Dear fellow members and stakeholders,

Your board has been working diligently through the summer in preparation for another outstanding fiscal year. Our annual report highlighted four strategic objectives for the Society in 2013-2014: drive member value and engagement; increase member growth and Society influence; continue investment for the future; and, align with the CFA Institute. We have analyzed our success by reviewing a stratification of member attendance at in-person events and have seen encouraging improvement in results. To build on this positive momentum we have identified member engagement as a mission critical initiative.

Member engagement is more than attendance at weekly lunches; it represents our members’ willingness to move the society forward, care about its future and aid in accomplishing strategic objectives. We hope to maintain engagement with active members and reach out to less engaged members through the following:

- **Career Services**: reach out using mentor programs, career day and job boards.
- **Programming**: use technology to provide better programming access for members where logistics are an impediment to in person meetings.
- **Advocacy**: leverage our network to advance the CFAI and CFASC strategic objectives and mission.
- **Education**: through volunteer asks related to the research challenge and other education activities.
- **Membership**: utilize member spotlight and university outreach initiative.
- **Public Awareness**: broader newsletter inclusion of members in their areas of expertise.

Additional initiatives include: an advance in public awareness to include more press releases and through the use of internet technology; a major outreach to universities; furthering our advocacy effort and the restart of a career day; and, the mentor program.

The programming calendar is nearly complete for the fall with an exciting mix of valuable speakers. The sponsorship program, which started several years ago, is moving along well to supplement dues and provide value to our membership. We will also launch our first ever Midwest Investment Conference in November with a strong line-up of companies.

Your Society is among the most active in the country, especially when benchmarked against other similarly sized societies. There are many opportunities to get involved, add value and receive great personal and professional benefit.

Respectfully Submitted,

Craig Cimoroni
PROGRAMMING

CALENDAR OF EVENTS

September 11
CFA Society Cleveland Kick-off Event at Bar Louie

September 19
14th Annual Harry T. Millis Memorial Golf Outing, Kirtland Country Club

September 18
Simon Derrick, Chief Currency Strategist and Samarjit Shankar, Managing Director, BNY Mellon

October 2
David Mazza, Investment Strategist, State Street Global Advisors (SPDR)

CFA Society Cleveland Kick-off Event at Bar Louie, September 11, 2013
You are invited to join us for our 2013/2014 programming year kick-off event at Bar Louie. This event was a great success last year, and we look to continue the success this year. This will be an opportunity to network with CFA Society Cleveland members and other professionals, as well as to get acquainted with the 2013/2014 Board. We look forward to seeing you there!

14th Annual Harry T. Millis Memorial Golf Outing, September 19, 2013, Kirtland Country Club
The C.H. Alison designed 18-hole layout features spectacular views of the Chagrin River Valley and currently holds a top 10 ranking in Ohio and the No. 1 ranking in the Cleveland district as published in Golf Digest Best in State 2011. Founded in 1921, the family-oriented private country club is located on 260 acres 15 minutes east of downtown Cleveland. Throughout its history, Kirtland has been locally and nationally recognized for its commitment to excellent service by being named a Top 100 Platinum Club and one of the Top 100 Classical Golf Courses in the United States. Recent golf course restoration projects have ensured that the country club’s fantastic layout remains enjoyable and fair for all skill levels. The panoramic views will make Kirtland one of the most memorable rounds you have ever played.

Simon Derrick, Chief Currency Strategist and Samarjit Shankar, Managing Director, BNY Mellon, September 18, 2013: Currency
CFA Society Cleveland proudly presents Simon Derrick and Samarjit Shankar of BNY Mellon, two of the most widely followed FX experts to discuss currency strategies. This is a very timely topic given the current economic and political unrest around the world. As we are all aware, being correctly positioned to hedge or profit from FX exposure is critical to protecting and enhancing returns. Please join us for this tremendous opportunity.

David Mazza, Investment Strategist, State Street Global Advisors (SPDR), October 2, 2013: Macro, Emerging Markets and Bond Markets
CFA Society Cleveland presents David Mazza of State Street Global Advisors. If you enjoy hearing presentations regarding the macroeconomic environment or emerging markets, you will especially enjoy this event. David will not only be discussing his macroeconomic and emerging market views, but will also be providing actionable strategies with a particular focus on bond markets. This event is sure to provide a great return for your time and give you ideas you can implement immediately for your clients. We welcome you to join us for this event.
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| October 7 | William Strauss, Economist, Federal Reserve Bank of Chicago, in conjunction with CABE, October 7, 2013: Midwest Manufacturing  
With all of the discussion around the global economy and emerging markets, we often overlook manufacturing, a key driver in our regional economy. CFA Society Cleveland and CABE proudly present economist William Strauss of the Federal Reserve Bank of Chicago, an expert regarding economics in the Midwest with a particular focus on manufacturing. This is sure to be an insightful presentation that will likely touch on a range of industries that drive demand for manufacturing. We look forward to sharing this opportunity with you. |
| October 16| Donald Straszheim, Head of China Research, Partner and Senior Managing Director, International Strategy and Investment Group, Inc. (ISI), October 16, 2013: China  
CFA Society Cleveland is pleased to present Donald Straszheim, Head of China Research (offices Shanghai and Los Angeles), Partner, and Senior Managing Director at International Strategy and Investment Group Inc. (ISI), a boutique Wall Street research firm serving institutional investors globally. He has been with ISI since 2009, works from LA, and has spent full-time on China for over a decade. |
| October 24| Rob Arnott, Founder and Chairman of Research Affiliates, a Subadvisor to PIMCO, October 24, 2013  
CFA Society Cleveland is pleased to present Rob Arnott of Research Affiliates. Rob has recently been noted for his research in risk premiums and fundamental indexing. Because of his continuing research in many areas, a topic has not yet been chosen as his most up-to-date and relevant research findings will be presented. By attending this presentation you will gain keen insights into research that is critical to the evolution of the investment industry from an industry practitioner. Please join us for this exciting event. |
| October 30| David Holstein, CFA, Investment Specialist, Capital Group, October 30, 2013  
CFA Society Cleveland is pleased to present David Holstein of the Capital Group. He has 23 years of investment industry experience and has been with Capital Group for seven years. Prior to joining Capital, he worked at General Motors Asset Management in New York, where he was most recently the managing director of global equities. Before that, he was a founding partner of Wells & Associates, and a manager of corporate planning and senior economist for J.C. Penney Company.  
He holds a master’s degree in economics and a bachelor’s degree in mathematics from the University at Albany, State University of New York. He also holds the Chartered Financial Analyst® designation. Dave is based in New York. |
MEMBERSHIP SPOTLIGHT

Interview conducted by Bradley Knapp, Membership Chair

Q: How did you first become interested in the CFA charter?
A: I started my career in investments in the mid-70s at Burns Brothers & Denton (now BMO Nesbitt Burns) in Toronto as a research associate. A number of my colleagues were involved in the CFA program and the local chapter. This led to my involvement and charter pursuit, which I earned in 1980.

Q: When did you come to Cleveland?
A: In 1982, I left Toronto to become a buy-side analyst at Travelers in Hartford, Connecticut, before being hired as a machinery analyst by McDonald & Company in Cleveland in 1985. After leaving McDonald in 1990, I have been an Investor Relations specialist for two different PR firms, a REIT analyst for Roney & Company (now part of Raymond James), and a media relations manager for KeyCorp. I even ran for Congress in the 2000 election.

Q: You have spent a fair amount of time over the years as a CFASC board member, helping our local society. How did you get involved?
A: In the late 1980s, my manager was on the CFASC board and recruited me as Membership Chair. Back then, the main job of the Membership Chair was to mail lunch tickets to members – every member received nine free lunch tickets, so if they went to more than nine lunches, they had to buy more tickets. Since then, I’ve also served as Program Chair and President. My most recent term on the board, as Public Awareness Chair, came to an end this past season. I still want to actively support our organization any way I can.

Q: Being part of the CFASC all these years, what was one of your proudest moments?
A: I was lucky enough to be elected president of CFASC in 2001, at the official 50th anniversary celebration of what we then called the Cleveland Society of Security Analysts (which began long before there was a Chartered Financial Analyst designation).

Q: In your free time, do you still use the skills you've acquired during your career?
A: During all those years as an analyst covering machinery, real estate and other things, I gained an appreciation for historic industries and architecture. To this day, I still enjoy seeing the cities, towns, and factories that were an important part of our technological advancement. It gives you an appreciation for how far we have come as a society and for the people who built it. I’m involved today with the Society for Industrial Archeology, planning site tours of some of the great industrial properties across the U.S. That analytical curiosity to see how the real world works never goes away.

Q: Can you share some investment lessons that you have learned over the years that could be helpful to us, especially candidates, new charterholders and young CFASC members?
A: The most important lesson is that to be of value to a client, you don't have to know more than the market, you just have to know more than the client, about something the client wants to know. In investing, there is never "one right way" – in the long run, an investor does well by following any sensible discipline that makes you do what you need to do, especially when you don't want to do it. This rings true across all areas of investing, and in life for that matter.

On behalf of the CFASC, we send a very special thanks to Ron for his leadership and endless volunteerism over the years for our society.
The Premier Showcase for Public Issuers in the Midwest

Expanding on this proud legacy, CFA Society Cleveland (CFASC) is pleased to announce it will host the inaugural Midwest Investment Conference (MIC).

- The MIC will include presentations from public issuers located throughout the region and feature at least two tracks of industrial and materials companies.
- Institutional investors may request one-on-one meetings with management teams.
- Registration is now open at: www.go2mic.org

Presenting Companies Include:

Applied Industrial Technologies  
Cliffs Natural Resources Inc.  
Huntington Bancshares Incorporated  
Hyster-Yale Materials Handling, Inc.  
Kimball International  
The Lincoln Electric Company  
Materion Corporation  
Nordson Corporation  
Olympic Steel, Inc.  
Park-Ohio Holdings Corp.  
PolyOne Corporation  
Renewable Energy Group, Inc.  
RPM International Inc.  
TransDigm Group, Incorporated  
Universal Stainless & Alloy Products Inc.  
Worthington Industries, Inc.

Sponsored by:

www.midwestinvestmentconference.org

For general inquiries or more information about attending, presenting or sponsoring: admin@go2mic.org
ACCESS SCHOLARSHIPS
CFA Society Cleveland has been allocated seven (7) Access Scholarships for 2014. The Access Scholarship initiative provides needs-based scholarship opportunities for those unable to afford the full price of the CFA Program.

Program Overview
- The 2014 Access Scholarship program is effective for the June 2014 and December 2014 exams.
- The entire process is automated through the Society Portal, similar in function to the membership application process.
- The scholarships are available to candidates at any level.

Award
Waive the CFA Program enrollment fee and reduce the exam registration fee (includes access to the curriculum eBook) to US$250.

Award Cycle
Access Scholarships are awarded in December to be applied to exams in the following year. If awarded, the recipient can apply the scholarship to the
- June exam (Levels I, II, and III) or
- December exam (Level I only)

Important Dates
Application for 2014 exams is available NOW – and MUST be completed by September 15, 2013.

RESEARCH CHALLENGE
The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis. Students gain real-world experience as they assume the role of a research analyst and are tested on their ability to value a stock, write an initiation-of-coverage report, and present their recommendations.

HOW IT WORKS
CFA Institute member societies and volunteers (referred to as Local Hosts) make this annual competition possible.

At the local level, hosts are responsible for
- Securing subject companies
- Recruiting volunteers (such as mentors)
- Inviting universities in their geographic region to participate

Find out more about getting involved at the local level.
ADVOCA CY

THE ASSET MANAGER CODE – A STEP IN THE RIGHT DIRECTION

Nick Perini, CFA, Beese Fulmer Private Wealth Management

As members of the investment management community, the concept of trust in the financial services industry should always be one that we promote as we go about our daily work lives. And why is that? It doesn't really matter how exceptional a firm’s performance has been, how long it has been in business, or how experienced — both academically and professionally — a team of managers may be. If clients cannot trust that firm, they will most likely move their assets to a firm they can trust.

While Wall Street has always had its share of scandals, it seems as though their frequency has escalated in the last five years. Beginning with the sub-prime housing crisis, followed not long after by the high-profile prosecutions and convictions of Bernie Madoff and Allen Sanford, our industry seems to be continually on the defensive — taking reputational blow after blow. As I write this article, one of the lead stories on Bloomberg is about another Department of Justice inquiry into one of the country’s largest banks regarding the marketing of shoddy securities. The investing public is not blind to these transgressions, and being located in Northeast Ohio doesn't insulate us from these scandals. Although the bad apples are in the minority of financial-service professionals, they can operate anywhere, and each unpleasant revelation calls into question the reputation of honest managers who are doing their best on behalf of their clients.

For example, in May of this year, the Canton Repository reported that the Ohio Department of Commerce was taking action against the principal of a Uniontown, Ohio-based investment firm for securities fraud. The owner of the firm is reported to have “acquired” more than $600,000 of client assets for his personal use. When something like this happens in our own backyard, it reiterates the need for all of us to do all that we can to advance the tenets of trust and transparency in our industry.

At Beese Fulmer Private Wealth Management, we have worked diligently for more than 32 years to do what is best for our clients. That attitude is an integral part of the DNA of Beese Fulmer, and when we learned about the CFA Institute’s newly-created Asset Manager Code of Professional Conduct, we knew it was something we wanted to be part of and endorse.

Continued on Page 8
"THIS SURVEY SENDS A CLEAR MESSAGE. TRUST IS ABSOLUTELY CRITICAL TO THE FUTURE OF FINANCE, AND IT IS UP TO ALL OF US TO HELP SHAPE A MORE TRUSTWORTHY FINANCIAL SYSTEM."

John Rogers, CFA, President and CEO of CFA Institute

THE ASSET MANAGER CODE – A STEP IN THE RIGHT DIRECTION CONT.

The six general principles of conduct, as stated by the CFA Institute, are:

1. Act in a professional and ethical manner at all times.
2. Act for the benefit of clients.
3. Act with independence and objectivity.
4. Act with skill, competence, and diligence.
5. Communicate with clients in a timely and accurate manner.
6. Uphold the applicable rules governing capital markets.

While there is more required to comply with the Asset Manager Code of Professional Conduct than the above six principles, these principles should already be adhered to by any reputable asset manager.

Insuring that we comply with the Asset Manager Code of Professional Conduct allowed us the opportunity to take a few hours to reflect on our current compliance and ethics policies. We spoke with Glenn Doggett, CFA, Director of Standards of Practice for the CFA Institute in order to make sure we were interpreting the policies correctly. We are confident we are in compliance with the Asset Manager Code of Professional Conduct, and we are excited about the fact that we have been added to the list of compliant asset managers.

It did come as a bit of a surprise to learn we were the first asset manager based in Northeast Ohio to claim compliance with the Asset Manager Code of Professional Conduct. We are proud to be the first to take the initiative and complete this process; it’s another way that Beese Fulmer can distinguish itself as a leader in our professional community.

Our company was founded in October 1980, and our record of serving our clients for more than 32 years is one we take great pride in. We look forward to continuing that tradition, and we are pleased to participate in a program that can only bring honor to a profession we find incredibly satisfying. Trust is imperative to the success of our industry, and the Asset Manager Code of Professional Conduct is another welcomed step in the right direction.
"THE GREAT ROTATION: WHAT IS IT AND WHY SHOULD YOU CARE?"

By John P. Micklitsch, CFA, Director of Private Client Group, Ancora Advisors, August 2013

Like Paul Revere before, investors are currently hearing the following refrain, “The great rotation is coming, the great rotation is coming.” But, what is the great rotation and why should you care?

Simply put, the great rotation refers to investment capital rotating out of bonds and into other asset classes, namely stocks. The reason a possible great rotation is upon us is that after thirty plus years of falling interest rates (a tailwind for bond prices) we now find ourselves at a point of historically low interest rates.

Understandably, investor capital has followed this one way trend into the bond market. But with interest rates starting to tick back up, resulting in recent declines in the major bond indices, it appears possible that the trend in capital flows as illustrated by the below chart, could be nearing an end. In fact, as the following chart illustrates, interest rates have fallen so low that you can now derive more income from owning a business than lending to it, implying that you are getting the future growth of the business for free. Savers and retirees, rejoice. Who doesn’t like free?

Yet despite this pricing anomaly, investors have continued to flow capital into bond investments at least on par with equity investments. According to the Investment Company Institute, thru May of 2013 investors placed $93 billion into bond mutual funds and $77 billion in global equities. If we look back a few more years the disparity in flows towards bond investments appears even greater.

All of this is not meant to say bonds have no place in an investor’s portfolio. Bonds along with cash are still likely to be the primary stabilizer of portfolios in times of equity volatility. The point is, with interest rates starting to work their way higher after decades of decline, the outsized flow of capital into bonds could begin reversing itself, which, in our view, would be good for equities. It could also perpetuate the recent rally in stocks beyond the expectations of many focusing purely on sluggish but directionally improving economic data.
**CAREER SERVICES**

**Investor Associate, JPMorgan Private Banking**

JP Morgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of more than $2 trillion and operations in more than 60 countries. We serve millions of U.S. consumers and many of the world's most prominent corporate, institutional and government clients. We are a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity.

J.P. Morgan is a global leader in asset and wealth management services. We serve four distinct client groups through three businesses: institutions and retail clients through J.P. Morgan Asset Management; ultra high net worth clients through the Private Bank; and high net worth clients through Private Wealth Management. With assets under supervision of $1.7 trillion and assets under management of $1.2 trillion, we are one of the largest asset and wealth managers in the world.

J.P. Morgan Private Banking, which includes both the Private Bank and Private Wealth Management businesses, offers individuals and families personalized, comprehensive financial solutions that integrate sophisticated investment management, capital markets, trust and banking capabilities and was recognized in February 2010 by Euromoney as the #1 Private Bank for High Net Worth and Ultra High Net Worth individuals in the United States. We have more than 1,800 client advisors in 120 offices in 11 countries and 25 states.

**Primary Function**

Provide support Investors in all facets. The Investor is responsible for helping the Banker win new clients and deepen and strengthen existing client relationships through advising on investment solutions.

- Build excellent working relationships with internal clients
- Adhere to internal and external policies and procedures regarding securities transactions and code of conduct
- Support coordination of sales effort with Investors

**Qualifications**

- Coachable professional with good “business sense” and an energetic/dynamic personality
- Ability to work both independently and as a team player
- Excellent communication skills, both written and oral
- Strong analytical and quantitative skills
- Ability to multi-task and manage priorities effectively
- Ability to adapt to a rapidly changing business and technology environment
- Exceptional problem-solving skills
- Proficiency with Microsoft Office Suite (Word, Excel and PowerPoint) and Internet/Intranet
- Ability to learn proprietary software and databases

**Position Requirements**

- Bachelors degree required
- Sales/originator capabilities
- Series 7 & 63 required for position

JP Morgan Chase offers an exceptional benefits program and a highly competitive compensation package. JP Morgan Chase is an Equal Opportunity Employer and Affirmative Action employer, M/F/D/V

*Interested candidates should email their resume and cover letter to Brian Zmarlicki, at brian.zmarlicki@jpmorgan.com.*
**Institutional Equity Sales Associate, KeyBanc Capital Markets, Inc.**

**About the Business**
KBCM is a leading, full-service corporate and investment bank dedicated to serving the needs of middle market clients.

**About the Job**
The Institutional Equity Sales group is seeking an energetic, aggressive and well-rounded person for our Cleveland office. The capital markets environment is collegial, high paced, competitive and puts a premium on being well-organized and able to juggle many projects simultaneously. We work in a team environment and interpersonal skills both internally and externally are important. The sales associate will support the senior Institutional Equity Sales professionals in a variety of ways critical to the firm’s success, including organization of roadshows and conferences, analysis and preparation of equity stock ideas, client portfolio reviews, database maintenance, special projects and selling of ideas to clients. This individual will work with senior sales professionals to advance relationships and over time, develop their own accounts.

**Required Skills**
- Candidate should be proficient in the Microsoft Office suite.
- Be detail oriented and have excellent verbal, written and organizational skills.
- Experience working on a fast-paced, high-energy trade floor environment is critical.
- Series 7 & 63 license required, or must obtain within 6 month of employment.
- Minimum required hours include 7am to 6pm plus some travel and weekends.

**Training Provided**
On the job.

**Process for Applying**
Applications are accepted via www.key.com/careers

KeyCorp is an Equal Opportunity Employer M/F/D/V

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**Associate Institutional Equity Sales Representative, Northcoast Research**

The primary role of the Associate Institutional Equity Sales Representative is to work with one of our experienced salespeople covering a group of approximately 30 institutional investment management accounts located in the Mid-Atlantic Region [New York City, New Jersey, Philadelphia and Baltimore], with the expectation that such person will develop into a senior sales person with their own account coverage responsibilities within 3-4 years.

Duties will include maintaining regional travel calendars for Research Analyst and Corporate Management marketing trips, interfacing with Research to get timely information for customer requests and/or special projects, maintaining customer databases and interest lists and helping to build and maintain account plans.

The Associate Sales Rep will be expected to attend the firm’s 7:30 am morning meeting in order to begin mastering the firm’s research product, hours typically will extend to 6:30 pm and there will be light travel.

The Associate Sales Rep will be required to secure a FINRA series 7 & 63 license within 90 days of joining the firm and, once licensed, will be expected to make client research calls as directed. Ideal candidates should possess an undergraduate or graduate degree with a concentration in finance and/or accounting, an excellent academic record with relevant internship experience, a history of demonstrated leadership capability and good interpersonal skills.

Interested candidates should please forward a resume to Norm.Siegal@NorthcoastResearch.com.