



AFTER THE BELL

THE NEWSLETTER OF CLEVELAND FINANCE

OCTOBER 2015

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Dear Fellow Society Members and Stakeholders,

CFA Society Cleveland kicked off the beginning of its 65th fiscal year with a busy month of September. Our luncheon speaker series began in earnest on September 2nd with our first panel discussion of the season, "Mergers & Acquisitions in a Rising Interest Rate Environment", attended by over 90 members and guests. On September 10th CFA Society Cleveland hosted its fourth annual Career Day at Cleveland State University which saw nine local employers and over sixty-five undergraduate and graduate students take part in a day of career education and networking.

September 24th witnessed the opening of CFA Society Cleveland's Women in Leadership (WiL) speaker series, with over 75 attendees glued to speaker Mary Lau and her discussion on the current and future state of the energy markets. As a reminder, CFA Society Cleveland's WiL speaker series is a yearlong program that will include executives from Fortune 500 companies, top national professional firms, and those who have played key roles in helping the advancement of females. Please see the CFA Society Cleveland website for a full list of coming attractions on our groundbreaking WiL speaker series.

Finally, on September 30th, CFA Society Cleveland held an evening reception at the Cleveland Museum of Art (CMA). Just over 100 members and guests we're treated to an excellent presentation by Nina del Rio of Sotheby's on trends in the private art and collectibles markets. Ms. Del Rio's discussion was truly fascinating for those of us not intimately familiar with the art and collectibles markets.

I'd like to take this opportunity to thank our members for their feedback on the CMA event as well as the rest of the programming calendar thus far. We strive to make your membership as meaningful to you as possible and use your feedback to help shape future events. Keep the comments and suggestions coming! I'd also like to graciously thank our Programming Committee and many society volunteers for their time and endless effort in making September a memorable month. October's calendar of events is just as exciting. Please check the website for details.

In this the Society's blue sapphire anniversary (yeah, I had to look that one up), I'd encourage you to be a present and vocal member of CFA Society Cleveland. For 65 years, CFA Society Cleveland has stood as a platform for likeminded finance professionals in Northeast Ohio to come together, share ideas, network, and conduct business. The current Board is continually seeking to accomplish our Society's mission to promote professional development, ethics, and awareness through outreach to and engagement with the financial community. Only together can we accomplish these goals.

As always, feel free to contact me with any questions, comments, concerns, or hopefully, kudos. I look forward to seeing you at an event soon.

Sincerely,
Tom Jalics, CFA
Phone: (216) 509-2272
Email: president@cleveland.cfasociety.org

Check us out on LinkedIn,
Twitter, Facebook and YouTube



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

PROGRAMMING

CFA Society Cleveland presents... Women In Leadership Speaker Series

The CFA Society of Cleveland is hosting its first Women in Leadership speaker series, that will include executives from Fortune 500 companies, top national professional firms and those who have played key roles in helping the advancement of females. The events will run throughout the luncheon season and span an array of current and interesting topics for both men and women, including the current environment and its impact on various aspects of the market, diverse Boards as a key to success, and the importance and impact of female investors. Speakers will include Mary Catherine Sinclair, Director at Strategas Research, Heather Ettinger, Managing Partner at Fairport Asset Management, Maryrose Sylvester, CEO at GE Lighting, Jackie Acho, President at The Acho Group, Kathie Barr, Board Member at various mutual funds, and Dr. Loretta Mester, President & CEO of the Federal Reserve Bank of Cleveland.

October 28, 2015
November 18, 2015
December 9, 2015
April 6, 2016
April 27, 2016

Mary Catherine Sinclair, Director at Strategas Research
Heather Ettinger, Fairport Asset Management
Maryrose Sylvester, President & CEO, GE Lighting
Loretta Mester, Federal Reserve Bank of Cleveland
Jackie Acho, Ph. D, The Acho group

[Register Here](#)
[Register Here](#)
[Register Here](#)
[Registration to Follow](#)
[Registration to Follow](#)

Upcoming Lunches

- October 28** **Women in Leadership Series: Mary Catherine Sinclair, Director, International Economics, Strategas**
Global Macroeconomic Developments And What They Mean for the U.S.
- November 4** **Michael Gayed, CFA, Chief Investment Strategist, Pension Partners, LLC,**
Generating Alpha: Predicting Volatility and Corrections
- November 11** **Tony Kuhel, Partner, Thompson Hine**
- November 18** **Women In Leadership Series: One-on-one with Heather Ettinger, Managing Director, Fairport Asset Management with featured host Marie Dzanis, Senior Vice President Northern Trust Asset Management**
- December 2** **Private Equity Panel Moderated by Nick Raich, The Earnings Scout, featuring:**
The Impact of the Presidential Election on M&A and the Economy
Michael Jeans, Growth Opportunity Partners
Andy Male, Western Reserve Partners
Tom Zucker, Edgepoint Capital Advisors
- December 9** **Women in Leadership Series: Maryrose Sylvester, President & CEO, GE Lighting**
Transformation - How running my own race led me here

PROGRAMMING

CALENDAR OF EVENTS



Mary Catherine Sinclair
Strategas Research
October 28, 2015

[Register Here](#)

Women in Leadership Series: Mary Catherine Sinclair, Director, International Economics, Strategas Research, Global Macroeconomic Developments And What They Mean for the U.S., October 28, 2015

Mary Catherine will address the two elephants in most rooms: China and the Federal Reserve. She will discuss what the rate of growth appears to be in China based on the data and what that means for emerging markets and Europe. The discussion will include the global flood of monetary easing and why the Federal Reserve and Bank of England should move against it by raising interest rates. Mary Catherine will address the strength of Europe's economic recovery and provide an update on the status of Abenomics. The presentation will also highlight aging demographics as a global problem that developed economies are addressing in a different way than emerging economies.

Mary Catherine Sinclair is a Director and International Economist at Strategas where she works to identify macro trends in the global economy.

Her regularly published reports analyze changes in both developed and developing economies, often utilizing econometric models to illuminate the key driving factors.

Prior to joining Strategas, Ms. Sinclair managed the Total Economy Database, focused on international productivity growth, at The Conference Board. Before that, she worked as an Industry Analyst covering price changes in precious metals and gems and base metals at the Bureau of Labor Statistics. Ms. Sinclair received a BA in Economics and Political Science from Goucher College.

Welcome to CFA Cleveland! New Local Members!

Shelja Aggarwal

Justin Lee

Jialu Peng

Debbie Altman

Regina (Mengsha) Li

Anna Rathbun

Robert Exler

Joseph Olavarria

Brian Woods

Lue Feng

Membership Renewal

Thanks to all the CFA Institute members and our local CFA Cleveland members who have renewed their 2015-2016 memberships.

For those members who need to renew, please visit the CFA Institute website and local members email cfa@cleveland.cfasociety.org.

Renewals need to be paid to continue attending programming.

PROGRAMMING

CALENDAR OF EVENTS



Michael Gayed, CFA
Pension Partners LLC
November 4, 2015

[Register Here](#)

Michael Gayed, CFA, Chief Investment Strategist, Pension Partners, LLC, Generating Alpha: Predicting Volatility and Corrections, November 4, 2015

Join Michael A. Gayed, CFA, co-author of these papers as he presents their research and provides practical ways of active tactical asset allocation using the signaling power of Utilities and Treasuries.

As Chief Investment Strategist, Michael helps to structure portfolios to best take advantage of various strategies designed to maximize the amount of time and capital spent in potentially outperforming investments. Prior to this role, Mr. Gayed served as a Portfolio Manager for a large international investment group, trading long/short investment ideas in an effort to capture excess returns. From 2004 to 2008, Michael was a Portfolio Strategist at AmeriCap Advisers, LLC, a registered investment advisory firm which managed equity portfolios for large institutional clients. As a member of the investment committee, Michael performed detailed analysis on various stocks and worked closely with the principals of the firm to structure client portfolios. In 2007, he launched his own long/short hedge fund, using various trading strategies focused on taking advantage of stock market anomalies.

Michael A. Gayed, CFA, of Pension Partners, LLC co-authored two award-winning papers in 2014 that challenge the efficient market hypothesis by revealing market anomalies that have persisted over time. In separate papers, Mr. Gayed and his colleague, Charlie Bilello, CMT, focused on the utilities sector and Treasury bonds, providing a systematic way to outperform the market on an absolute and risk-adjusted basis. Importantly, they also show how the unique behavior of utilities and Treasuries can be used to anticipate periods of higher volatility and market corrections. Their work has important implications for Research Analysts, Mutual Fund Managers, Hedge Fund Strategists, Registered Investment Advisors, Institutional Management Consultants, and Private Wealth Managers.

Attendees will gain strategic insights into:

- Intermarket relationships that challenge the efficient market hypothesis
- The unique signaling power of Utilities and Treasuries
- Active portfolio management strategies to manage risk and generate alpha

All attendees will be entered into a contest to win a free Kindle and will also receive a complimentary copy of Michael E.S. Gayed's book, *Intermarket Analysis and Investing* which has received 4.5 stars on Amazon!

PROGRAMMING

CALENDAR OF EVENTS



Tony Kuhel
Thompson Hine
November 11, 2015

[Register Here](#)

Tony Kuhel, Partner, Thompson Hine, November 11, 2015



**This event will be held at Thompson Hine's office,
please see the security information below.
3900 Key Tower, 127 Public Square, Cleveland 44114.**

Tony is a partner in the Corporate Transactions & Securities practice group and currently serves as vice chair of the practice in our Cleveland office. He focuses his practice in the following areas:

- mergers and acquisitions
- private equity and venture capital transactions
- joint ventures and other strategic transactions
- manufacturing, distribution, supply and other commercial agreements
- corporate governance and general corporate matters

Prior to rejoining the firm in 2005, Tony served as corporate counsel at STERIS Corporation for three years.

Distinctions

- Named in Legal 500 United States (Middle Market M&A), 2015
- Selected as a Rising Star Super Lawyer by Ohio Super Lawyers magazine, 2009, 2014 and 2015

Community Activities

- A.M. McGregor Group, Board of Directors, 2013 to present
- Hitchcock Center for Women, Inc., member, Board of Trustees, 2009 to 2015; member, Executive Committee and Finance Committee, 2009 to 2015

Key Tower Security Measures

All attendees must pre-register prior to the event to submit to security. All visitors need to check in at the security desk before they are allowed to access the elevators and to the Thompson Hine offices on the 39th floor. Attendees will be required to show a valid ID (driver's license etc.). Please allow a few extra minutes to negotiate these new access restrictions. Parking is available in the Memorial Plaza Garage accessed off of St. Clair Ave. (underground garage just East of the Marriott). See attached PDF for directions and map to office/parking.

MEMBERSHIP

Ben Sayer
Product Management
PNC Capital Advisors

MEMBERSHIP SPOTLIGHT

Ben Sayer, Product Management, PNC Capital Advisors

1. Having recently passed CFA Level III, what advice do you have for current candidates or potential candidates?

The first thing I did before every level was to sit down and make a schedule and like everyone else I made a very linear schedule by blocking off a couple weeks for each section. Then after a week into a section I found myself getting burned out and what really helped was to switch topics to something that interested me more. So in the end I tried to find a balance between the sections that I really enjoyed learning about and the sections which I thought were less interesting. I think getting through the program is about finding small ways to stay motivated and occasionally switching topics helped me to stay motivated.

2. Last year CFA Society Cleveland named you volunteer of the year, why have you dedicated so much time to the society and what does the society mean to you?

It was an honor to be named volunteer of the year last year. Everything that happens at the CFA Society is a team effort and everyone else deserves just as much credit as I do. I got started with the programming committee a couple of years ago after having lunch with Paul Lebo where I told him about how awesome it was that the CFA Society of Columbus had just gotten Jim Chanos to speak at one of their events. After that Paul put me in touch with Brad Knapp who was the programming chair at the time and I've been helping ever since. We've been trying to broaden and diversify the programming lineup and it's awesome when we can schedule a speaker who pulls in some members that don't come to many events.

3. What role within the Financial Service industry do you think the CFA Society Cleveland and CFA Institute play?

I see the CFA Institute as setting high level policy and standards while staying at the forefront of the entire industry and then I see the local society as a place where we can put those policies and standards into practice through personal interaction. This is why I think programming and membership outreach are so important, they enable that personal interaction that can affect change.

4. What do you want people to know about CFA Society Cleveland that they might not know?

That we want to hear your opinion. Cindy will probably kill me for making her inbox even more full, but feedback of any kind is very helpful.

5. CFA, MBA or both?

Haha, I think this question is starting to rival "The Chicken and The Egg." But in all seriousness I think people try to make these two designations more similar than they really are, it's definitely not an apples to apples comparison. With the CFA you get a relatively low cost, self-study program that is giving you in depth access to academic and practiced financial knowledge. With an MBA you're going to get less finance specific knowledge (depending on the program) but you're going to get more hands on experience with a broader range of business skills. Thankfully no one forced me to give a 50 slide presentation on marketing to pass any of the CFA exams, but maybe that's something I need to work on...

EDUCATION



Coming Events...

CFA Institute Research Challenge



Kaplan Schweser Exam Preparation Materials

2016 CFA Society Cleveland Research Challenge - Calling all colleges to participate

We are excited to invite you to participate in the CFA Society's annual Research Challenge. Last year we had a very successful event, with seven Northeast Ohio university teams participating! We are looking forward to making this year another successful one, and we are pleased to announce that this year's challenge will involve the analysis and recommendation of Signet Jewelers. Signet Jewelers Limited is the largest specialty jewelry retailer in the US, UK and Canada. Signet operates approximately 3,600 stores primarily under the name brands of Kay Jewelers, Zales, Jared The Galleria Of Jewelry, H.Samuel, Ernest Jones, Peoples and Piercing Pagoda. The company's annual sales of approximately \$6 billion are derived from the retailing of jewelry, watches and associated services. We are very appreciative to them for supporting the event this year.

Presenting Company: Signet Jewelers Limited

Location of Presentation: Akron, Ohio

Tuesday, October 27th, from 11-12:30.

Formal presentations for the competition will take place on Saturday February 20th, 2016.

The CFA Institute Research Challenge is a competition between university-sponsored teams that research a designated publicly traded company, prepare a written report on that selected company and then present their findings to a panel of judges. The competition has three levels: local, regional, and global. Winners at the local level advance to compete against teams within their geographic region at the regional level. Winning teams at the regional level advance to compete at the global level. One team is designated the ultimate winning team, or champion, at the global level.

2016 CFA Institute Research Challenge Rules

Please email cfa@cleveland.cfasociety.com to participate in this years challenge

Kaplan Schweser 2016 Exam Preparation Material Now Available, 15% Discount through CFA Cleveland

Kaplan Schweser Registration Form

Save the Date: November 21, 2015 Level 1 Mock Exam

John Carroll University

Registration to Follow



POLICY BRIEF

BEST-INTERESTS DUTY

Individual investors who seek investing advice may experience different standards of care depending on the business model and relevant regulatory structure. However, the landmark [2008 RAND study](#) in the US confirmed the intuition that investors do not recognize business model distinctions nor do they appreciate that different standards of care may be applied to their relationship.

POLICY DEVELOPMENTS

- **Eliminating business models that feature inducements for sales of investment products:** The [UK Retail Distribution Review](#) and the [Australian Future of Financial Advice initiative](#) are examples of this approach. (See related CFA Institute study.)
- **More consistent language to describe services rendered:** MiFID II in Europe reserves the term "independent advice" for providers who do not accept sales inducements.
- **Requiring best-interests duties for all providers:** In the US, the Dodd-Frank Act authorizes the SEC to develop rules requiring a single "fiduciary" standard for all who provide personalized investment advice as long as the rules permit commission-based business models. In April 2015, the US Department of Labor proposed rules that would impose a fiduciary standard on those who offer investment advice to pension plans, including Individual Retirement Account holders. A "best-interests" standard was introduced in Australia in 2013 as part of the Future of Financial Advice reforms. Attempts to introduce a similar standard in Canada faltered in 2014.
- **Consideration of fiduciary obligation to incorporate ESG factors in investment decision-making:** Examined in Europe and the US, this is the subject of a study by the Principles of Responsible Investment and United Nations Environmental Program. Preliminary legal analysis to date suggests that fiduciary obligations do not prohibit inclusion of extra-financial factors to investment decisions.

CFA INSTITUTE COMMENTARY

- [Labor Department Fiduciary Rule Proposal Takes Important First Step](#) (Market Integrity Insights blog post, July 2015)
- [July 2015 Comment Letter on Definition of the Term "Fiduciary," Conflict of Interest Rule - Retirement Investment Advice](#)
- [Fiduciary Faceoff: America's Investment Industry at Critical Juncture](#) (Market Integrity Insights blog post, April 2015)
- [March 2015 Policy Brief on Markets in Financial Instruments Directive II](#)
- [July 2013 Comment Letter to SEC on Duties of Brokers, Dealers, and Investment Advisers](#)

CFA INSTITUTE VIEWPOINT

- A single standard of care should be provided by anyone who offers personalized investment advice to retail investors, consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct requiring members to render services with loyalty, prudence, and care within the context of the client relationship that is defined and agreed to by the client. In some cases, the terms of the client relationship may indicate a different context in which to apply that standard that falls short of a full best-interests duty (see related article).
- In the US, we support a single fiduciary standard of care for those providing personalized investment advice to retail investors that is at least as stringent as that required by the Investment Advisers Act of 1940, and caution against [excessive reliance on disclosure](#).
- In the EU, we [support provisions of MiFID II](#) that extend suitability analysis to include elements of cost and complexity; further, we support disclosure requirements that indicate why products originated by the adviser's firm or a tied firm are more suitable to the client's objectives and tolerances than products from third-parties available from the adviser.
- We favor consistent descriptions for independent investment advice and those who provide it, and would require advisers not adhering to a best-interests duty to describe their services in a way that does not connote independent advice.
- CFA Institute supports the intent of the rules proposed by US DOL in April 2015. More detailed specification around what would constitute a breach of the proposed "best interests contract exemption" would help practitioners assess compliance strategies and costs.

CAREER SERVICES

Job Title: Vice President/Associate
Employer: Boenning & Scattergood, Inc.
Job Location: Cleveland, Ohio
[Apply Here](#)



Firm Overview

Boenning & Scattergood, Inc. is one of the Middle Atlantic's oldest regional investment securities firms. We are an independently-owned brokerage firm offering a full range of investment products and services. Boenning & Scattergood, Inc. is a registered broker-dealer with its corporate headquarters in West Conshohocken, Pennsylvania and branch offices in Pennsylvania, Ohio and New Jersey. Please visit www.boenninginc.com for more details.

Job Description

The Vice President / Associate will support the deal teams by analyzing financial and operating data for trends in financial performance of companies and industries. The Vice President / Associate will complete due diligence on current and prospective clients, and support the deal teams in a variety of other needs for various corporate finance transactions.

Responsibilities

Responsibilities include: managing and assisting in the preparation of financial models and business valuations; Preparing confidential information memorandum; identifying and contacting potential transaction partners (buyers, investors, etc.); conducting industry and company-specific due diligence related to transactions; coordinating client and potential transaction partner; attending client meetings; creating marketing presentations for potential client engagements; preparing management presentations for potential investors; FINRA compliance files maintenance; overseeing the activities and work product of Investment Banking Analysts and Interns.

Job Requirements / Qualifications

Applicants should possess excellent analytical, written and verbal communication skills; fundamental understanding of accounting and corporate finance principles; strong work ethic and attention to detail; ability to work a demanding schedule and travel; excellent academic performance, with a degree preferably in finance, accounting or economics; high level of proficiency with Microsoft Office applications.

Education and Experience

- Bachelor's degree required. MBA, CPA, CFA, or similar credential is a plus.
- Minimum of three years investment banking or related industry experience.
- Experience with mergers and acquisitions and/or leveraged finance.
- Extensive financial modeling experience.
- Experience in focused equity analysis or investment banking.
- Experience with SNL securities database preferred
- FINRA Series 7, 63 & 79 licenses preferred or willing to obtain upon hire

Member FINRA / SIPC. Equal Opportunity Employer

CAREER SERVICES

Job Title: Associate, Secondary Private Equity Funds

Employer: Private Advisors

Job Location: Cleveland, Ohio

Apply Here



Firm Overview:

Private Advisors is a dedicated alternative investment management firm with over 17 years of experience and more than \$6 billion in assets under management. The firm was founded in 1997 and has offices in Richmond (headquarters), New York, Cleveland and Austin. The Firm is an affiliate of New York Life Insurance Company and is comprised of more than 80 employees including 36 hedge fund and private equity investment professionals. Private Advisors is focused solely on non-traditional investments, including hedge funds and private equity where the Firm believes market inefficiencies or illiquidity premiums can be exploited to deliver attractive risk-adjusted returns for our investors. Private Advisors strives to be a challenging, educational and rewarding place to work.

Position Description: Associate, Secondary Private Equity Funds

The Opportunity:

The Associate will work directly as part of the private equity secondaries team and also will work closely with investment professionals across the broader private equity and hedge fund platforms of Private Advisors. The private equity secondaries team is based in Cleveland, OH and comprises 5 dedicated investment professionals. Investment professionals at the Associate level will work closely with senior investment professionals and would be responsible for investment analysis, research, investment process management, deal execution and special projects.

I. Primary Responsibilities:

1. Creating and executing financial analyses in support of the investment process (e.g. comparable company, LBO models, investment return projections with sensitivity analyses, currency analyses)
2. Participating in due diligence sessions and evaluating prospective investment opportunities
3. Supporting investment sourcing, diligence and evaluation, and portfolio monitoring by reviewing inbound investment materials, building and maintaining deal logs and analyzing performance of specific companies
4. Researching a broad range of industries, companies, and macroeconomic trends

II. Preferred Experience/Skills:

1. Four-year college degree with a record of high academic achievement
2. At least two years of full-time experience in a finance, investment or strategy consulting-oriented role. Strongly prefer prior professional experience in quantitative analysis, including investment banking, leveraged finance, equity research, or strategy consulting.
3. Strong quantitative and qualitative analytical skills
4. Strong quantitative modeling skills and an understanding of financial concepts, valuation and accounting
5. Strong verbal and written communication skills
6. High degree of intellectual curiosity and willingness to learn
7. Ability to work in a very team-oriented culture and maintain a high-level of communication with team members to share information
8. Ability to meet challenging deadlines while maintaining quality and accuracy
9. High level of attention to detail

If interested, please send a cover letter and resume to jobs@privateadvisors.com indicating the position to which you are applying. No phone calls please.

Private Advisors is an Equal Opportunity Employer.