

FINANCE

News from the Finance Major

This year the finance program launches two new classes – Energy Finance I and Energy Finance II. The courses are offered online with a Behrend section and World Campus section blended together.

Business Blitz took place on September 23rd. Students who participated took advantage of the opportunity to receive feedback on their elevator speech and networking skills with over two dozen alumni that were present at the event at McGarvey Commons.



The Bloomberg Aptitude Test (BAT) will be offered again on Tuesday, September 29th and Wednesday, November 4th. Each offering runs from 6:00pm to 8:00pm in Burke 153 (students should arrive no later than 5:45pm. Registration is FREE OF CHARGE. To register, click on the following link: [https://talentsearch.bloomberginstitute.com/test_sessions/available?country_name=United+States&entity_name=Penn+State+University+-+Erie+Campus+\(The+Behrend+College\)](https://talentsearch.bloomberginstitute.com/test_sessions/available?country_name=United+States&entity_name=Penn+State+University+-+Erie+Campus+(The+Behrend+College)). This past spring, senior Josh McAleer scored in the top 5 in the Americas region!

The Black School of Business offers students the opportunity to earn the **Bloomberg Certificates** through the new **Bloomberg Market Concepts (BMC)** program, which covers the essentials of financial markets through four modules (Economic Indicators, Currencies, Fixed Income, and Equities) integrating more than 70 Bloomberg Terminal functions. Bloomberg is used in almost all financial companies as a research and data resource and knowing how to use the software is a crucial tool any finance professional should have.

Research assistants are available to assist you if you would like to get started. Attached are the office hours for the Bloomberg Terminal, which are MWF from

3:00 to 6:00pm and TTh from 10:00am to 2:30pm. Max Morrow (msm5593@psu.edu) and Allie Veres (arv5125@psu.edu) manage the terminal and are available other times by appointment.



Greg Filbeck,
Department Chair

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Message from the Finance Department Chair Greg Filbeck

Welcome to our first newsletter for the 2015-2016 year! We are off to another exciting year as our finance major continues to soar! Our finance major is now offered both residentially and through Penn State's World Campus and we have approximately 160 majors in the junior and senior year at the time of this writing – and will likely top 200 students before the end of the year!

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BRET METZGER '13



Bret Metzger is an alumnus of Penn State Behrend (2013) and is currently pursuing a CFA designation. He found his current job through an online job board (indeed.com). He said, "A normal day in my job is to wake up at 4:30am because the market opens at 6:30am on the west coast. I head into work and am there by 5:30am. I spend my day answering calls from representatives to help with trade related issues for our self-directed clients. I calculate margin purchasing power, option buying power, naked and spread option strategy. I also relay information about re-organizations for corporations that are publicly traded. I love it because I am able to constantly watch the market and consistently learn trading strategy."

He recommends that current students focus on deciding whether they want to be on the personal side or the corporate side of finance quickly once they graduate. This is because there are so many different paths you can go down in this field. He said, "If you want to help people

with their finances you can do personal finance. If you want to work a company's books you can go corporate." He recommends that graduates should always look for advancement and growth when entering a future career.

During his time at Penn State Behrend he said, "The activities that helped me the most after I graduated were networking and studying financial markets. Keeping up on the global economy and economic numbers is very important to understanding how the markets move."

ANDREW DYLEWSKI



Internships are often times the highlight of a student's college career. It can act as the culmination of taking all of their knowledge and applying it for the first time in the "real world." I was fortunate to have my culmination come in the form of a 4 month Internship with Ernst and Young in Munich, Germany. To even attempt to describe all of the things that I saw and did would take much longer than this article and even then we would only scratch the surface.

The Internship was in EY's Assurance/ Auditing service line, and because of this I spent the majority of my time working onsite at the client's office. This afforded me the opportunity to spend practically every week in a new part of the city, at a new client, working with a new team of people from all over the world. The work taught me a lot about the auditing process and where financial statements come from, and my coworkers taught me even more about various perspectives and work ethics of people throughout the world. It was truly a once in lifetime opportunity to be able to work on client at major companies such as Siemens, Osram, W.L Gore, Reverse Logistics, MTU aero engines, and West wing.

I also used the opportunity to travel all over Europe. During my four months I was able to visit major cities such as Rome, London, Dublin, Oslo, Amsterdam, Malta, Salzburg, Berlin and Prague, as well as several cities throughout southern Germany and Northern Austria.

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DR. TIMOTHY KRAUSE



Dr. Timothy Krause earned his Ph.D from the University of Texas at San Antonio. Dr. Krause has spent twenty years in the financial services industry and held many positions at various financial institutions. Prior to his role as a Professor of Finance and Director of the Intrieri Family Student Managed Fund here at Penn State, Dr. Krause taught MBA and undergraduate finance courses at the University of Texas at San Antonio. Currently at Penn State Erie, The Behrend College, he teaches Portfolio Analysis, Advanced Energy Finance, Derivatives, and Fixed Income Securities.

In pursuit of his MBA in Finance, Dr. Krause was motivated in financial markets research. Dr. Krause says, “It was my Ph.D. program that truly prepared me to conduct the rigorous analysis required to produce publications in respected finance journals.” In addition, his role as an industry practitioner over the follow-

ing twenty years, in which he researched “securities and markets, informally”, prepared and motivated him to further his research. Furthermore, his role as a graduate research assistant, in which he contributed to three core finance articles and an Investments textbook, prepared him to further his research.

Dr. Krause’s research “revolves around asset pricing, market microstructure, and derivatives.” In other words, Dr. Krause likes to determine the valuation of securities, how they are traded, and how financial instruments can be used to mitigate risks. Over this past summer, Dr. Krause successfully completed three separate papers on Risk Management, Derivatives Pricing, and Exchange Traded Funds, respectively. In addition, on September 5, 2015 he completed another research project which analyzes and focuses on international currency and equity futures markets.

Dr. Krause was able to successfully complete his research through Penn State’s resources. His research requires access to large amounts of financial market data, in which “the University subscribes to many financial databases.” Furthermore, Dr. Krause says, “The Penn State Library is also an invaluable resource, and working with other faculty members here makes us all more productive.” The Black School of Business is also “perfect” for Dr. Krause as it provides a small college campus “feel.” Dr. Krause was able to successfully complete his research

“Find and pursue a career that interests you, and start that process early in your academic career.”

through dedicating 70% of his time to teaching activities and 30% to research during the school year; during the summertime, he dedicates 80% of his time to research and 20% to teaching activities and preparation.

Dr. Krause motivates and invites students to perform undergraduate research. He says, “starting early in your academic career is a big plus, as is a strong background in statistics and/or econometrics. Furthermore, he strongly emphasizes on informing faculty of their desired interest on research or any topics. Dr. Krause also mentions that the faculty is open to supervising research and as a reward there are undergraduate research scholarships and other funds available.

Given the wide variety of roles Dr. Krause holds as an IFSMF Director, IFSMF Advisory Board Member and professor, Dr. Krause’s research enhances or complements his roles. As IFSMF Director and SMF Advisory Board Member, Dr. Krause encourages students to partake in the Intrieri Family Student Managed Fund. He also emphasizes the IFSMF pro-

Faculty Spotlight

vides “real world” experience in managing an actual investment portfolio. In addition, Dr. Krause says, one of my former students mentioned that he talked about his IFSMF experience in every one of his job interviews, and he obtained a very good job offer.” He also mentions that the Analyst program provides a “tremendous resume enhancer.”

Lastly, Dr. Krause has worked remarkably very hard in his life and

displays his passions and interests in his work. With an inspiring example in Dr. Krause, students can benefit by noting Dr. Krause’s work ethic. He not only demonstrates his passion in the classroom, but has also done so throughout his life outside the classroom. With his success, students can learn from such an inspiring and motivated man. He advises students “to find and pursue a career that interests you, and start that process early in your academic career.” He mentions that

when he was able to discover his interest in finance, his work never felt like a job or simply a means to get by. Rather he was and is strongly interested and passionate about Finance and motivates students to begin their process early. Finally, as the last piece of advice, Dr. Krause mentions “I would also advise students to do everything they can to develop the communications skills necessary to working in a professional environment.

Impact

ALUMNI TASK FORCE UPDATE



Bruce Gray, Alumni Task Force Leader

The Alumni Task Force group meets once every two weeks led by alumnus Bruce Gray, SVP & Senior Credit Products Officer, Commercial Real Estate Banking at Bank of America in New York City. At the organizational meeting this year, Bruce solicited feedback from group members on topical coverage. In the past, Bruce has led the group in company valuations and industry analysis and will continue to do so this year. This semester the Alumni Task Force plans to investigate businesses in the lodging and retail industries. For more information please contact the task force leaders Eric Frei (ejf5125@psu.edu) or Cory Phillips (cjp5374@psu.edu).

FMA UPDATE

The Behrend FMA is off to a fantastic academic year. Over the summer, we were awarded the prestigious Superior Chapter Award by our parent organization, FMA International. This award is given to less than 10% of all FMA chapters worldwide, and demonstrates just how strong our club is. Additionally, our last President, Aaron Filbeck, was one of only eight students worldwide to be named to the FMA's Collegiate Fellows Program. This award is given annually to students who have exhibited an "exemplary commitment to the professional through leadership and service." The Behrend FMA is extremely proud to have been recognized. We are looking to keep going strong.



Our September guest speaker was alumnus Adam Nelson, a financial planner and limited partner with Edward Jones. Adam walked us through the basics of what he does, and he went from graduating from Penn State in 2008 to controlling over \$60 million in assets today. It was a fantastic experience for our members, all of whom came away with a better understanding of that side of the financial world.

Coming up this semester, we have several other activities planned. Our next meeting will be taking place Wednesday, October 7th, at 5:00pm in Burke 206. Analysts from Northcoast Research will be speaking to the club of immediate financial analyst openings as well as internship opportunities. We have several other speakers planned for future events, as well as a to be announced corporate visit and some volunteer activities.

It's going to be an exciting semester for the Finance Department and the FMA. In the past few years the Behrend FMA has achieved a lot, but our dedicated officer team is making sure that our best days are still to come.



Adam Nelson, Financial Planner at Edward Jones

IRC UPDATE

The Black School of Business is back to compete at the 2016 CFA Institute Research Challenge.

The CFA Institute Research Challenge is an annual global competition in which students work in teams to analyze a publicly traded company. It provides the students with hands-on experience while being mentored and trained in financial analysis. The competition has grown to involving over 800 universities in more than 55 countries.

The local investment challenge will be held in Pittsburgh and teams will be analyzing Dick's Sporting Goods. The competition allows teams to meet executives of the company at their headquarters in Pittsburgh. The winners of the local competition will advance to regional events.

This year's Penn State Behrend team includes team captain, Kelsey Schupp of Greene Township; Andrew Bar-

ko, of Harborcreek Township ; Eric Frei, of Seattle, WA; Ricky Grullon, of Brooklyn, NY; and Samantha Chiprean, of Wattsburg. The team is looking forward to working together and learning more about financial analysis and about Dick's Sporting Goods. They are hoping to make Behrend history by passing the local level of the competition and competing at the regional competition.



Pictured left to right: Drew Barko, Kelsey Schupp, Eric Frei, Samantha Chiprean, and Ricky Grullon.

FMA LEADERSHIP TEAM



Hi, my name is Luis Fernando Silva. I am a sophomore and am on the

executive board of the Financial Management Association (FMA). I am very pleased that FMA has a passionate and focused leadership team this semester.

Recruitment is an important process for us. Every year, many freshmen come to campus unaware of all the opportunities Behrend has to offer. Last year, I was one of those naïve freshmen, but luckily I was able discover the FMA through a conversation in a skiing lounge. I did not expect that my skiing classes would lead to such great opportunities. I talked to our Vice President Eric

Frei, whom was also taking skiing classes and he encouraged me to join the FMA. During the Club Showcase I talked to many students interested in join-ing the FMA. Publicity will attract more students to our club.

Looking ahead in the FMA's calendar, our next meeting will be about an essential part of the undergraduate experience: internships. This meeting will talk about the corporate recruitment process and how to stand out when applying for jobs. This will be on Wednesday, October 7th at 5pm. Join us and find out!

STUDENT MANAGED FUND UPDATE

The Student Managed Fund (a portfolio run with real money by students of Behrend) continues to have positive results, showing promising numbers in the second quarter. Kevin Pascale (the Chief Investment Strategist of the fund) commented on this quarter's performance:

"During the second quarter of the year, the Intrieri Family Student Managed Fund returned 2.34%, significantly outperforming the fund's benchmark (80% S&P 500, 10% EAFE, and 10% Russell 2000) quarterly return of 0.28%. This marks the second consecutive quarter during which the fund has outperformed its benchmark. Year to date, the fund is up 5.78%, while its benchmark has returned 1.93%. Since our last report, the Fund's holdings have been aligned to meet the benchmark allocation of our Investment Policy Statement (80% S&P 500, 10%



Russell 2000, and 10% MSCI EAFE). In the upcoming quarter, I would like to continue our initiative to better diversify the Fund's holdings within each sector."

FINANCIAL MANAGEMENT ASSOCIATION NATIONAL HONOR SOCIETY



Pictured left to right: Mike Worthy, T.J. Faber, Colin Kirkpatrick, Tori Blakely, and Drew Barko.

Congratulations to our finance majors who qualified for and joined the Financial Management Association (FMA) National Honor Society: Andrew Dylewski, Eric Frei, Josh McAleer, T.J. Faber, Tyler Brose, Drew Barko, Colin Kirkpatrick, Lauren Reis, Kayla Dowling, Danny Guo, John Warren, Tori Blakely, Kevin Pascale, and Sam Chiprean.

Andrew Dylewski, Eric Frei, Josh McAleer, T.J. Faber, Tyler Brose, Drew Barko, Colin Kirkpatrick, Lauren Reis, Kayla Dowling, Danny Guo, John Warren, Tori Blakely, Kevin Pascale, and Sam Chiprean

CFA SCHOLARSHIP RECIPIENTS

Six CFA Level 1 candidates from Behrend have been selected for scholarships this year and are in the process of preparing for the June 2016 Exam. The candidates will be using study packages through Kaplan Schweser. Behrend students have been very successful over the years having around a 60% pass rate compared to 42% national average. Study packages include books to review which help develop strategies for mastering the CFA Institute's tested material and an accompanying live online weekly class. Each candidate will be responsible for attending an online weekly class and reading over the covered material which will his or her group navigate through difficult concepts and practice problems. In addition, a few Level

1 candidates from the industry participate by conference call, so that they can offer alternative perspectives. By the end of the semester, the study group will have covered all of the required material leaving a month to review and practice test taking strategies in preparation for the real event. The average CFA Level 1 spends approximately 400 hours in preparation for the exam.

Congratulations to alumni Aaron Filbeck and Brad Prosper who successfully completed level 1 of the CFA exam. Alumni Richie Glod, Thomas Illiffe, and Brian Seelinger all passed level 3 this year.



Congratulations to our finance majors receiving scholarships to sit for the first level of the CFA Level 1 exam 1. Top row, left to right: Jaimie Lunger (Black School of Business Scholarship supporting students taking professional designation exams), Colin Kirkpatrick (University Recognition Program, URP, scholarship), Drew Barko (URP scholarship); bottom row, left to right, Kevin Pascale (URP scholarship), Ian Richards (URP scholarship), and Andy Dylewski (URP scholarship).

BEHREND STUDENTS ATTEND CFA SOCIETY JOB FAIR



CFA Society Pittsburgh Job Fair: (left to right), Drew Barko, Andrew Dylewski, Tyler Brose, and Kevin Pascale

Four Behrend students were selected to attend the CFA Society Pittsburgh's Job Fair on September 14th at Pitt. Representatives from Federated, PNC, and Cookson Peirson were on hand to discuss career options with students. Dr. Greg Filbeck, CFA, FRM, CAIA, PRM, President of the CFA Society Pittsburgh presented an overview of the CFA program and led a panel discussion about the value of the charter. Courtney Steding from ACPC, offered a program on Networking, and George Emanuele, Vice-President of CFA Society Pittsburgh and private wealth officer at PNC, led a panel discussion on what recruiters seek.



Dr. Greg Filbeck, CFA, FRM, CAIA, PRM.



Courtney Steding from Behrend's ACPC.



Panel discussion led by George Emanuele of PNC.

BEHREND STUDENTS ATTEND CFA SOCIETY LUNCHEON



Four students attending the September 9th luncheon for the CFA Society Pittsburgh with speaker Brian Portnoy Vice President of VIRTUS in Hartford, CT.

CFA Society Pittsburgh luncheon September 9 with speaker Brian Portnoy Vice President of VIRTUS in Hartford, CT.

NETWORKING EVENT AT OLIVER OR TWIST ON AUGUST 31

Behrend students Kelsey Schupp (left), Tyler Brose (middle) and Kayla Dowling (right) attending the CFA Society Pittsburgh networking event on August 31st.



ERIC ROBBINS IS AWARDED CFP DESIGNATION



Professor Eric Robbins, who already holds the CFA designation, recently passed the CFP exam and was awarded the designation. Professor Robbins teaches Investments and Retirement Planning courses for the Finance program both residually and online.

Congratulations to Dr. Jessica Zhao who was awarded the Outstanding Teaching Award for the iMBA program in August. Zhao is shown at the presentation in State College at the Penn Stater in August.



FINANCE PROGRAM RECERTIFIED WITH CFP BOARD



Congratulations to finance faculty member Rick Hedderick, CFP, on his successful efforts to renew our residential and online Certificate in Financial Planning as a Registered Program with the Certified Financial Planner Board of Standards (CFP Board). Rick is pictured in this photo with Dr. Charles Chafin. Charles is the Director of Academic Programs and Initiatives with the CFP Board. This photo was taken at the CFP Board Registered Program conference which he attended on August 6th and 7th in Washington DC.

MARK YOUR CALENDARS...

September 28, Investment Research Challenge Kickoff Event, 5:30pm to 7:30pm, Omni William Penn, Pittsburgh

September 29, Bloomberg Aptitude Test (BAT), 5:30pm to 8:00pm, Burke 153

October 7, Financial Management Association (FMA) Meeting, 5:00 p.m., Burke 206
Analysts from Northcoast Research, Cleveland.

October 15, IRC Due Diligence Session with Executives from Dick's Sporting Goods, 4:00pm, Federated Building Pittsburgh

October 21, CFA Society Pittsburgh Meeting, Speaker: Kipp Kjeldgaard – Lazard International REITs, 12:00noon Duquesne Club, Pittsburgh

November 4, FMA Meeting, 5:00 p.m.

November 4, Bloomberg Aptitude Test (BAT), 6:00—8:00 p.m., Burke 153

GET INVOLVED

Students: Attending just one (or 10) club event(s) per semester can change your course and perceptions for a lifetime. Previous event attendees have used the knowledge they gained from one conversation to earn their first interview, get their first job, change their concept of a specific job, or open their eyes to a world of possibilities. Take a deep breath, and walk through the door. You are welcome here.

Alumni and Friends: Your time, experiences, insights, and perspectives are valuable—perhaps more valuable than you know. We want to know what impacted your career, your perspectives, and your life. Tell us through the Black School of Business Facebook page, the newly-created (and growing) Black School of Business LinkedIn group, or by emailing Dr. Greg Filbeck, Department Chair for Finance & Economics, at mgf11@psu.edu or Ariana Gloeckner, newsletter coordinator, at azg5486@psu.edu

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