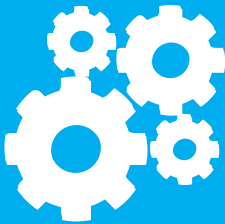
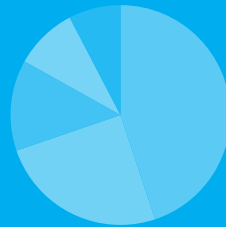
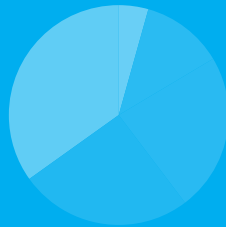




CFA Society
Los Angeles

E-Newsletter

October 2022



In This Issue....

- Meet The New President Of CFALA: Falko Hoernicke, CFA, CFP
- Mercer CFA Institute Global Pension Index 2022 Highlights Key Challenges Of Defined Contribution Plans For Retirees
- David John: Improving The Retirement System
- The Failure Of Behavioral Science
- Uncertainty In Investing And Valuation: What If Questions, Scenerio Analysis And Simulations
- Bogleheads® Chapter Series: Stoicism And Behavioral Finance
- Legends Of Market History: Tokushichi Nomura II



Meet the New President of CFALA: Falko Hoernicke, CFA, CFP

By Thomas Derse, CFA

Falko Hoernicke, CFA, CFP took an interesting route leading to his position as president of CFA Society Los Angeles (CFALA). He was a foreign student at the University of California, Santa Barbara in 2001 and during his time there he became friends with a group from Los Angeles. He moved back to Germany to finish college, but never lost touch with his friends in California.

"Years went by, we all worked on our careers and one of them became a partner at a local investment advisory firm and asked me if I wanted to come back to Santa Barbara to build and run the investment management division of his firm," Hoernicke said. "So we made a business plan and twelve years after my first visit to Santa Barbara my wife and I packed our bags and moved from Frankfurt, Germany to California."

Hoernicke has been a volunteer in some capacity at CFALA for many years. In 2014, he became co-chair of the Santa Barbara Advisory Council, which is a network for financial professionals living in and around Santa Barbara, providing educational and networking opportunities for CFA charterholders and other financial professionals.

The Santa Barbara Advisory Council stays busy with several events for those working up the coast from Los Angeles. "Before COVID, we had up to eight luncheons per year, a dinner event, and our legendary End of Summer Party," Hoernicke said. "Of course COVID changed everything, but we are slowly getting back to normal as we just had our second Educational Mixer, the First Summer Social on a catamaran, and the End of Summer Party. Currently we are planning the third Educational Mixer combined with a Holiday Party. I also served as a judge at the annual Research Challenge over the past two years, and was part of the Career Mentor Program for a few years." Add to that his current role as president and member of the CFALA Executive Committee.

Clearly Hoernicke has spent hundreds of hours volunteering for CFALA. If that were not enough, consider the logistical challenge of the distance between Santa Barbara and Los Angeles. Hoernicke puts a positive spin on it. "If there is one positive thing about COVID, it is the change in how we interact and communicate. Today, we hold our monthly Executive Meetings via Zoom which saves all members a lot of commuting time. However, we do not want to give up the positives of in-person meetings, which is why we get together in person for the quarterly Policy Board meetings. Also, communicating with our CEO Laura Carney and other board members via phone and Zoom reduces my total travel time from Santa Barbara to Los Angeles to an acceptable level. And to be honest, I sometimes enjoy being in the car by myself driving down the PCH and listening to some good music."

Hoernicke shared his reasons for his enormous dedication to CFALA. "As I served as the co-chair of the Santa

Barbara Advisory Council I noticed that we have a great group of people within our society. After receiving so much from CFALA over the years I wanted to start giving back. I believe it is important to have a strong local society that helps its members to reach their professional and networking goals, and I am proud to be part of this strong team of staff and volunteers at CFALA."

He also spoke about why he thinks others should consider getting involved in CFALA. "I believe volunteering is a way to give back, to learn and to build the network. Remember, only volunteers made your experience possible, so please consider giving others an outstanding member experience as well. Some of my best and most reliable business contacts I met during volunteering. I believe volunteering is one of the best, if not the best, way of networking."

Hoernicke also talked specifically about his role on the board of directors. "The benefit is clearly to work with a group of highly motivated and extremely skilled people. Personally, I have learned so much from every individual that I have met since I joined the board and I hope I was able to give some of that knowledge and experience back to others as well. As a board member you get to meet many interesting people within our society, and also from other societies and the CFA Institute. It is a time-consuming position, but I encourage everyone to consider becoming a board member at CFALA. I promise you will not regret the decision."

As president, Hoernicke talked about membership engagement after over two years of COVID-19 protocol. "A challenge is keeping members engaged. We have a strong society with a stable member base of more than 2,500 members and very active volunteers. We constantly have to revisit our strategy to make sure we can keep this high satisfaction level among our members and volunteers. This is why the Board will get together this fiscal year to work on our three-year strategic plan to prepare CFALA for the future."

Hoernicke added some other things that can make CFALA better. "If you feel like something needs to be changed, talk to your board or the CFALA staff. More importantly, if you like what we do, walk up to a staff member or volunteer and say thank you. A word of appreciation goes a long way."

And to back that up, Hoernicke didn't hesitate express some gratitude himself. "I want to thank our staff Laura Carney, Caitlin Topkin, and Johnathan Sanchez for all their passion and hard work to make sure our members get an exceptional experience. I want to thank my fellow board members for the time and effort as well as all our volunteers, who do not hesitate to put a lot of time and energy in their projects."

Thank you, Falko.

Curated Content

Curators: Stuart Fujiyama, CFA
Sona Shahinian



[Mercer CFA Institute Global Pension Index 2022 Highlights Key Challenges Of Defined Contribution Plans For Retirees](#)

CFA Institute announces the release of the 2022 Mercer CFA Institute Global Pension Index, a comprehensive study that benchmarks 44 global pension systems, highlighting shortcomings and opportunities for improvement. (USA ranks 20th, with a rating of C+.)

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

[David John: Improving The Retirement System](#)

In this Morningstar The Long View podcast interview, retirement expert and author David John discusses “expanding retirement-savings opportunities for low- and middle-income workers, the benefits of employer-sponsored emergency funds, and the challenges of decumulation.” John co-authored the payroll deduction Automatic IRA program, and serves as senior strategic policy advisor at the AARP Public Policy Institute and as Deputy Director of the Retirement Security Project at the Brookings Institution. [Read More...](#) [And More....](#)

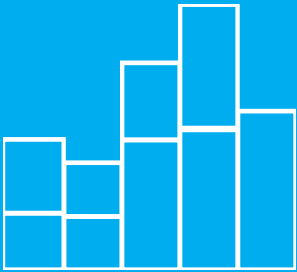


[The Failure of Behavioral Science](#)

In this Advisor Perspectives article, Larry Swedroe, Chief Research Officer of Buckingham Wealth Partners and Buckingham Strategic Wealth summarizes research indicating that “behavioral science produces results that are no better than a simple model, and mutual funds based on it are no better than an index fund.” [Read More...](#) [And More...](#)

Curated Content

Curators: Stuart Fujiyama, CFA
Sona Shahinian

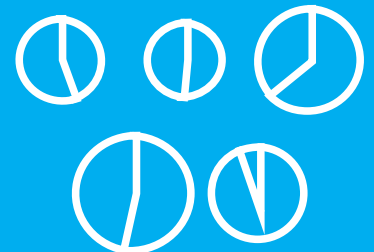


Uncertainty In Investing And Valuation: What If Questions, Scenario Analysis And Simulations

In this session on uncertainty for The Motley Fool, Aswath Damodaran, professor of finance at the Stern School of Business at New York University starts with basic Excel tools for asking what-if questions, then shifts to talking about uncertainty in valuation. Damodaran explains how to categorize uncertainty along three dimensions and walks the audience through analytical tools that can be used to deal with uncertainty. [Read More...](#) [And More...](#)

Bogleheads® Chapter Series: Stoicism And Behavioral Finance

In this Bogleheads® Chapter Series presentation for individual investors, Luke and Gouri discuss “the empowering overlap and timeless practical tools found from both the ancient philosophy of Stoicism and modern Behavioral Finance.” Techniques covered within their webinar include framing to promote better financial decisions in turbulent markets, and focusing on what is in our control. [Read More...](#) [And More...](#)



Legends Of Market History: Tokushichi Nomura II

In this Investor Amnesia article, financial historian and O’Shaughnessy Asset Management Client Portfolio Associate Jamie Catherwood profiles Tokushichi Nomura II, the founder of financial services industry giant Nomura Holdings. [Read More...](#) [And More...](#)



CFA Society
Los Angeles

E-Newsletter

October 2022



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.

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.