



CFA SOCIETY OF CLEVELAND

After the Bell

The Newsletter of Cleveland Finance



Dec. 2011, Issue 2, Vol. 4

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Dear Fellow Members:

Can you think of anything new we should try? What else can we do to make the CFA Society of Cleveland better known and respected, and of greater value to you? Most likely, we can find funding—if that’s what it takes—to experiment. All we need is a couple of great ideas.

So please send me an idea for a new initiative, a new program or a new activity that has the potential to make the CFASC more valuable and relevant to its members and possibly to the broader community (which of course includes our members’ employers and customers).

Last year, our activities for members included 21 weekly luncheon programs, networking socials, a golf outing, special events at three universities, the charter awards dinner and annual meeting dinner, plus the mock exam and after-exam party for test takers. We received \$12,000 from a CFA Institute funding program to organize the three highly successful special events at Cleveland State, Kent State and University of Akron.

This year, the CFA Institute has a more flexible funding model intended to support programs that move local societies beyond “business as usual.” The Committee Chairs are considering innovations that fit the new funding model, so that’s why we are soliciting ideas from the membership.

Programming Chair James Bailey and his team have lined up many exciting luncheon meetings and special events. Two more luncheons are scheduled before our winter break—Marathon Petroleum on Dec. 7 and Disclosure Insight on Dec. 14.

On page 9, you’ll find a summary Statement of Income and Expenses for the Fiscal Year ended July 31, 2011. Thanks to Amit Jain, Immediate Past President, Yi Wang, Treasurer, and the rest of the 2010-11 Board for a very successful year.

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

WANT TO ADVERTISE WITH THE CFASC?

Contact:

Ron Petrie, CFA
Public Awareness Chair
216-221-4693
ron.petrie@alumni.utoronto.ca

Upcoming Program Highlights

CALENDAR OF EVENTS & LUNCHEON MEETINGS WINTER 2011-12

December 7

Garry Peiffer
Executive VP, Corporate
Planning and Investor
& Gov't Relations
Marathon Petroleum
NYSE: MPC

*PLEASE NOTE: This lunch
is being held at City Club.*

December 14

John P. Gavin, CFA
Founder & CEO
Disclosure Insight

January 11

Ethan Heisler, CFA
Managing Director
Citigroup
NYSE: C

February 8

Joe Tanious
Vice President,
Market Strategist
JP Morgan Funds
NYSE: JPM

*PLEASE NOTE: This lunch
is being held at City Club.*

*To register for events,
visit [http://cfacleveland.
eventbrite.com](http://cfacleveland.eventbrite.com)*



Garry L. Peiffer, Executive Vice President of Corporate Planning and Investor & Government Relations, will present a general company update about Marathon Petroleum Corporation to the CFA Society of Cleveland on Dec. 7.

Marathon Petroleum Corporation, previously a subsidiary of Marathon Oil Corporation (MRO), began its first full day as an independent company on July 1, 2011. Headquartered in Findlay, Ohio, in the heart of the Midwest, Marathon Petroleum Corporation (MPC) is the name of the parent company which includes several subsidiary companies, including Marathon Petroleum Company LP, Marathon Pipe Line LLC, and Speedway LLC. MPC is the nation's fifth largest transportation fuels refiner and the largest refiner in the Midwest. MPC's refining, marketing and transportation operations are concentrated primarily in the Midwest, Gulf Coast and Southeast regions of the U.S. MPC operations are strategically located to serve major markets. They include a six-plant refining network, a comprehensive terminal and transportation system made up of 9,600 miles of crude and refined product pipelines, and extensive wholesale and retail marketing operations. This includes 5,100 Marathon Brand gasoline stores in 18 states and MPC's wholly owned retail marketing subsidiary, Speedway LLC, the nation's fourth largest chain of company-owned and operated retail gasoline and convenience stores.



RISKS THAT HIDE IN PLAIN SIGHT

John P. Gavin, CFA, the founder and CEO of Disclosure Insight®, an independent publisher of investment research, will present to the CFA Society of Cleveland on Dec. 14. Mr. Gavin uses real world examples of how public companies often use careful word choice, omission and spin to mislead investors about disclosed risk events. Using data culled from the thousands of SEC filings routinely examined by Disclosure Insight analysts, attendees will be educated on the reasons investors seemingly ignore obvious risks, the disclosure tricks companies commonly use, and the five simple questions you should ask to better assess these risks yourself.

Mr. Gavin has spent his entire career of more than 25 years in the financial services industry. Prior to starting "DI" in 2000, he worked as an equity analyst and portfolio manager with American Express Financial Advisors in Minneapolis. He earned his credential as a Chartered Financial Analyst in 1992 and graduated from the Thunderbird School of Global Management in 1994 with a Master's in International Management. Mr. Gavin was also a member of the CFA Institute's U.S. Advocacy Committee (then AIMR) for three years.



Ethan M. Heisler, CFA, will likely address a number of topics when he presents to the CFA Society of Cleveland on Jan. 11, including Basel 3, Dodd-Frank, loan origination, liquidity, bank investment portfolios and ZIRP.

Mr. Heisler is a managing director in Fixed Income sales and heads up Citi's Bank Treasury Resource Group. He has a regular dialogue in the treasury groups of U.S. regional banks, Federal Home Loans, and other financial institutions focused on asset and liability strategies, accounting and bank regulation. He is the editor of the Bank Treasury Newsletter, a monthly publication directed to financial institutions at the treasury level.

Before joining Fixed Income sales in 2003, Mr. Heisler was the senior bank analyst in Corporate Bond Research at Citi, where he was a member of Institutional Investor's All-American Team for U.S. and Yankee banks. In addition to covering U.S. and European Yankee banks, he also covered banks in emerging markets, including Latin America and Asia.

Previously, Mr. Heisler was the staff director of Bank Analysis at the Federal Reserve Bank of New York, where he covered the large multinational and regional banks, as well as foreign bank branches and agencies. He began his career on Wall Street at Dillon Read and Co. in 1981, on the government desk covering regional banks for repo. He earned an MBA in Finance from New York University in 1988 and a B.A. in Philosophy from Columbia University in 1979. He was awarded the Chartered Financial Analyst designation in 1991.

Recap: CFA Society of Cleveland Charter Awards Dinner Featuring Marc Chandler



Matthew Scullen has worked for Wallstreet Money Managers, Inc. since his graduation from The Ohio State University in 2007. He earned his B.A. in economics and now is a Level III Candidate in the CFA program. In his current role, he is responsible for client service and investment administration. He volunteers with the CFA Society of Cleveland's programming committee and aspires to find a career in investment research in his native Cleveland.

Before I review Marc Chandler's presentation, I would like to congratulate all of the CFA Charter recipients and those who passed Level III. In the coming months, I will discover for myself the sacrifice and fortitude required to successfully pass Level III, so tip of the hat to all of you.

Chandler is a regular contributor to the popular finance blog Credit Writedowns, a daily read of mine. What I enjoy most about his opinions is that they are often approached with a contrarian perspective. The presentation he gave to the CFA Society of Cleveland on Thursday, Nov. 17, was extremely well spoken, entertaining (a few good jokes), informative and, of course, out of the box. The bulk of the presentation was concentrated on discussions of the European Monetary Union and the developing crisis and the challenges China faces. Chandler also discussed a few bright spots in the U.S. and why he thinks the Yen will remain strong.

Few are more qualified to discuss the difficulties Europe faces than Chandler, as he is an experienced currency strategist. He describes success in his role as mostly attributable to being a critical thinker on political economy, not necessarily accurately forecasting currencies. As crucial plans are being reviewed by Eurozone members to thwart the crisis, Chandler pulled from his knowledge of political economy to assess the possible outcomes.

The Euro: Break Up or Survive?

It's fairly well known, even in the mainstream media, that the Euro is facing stress due to the lack of political union within a common currency regime. I was genuinely surprised to see this topic addressed by a quote from none other than Ben Franklin. The quote: "You can hang together or hang separately," refers to the formation of the original 13 colonies. Much of the success of the U.S. can be attributed to the success of political unity. The implication being it also can be for Europe.

One solution gaining a lot of attention is to let countries like Greece break up from the Euro, or let the Euro fail entirely. Chandler prescribes the opposite—to surrender some individual sovereignty (think Germany) and adopt political unity, similar to the sage advice of Ben Franklin. An EU break up could look quite similar to places like Argentina, where a currency crisis severely damaged real growth for years and persistent mistrust of the currency placed hurdles on trade. The outcome is an inferior for the well being of a society.

Euro Debt: Chicken & Egg Problem

Few would argue debt has not played a critical role in causing the problems observed in the Euro. However, Chandler's analysis puts a different spin on it. It was actually the crisis which brought Euro states like Germany, Ireland, Spain and France to raise unprecedented levels of debt to bail out their financial sectors. The end result is now a political landscape characterized by large deficit spending and high debt levels relative to GDP. Figure 1 tells this tale:

Continued on page 4

CALENDAR OF EVENTS & LUNCHEON MEETINGS WINTER/SPRING 2012

February 15

DEFENSE PANEL

Moderated by: Michael

F. Ciarmoli, Senior

Aerospace and Defense
Analyst at KBCM.

Panelists include: Jeff

Rolf, VP Commercial

Airframe Programs

– Parker Hannifin

Corporation and Ray

Lugo, Executive Director

– NASA Glenn.

February 22

Gas Natural

General Company Update

BMAD: GAS

February 29

Farmers National Bank

General Company Update

NasdaqCM: FMNB

March 7

Chris Connor

CEO, Sherwin

Williams Co.

NYSE: SHW

*PLEASE NOTE: This lunch
is being held at City Club.*

*To register for events,
visit [http://cfacleveland.
eventbrite.com](http://cfacleveland.
eventbrite.com)*

Continued from page 4

In the case of Italy and Greece, the story leading to the crisis was more about a lack of competitiveness and real growth. Figures 2 & 3 illustrate how Greece and Italy's relatively high labor costs perpetuated imbalances to build within the Euro zone.

These charts elucidate how significant the wage differentials are in terms of trade and why Italy and Greece were relatively worse heading into the crisis than other EU countries. This was further amplified by tight spreads in Euro zone bonds and cheap financing for Euro zone members prior to the global downturn.

All of this leads to support Chandler's conclusion regarding tighter integration. Without political integration and a stronger central bank, individual countries will be at risk of default while imbalances grow. Of course, this is not to say that write downs and debt forgiveness aren't necessary; in Chandler's eyes they certainly are a critical part of the solution.

The trouble is actually seeing the implementation of Chandler's prescription. These are countries with centuries of individual cultures and national pride. For them to simply surrender part of their ability to legislate, if history is any guide, would take a significant disruptive event to occur. Maybe a default is the event which disrupts the political landscape and paves the way for larger reforms.

China - Safety Nets & Demographics Are Key

Probably the most striking insight I heard from Chandler during his presentation were his thoughts regarding China. As the odd communist/capitalist regime progresses, all eyes focus on China's mercantilist policies and when it transitions from an export-led economy to a more consumer driven economy. Chandler's proposition—it won't, necessarily. But why?

Due to the current regime's lack of social safety nets, the Chinese people are forced to save more. Here in the U.S., we've enjoyed the fruits of a consumption-based society, partly because of the generous safety nets we're all afforded. If we lose our jobs, we get unemployment insurance and COBRA. If we're poor, we can still go to the emergency room and local clinics. So in the U.S., we have lower savings rates than elsewhere in the world.

Contrast this to China where there are no social safety nets. If you get sick, then you pay out of pocket or you rely on the kindness of family. If you lose your job, you better have money put away. The result is a savings rate in China of approximately 40%, while in the U.S. we only save about 5%.

Continued on page 5

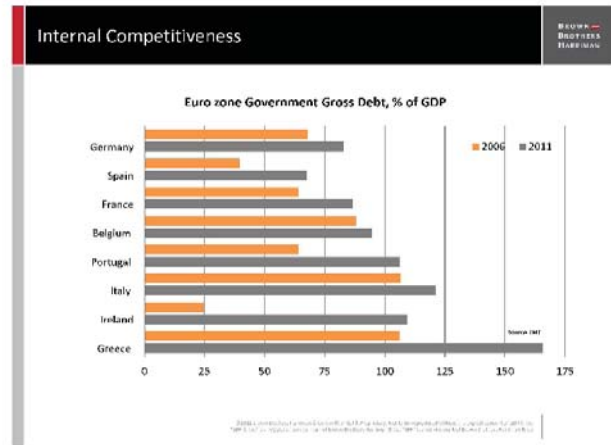


Figure 1

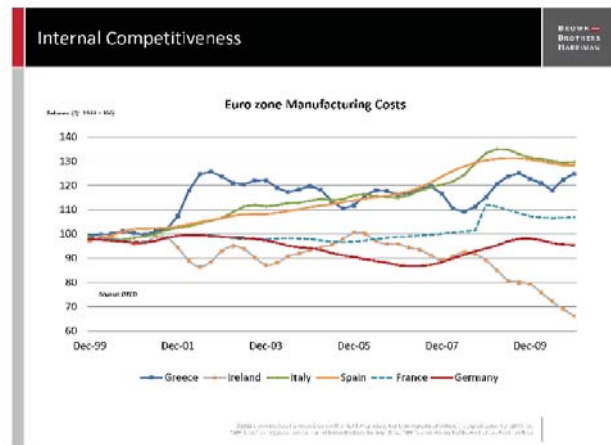


Figure 2

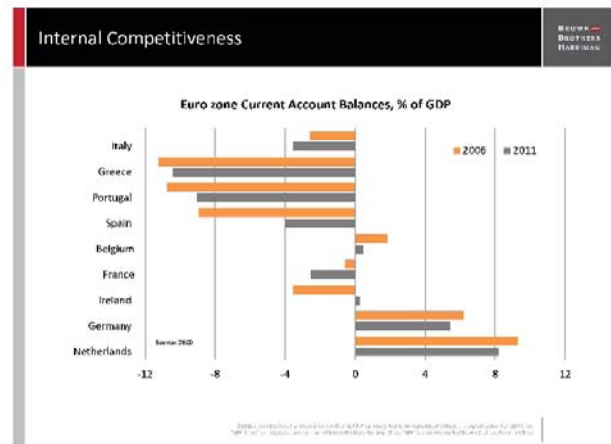
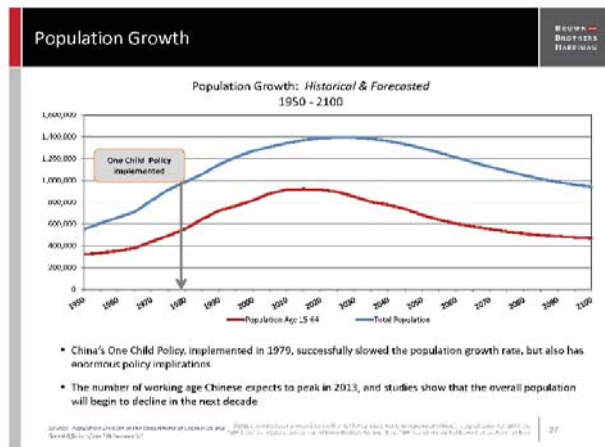


Figure 3

Continued from page 4

Figure 4



The demographics situation in China paints an uncertain future. Figure 4 shows China's demographics from 1950 all the way to 2100.

The U.S. & Japan - A Few Notes

Chandler had some detailed notes regarding his outlook for the U.S. Unlike so many prognosticators, he was mostly positive. Among his talking points were: A labor force that is projected to be the fastest growing over the next 40 years; large capital expenditures in software and technology; record corporate profits and high levels of productivity; a resilient U.S. consumer (the downside is some of this is coming from already low savings levels); and U.S. home prices appear to have hit a permanent trough.

Japan, despite having a debt to GDP of approximately 200% and a budget deficit, can be expected to have an appreciating Yen. I can appreciate Chandler's point on this, at least in the short run. Japan is

the second largest holder of U.S. treasuries, which means large capital inflows from payments are returning onshore all the time. That money goes back into the Yen, keeping the currency strong.

However, long-term, the Yen is potentially doomed. Vitaliy Katselnelson, CFA, presented "Japan - Past The Point of No Return" in March 2011. His conclusions? Japan has the oldest population in the world; since 1991, Japan has drawn down savings from around 15% all the way to about 2.5%; as Japanese citizens retire, demand for bonds will fall; interest payments alone already account for approximately 26% of tax revenues at ultra low rates of about 1.4%; and if interest rates double in Japan, interest payments alone will account for more than 50% of tax revenues.

Even with considerable foreign exchange reserves, this is an unsustainable path, which, at some point, will be a major global focal point. While I agree with Chandler's short-term assessment of the Yen, I respectfully disagree with a strong Yen fundamentally. ■

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Career Corner: Featured Jobs



Private Bank – Portfolio Manager
Fifth Third Bank
Northeast Ohio

REPORTING RELATIONSHIP: This position acts independently within established investment policy guidelines to develop, recommend, and execute investment programs designed to achieve the objectives of medium to large client accounts. Its primary functions include investment management, client service and support of new business efforts. It may assist Senior Portfolio Managers with major accounts and reports locally to the Affiliate Sr. Portfolio Manager.

WEBSITE: www.53.com

HISTORY: Fifth Third traces its origins to the Bank of the Ohio Valley, which opened in 1858. That bank was purchased by the Third National Bank. Its unusual name was created in 1908 by the merger of the Fifth National and Third National Banks. The company operates on an affiliate model, dividing its business operations into separate geographic regions. Each affiliate has considerable autonomy, on the grounds that local executives can make better business decisions applicable to their regions.

COMPANY BACKGROUND / CULTURE: Fifth Third is among the top 15 bank holding companies in the nation. The company has \$104.8 billion in assets, operates 19 affiliates with 1,104 full-service including 122 Bank Mart locations and 2,013 ATM's in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia and Pennsylvania. There are more than 1,200 full service branches. Fifth Third operates five main businesses, Retail, Commercial, Consumer Lending, Investment Advisors and Processing Solutions. Investment Advisory includes family office, securities, high net worth insurance, private banking and institutional sales. Fifth Third purchased First Charter, which will expanded the bank to nearly 60 branches in North Carolina. In 2007, Fifth Third expanded in Florida with the purchase of R-G Crown Bank from R&G Financial. The company acquired CNB Bancshares in 1998, Peoples Bank of Indianapolis, money manager Maxus Investments and added 300 bank branches with its purchase of Capitol Holdings (Ohio and Michigan) and Old Kent Financial (Michigan, Indiana and Illinois.)

KEY RESPONSIBILITIES:

- I. Working with client advisors, participate in the development of new business opportunities by meeting with prospects, preparing and presenting proposals for investment management.
- II. Client Experience: Develop satisfied clients through frequent contact, for mid to large portfolios/relationships.
- IV. Regularly engage with other members of the Client Team and external advisors to ensure effective communication regarding Client Engagement Model.
- V. Reflects the intentions of the trust or agency agreement and build investment strategies to accomplish those objectives.
- VI. Investment Management: Consult with clients and advisors to develop investment objectives and implement a suitable investment plan and maintain an Investment Policy Statement for each relationship.
- VII. Invest assets according to investment policy guidelines to deliver upon client's goals and expectations.
- VIII. Mentor and advise Portfolio Managers with less industry experience.
- IX. Maintain awareness of new investment strategies, techniques and products through regular contact with other industry professionals and through internal and external research.
- X. Keep informed of market trends and analyze the effect of these trends on client's investment portfolios.
- XI. Keep current on the legal and tax issues with respect to investment decisions by consulting attorneys, accountants and other resources as needed.
- XII. Follow established investment policies and procedures including annual account reviews and working to minimize and/or document exceptions.

CONTACT: Terry Spriestersbach, AVP || Sr. Executive Recruiter NLOB || Fifth Third Bank - IA Division || 600 Superior Ave MD A6515C || Cleveland, OH 44114 || Cell 440-935-2360, Cleveland office, 216-274-5470 Cincinnati office 513-534-0072 || terry.spriestersbach@53.com

Career Corner: Featured Jobs



Wealth Management Advisor Fifth Third Private Bank Various Locations

REPORTING RELATIONSHIP: This highly visible position reports to the Greater Affiliate Area Sales Manager who, in turn, reports to the Affiliate Director of Investment Advisors.

HISTORY: Fifth Third traces its origins to the Bank of the Ohio Valley, which opened in 1858. That bank was purchased by the Third National Bank. Its unusual name was created in 1908 by the merger of the Fifth National and Third National Banks. The company operates on an affiliate model, dividing its business operations into separate geographic regions. Each affiliate has considerable autonomy, on the grounds that local executives can make better business decisions applicable to their regions.

COMPANY BACKGROUND / CULTURE: Fifth Third is among the top 12 bank holding companies in the nation. The company has \$104.8 billion in assets, operates 17 affiliates with 1,104 full-service including 122 Bank Mart locations and 2,013 ATM's in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia and Pennsylvania. There are more than 1,200 full service branches. Fifth Third operates five main businesses, Retail, Commercial, Consumer Lending, Investment Advisors and Processing Solutions. Consumer and business banking includes deposit accounts, loans and credit cards. Investment advisory includes mutual funds, private banking and securities brokerage, ATM and merchant transaction processing. Fifth Third purchased First Charter, which will expand the bank to nearly 60 branches in North Carolina. In 2007, Fifth Third expanded in Florida with the purchase of R-G Crown Bank from R&G Financial. The company acquired CNB Bancshares in 1998, Peoples Bank of Indianapolis, money manager Maxus Investments and added 300 bank branches with its purchase of Capitol Holdings (Ohio and Michigan) and Old Kent Financial (Michigan, Indiana and Illinois.)

KEY RESPONSIBILITIES: Serves as coordinator and trusted advisor for client relationships with more than \$1MM in investable assets to ensure the Private Bank experience is delivered. Assembles and collaborates with a customized team of specialists to consistently deliver high-quality customer service and advice-based solutions that simplify financial complexity and achieve the client's goals. Ensures service standards, including execution and delivery, are achieved. This position is paid via a commissioned basis.

DUTIES & RESPONSIBILITIES: Prospects for clients in a New Business Development capacity by sourcing and building own pipeline of clients/opportunities; Targets and profiles clients who drive sales results in AUM, Brokerage, Private Bank, Insurance, Wealth Planning, Equity Risk Management; Effectively profiles client and identifies needs for LOB referrals and cross selling; Demonstrates highly developed sales, client contact and relationship management skills; Obtains new clients through detailed, targeted business plans; Earns referrals from clients and Centers of Influence (COI), including the Commercial Division and 3rd party advisors (e.g. Attorney, accountant). Client Experience; Coordinates client relationship to ensure the Private Bank experience is delivered; Delivers advice-based solutions based on the value ladder and the FTBP story following our Life 360 processes in a consistent manner; Identifies, assembles and collaborates with a customized team of specialists to deliver high-quality client service; Ensures service standards and metrics are met based on needs, segmentation, asset allocation, and risk management; Delivers advanced planning techniques through knowledge of complex investment products and services; Coordinates and collaborates with client third party advisors (e.g., attorney, accountant); Partners and leverages internal and external service providers to optimize effectiveness and efficiency; Resolves problems as primary contact for client issues; Provides client with current trends and commands a thorough knowledge of investment products, trading strategies and market dynamics; Develops and executes an annual account plan appropriate for the service standards, including conducting quarterly/annual reviews and leveraging the appropriate specialists to ensure client needs are being met; Challenges and collaborates with the client to articulate and achieve their goals; Manages overall profitability of client relationship; Ensures process information recorded timely in CRM regarding status and activities; Drives continuous improvement by looking for ways to deepen relationship with client through all areas of Private Bank and other appropriate Bancorp channels; Coordinates as primary point of contact for COI within Bank; Demonstrates a superior ability to gather information, assesses alternatives, and makes sound recommendations while mitigating risk; Leads the 90-day client on-boarding process; Works in collaboration with team members to ensure alignment and exchange information and resources necessary to meet shared objectives; Champions the Bancorp Vision and Core Values through personal actions and leadership influence to promote high-performing work groups.

EXPERIENCE: Expands knowledge with current trends in Wealth Management and works with specialists to keep up-to-date on products and services; Demonstrates strong interpersonal negotiation, verbal and written communication, and presentation skills; Uses effective problem solving and analytical skills; Represents Private Bank within local community organizations; Provides a professional presence within professional and community organizations; Computer/Technical: Ability to use all Microsoft Office software, including Word, Excel, Power Point and Ac.

EDUCATION: BS/BA Business Administration, Finance, Economics is preferred; Series 7, 66 (or 63 and 65) and appropriate state required insurance licenses (exception: 7 and 63 in Michigan and Ohio) are required; Completion AWMA certification within 18 months is required; CFP is preferred and CFA is encouraged; Brings a minimum of 8 years of successful sales/client service experience in financial services industry.

CONTACT: Terry Spriestersbach, AVP || Sr. Executive Recruiter NLOB || Fifth Third Bank - IA Division || 600 Superior Ave MD A6515C || Cleveland, OH 44114 || Cell 440-935-2360, Cleveland office 216-274-5470, Cincinnati office 513-534-0072|| terry.spriestersbach@53.com

CAREER CORNER & MEMBER SPOTLIGHT

Have you recently switched jobs or know someone else who has?

Would you like to suggest someone for the Member Spotlight (i.e. a person who's reached a particular milestone, such as 20 years as a member of the CFA Society of Cleveland; who's received an award, either professionally or personally; or other noteworthy accomplishments, etc.)?

Let us know!

Contact: Katie Khoury at 216-696-8066 or cfa@cleveland.cfasociety.org

Research Challenge: Graders & Judges Needed

The seven Northeast Ohio university teams participating in this year's CFA Research Challenge are rapidly advancing toward their goal of completing both a written report and an oral presentation in early 2012. At that time, the CFA Society of Cleveland will need four additional graders or judges for written reports and/or oral presentations. The written reports are slated to be completed in early February, with the oral presentations to be held on either Saturday, Feb. 25 or Saturday, March 3. Please contact Greg Halter at 216-767-1340 to volunteer.

This year's participating universities are: Ashland University, Case Western Reserve University, Cleveland State University, University of Findlay, Hiram College, John Carroll University and Walsh University.

ABOUT THE RESEARCH CHALLENGE:

The CFA Institute Research Challenge is a global competition which tests the analytic, valuation, report writing, and presentation skills of university students. Last year, nearly 2,500 students from more than 546 universities in 45 countries participated and learned best practices in equity research from leading industry experts.

Local CFA societies host and launch local competitions involving teams of three to five business and finance students from participating universities who work directly with a local company in researching and preparing a company analysis. This year, the CFA Society of Cleveland partnered with **RPM International Inc. (NYSE: RPM)**, a multinational holding company with subsidiaries that manufacture and market high-performance coatings, sealants and specialty chemicals, primarily for maintenance and improvement. The Company's 2011 sales were \$3.4 billion, with 67% to industry worldwide and the remaining 33% to consumers mainly in North America.

Analysis of a Public Company: Teams research a publicly traded company, and company management presents to the teams and participates in a Q&A session.

Mentoring by a Professional Research Analyst: Each team works with a CFA charterholder who mentors the team during the research process and reviews and critiques its report.

Writing a Research Report: Each team produces an Initiation of Coverage report on its chosen company. The report is reviewed and scored by a group of judges.

Presentation of Research to a Panel of Experts: The teams' final presentations are locally evaluated by high-profile panels of experts from top financial institutions: Heads of research, portfolio managers, and chief investment officers from the world's top firms. The team with the highest combined report and presentation score is the winner.

The Research Challenge is composed of three main levels of competition. Local, Regional and Global. For more information, visit: <http://researchchallenge.org/Pages/Default.aspx>.

CFASC Financials

Membership dues and reimbursements from CFAI accounted for \$91,062, or 75%, of our total income. Of the expenses, a sum of \$79,126, or 67.5%, was spent on programming, special events, and other activities, while administrative expenses accounted for \$38,167, or 32.5%. The year ended with a net surplus of \$4,158, or 3.6%, of the total budget.

—Chenchu Bathala, Ph. D., CFA

CFA Society of Cleveland		
Statement of Income and Expenses for FY July 1, 2010-June 30, 2011		
(Un-audited; on accrual basis)		
Income	\$	%
CFAI Reimbursements	\$ 36,187.00	29.8
Membership Dues	54,875.00	45.2
Golf Outing Income	17,304.00	14.2
Mock Exam Income	1,517.48	1.2
PNC Checking Interest	20.28	0.0
Program Income	11,547.27	9.5
Total Income	\$121,451.03	100.0
Expenses		
Awards Plaques etc.	\$ 692.88	0.6
Charitable Contributions	100.00	0.1
Contract Services	520.56	0.4
Operations	28,373.45	23.4
After Exam Party	1,284.03	1.1
Bank Service Charge	1.20	0.0
GIRC Expenses	5,893.87	4.9
Golf Outing Expenses	18,531.91	15.3
High School Stock Market Challenge	1,167.51	1.0
Mock CFA Exam	1,557.54	1.3
Network Event Expenses	3,071.63	2.5
Program Expenses	46,304.29	38.1
Travel and Meetings	9,793.74	8.1
Total Expenses	\$117,292.61	96.6
Excess of Income over Expenses	\$ 4,158.42	3.4
<u>Balances as of 7/12/2011</u>		
\$27,846.47—PNC Checking Account; \$79,898.13—Schwab Investment Account		