



CFA SOCIETY OF CLEVELAND

After the Bell The Newsletter of Cleveland Finance



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Dear Fellow Members:

The March 21 Investing In Your Career – Cleveland event was a great success! Cleveland State University’s ballroom was filled with students from several area universities eager to learn about the CFA program and its value in their pursuit of careers in the investments profession. Bill Prebel, CFA, opened the event with a great presentation about the CFA program. He was followed by other presenters and panelists, who covered an array of topics that included tips to students and prospective job seekers on how to build resumes, hone interviewing skills, and present themselves in a professional demeanor. The highlight of the program was the keynote address by Thomas Waltermire, CEO of Team Northeast Ohio (Team NEO). He pored over data and facts, showing us the historical trends and growth opportunities in the Northeast Ohio region in regard to such economic facts as industrial innovation and productivity, regional GDP potential, and growing employment opportunities. Various facts and opportunities of interest in the NE Ohio region can be found at the [Cleveland+ website](#).

Great many thanks to the event sponsors, notably Sherwin Williams, Cleveland Research Company, Westfield Group, Keybank, and PNC, who had booths set up to advise students about career opportunities in their firms. James Bailey, CFA, Programming Chair, and his team of volunteers deserve a big THANK YOU! for their great job in putting on a very successful event.

The remainder of the calendar is filled with exciting events and I hope you will be able to attend them all, especially our Annual Dinner on May 16. Save the date! Time and venue are TBD.

Mock Exam: We all know how arduous it is to prepare for and succeed in the CFA program. For the benefit of the candidates sitting for the June 2012 examinations, we are conducting a Mock Exam for all three levels (I, II, and III) on Saturday, May 19, 2012, from 8:30 a.m. to 4:30 p.m. at Cleveland State University. Please encourage the CFA candidates in your firm to take advantage of this opportunity for a trial-testing of their preparation. Cost is only \$40. For more information or to register, [click here](#).

Wish you all the best of the spring time!

Chenchu Bathala, Ph.D., CFA
President, CFA Society of Cleveland

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CALENDAR OF EVENTS & LUNCHEON MEETINGS SPRING 2012

April 10
Happy Hour
Market Garden Brewery

April 18
KC Nelson,
Portfolio Manager
Driehaus Capital
Management LLC
“An Update on
Stress Metrics in the
Credit Markets”

April 25
Axel Merk,
President & CIO
Merk Investments
“What’s Next for the
Global Economy and
the Dollar?”

To register for events, visit
cfacleveland.eventbrite.com

DRIEHAUS CAPITAL MANAGEMENT LLC

K.C. Nelson, Portfolio Manager at Driehaus Capital Management

On April 18, K.C. Nelson, Portfolio Manager at Driehaus Capital Management, will present “An Update on Stress Metrics in the Credit Markets.” Nelson is the manager of the Driehaus Active Income and Driehaus Select Credit Funds, which have assets under management of \$2,435MM and \$182MM, respectively. Nelson appears frequently on CNBC, is a regular guest on Morningstar.com’s Manager Insights, and is regularly quoted in several financial periodicals.

Nelson joined Driehaus Capital Management LLC in 2009 as portfolio manager focusing on the firm’s credit-oriented strategies. Prior to joining Driehaus, he worked at Lotsoff Capital Management, where he was a senior portfolio manager of the firm’s credit-oriented strategies, including the Predecessor Fund. Nelson joined Lotsoff from Akela Capital, where he worked as an assistant portfolio manager focusing on convertible arbitrage. [Click here to register.](#)



Axel Merk, President & CIO of Merk Investments

Axel Merk, President & CIO of Merk Investments, will present “What’s Next for the Global Economy and the Dollar”

on April 25. Founder of the firm bearing his name, Merk is an expert on macro trends, hard money, international investing and building sustainable wealth. An authority on currencies, he is a pioneer in the use of strategic currency investing to seek diversification. Axel Merk is a sought-after speaker and author on topics ranging from the economy, gold and currencies to sustainable wealth and personal finance, as well as a regular guest and contributor to the business media around the world.

Merk’s insight and expertise have allowed him to foresee major economic developments: As early as 2003, he identified the building of the credit bubble; in 2005, he positioned his clients to move out of real estate and the faltering U.S. dollar by investing in hard currencies and gold; in early 2007, he wisely cautioned that volatility would surge, causing a painful credit contraction affecting all asset classes. You can read about Merk’s latest observations by checking out Merk Insights, which provides perspective on currencies, global imbalances, the trade deficit, the socio-economic impact of the U.S. administration’s policies and effects on wealth.

[Click here to register.](#)

Upcoming Programming Highlights

CALENDAR OF EVENTS & LUNCHEON MEETINGS SPRING 2012

May 3

Eric Pollackov,
Managing Director,
ETF Capital Markets
Charles Schwab & Co. Inc.

May 9

Steven Baisden,
VP of Investor Relations
and Jessica Moran,
Manager of Investor
Relations, Cliffs
Natural Resources

May 16

Annual Dinner

To register for events, visit
cfacleveland.eventbrite.com

charles SCHWAB

**Eric Pollackov, Managing Director of
ETF Capital Markets for Charles Schwab & Co.**

Our May 3 meeting features Eric Pollackov, managing director of ETF Capital Markets for Charles Schwab & Co., who will share his insights on the competitive landscape of ETFs, trading best practices, and index methodologies and construction. The trading flexibility is touted as one of the major advantages of using ETFs, but how to best execute the trade is beyond “buy low and sell high.” When buying and selling ETFs, price is only one of the many factors that investors need to consider. Gain a deeper understanding of the ETF vehicle from a trader’s view. Mr. Pollackov’s presentation will be followed by an interactive discussion of the competitive landscape of ETFs and a Q&A session. Please Note: This luncheon will be held on Thursday, not Wednesday like the majority of CFASC luncheons.

[Click here to register.](#)



CLIFFS

**Cliffs Natural Resources –
A Company Overview and Outlook**

On May 9, a team from Cliffs Natural Resources will present a company overview and outlook to the CFASC. Cliffs Natural Resources is an international mining and natural resources company. A member of the S&P 500 Index, the Company is a major global iron ore producer and a significant producer of high- and low-volatile metallurgical coal. Cliffs’ strategy is to continually achieve greater scale and diversification in the mining industry through a focus on serving the world’s largest and fastest growing steel markets. Driven by the core values of social, environmental and capital stewardship, Cliffs associates across the globe endeavor to provide all stakeholders operating and financial transparency.

The Company is organized through a global commercial group responsible for sales and delivery of Cliffs products and a global operations group responsible for the production of the minerals the Company markets. Cliffs operates iron ore and coal mines in North America and two iron ore mining complexes in Western Australia. The Company also has a 45% economic interest in a coking and thermal coal mine in Queensland, Australia. In addition, Cliffs has a major chromite project, in the pre-feasibility stage of development, located in Ontario, Canada.

[Click here to register.](#)

Upcoming Programming Highlights

CALENDAR OF EVENTS & LUNCHEON MEETINGS SPRING 2012

May 19

Mock Exam,
Monte Ahuja
College of Business at
Cleveland State University

May 23

John Gulas, President
& CEO of Farmers
National Banc Corp.
“The Economy
and Its Impact on
Community Banks”

May 30

Fareed Khan, CFO of
United Stationers Inc.

To register for events, visit
cfacleveland.eventbrite.com



John Gulas, President & CEO of Farmers National Banc Corp.

John Gulas, President & CEO of Farmers National Banc Corp., will address the Society on May 23, presenting

“The Economy and Its Impact on Community Banks.”

Farmers National Banc Corp. operates as a bank holding company for The Farmers National Bank of Canfield, which provides commercial and retail banking services in Mahoning, Trumbull, and Columbiana counties in Ohio. The company offers various deposit products, including checking accounts, savings accounts, and time deposit accounts; and loan products comprising commercial loans, mortgage loans, installment loans, home equity loans, and home equity lines of credit. It also provides night depository, safe deposit boxes, money orders, bank checks, automated teller machines, Internet banking, travel cards, E bond transactions, utility bill payments, MasterCard and Visa credit cards, brokerage services, and other services, as well as insurance products through licensed representatives. The company, through its subsidiary, Farmers Trust Company, offers trust services in the areas of estate settlement, living trusts, testamentary trusts, charitable trusts, charitable endowments, and employee benefit plans. Farmers National Banc Corp. is headquartered in Canfield, Ohio.



United Stationers Inc.'s CFO Fareed Khan

United Stationers Inc.'s CFO Fareed Khan will present his company's financial position and outlook on May 30. United Stationers, through

its subsidiary, United Stationers Supply Co., engages in the wholesale distribution of business products in North America. The company distributes technology products, which include computer supply and peripheral products, such as imaging supplies, data storage, digital cameras, computer accessories, and computer hardware items. It also offers traditional office products consisting of brand-name and private-label office supply products, including filing and record storage products, business machines, presentation products, writing instruments, paper products, shipping and mailing supplies, calendars, and general office accessories; and office furniture products comprising desks, filing and storage solutions, and seating and systems furniture. In addition, the company distributes janitorial and breakroom supply items, foodservice consumables, safety and security items, and paper and packaging supplies. It serves independent office products dealers, contract stationers, office products superstores, computer products resellers, office furniture dealers, mass merchandisers, mail order companies, drug and grocery store chains, healthcare distributors, e-commerce merchants, and other independent distributors through its network of 65 distribution centers and 37 re-distribution points. United Stationers Inc. was founded in 1922 and is headquartered in Deerfield, Illinois.

Member Spotlight: Past President Sticks to His Principles



Denis Amato, CFA, served as president of our society from 1984-85, about the time his employer, Central National Bank, was acquired by Society Bank (which later became Key). Denis had joined Central National in 1969, after completing his bachelor's degree and while working on his MBA at Case Western Reserve University. Denis remembers the steady stream of public companies that made luncheon presentations to our society back in the 1980s, making Cleveland one of the few analyst societies holding weekly meetings (as it still is today). He also remembers writing thank you letters to company officers for appearing, back in the days before email and Twitter.

Denis stayed with Society Bank until he joined Gelfand Partners in 1991. He had spent the first 20 years or so of his career working with people from his Central National days; he spent the second 20 years or so of his career working with people from Gelfand Partners and Maxus Asset Management, which merged with and succeeded Gelfand Partners in 1997. In 2001, Maxus was acquired by Fifth Third Bank, but sometime afterward, Denis and several of his Maxus colleagues coalesced in a new firm, Ancora, a name that implies "together again."

Today, Denis is Chief Investment Officer of Ancora and co-manager of the Ancora MicroCap Fund, which for two years was a Wall Street Journal "Category King" in the small-cap value category. Despite all the mergers and acquisitions Denis has lived through in the financial services industry over the past 40 years, he has kept his core principles intact as an equity investor following a value discipline, with a taste for under-followed small-caps.

Education Update

CFA Candidates: Register for Mock Exam on May 19

We urge all candidates for all levels to register for the practice Mock Exam, held Saturday, May 19, at Cleveland State University. Test-takers should arrive at Room LB-241 by 8:30 a.m. That room is in the Law Building, directly through the walkway from the third floor of the Monte Ahuja College of Business. To register, visit 2012mockexam.eventbrite.com.

CFA Institute Considers Ways to Increase Influence

In February, Board members James Bailey, CFA, and Greg Halter, CFA, represented the CFA Society of Cleveland at the CFA Institute's Regional Conference in Atlanta. The primary focus of the conference was advocacy and restoration of public trust in financial markets and financial professionals. The CFA Institute is encouraging local societies to be more active on this front, recognizing that our resources are limited. The suggested framework is for the Institute to create customizable advocacy materials that each society can tailor to its local media, government officials, investors, and members.

The CFA Institute will unveil a new logo in May. It felt it had a branding problem with a number of different Institute-related entities having distinctively different logos. A single logo will help build the brand more efficiently. Each society will be required to adopt the new logo, removing any individualization by September 2013. The Institute is also broadening its mission statement with the addition of the underlined words: *To lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence to the ultimate benefit of society.* This change suggests both a bolder voice and a broader tent for the Institute, by benefiting more people and encompassing more of the investment community. One way the CFA Institute plans to enlarge the tent is through the new **Investment Fundamentals Certificate**. The certificate will be aimed at support staff such as client services, compliance & legal department employees, operations, IT, HR, and marketing and sales staffs. The Institute believes the education of these market participants is part of its mission and will benefit society as a whole.

Career Corner: Teamwork for Job Search

Having to perform a job search is rarely at the top of a list of “fun” ways to spend ones time. Job search is generally regarded as dreary work at best.

The process is almost always spent independently. Job seekers look at newspaper ads independently, make calls to companies independently, get turned down independently, wonder if they are ever going to find a job...independently.

Now, I’m not suggesting you should take friends to your job interview; I’m talking about a support network.

Job search doesn’t have to be lonely. So many studies have shown that teams can out-perform and out-achieve independent workers.

Why don’t job seekers have buddies? No, not someone who will let you cry on his shoulder, but another job seeker!! Think about it. Without positive support in any new and uncomfortable situation, it’s so easy to become discouraged, to start to believe negative hype. Many job seekers find themselves settling for a job they aren’t happy with because they believe that there are no jobs out there. There are jobs out there!!

You just have to find them.

How can you stay motivated?

It becomes very easy to feel that you are all alone and that this is not happening to anyone else. So, it either becomes a problem with your methods of job search or a problem with the job market.

The real problem is isolation. How can you possibly stay motivated in a vacuum? Who will tell you that you will get that job? Hearing “no” is crushing to anyone’s ego, especially a job seeker who may be worried about paying the next electric bill. So how can you avoid this isolation and the negativity that can build up around an independent job search?

Find a team, form a team, or hire us as your career coach!

With a team, you have people who are going through worse situations and make your problems seem insignificant. With a team, you have support and praise. With a team, you have a network. With a team, you can keep going. A team builds steam to keep it moving forward.

You can frequently find structured job clubs or success teams through state employment offices, some college employment offices, churches, and professional organizations.

You can also form your own group if you know of other job seekers or work with us to match you with team members.

However you do it, do it!! The team concept works and will not only keep you motivated, but will also help you network for job leads, expand your contact list, and uncover many new possibilities that you might not have yet considered in conducting a successful job search.

Susan Barens, owner of Career Matrix Group Ltd., specializes in career development, coaching, and resume and social media profile writing. A contributor to major book publications and media articles, she is a Certified Professional Résumé Writer (CPRW), Master Federal Career Coach and Trainer (MFCCT), Global Career Development Facilitator (GCDF), and International Job and Career Transition Coach (IJCTC).

Those looking for help with their career can contact Susan Barens and Career Matrix Group at www.careermatrixgroup.com, susan@careermatrixgroup.com, or 440-892-3352.



***From the Belly of the Beast:
Goldman Exec's Parting Words and Indictment of Investment Industry***

By Jon Stokes

On March 15, the investment profession received the latest shot across the bow in the ongoing battle to reestablish investor confidence in the integrity of the investment profession — one that dramatically demonstrates the inherent difficulty in changing the culture of some of the leading firms in the industry.

In an op-ed piece in the *New York Times*, Greg Smith, former executive director and head of Goldman's United States equity derivatives business in Europe, the Middle East, and Africa, penned a scathing indictment of what he claimed was an eroding culture of integrity at Goldman. He colorfully claims that Goldman, a pillar of the financial services industry that has lately been under attack for how it has treated investors, has moved away from a culture of integrity where client interests come first, to a business where clients are “muppets” to be fleeced for maximum profit.

While such accusations are disturbing enough when coming from “outsiders” such as the press, regulators, and former clients, the fact that a high-level insider has acknowledged what many have long believed is a devastating indictment of not just Goldman but, arguably, of the investment profession as a whole. As with the ongoing drumbeat of stories of Ponzi schemes, insider trading convictions, and taxpayer-funded executive bonuses splashed across the news, the damage in the eyes of the investing public won't be limited to those firms immediately affected. Such revelations only work to smear the entire investment profession.

The vitality of global capital markets depends on the confidence of investors willing to commit their financial assets to entities they can trust. Smith points out what common sense dictates: People who view their clients as profit centers, sacrifice their clients for personal gain, and care only about making money will not sustain the trust of clients for very long. His call to action for Goldman could just as easily be a call to action for all individuals and firms who seek to restore the investing public's faith in the integrity of capital markets, and those who work in them: Make the client the focal point of your business again.

But how do those who work diligently for clients, and recognize that protecting client interest is the best long-term path to success, distinguish themselves from the callous and “elephant hunters” described by Smith?

It starts with a commitment to the fundamental ethical principles embodied in the *CFA Institute Code of Ethics and Standards of Professional Conduct* and the *Asset Manager Code of Professional Conduct*. Adherence to a rigorous code of conduct that includes provisions on such topics as handling conflicts of interest, transparency, independence, and fair-dealing sends a clear signal to clients and potential clients that a firm has the clients' best interests at the forefront of the investment decision-making process.

Firms should educate, train, and constantly reinforce this commitment with employees to build a culture of integrity within the firm. Establishing incentive structures to reward ethical, client-oriented conduct — not just performance — will also move the focus away from a solely profit-based mindset. Finally, firms that implement these measures will have the tools they need to proactively discuss ethics, integrity, professionalism, and client-centered practice with investors, thereby changing their view from the vision vividly painted by Mr. Smith.

Parkwood Corporation – Trader

Overview

Parkwood Corporation is a dynamic and fast-growing private financial services company based in Cleveland, Ohio. Parkwood's primary clients include the families of its founders, Jack, Joseph and Morton Mandel. Parkwood Trust Company is a wholly owned subsidiary based in Delaware, whose clients include the Mandel family and their trusts, charitable foundations and other associated entities.

Parkwood has developed a closely directed, effective means of selecting, qualifying and working with experienced investment managers in a variety of investment fields. In addition to investment management, the Parkwood staff assists clients in personal, financial, and legal matters.

Mission and Objectives of the Position

The Trader will be part of a team that provides in-house trading capabilities to complement a large allocated portfolio. These functions will include oversight of select proprietary strategies, analysis and execution of derivative trades, and other trading functions as needed. The Trader will be responsible for researching and evaluating a broad spectrum of investment ideas, so a broad familiarity with capital markets is required. The role will touch many aspects of portfolio management, and the ideal candidate will be adaptable and able to work in a fast-paced, team-oriented environment.

Key Responsibilities

- Perform as an integral member of an entrepreneurial team involved in all stages of sourcing, evaluating, executing and managing investments
- Assist in evaluating opportunities, develop investment structures which generate attractive risk-adjusted returns, and execute complex transactions
- Assist in analysis and execution of options, futures, swaps and other derivative instruments and structures via listed and over-the-counter transactions
- Perform capital market monitoring and analysis

Qualifications

- A minimum of 5 years of direct capital market experience
- Bachelor's Degree with high university GPA
- CFA designation and/or MBA degree a plus
- Candidates must possess a strong understanding of quantitative methods, and possess financial modeling skills.
- Familiarity with execution procedures within OTC and listed markets
- Candidates are expected to be analytical, detail-oriented, pro-active and self-motivated individuals who can work on multiple projects and meet deadlines in a timely manner.
- Excellent communication skills, both written and verbal
- Knowledge and understanding of Excel, PowerPoint, Word and adaptability to other software products
- Must be able to perform in a demanding, team-oriented environment

For additional information, please contact:

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