

January 2015

Building Capital Where it Counts the Most: Skills for Enhancing the Client Relationship

Wednesday, January 14th, 2015

Speaker: Jim Grubman Ph.D
FamilyWealth Consulting

Chairs: Michael Wu, CFA and Ryan Buckmaster, CFA

A Private Wealth Management Sponsored Event

Whether you work within a small firm, an RIA, a bank or a trust company, your skills for working with clients are crucial to your success and the success of your firm. You need to be able to interview clients well to discover their real investment needs, goals, and risk tolerance. You need to answer the client's real questions succinctly and clearly, matched to the client's level of knowledge. Even if you work alongside a relationship manager, you still need to coordinate well to support the client relationship. Dr. Jim Grubman, an internationally-recognized expert in family dynamics and wealth psychology, will join us to explain key skills and techniques for elevating your work with clients. He will discuss and demonstrate practical tips you can use on your own or within a wealth management team. We think attendees will gain skills that can produce better returns on their invested relationship capital.

Speaker Bio:



Dr. Jim Grubman has provided services to families of wealth for over 25 years. His work with clients - from the "millionaire next door" to *The Forbes 400* - draws on his experience as a psychologist, neuropsychologist and family business consultant, with specialty interests in estate planning and wealth psychology. Jim brings his knowledge of the client's perspective to his work with family offices, wealth management firms, attorneys, and other advisors. He coaches and trains advisors on the core competencies needed in client relationships.

Jim is the author of *Strangers in Paradise: How Families Adapt to Wealth Across Generations*, a new explanation of how individuals and families can adjust to wealth effectively. His work has been discussed in Malcolm Gladwell's book, *David and Goliath*, and has been featured in *The Wall Street Journal*, *CNBC*, *The New York Times*, and *The Boston Globe*. He has published widely in the *Journal of Wealth Management* and the *Journal of Financial Planning* among other media.

A dynamic sought-after speaker, Jim has presented at conferences throughout North America and Asia. He has presented at the Heckerling Institute on Estate Planning of the University of Miami School of Law, TIGER21, the Institute for Private Investors, and the Family Firm Institute, among many others. At



Bentley University, he developed the first graduate-level-only course in the United States about psychological aspects of financial advising. He serves on the editorial advisory board for the *Journal of Financial Therapy* and is an advisory board member of Wise Counsel Research, The Redwoods Initiative, and the Legacy Academy of Hong Kong.

Jim is a Fellow of the Family Firm Institute where he has certificates in family wealth advising and family business advising. He is a member of the Boston Estate Planning Council and the Society of Trust and Estate Practitioners. He has a master's degree from the University of Michigan and a Ph.D. from the University of Vermont. Jim is a licensed psychologist in Massachusetts where his practice, FamilyWealth Consulting, is based. *Website:* www.JamesGrubman.com

As a participant in the CFA Institute Approved-Provider Program, the CFA Society of Los Angeles has determined that this program qualifies for 1 credit hours. If you are a CFA Institute member, CE credit for your participation in this program will be automatically recorded in your CE Diary.

Registration Links

CFALA Members: \$20.00(place cursor on amount for link)

Student Discount: \$30.00 (Valid Student ID with current year shown - required at the event)

Non-members: \$60.00 (place cursor on amount for link)

Date: Wednesday, January 14th, 2015

Time: 12:00pm – 1:30pm, Lunch

Location: **Intercontinental Hotel, Century City**

2151 Avenue of Stars
Los Angeles, California 90067

Parking: Valet \$12

Boot Camp: Mortgage & Mortgage-Backed Securities - January 2015

Thursday, January 15th - Friday, January 16th, 2015

Overview

A 2-day intensive training program where students are instructed on mortgages and mortgage-backed securities. The program is designed to introduce participants to the broad variety of mortgage and MBS products, explain technical aspects of MBS performance, and demonstrate why and how different types of MBS structures are created.



The program includes both in-depth presentations and modeling case studies using MS Excel. Participants will explore a wide variety of concepts while gaining experience in modeling cash flows, market execution and risks.

Boot Camp Agenda

Day 1: MBS market logic & history, mortgage product description, MBS pool creation, MBS markets & trading

Day 2: Prepayments & MBS price performance, mortgage credit, structured agency & non-agency MBS

What sets this program apart?

- The program offers comprehensive instruction on the mortgage and MBS markets, including sections devoted to areas that are highly technical and difficult to teach.
- The program includes intensive Excel modeling sessions on:
 - generating mortgage and MBS cash flows
 - calculating average lives, durations and yields
 - creating MBS pools and calculating “best execution”
 - calculating dollar roll break-evens and carry
 - converting prepayment metrics
 - calculating effective durations and convexities
 - creating simple agency structuring variations
- **Be sure to bring your Excel-enabled portable computers!**
(Required for the modeling sessions)
- The program will be run by Bill Berliner of Manhattan Capital. Bill is a well-known authority on mortgages and mortgagebacked securities with 28+ years of experience in research, trading, sales, and operations. He is the co-author, with Frank Fabozzi and Anand Bhattacharya, of an award-winning text book on the sector, and has taught classes in the Fixed-Income program for CFA-LA since 2003.

For more information, please click [here](#) for the Boot Camp Brochure



PREREQUISITES

Understanding of capital markets

Excel – Beginner level

FORMAT

Full course – 2 days

Course materials included

CONTINUING ED CREDITS

12 Credits

REGISTRATION LINKS:

[\\$900 for CFALA Members](#)

[\\$1,000 for non-Members](#)

Time: 8:30am to 4:00pm (both days)

Location: Biltmore Court

520 S. Grand Ave., Suite 680
Los Angeles, CA 90071

Parking: Self-Parking at Pershing Square (located directly across the street on Olive St.): \$10.00

Central Library Parking: For information on discount parking rates at the library, please click [here](#).
Library validation required.

CONTACT: Rama Maladi – rmalladi@gmail.com

Regimes and Markets: A two-state view of markets and why models work and then fail

Wednesday, January 21st, 2015

Speaker: Edgar E. Peters
First Quadrant LLP

Chairs: David Chrisman, CFA and Christopher Luck, CFA

A Research Foundation Sponsored Event

One of the bedrocks of modern capital market theory is that market risk and related statistics are stable over the long run. Nobel prizes have been won for this insight and it is taught in the best business schools. Regulations have also been written based upon this assumption. Yet, experience does not support this idea. We know that often markets have periods of relative stability, but they can also be followed by years where it seems that all is chaos (and not in the physics sense of the word). In academia there are theories that compete with the Capital Asset Pricing Model (CAPM), the main proponent of stable markets, but these competing theories are generally considered impractical since they don't lend themselves to easy solutions. The answers we often receive from the usable models, however, go horribly wrong when markets go south.

In this talk we show convincing evidence that there are actually two separate market states, each corresponding to these competing models. In essence, the CAPM and its critics are both right, but only part of the time.

The implications from this for quantitative models and asset allocation are profound. There will be periods where using standard techniques for asset allocation or investment management will work well. When the environment changes, however, those processes may no longer work with reliability. This is particularly true of diversification because assets that diversify one another in one state fail in the other state when they are truly needed. The rules change, and if investors hope to adapt successfully, they will need to know the new rules when the change occurs.

Speaker Bio:



Edgar E. Peters is an asset manager and writer on investment management topics. He is noted for his early contributions to the application of [chaos theory](#) and fractals to the financial markets. These works primarily dealt with fat tailed distributions originally discovered by Benoit Mandelbrot and expanded upon in Peters (1991 and 1994). These probability distributions are considered fractal because they are self-similar over different investment horizons once adjusted for scale.

Peters worked as an asset manager for PanAgora Asset Management, Inc., during which time he researched [rescaled range](#) analysis, and attempted to estimate the [Hurst exponent](#) of various financial markets. He has also taught at [Babson College](#), [Boston College](#) and [Bentley College](#), and contributed papers to the *Journal of Portfolio Management* and the *Financial Analysts Journal*.¹ He now works at First Quadrant LLP in California.

His books include *Chaos and Order in the Capital Markets* (According to WorldCat, the book is held in 659 libraries,) *Fractal Market Analysis* (held in 485 libraries) and *Patterns in the Dark: Understanding Risk and Financial Crisis with Complexity Theory*. According to Google Scholar his books and articles have over 3000 references.

His best known contribution is the Fractal Market Hypothesis (FMH) which was outlined in Peters (1994).

Recent research has supported the FMH as well describing the Global Financial Crisis of 2008 as well as Tech Bubble of 2000. The FMH is a model of investor behavior that unlike the Efficient Market Hypothesis assumes investors have multiple time horizons and interpret information based upon their horizon.



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Registration Links:

CFALA Members: \$20.00 (place cursor on amount for link)

Student Discount: \$30.00 (**Valid Student ID required at the event**)

Non-members: \$50.00 (place cursor on amount for link)

Date: Wednesday, January 21st, 2015

Time: 12:00pm – 1:30pm, Lunch

Location: **Millennium Biltmore Hotel Los Angeles**

506 South Grand Avenue
Los Angeles, CA 90071-2607

Parking: Hotel Valet Parking: \$20.00

Self-Parking at Pershing Square (located directly across the street on Olive St.): \$10.00

CFALA 13th Annual Economic and Investments Forecast Dinner

Thursday, January 29th, 2015

Omni Hotel

5:30 PM - 8:30 PM

Moderator

Jane Wells

CNBC Business News Reporter

Panelists

Roger Diwan

Vice President, IHS Financial Services

Krishna Guha

Vice Chairman, a member of ISI's Management Committee,
Heads ISI's Global Policy & Central Bank Strategy Research Team

David Malpass

President of Encima Global



Jane Wells, CNBC business news reporter, is based in Los Angeles, where she covers retail, agriculture and defense as well as reports on California's economy, West Coast real estate and Las Vegas. Wells also writes the blog **Funny Business** for CNBC.com covering a variety of unusual items. Wells came from CNBC's "Upfront Tonight," where she served as a senior correspondent.

Wells joined CNBC in 1996, providing special coverage of the O.J. Simpson civil case for "Rivera Live." Prior to joining CNBC, she was a correspondent for the Fox News Channel and Los Angeles reporter for NBC's flagship television station, WNBC, in New York. Her television news career includes reporter positions with KTTV, Los Angeles; WTVJ, Miami; and KOB, Albuquerque. She has also contributed international reports for CNN.

Wells has received numerous honors for her work, including a 1992 Peabody Award and duPont Award for her role in the live coverage of the Rodney King Trial. That same year, she earned a Los Angeles Emmy Award for her investigative reporting. She also has received UPI, Press Club and Emmy Awards for feature reporting; three Florida Emmy Awards for news reporting; and the Investigative Reporters and Editors Award for team reporting.

Wells holds bachelor's degrees in broadcast journalism and philosophy from the University of Southern California, where she graduated with honors. She and her husband have two children and live in Los Angeles.



Roger Diwan, Vice President, IHS Financial Services, leads the IHS team that provides integrated energy analysis to asset managers and private equity investors. Mr. Diwan joins IHS from PFC, where he served as Partner at PFC Energy, responsible for financial service clients. He has over 20 years of experience in advising oil and gas companies and financial institutions on oil markets, geopolitics of oil, and assessment of the strategic shifts of the global oil and gas industry. Mr. Diwan has created customized advisory services to help financial sector clients understand the macro environment for commodities, key trends in all segments of the oil and gas industry, and company strategies and assets. From 1998 to 2005 Mr. Diwan was Managing Director of the Markets and Countries department for PFC, leading the company's oil market analysis and country risk teams. From 1996 to 2005 he

led the Market Analysis team and practice at PFC Energy, where he focused on the physical and paper fundamentals of the oil market. Mr. Diwan holds a Bachelor of Arts from the Sorbonne University and master's degrees from the The Johns Hopkins University School of Advanced International Studies and the Institut d'Etudes Politiques of Paris.

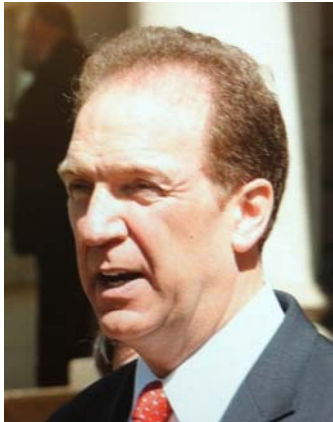


Krishna Guha is Vice Chairman, a member of ISI's Management Committee, and heads ISI's Global Policy & Central Bank Strategy Research Team. ISI's Washington office is ranked on the *Institutional Investor's* All-Star Team for Washington research, which is based on a survey of money managers.

Prior to joining ISI in 2013, Mr. Guha served as Executive Vice-President, Member of the Management Committee and Head of the Communications Group at the New York Fed. Before joining the New York Fed, Mr. Guha was a senior writer on global economics and economic policy at the Financial Times. Mr. Guha was awarded the Best in Business award by the Society of American Business Editors and Writers and the Excellence in Financial Journalism award by the New York State Society of Certified Public

Accountants for his work on the financial crisis. Mr Guha has served as a member of the World Economic Forum's Global Advisory Council, a member of the EU-Japan Council and a fellow at Japan's Keizai Koho Center and Nihon Shinbun Kyokai.

Mr. Guha was educated at Cambridge University, UK, and the Kennedy School of Government at Harvard University, where he was a Fulbright Scholar and won the C.V. Starr award.



David Malpass is president of Encima Global, an economic research and consulting firm serving institutional investors and corporate clients. Formerly Bear Stearns' chief economist, David's work provides insight and analysis on global economic and political trends, with investment research spanning equities, fixed income, commodities and currencies.

A frequent public speaker and television guest, David authors a Current Events column in Forbes magazine, and his opinion pieces appear regularly in the Wall Street Journal. David held senior economic appointments during the Reagan and Bush Administrations. He was Deputy Assistant Treasury Secretary for Developing Nations, a Deputy Assistant Secretary of State and Senior Analyst for Taxes and Trade at the Senate Budget Committee. He worked on an array of issues including the 1986 tax cut, several congressional budget resolutions, the Gramm-

Rudman budget law, the savings and loan bailout, NAFTA, the Brady plan for developing country debt, and fast-track trade authority. He was a member of the government's Senior Executive Service and testified frequently before Congress.

David received a bachelor's degree in physics from Colorado College and an MBA from the University of Denver. He studied international economics at Georgetown University's School of Foreign Service, and speaks Spanish, French, and Russian.

***Sponsor Information Brochure (Link)**

Sponsor Registration (Link)

Time

Cocktail Hour: 5:30 pm

Dinner: 6:30 pm

Panel Discussion: 7:00 pm



Dinner Menu *(Please choose vegetarian meal option during registration if you do not wish to have the Grilled Flank Steak for dinner):*

Panzanella Salad: Tuscan Bread, English Cucumber, Oven Roasted Capers, Pickled Purple Onion, Red Wine Vinaigrette

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Grilled Flank Steak (Carved), Ancho Chile Coulis, Jalapeno-Jack Soft & Cheesy Polenta, Roasted Corn

Vegetarian: Portobello Mushroom Tower with Roasted Red Pepper, Wilted Spinach, Roasted Asparagus & Fresh Mozzarella, served with Mushroom Ravioli

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S'Mores Chocolate Cremeaux, Graham Cracker Streusel, Marshmallow Brulee

Registration Links for Individual registration

CFALA Members: \$29 (\$40 after 01-09-2015)

Non-members: \$85 (\$95 after 01-09-2015)

Student Discount: \$65 (must show dated valid full-time Student ID card at the event)

Location: Omni Los Angeles

251 South Olive Street

Los Angeles, CA 90071

For directions call hotel: (213) 617-3300

Event parking at the Omni \$12.00

Education Registration Policies

INFORMATION

Specific questions on course content should be directed to the course coordinator and education chair. General questions should be directed to Laura Carney at the CFALA administration office at 213-613-1503 x702 or e-mail: info@cfala.org.

CONFIRMATIONS

The Society will only send confirmations of enrollment by e-mail. You will be notified if a course has been oversubscribed or canceled. If applicable: grades and/or certificates of completion will be made available only if requested from the course coordinator or instructor at the conclusion of the course.

CANCELLATIONS

Cancellations must be made in writing and received at least 5 business days before the first day of class. Please fax or e-mail cancellations to: (213) 613-1503 or info@cfala.org. All cancellations will incur a \$30.00 processing fee. If canceled after the 5-day deadline, a 50% cancellation fee will be charged. The Society reserves the right to cancel any course for any reason. Society cancellation will usually occur because of insufficient preliminary enrollment. The Society will call registrants to notify them of any course cancellations. All prepaid fees will be refunded. The Society also reserves the right to change the location, date and/or time of a course, in which case prior notification will be given to students.

PAYMENTS

Make all checks payable and send to: CFA Society of Los Angeles, Inc., 520 S. Grand, Ste 370, Los Angeles, CA 90071. Returned checks will incur a \$35 returned check fee. You may also pay by credit card through our online registration at: <http://www.cfala.org/cfmfiles/cal/eventlist1.cfm?t=g>

Event Registration Policies

CFALA MEMBER REGISTRATION GUIDELINES

All reservations must be made via website. In order to assure quality and service to our members, please make reservations in advance.

Please make your reservation online. Reservation deadline: 12 noon, two business days prior to an event. Limited space may be available after this deadline. No confirmations are made. You will only be contacted at the phone number provided on your RSVP if space is not available.

CANCELLATIONS

Cancellations must be received in writing by 9:00 am the day prior to the event. No phone cancellations are accepted. Please fax to the CFALA office at (213) 613-1503 or e-mail info@cfala.org. Member "no-shows" will be billed at \$40 unless otherwise noted. CFALA members will be billed the additional \$20 to meet the \$40 "no-show" fee requirement.

GUESTS fees are \$50 for CFALA events unless otherwise noted. Payment must be received prior to the event. Returned checks will incur a \$35 charge.