



**CFA Society  
Los Angeles**

# **E-Newsletter**

## **February 2025**

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## Original Content

### **The CFA Institute Research Challenge in Los Angeles**

Following their victory this year, California State University, Fullerton (CSUF) has solidified their first place winning streak of now six consecutive years at the CFA Institute Research Challenge in Los Angeles. Fielding two teams at the local round of the CFA Institute Research Challenge in Los Angeles this year, the Titan teams finished in first and third place with Claremont Graduate University securing second.



*Pictured: First place winners Team B from  
California State University, Fullerton*

The team of Nirvan Chitnis, Luke Knudson, Dylan Nguyen, Kishan Patel, and Trisha Truong presented their analysis and buy/sell/hold recommendation on PennyMac to a panel of distinguished judges from the investment community. Emerging victorious, they secured their advancement to the sub-regional competition where they will compete against universities from across the Western United States. If successful at the sub-regional, they will compete at the Americas Regional. Afterwards, it is on to Chicago, Illinois for the global finals!

*“CFA Institute Research Challenge is a great place for the students to connect with each other and showcase their research and presentation skills. Every team is giving their best and the winning team has been putting this competition at a very high level.”*

*-Steven Wang, CFA,  
Co-Chair of the Institute  
Research Challenge*



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## Original Content

### **Financial Literacy Initiative Aims to Promote Financial Knowledge**

*Tom Derse, CFA*

Benjamin Franklin once quipped, “An investment in knowledge pays the best interest.” The Ethics and Advocacy Commission of CFA Society Los Angeles (CFALA) clearly agrees. Co-chaired by Scott Laudeman, CFA, and Patrick George, CFA, the commission has launched the Financial Literacy Initiative. George has promoted financial literacy throughout his career, and he stepped up to spearhead the initiative since he saw the CFALA as a premier platform to broaden outreach with a community of like-minded charterholders.

“The goal of the Financial Literacy Initiative is to create a positive impact in the broader Southern California community through promoting personal financial literacy and imparting financial knowledge without conflicts of interest,” George said. “We believe this will improve the lives of the current and future investing public and further the credibility of our industry.”

The Ethics and Advocacy Commission had grown dormant post-COVID, and CFALA Executive Officer Laura Carney asked Laudeman to reengage the commission. Laudeman recruited George, and the initiative was born in 2024 with events planned for 2025. The CFALA initiative was inspired by the successful efforts of CFA Society Boston, which has generously collaborated and partnered with CFALA in its inaugural efforts.

Laudeman added, “Patrick recognized early on the potential for financial literacy education to impact the wider community in Los Angeles. Laura’s network of relationships proved invaluable as she made an introduction to the CFA Society Boston Financial Literacy Chairman, Michael Mullin.”

George shared what he has observed as he promotes financial literacy. “We believe that there is a significant financial literacy gap in the broader community, particularly when it comes to communities that may have not had the opportunity to pursue the CFA charter. We believe our volunteer-led efforts will be complementary to CFALA’s oth-



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er partnerships, including with California Council on Economic Education (CCEE). Our model is to seek partnerships with local institutions in order to magnify our impact. We have been very pleased with the significant volunteer enthusiasm within the CFALA charterholder community as well as the interest from local institutions in partnering with us. We believe that a homegrown effort within CFALA will allow us to achieve broader impact.”

The program has already hosted its first event at UC Santa Barbara on February 11, which George said was very successful. “The event was hosted by our fantastic volunteer Hilal Yilmaz, CFA,” he said. “We have several workshops planned as part of April Financial Literacy month with the LA Public Library, as well as workshops planned with KIPPSocal,” a nonprofit organization that operates 20 tuition-free, open-enrollment charter public schools.

Laudeman and George said CFALA has been very supportive of the initiative, including helping to identify local partnerships and providing logistical and financial support. The 10-year vision is to grow from the current volunteer

base and three partnerships to over 100 volunteers across 15 or more partnerships.

Like so much at CFALA, the initiative relies on volunteers and welcomes all those who are interested in promoting financial literacy to apply using [this Google Form](#) or to reach out to [finlit@cfala.org](mailto:finlit@cfala.org). Volunteers typically begin as analysts and presenters, which offers an opportunity to craft financial literacy materials and then provide direct outreach to the community via leading workshops. Over time the volunteer may move into a partnership manager role, where they will lead and coordinate events with local institutions. George said, “We also welcome referrals and introductions to local institutions with which we can partner to provide unbiased financial education.”



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**Is California Falling Behind in the  
Bitcoin Reserve Movement?**

*Michael Treidl, CFA*

With nearly half of U.S. states actively considering legislation to establish strategic Bitcoin or cryptocurrency reserves, California's relative inaction raises a critical question: Is the state lagging behind in digital asset adoption?

Currently, California is in the early exploratory stages of such legislation. Assembly Member Phillip Chen, representing Orange and San Bernardino counties, has partnered with Proof of Workforce, a Santa Monica-based nonprofit, to examine how Bitcoin could support and rebuild the state's infrastructure and communities. Proof of Workforce is no stranger to governmental Bitcoin initiatives, as it previously partnered with the City of Santa Monica to open an official Bitcoin office.

The rationale behind a state-run strategic Bitcoin or cryptocurrency reserve varies. States exploring these initiatives cite potential benefits such as hedging against inflation, diversifying

public investment portfolios, enhancing long-term returns, and positioning the state as a leader in financial innovation. The term "strategic reserve" in proposed legislation appears to be more of a marketing label than a functional designation, as digital assets would be integrated into state investment portfolios rather than serving the same purpose as national reserves like the Strategic Petroleum Reserve, Uranium Reserve Program, or Helium Reserve.

Recent legislative efforts in multiple states propose allocating up to 10% of state-managed investment portfolios into digital assets. These funds typically include the state's general fund, rainy day fund, and public retirement funds. However, given stringent market capitalization criteria, Bitcoin is currently the only digital asset meeting these requirements.

States differ in their approach to custody and management. Some plan to hold Bitcoin on-chain—either directly under state control or within a potential federal strategic Bitcoin reserve—while others focus on investing in digital asset ETFs.



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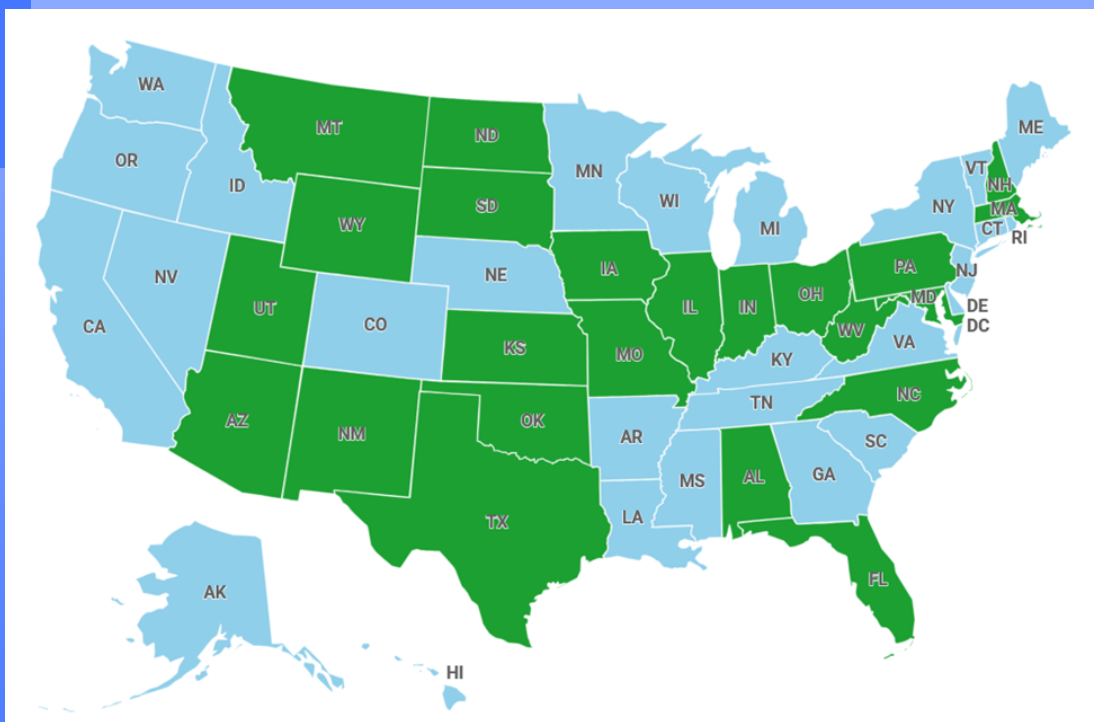
It is important to note that none of the proposed legislation has yet become law. Even if enacted, states would not necessarily allocate 10% of their portfolios to digital assets overnight. In reality, a significant portion of public funds is allocated to cash-equivalent, liquid investments or duration-matching fixed-income portfolios, both of which are unlikely to include digital assets. If incorporated, digital assets would likely fall within a risk-based holdings allocation, alongside equities and commodities like gold or oil.

Despite these uncertainties, the potential adoption of digital assets by state institutions could

have far-reaching implications, including increased institutional demand leading to greater market stability and liquidity, legitimization of Bitcoin and digital assets at the highest levels of government, and further adoption by other states and even foreign entities if early adopters see positive returns over a market cycle.

As more states explore the feasibility of Bitcoin reserves, California must decide whether to lead in digital asset integration or risk being left behind.

Below is a map of U.S. states pursuing strategic Bitcoin reserve legislation (highlighted in green).





**Curation by Stuart Fujiyama, CFA and Sona Shahinian**

## Women Lead Financial Decision-Making in Most Households, New Research Shows

A new CFP Board study reveals that women now lead financial decision-making in most households, reflecting their growing confidence in managing everyday financial tasks. This CFP Board news release summarizes the study and outlines key financial priorities for women and the qualities that women look for in the financial planners who serve them.

[\*\*Read More...\*\*](#)[\*\*And More...\*\*](#)

## 7 Unexpected Ways AI Can Transform Your Investment Strategy

Artificial Intelligence (AI) is reshaping investment management. In this Investopedia article, Adam Hayes, PhD, CFA, explores seven ways

AI can be applied to investing. Hayes also explains how individual investors can leverage retail AI-powered tools, even if those tools are typically less sophisticated than those used by institutions. According to Hayes, while AI enhances decision-making and portfolio management, it should be part of a broader strategy that includes human oversight and due diligence.

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## Prediction Consensus: What the Experts See Coming in 2025

What do experts predict will happen to the world's economy, markets, geopolitics, and technology in 2025? Check out this article by Visual Capitalist's Kayla Zhu, featuring a single visual that summarizes the most common predictions on the minds of many forecasters. The visual offers a snapshot of the trends likely to shape the year ahead.



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## Nine Lessons the Market Taught in 2024

Author Larry Swedroe wrapped up his “Sure Things” series of articles four years ago. But in this Alpha Architect article, he reviews nine lessons the markets taught us about prudent investment strategies in 2024. Many of them are repeats from previous years. Until last November, Swedroe was a long-tenured principal and director of research at Buckingham Strategic Wealth.



**Curation by Stuart Fujiyama, CFA and Sona Shahinian**

## CFA vs. CFP

Author, podcaster, and portfolio manager Ben Carlson, CFA answers a listener's question about the recent trend in CFA vs. CFP candidacies, and which route young people and older career changers should take. Carlson is the Director of Institutional Asset Management at Ritholtz Wealth Management.

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## CFP vs. CFA: What's the Difference?

The mainstream media has also attempted to compare the two professional designations. In this US News & World Report article, author and investment advisor Kate Stalter explains what they mean for individual clients and advisors.



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## **E-Newsletter - February 2025**

The CFA Society Los Angeles (CFALA) e-newsletter is a periodic publication with stories about noteworthy events and programs sponsored or hosted by the society, guest articles by members, book reviews, and other items of interest to CFALA members. If you'd like to contribute a story suggestion or write an article, we'd love to hear from you - email Chief Executive Officer Laura Carney at [laura@cfala.org](mailto:laura@cfala.org).

\*Please note that the content of this e-newsletter should not be construed as investment advice, nor do the opinions expressed necessarily reflect the views of CFA Society Los Angeles.\*