of the position and competitive with current Wall Street levels, and 2) a generous benefits package. Email contact only please.
High Yield Portfolio Manager
Ohio Public Employees Retirement System
Columbus, Ohio

The public pension fund, located in Columbus, Ohio, is seeking an exceptional leader as High Yield Portfolio Manager.

With assets of $91.2 billion, OPERS is the largest public pension fund in Ohio and the 11th largest public pension fund in the United States. OPERS, which is approaching its 80th year, provides retirement, disability and survivor benefits for public employees throughout the state. It serves more than 1 million members, including more than 195,000 retirees and beneficiaries.

The High Yield Portfolio Manager will be tasked with the startup and management of an internal high yield corporate bond portfolio and team while working closely with the Senior Portfolio Manager of Global Bonds. The ideal candidate must be a self-motivated professional and a strategic thinker with excellent leadership capabilities to assist with the advancement of organizational and investment performance.

A Bachelor’s degree is required (Master’s preferred); a CFA is preferred. A minimum of 7 years’ experience managing and trading high yield assets along with 5 years of supervisory experience are required. Must be proficient and possess advanced knowledge in MS Office Products.

Interested individuals should visit www.opers.org to receive full consideration and apply online.

OPERS is strongly committed to diversity in the workplace. EOE.