



CFA SOCIETY OF CLEVELAND

After the Bell

The Newsletter of Cleveland Finance



Nov. 2011, Issue 2, Vol. 3

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**WANT TO
ADVERTISE
WITH THE CFASC?**

Contact:

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

Dear Fellow Members:

Before it is too late, I would like your help with a project to record and preserve the history and archives of the CFA Society of Cleveland. Some of the other local CFA societies, notably Atlanta, have done a much better job than Cleveland of keeping their organizational memories alive. Our society, founded in 1950 as the Cleveland Society of Security Analysts, has a rich history of traditions, people and firms, but regrettably, some of our history is already lost forever, and most of it resides only in the heads of our members. Do you have ideas or suggestions of things we can do? Do you have any memorabilia, photographs, documents or stories to contribute or share? Let me know.

Be sure to attend the annual Charter Awards Dinner on Nov. 17, featuring Marc Chandler, Global Head of Currency Strategy at Brown Brothers Harriman.

Close to 250 people attended the recent real estate conference at Cleveland State University, sponsored by the CFA Society of Cleveland and other organizations. Speakers Karl Case (of the Case-Shiller Index), Lawrence Yun (Chief Economist of the National Association of Realtors) and other experts provided great insights into local and national real estate trends. Here is what the Plain Dealer said about the event: http://www.cleveland.com/business/index.ssf/2011/10/housing_market_shows_signs_of.html.

Please take a look at our improved website (<http://www.cfasociety.org/cleveland/Pages/Default.aspx>). Programming Chair James Bailey, CFA, Executive Administrator Katie Khoury and others have been working to make the CFASC website more interesting and useful. There is a fact sheet you can share with colleagues or clients, job postings and other important information for members. James and Katie welcome your questions or comments.

As we continue to make improvements to our monthly newsletter, Public Awareness Chair Ron Petrie, CFA, will be sending you a request for submissions. If there is a subject you know and care about, please consider writing an article that would be of interest to our readers.

Best regards,

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

ACHIEVEMENT: THRIVES LOCALLY

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We're committed to helping the community and everyone who lives here achieve more than ever. That's why we're proud to support CFA Society of Cleveland.

*William Caster, Managing Director,
PNC Wealth Management, Cleveland
(216) 222-8270*

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for the ACHIEVER in you™

Programming Update from James Bailey, CFA

CALENDAR OF EVENTS & LUNCHEON MEETINGS FALL 2011

November 2

Nick Raich, CFA
Director of Research
Key Private Bank
Topic: The Global
Sovereign Debt Crisis
and its Impact on
Corporate Profits

PLEASE NOTE: This lunch
is being held at KeyClub.

November 9

Matthew Landy,
Portfolio Manager/Analyst
Lazard Asset
Management LLC
(New York)
NYSE: LAZ

November 17

Charter Awards Dinner
Marc Chandler, Global
Head of Currency
Strategy at Brown
Brothers Harriman

November 30

Whirlyball
Bedford Heights

More details available at:
whirlyball2011.eventbrite.com.

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

Dear Members:

We've had an excellent start to the 2011-12 programming year, and I hope you've enjoyed the lineup of speakers and social events as much as I have. Our list of upcoming events is equally impressive, and I hope you're able to attend.

When registering for future events, please pay close attention to the location as we're testing different options due to concerns about the possible fate of the former Huntington Bank Building and its tenants. If the worst case scenario were to unfold and CFASC had to find a new location, we'll have experienced different venues that will simplify our decision-making process. The William Poole luncheon on Oct. 19 was our first attempt at The Club at Key Center, and the feedback we received detailed several positives and negatives that I experienced myself. We've already addressed several of the negatives,

including the lack of drink options at the tables, providing additional lunch options via a buffet as opposed to a plated entrée, and fixing the audio issues. It was also frustrating and distracting to have other diners pass through the room during Mr. Poole's presentation, and many of you mentioned parking was a bit difficult. Obviously these things are trial and error, and we appreciate your patience as we iron out the details. All of your comments and concerns will be taken into account during the planning of future events.

At the time I'm writing this, we haven't had our first event at The City Club. I'm curious to know what you'll think of the venue in comparison to both Sammy's and The Club at Key Center and look forward to receiving your feedback.

Sincerely,
James M. Bailey, CFA

RESERVE YOUR SPOT! Charter Awards Dinner on Nov. 17

Marc Chandler has been covering the global capital markets in one fashion or another for nearly 20 years, working at economic consulting firms and global investment banks. Chandler attended North Central College for undergraduate. He holds masters degrees from Northern Illinois University and University of Pittsburgh in American History and International Political Economy. Currently, Chandler teaches at New York University center for Continuing and Professional Studies, where he is an associate professor.

A prolific writer and speaker, he appears regularly on CNBC and has spoken for the Foreign Policy Association. In addition to being quoted in the financial press daily, Chandler has been published in the *Financial Times*, *Foreign Affairs*, and the *Washington Post*. In 2009, Chandler was named a Business Visionary by *Forbes*.

Chandler's first book, *Making Sense of the Dollar*, was published by Bloomberg Press in August of 2009. *Making Sense of the Dollar*

explores the many factors—trade deficits, the dollar's role in the world, globalization, capitalism, and more—that affect the dollar and the U.S. economy and lead to the inescapable conclusion that both are much stronger than many people suppose. Though a Chicago native and life long Cubs fan, Chandler currently resides in the Upper West Side with his wife, Jeannine, and son, Nathan.

For more information, visit
www.marctomarket.com.

Ticket Prices:

- CFA Cleveland Member - Complimentary
- Guest of CFA Cleveland Member - \$25
- CFA Candidates - \$25
- Students - \$25
- Non-CFA Cleveland Members/Non-Candidates/Non-Students - \$40
- New Charterholder - Complimentary
- Guest (1) of New Charterholder - Complimentary

To register, visit [http://charterawards2011.
eventbrite.com](http://charterawards2011.eventbrite.com)



Upcoming Program Highlights

Key Private Bank



Nick Raich, CFA, is Senior Vice President and Director of Research for Key Private Bank, a position he has held since May 2010. He is responsible for managing the investment research process throughout Key's footprint and manages

a team of analysts evaluating equity, fixed income, derivatives, and alternative investments in client accounts.

In addition to providing leadership to the research team, Nick is a senior member of the investment management team and a member of Key's Portfolio Construction Team.

Experience & Education:

MBA and BS in Finance from Youngstown State University; Chartered Financial Analyst designation; a total of 13 years of experience as Director of Research at Zacks Investment Research in Chicago and National City's Private Client Group in Cleveland; member of the Forbes Investment Panel; makes frequent appearances in national and regional print media and on television, including *CNBC*, *Bloomberg TV*, *The Wall Street Journal*, *The New York Times* and *Business Week*.



Matthew Landy is a Portfolio Manager/Analyst with the Global Listed Infrastructure Team. He began working in the investment field in 1995. Prior to joining Lazard in 2005, Matt worked in the private equity industry where he was involved in early stage venture capital in Europe and management buy-out investing in Australia. Previously, he was an Equity Analyst with

Tyndall Investment Management. Matt has a B. Comm. and a BA from Monash University in Melbourne, Australia.

As investors plan their portfolios for a new era that is defined by uncertainty, global infrastructure has emerged as an asset class that may offer attractive characteristics, such as long life, low risk of capital loss, inflation-linked revenues, and correlation benefits relative to major asset classes. Please join Matthew Landy for a discussion on the opportunities within the global infrastructure universe and the alternative ways to access it.

With origins tracing back more than 150 years, Lazard has long maintained a pre-eminent position in the world's financial marketplace. Lazard Asset Management LLC, an indirect, wholly owned subsidiary of Lazard Ltd., provides a wide selection of equity, fixed income, and alternative investment solutions to institutional, financial intermediary, and individual clients around the world. Lazard Asset Management has been managing Global Listed Infrastructure portfolios for clients globally since 2005. As of June 30, 2011, Lazard Asset Management manages \$145.3B in total assets and \$2.7B in the Global Listed Infrastructure Strategy*.

**Assets under management include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.*



CFASC Happy Hour - Whirlyball

Join us from 6-9 p.m. on Wednesday, Nov. 30, 2011, at Whirlyball/Laser-Sport in Bedford Heights for some friendly competition, networking, food and drinks!

Cost to attend: \$10 for CFASC Members and \$20 for Non-CFASC Members.

For more information about Whirlyball, visit www.whirlyballcleveland.com.

CALENDAR OF EVENTS & LUNCHEON MEETINGS WINTER 2011-12

December 7

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

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

December 14

John P. Gavin
Founder & CEO
Disclosure Insight

January 11

Ethan Heisler
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>

CFA Society of Cleveland would like to thank:



For its sponsorship of the Charter Awards
Dinner featuring:

Marc Chandler

Global Head of Currency Strategy at Brown Brothers Harriman
Author of *MarctoMarket.com* and *Making Sense of the Dollar:
Dangerous Myths about Trade and Foreign Exchange*



Thursday, November 17, 2011 – The Club at Key Center

Remaining sponsorship opportunities:

TABLE SPONSOR: \$100

- Table topper at event
- 2 x 2 ad in monthly newsletter

Sponsorship

Sponsor Level: _____ Amount: _____

Sponsor Name: _____

(As it should appear in/on any printed materials)

Contact Information:

Contact Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Payment**

Charge my credit card (circle one): ~Visa ~MasterCard ~Discover

Card #: _____ Expiration Date: _____ 3-digit # on back of card: _____

~ OR ~

Check made payable to the CFASC and mailed to:

CFA Society of Cleveland
3637 Medina Rd., Ste. 110
Medina, OH 44256
Phone: 216-696-8066
Fax: 866-544-3122

**Payment, along with this sponsorship form, must be received no later than November 11th.

Career Corner: Featured Jobs

Portfolio Manager, Westfield Group

JOB SUMMARY: Manages the equity or fixed income portfolios of all Westfield affiliated companies, which includes identifying and documenting portfolio investment objectives and strategy, determining the sub-asset class or sector allocation, as well as recommending specific securities and executing trades.

ESSENTIAL FUNCTIONS (Listed in order of importance, frequency or sequence, 1=most important/frequent, etc.). Note: Indicate non-essential accountabilities with an asterisk.* All other functions are “absolutely necessary for this job.”

1. Responsible for co-developing the portfolio investment objectives and strategy with the investment committee and the portfolio business owners
 - a. Evaluate portfolio objective and current investment strategy in order to assess suitability of benchmarks, risk tolerances, and effectiveness of portfolio policy and investment guidelines.
 - b. Identify and escalate concerns and/or suggestions for improving investment performance measurement, benchmarking, and reporting.
 - c. Work with Investment Committee, Investment Leader, and Business Owners to formalize changes to portfolio strategy and reporting.
2. Responsible for working with the investment committee to define the sub-asset class allocation that is optimal for each portfolio. Responsible for full life-cycle of investments, including sub-asset class research, portfolio construction, trading and attribution
 - a. Participate in team strategy discussions. Prepare and present analysis on assigned sub-asset class(es), including fundamental equity analysis, credit, issuer, or interest rate analysis in support of recommendations.
 - b. Monitor market activity throughout the day, including analysis of market news, issuer and credit spreads, and discussions with industry peers and selected brokers. Monitor domestic and world situations, analyzing their effect on investments to ensure the successful management of portfolios.
3. Responsible for security selection within asset-class assignment(s)
 - a. Assess the future expected value of securities and their return patterns.
 - b. Employ multiple valuation methodologies, including discounted cash flow, concentrating on a company’s ability to generate free cash flow, earn high returns on capital, and allocate capital efficiently, as well as assessing market expectations for company performance.
 - c. Conduct duration, convexity analysis on securities and impact on portfolio. Assess yield spreads and changes in spreads.
 - d. Analyzes financial information to forecast business, industry and economic conditions, for use in making investment decisions.
 - e. Applying competitive strategy frameworks, disruptive/sustaining innovation, diffusion of innovation, increasing return economics, etc.
 - f. Building and maintaining industry and company-specific models, with the goal of understanding the economic drivers of a business
 - g. Monitor projected cash (income, excess premium, trading cash) and identify specific security-level investment decisions and determine timing of purchases.
 - h. Generate orders and communicate to brokers for execution. Monitor executions and allocate trades as appropriate, based on pre-defined allocation requirements.
4. Monitor, analyze, review and report on performance returns, attribution and risk reporting metrics
 - a. Continuously analyzes securities in the organization’s investment portfolio. Conducts economic studies to maintain up-to-date information on holdings and recommends additional purchases, sales or exchanges. Monitor positions in assigned sleeves based on latest economic or market news and escalate risks to the Group Investment Leader. Identify/monitor factor exposures and event risks; recommend and implement systematic controls, where possible, or manual controls.
 - b. Work with investment operations analyst to identify and evaluate new investment insights and provide written and verbal presentation, as appropriate, to Finance Committee, Investment Committee or the Group Investment Leader.
 - c. Review performance measurement and attribution analysis generation by investment operations analyst.
 - d. Prepare and discuss monthly results with the Group Investment Leader, including actual versus proposed allocation and issuer purchases.
 - e. Manage broker relationships. Provides regularly scheduled reports to the Investment Committee on broker commission payments versus budget, including reasons for variances. Contribute to annual assessment of approved broker listing.
 - f. Contribute to annual trading cost analysis.
5. Participate in periodic assessment of third-party sub-advisors, custodians, brokers and technology providers
6. Support the management reporting process, as requested, to ensure high-quality decision support
7. Support data quality initiatives, as appropriate, in support of the investment decision process
8. Continuously monitor new technology in support of the investment process. Become skilled user in all investment technology, as requested by the Group Investment Leader
9. Attend two, non-broker sponsored industry events per year. Provide verbal debrief to investment team.
10. Maintain required industry licenses

SPECIFICATIONS/EXPERIENCE/CERTIFICATION/EDUCATION:
Required: Equity Portfolio Manager – CFA Charterholder or MBA required, 5+ years of experience as a Portfolio Manager

Required: Fixed Income Portfolio Manager – CFA Charterholder or MBA required, 5+ years of experience as a Security Analyst, Financial Analyst, Portfolio Manager, or experience with financial modeling

Preferred: CFA Charterholder

POSITION REQUIREMENTS:

1. Core Competencies - Timely Decision Making, Decision Quality, Integrity and Trust, Problem Solving, Standing Alone, Perseverance
2. Functional Competencies - Quantitative Modeling, Portfolio and Investment Management, Valuation, Financial Analysis and Reporting, Liquidity Management, Performance Measurement
3. Functional/Technical Skills and Knowledge - Trading skills; ability to synthesize economic data; proficient in Bloomberg; familiarity with Insurance, ERISA, and Banking Investment Regulations; understanding of portfolio performance measurement; understanding of financial modeling; understanding of Modern Portfolio Theory

To Apply: http://www.westfieldinsurance.com/careers/hrlogix/pg.jsp?page=jobboard_browse

Career Corner: Featured Jobs

Investment Operations Analyst, Westfield Group

JOB SUMMARY: Responsible for Investment Management process improvement initiatives, such as the use and advancement of supporting technology; creates and develops reports with detailed performance and risk management data, and supports the portfolio managers by summarizing market and security information and managing availability of investment research.

ESSENTIAL FUNCTIONS (Listed in order of importance, frequency or sequence, 1=most important/frequent, etc.). **NOTE:** Indicate non-essential accountabilities with an asterisk.* All other functions are "absolutely necessary for this job."

1. Responsible for identifying, leading the evaluation and selection of, and implementing enhanced business intelligence reporting tools, and associated data requirements, in support of the defined requirements by stakeholders for order management; execution routing; investment risk analysis and reporting; performance measurement calculation and reporting; and performance attribution reporting.

2. Coordinate definition of business and technical requirements for each functional or reporting need. Conduct due-diligence review in the form of RFI or RFP and vendor meetings. Coordinate with Enterprise Technology to ensure Westfield corporate technology standards are complied with for any new software application. Work with Investment Accounting to ensure necessary data is available from portfolio accounting as necessary to support reporting needs. Identify additional data requirements that are required to supplement data retrieved from PAM in support of enhanced reporting.

3. Maintain an inventory of investment applications, data repositories, and end-user-computing tools used by the investment team. Work with Enterprise Technology to ensure licenses are maintained, SLAs are in place, and base-line user access restrictions and network security measures are in place.

4. Coordinate or conduct training for Portfolio Managers and provide ongoing, day-to-day technology support. Coordinate with software vendor's technical support help-desks, if necessary.

5. Identify areas for straight-through processing and application integration. Identify areas for enhanced automated controls to replace manual processes and controls. Conduct analysis and present to Group Investment Leader.

6. Responsible for monitoring and enhancing reporting infrastructure by working with portfolio managers to identify key metrics and information that should be used in internal and external reports.

7. Facilitate investment research by working with portfolio managers to provide data, identify and maintain investment research sources, and improve access to key information.

8. Work with Investment Accounting and the Investment Operations Specialist to ensure timely and accurate data and reporting of performance measurement and attribution to Finance Committee and Investment Committee.

9. Coordinate with Enterprise Technology and Group Investment leader for technology budget.

10. Maintain industry technology knowledge including leading practices, where appropriate.

11. Attend two industry conferences per year focused on investment technology, leading practices and enhanced decision support (such as Waters Information, SIFMA Annual Wall Street Technology Exhibit, etc.).

SPECIFICATIONS/EXPERIENCE/CERTIFICATION/EDUCATION:
Required: Bachelors degree in Business or MIS; 3+ years of experience as a business analyst, financial analyst, or investment analyst in the Finance industry

Preferred: Recent MBA graduate

POSITION REQUIREMENTS:

1. Core Competencies - Planning, Priority Setting, Process Management, Listening, Drive for Results, Peer Relationships
2. Functional Competencies - Business Analysis, Policies and Procedures, Business Controls, Data Management, Operational Support, Process Management, Tool and Technology Application
3. Functional/Technical Skills and Knowledge - Proficient understanding of Microsoft Office, including Excel, PowerPoint, and Access; Excellent math skills; Data mining skills; Project Management skills; understanding of accounting and finance; understanding of investment markets and securities; understanding of economic principles, knowledge of Bloomberg

To Apply: http://www.westfieldinsurance.com/careers/hrlogix/pg.jsp?page=jobboard_browse

Investment Advisor, Altus Wealth Advisors

Altus Wealth Advisors (AWA), is an independent, partner owned multifamily office which provides integrated investment and financial services to wealthy families.

Responsibilities: The Altus Wealth Investment Advisor is part of a multi-disciplinary team which provides integrated investment and financial services to wealthy families. As part of the team, the Investment Advisor is responsible for the delivery of all investment services to our client families and will include:

- Preparing customized tactical and strategic asset allocations to match client objectives using all major and minor asset classes (including alternative strategies)
- Asset / strategy selection and location
- Review and presentation of investment performance
- Participation in all investment committee meetings
- Conducting due diligence for select investment strategies

Preferred Credentials: At least 5 years of experience providing investment counsel to wealthy clients, CFA or CIMA designation, graduate degree

Compensation: Salary and benefits commensurate with experience

Qualified candidates should send resume to:

David Sommer, Chief Investment Strategist
Altus Wealth Advisors
6120 Parkland Blvd., Suite 303
Mayfield Heights, OH 44124

**Don't miss any CFA Society of Cleveland events!
Follow us on Twitter, LinkedIn, and Facebook:**



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www.linkedin.com/company/cfa-society-of-cleveland

<http://www.facebook.com/#!/group.php?gid=60376813622>

Career Corner: Members On The Move

The CFA Society of Cleveland is dedicated to making sure its members and stakeholders are provided with the most career-related benefits possible. One way CFASC plans to deliver this benefit is through an increase in job postings and by announcing changes in employment of local finance professionals. Please help by contacting us if you or a colleague makes a career change and encouraging your firm to post its next employment opportunity with CFASC. For more information: cfa@cleveland.cfasociety.org.

Kenneth Senvisky, CFA, left Fifth Third Bank, where he was Regional Director of Portfolio Management, to join UBS Financial Services. He will work in Pepper Pike alongside UBS Executive Director Michael J. London. Senvisky's title will be Vice President of Investments.

Tom Cirincione, CFA, left Fifth Third Private Bank to join Huntington Wealth Advisors as a Senior Vice President and Regional Investment Manager. Cirincione will manage portfolios for institutional and high-net-worth clients and will also assume equity research duties in the Consumer Staples sector.

Membership Update from Craig Cimatori, CFA

Member Ranks Increase and Institute Creates New Professional Conduct Program Liaison

Since August, the membership committee has successfully reached out to potential interested parties in our Society. We have seen a net new member addition of 11 in the past two months, including two affiliate members. We also created the Paypass and the Candidate Membership this year, both of which have been met with sales of these new products. We'd like to thank Bill Prebel, CFA, Bradon Slapak, Matt Downing, CFA, and Warren Coleman, CFA, for their work on the committee over the past couple months.

Secondly, we are pleased to announce the appointment of Warren Coleman, CFA, as the Professional Conduct Program (PCP) Liaison, a new position created by the CFA Institute. Warren will share relevant public information as to possible violations of the Code and Standards by members and candidates, help to identify publicly available sources of information that may be used by PCP to review for member or candidate misconduct and assist in confirming member identity and CFA usage for members in the region. Warren has been engaged recently to help identify members whose dues may have lapsed to ensure they are using the designation properly and are current with their dues payment. Please keep in mind that members are not permitted to use the CFA designation unless they are an active dues paying member of the Institute.



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.

Pension Gains? In This Environment?

By Matthew Scullen

Investors find themselves in an awkward spot in this economy and this is especially true for pension funds. The investing climate is currently characterized by:

- Ultra low interest rates 0+% 3 month t-bill, only 2.2% on the 10 year
- A stock market that is synonymous with low single digit p.a. returns due to the cyclically adjusted P/E (Shiller P/E) above 20
- High yield bond yields just under 9%, BBB yields under 5% and AAA yields just over 2% (from FRED)
- 2% core inflation, 3%+ for all yoy (from FRED)
- Average hourly earnings growth of roughly 1% yoy (from FRED), 4% since 2000

Most accounting for pension plans rely on assumptions (expected returns, discount rate, wage growth, inflation), which is why I must choose articles where I find evidence to the contrary of the environment outlined above.

Verizon 3Q earnings double on pension effects

Disclosure: I haven't delved into the details of Verizon's earnings, nor do I plan to. Based on the situation I have described above, few pension plans should be experiencing gains to earnings on a large scale and that is why I am only choosing a headline.

1. Ultra Low Interest Rates

Pension plans use a discount rate assumption for their liabilities. Typically, actuaries may be tempted to push this number as high as possible. The higher the rate, the lower the obligation, the lower pension expense, the higher the earnings. With 10-year rates and AAA at 2%+, discount rate assumptions are most certainly too high if based on historical data. This is especially true with FRB commitment to keep the zero bound through 2013. The only other conclusion is that pension plans are reaching for yield and taking more risk.

2. Low Single Digit Expected Stock Returns

Historically, stock returns have been measured between 5 – 11% depending on time frame, capitalization and survivorship bias in the indexes. Again, actuaries have some leeway here and with the amount of pressure on management to beat expectations, I have my doubts as to whether or not they factor in the more realistic low single digit returns that the Shiller P/E is predicting. The higher the expected return on plan assets, the lower the pension expense.

3. Inflation Expectations and Compensation Increases

Inflation and compensation increases are thought to be highly correlated, and the logic follows that expected compensation increases should roughly equal the inflation rate. The higher the rate of expected wage growth, the higher the liability and hence the higher the pension expense. Have actuaries lowered wage growth assumptions to be in line with the low inflation and wage growth of the past decade?

With the exception of inflation and wage growth, this environment is ripe for pension losses, and if not, then portfolio managers are taking on more risk through high yield bonds and/or international investments. I fail to see how Verizon could have reported such generous pension-related accounting gains otherwise. And if the additional risk taking is true, then that sets companies up for potentially greater losses in the future.