



**CFA Society  
Los Angeles**

# E-Newsletter

## April 2024

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**Original Content**

**Past CFALA Board Member  
Zack Ellison, CFA, CAIA:  
Contributor to New Alternative  
Credit Book from the  
CFA Institute**

*Tom Derse, CFA*

Past CFA Society Los Angeles (CFALA) board member Zack Ellison, CFA, CAIA is a busy man. Ellison is the founder and managing general partner of Applied Real Intelligence (A.R.I.) and the chief investment officer of the A.R.I. Senior Secured Growth Credit Fund. He has spoken at over 40 conferences as an ambassador for venture debt and founded the CIO Advisory Council for CFALA, which involved producing and moderating webinars with leading CIOs from 2020 to 2023. He writes a monthly column on venture debt for [Venture Capital Journal](#) and on startup-related advice for [Built In](#). Ellison is also working towards completion of a Doctorate in Business Administration at the University of Florida, with a projected graduation date of August 2025.

As if those projects didn't keep him busy enough, Ellison is a con-

tributor to an exciting new publication from the CFA Institute Research and Policy Center, [An Introduction to Alternative Credit](#). The book covers key aspects, significant transactions, and the market's potential for growth and evolution across seven sub-classes: Direct Lending, Collateralized Loan Obligations, Consumer Loans, Trade Finance, Real Estate Loans, Infrastructure Debt, and Venture Debt. Ellison worked over the past twenty months with the other authors and editors to produce a book that is important for investors interested in private credit, which is one of the fastest growing alternative asset classes.

Ellison wrote the chapter on venture debt and it reflects his enthusiasm for broadening access to non-traditional investments. Ellison shared how he got involved with the book. "In the summer of 2022, Philip Clements and Alfonso Ricciardelli reached out to me to see if I would be interested in writing a chapter on venture debt for a book. Originally planned to be released in late 2022, it took nearly 20 months before the book was published this March. The editing standards were very rig-



**Original Content**

orous and given the collapse of the largest venture lender, Silicon Valley Bank, in March 2023, I rewrote the chapter multiple times to take into account the changing landscape.”

Ellison is used to working hard, and this project fit right in. “It was a lot of work honestly, and the finished product reflects that. I’ve read just about every relevant book on investing and this book truly is exceptional. I’m very proud of the collective work and the outcome. Alfonso and Phil did a tremendous job of visualizing the book, finding the best authors for each chapter, editing relentlessly, and ultimately pushing it through operationally.”

The publication of the book coincided nicely with ALTSLA, the West Coast’s premier alternative investments conference. Ellison presented at the 2022 conference and said this year’s interest was the highest ever, largely due to the work he has put in to educate people about venture debt. “We had a crowd around us the entire day, asking questions about the strategy and determining how they could get involved.”

Ellison is clearly focused on education and getting information in the hands of analysts and portfolio managers that will increase awareness of venture debt and other attractive alternative credit strategies. He said, “I’m currently working with Alfonso and Phil, along with our respective chapters, to build out a series of webinars and in-person events. These events will vary in format but will include panels – both live and virtual – fireside chats, and in-depth presentations on specific private credit strategies.”

Ellison said other than the book, there are no other CFA Institute resources focusing on the asset class. However, given his passion for the work, it was not surprising to hear him say, “I’m aiming to change that in the near future.”

Check out the book [HERE](#).

Check out A.R.I.’s newsletter: Uncommon Cent\$ for Institutional Investors & Wealth Advisors [HERE](#).

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**Curated Content**

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

## Can Generative AI Provide Trusted Financial Advice?

Can generative AI provide bespoke financial advice the way trusted financial advisers do? In this MIT Sloan Ideas Made to Matter article, Betsy Vereckey summarizes the findings of a new study by Andrew Lo, a professor of finance at MIT Sloan and director of the MIT Laboratory for Financial Engineering. In his presentation at the 2024 MIT AI Conference, Lo explores the potential of generative AI and large language models to provide sound, individualized financial advice.



**Read Article**

**Full Study**



**See Table**

**Full Study**

## Implementing Artificial Intelligence Empowered Financial Advisory Services: A Literature Review and Critical Research Agenda

Researchers Hui Zhu, Olli Vigen, and Inga-Lill Söderberg at the KTH Royal Institute of Technology in Sweden analyze 132 articles representing existing literature regarding AI-empowered financial advisory services. They find research gaps in the following areas: 1) customers' long-term use of robo-advisors and their post-adoption behaviors, 2) service failures or unexpected customer behaviors, and 3) ethical and regulatory considerations. They summarize the gaps revealed by their study in the following table.

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

## **The Effect of Personality Differences on Investment Decisions**

In this Financial Advisor article, Larry Swedroe, head of financial and economic research for Buckingham Wealth Partners, highlights the value financial advisors can add by identifying clients' personality traits and educating them on their behaviors when designing financial plans. Swedroe summarizes the findings of a recently published behavioral finance study by Zhengyang Jiang, Cameron Peng, and Hongjun Yan, examining the link between personality traits and investment decisions.



**Read Article**

**Full Study**



**Online Survey**

**More Information**

## **The SAPA Project: A Personality Assessment Collaboratory**

You can take the personality test mentioned in Swedroe's article by clicking on the following link. While you can get a rough idea of your personality traits in 15-25 minutes by responding to the first 25 items, survey developer David Condon "recommends 100 responses for good accuracy in your five factor ('Big Five') scores . . . The most you can answer is 250 questions."



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## **E-Newsletter - April 2024**

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. Please email Executive Director Laura Carney at [laura@cfala.org](mailto:laura@cfala.org).

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