

## **FINANCE**

### **Black School of Business Announces New Energy Finance Courses**

The Black School of Business is pleased to announce the introduction of two new energy finance courses to its curriculum. Energy Finance I and Energy Finance II will serve as elective courses for the Finance major as well as requirements for students pursuing the new energy finance module as a part of the Interdisciplinary Business with Engineering (IBE) major. The energy finance five-course module will include the two new energy finance courses, derivative securities (another finance course), along with an engineering course in energy systems, and an energy-related technical elective within the Mechanical Engineering and Mechanical Engineering Technology programs. Energy Finance I and II will also help prepare students to take the Energy Risk Professional (ERP) exam from the Global Association of Risk Professionals (GARP). The first portion of the Energy Finance courses will be offered this fall.

The Finance major currently is offered on-campus and online through Penn State's World Campus. Whether in the class or online, the Finance major is known throughout Penn State for its emphasis in preparing students for the Chartered Financial Analyst (CFA) and Certified Financial Planning (CFP) designation.

The CFA designation is considered to be the most globally accepted professional standard of knowledge and integrity in the investment industry. CFA exams are offered in 145 countries. In addition to professional experience, the curriculum helps prepare students to take the level 1 examination that covers ethical and professional standards, accounting and financial statement analysis, economics, corporate finance, portfolio management, analysis and valuation of equity, debt, and alternative investments immediately after graduation. The finance program oversees and assists with certificate programs for students pursuing the Financial Risk Manager (FRM) designation and actuarial exams through the Society of Actuaries.

The Penn State Behrend Bachelor of Science in Finance program has been accepted into the CFA Institute University Recognition Program. This status is granted to institutions whose degree program(s) incorporate at least 70% of the CFA Program Candidate Body of Knowledge (CBOK), which provide students with a solid grounding in the CBOK and prepares students to take the CFA exam.

Like the CFA, the CFP appointment has received worldwide recognition as a premier title for personal financial planners. To qualify for this designation, individuals must complete a registered educational program such as our Certificate in Financial Planning program, pass a two-day, ten-hour examination administered by the Certified Financial Planning Board of Standards, and meet the experience and ethical requirements. Our financial planning program also discusses the International Standards Organization (ISO) standard 22222, Personal Financial Planning.

Finance majors also compete in local business plan competitions through interdisciplinary work between the finance and engineering programs. The Interdisciplinary Business with Engineering Studies (IBE) major at Penn State Behrend is designed to prepare graduates to work on the business side of a technical company. As an interdisciplinary major, IBE provides the opportunity for students to apply technical knowledge and skills with business purpose and insight. In addition to taking a core set of courses in business that allow for the IBE degree to be accredited by AACSB, students are required to be proficient in engineering mathematics and science while also taking an array of engineering courses.

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#### **Message from the Finance Department Chair Dr. Greg Filbeck**

**“We hope you enjoy the quarterly finance newsletter! Contained within, you will find highlights from the past few months. We are also excited to report on the launch of our new energy finance courses. The remainder of our course offerings for the World Campus (online) version of our major launch this fall— and many of those courses are very close to closing out due to the rapid growth in the program. I encourage you to take advantage of all the events and leadership opportunities that our program offers!”**



**PENNSTATE**



Erie The Behrend College

### STEVE GOLEBIEWSKI

Corporate finance manager at Lending Club



#### What kind of duties do you have?

Current responsibilities:

- Maintain financial models to forecast our income statement, balance sheet and cash flow statement
- Support Investor Relations during earnings releases with forward looking guidance estimates and materials
- Create Board of Directors finance materials and reports
- Recently supported our December 2014 IPO with high level financial models for our bankers and Board of Directors

#### Do you enjoy what you do?

I love my job. I have been in Financial Planning and Analysis for about seven years with three companies. The one constant I learned from these different roles is that it is critical to learn how the company operates from top to bottom and develop key relationships with executives and business leads. In FPA I need a solid understanding of business operations in order to accurately forecast revenues and expenses. With this business understanding and the relationships I developed, I was able to earn a seat at the table on important projects

#### What's your normal work week like?

This week, I started by completing a high level estimate of our quarterly revenue

and volume for our executive team. It will take our accounting team about two weeks to completely close the books, so this analysis will help our executive team prepare for our quarterly earnings release. I am also compiling our corporate forecast in preparation for earnings release guidance, which means compiling forecasted revenues and expenses from my team's business unit leads.

#### Do you feel well compensated for the work that you put in?

I work very long hours, but I feel adequately compensated for the work I complete.

It was an interesting transition after I switched from my job at a Wall Street firm (BlackRock) to a start-up. My prior role paid a large portion of my compensation through annual bonus, whereas my current role at Lending Club pays less salary but includes an equity package.

#### Does your position offer any opportunities for continuing education or advancement?

My current and prior companies financially assisted employees pursuing further education.

At BlackRock, a significant number of my peers had their CFA paid for. Advancement in a company has always been available to employees and is achieved through hard work.

#### Do you plan on any continuing training or education?

I always request specific training from my manager as part of my annual objectives. When a seat in Morgan Stanley's one-week investment banker training course was offered to our company, my name was on top of the list because my manager knew I wanted additional training on financial modeling.

Regarding continuing education (e.g., MBA), I find it hard to complete an MBA concurrently with my job because I work

sixty or more hours a week. Not taking advantage of MBA programs in fast-paced cities like San Francisco and New York City is probably rare, but the long hours on the job kept me from participating in a company-sponsored program. I also have not found myself in a situation where I have needed an MBA to get a role I want. That may change, but for the time being I cannot justify the opportunity costs.

I do take at least one course a year to keep myself well-rounded. In the past, I have taken classes in mountaineering, wine sommelier, and I also took flight lessons. These experiences have given me a few fun talking points on my résumé.s. People love hearing about different hobbies during interviews.

#### Why did you accept your current position?

I wanted to experience working at a San Francisco tech start-up and was lucky enough to land a gig at a fintech (financial technology) start-up. It has a fun culture with Wall Street veterans working alongside ex-Google developers.

#### How did you get your current position?

My director at BlackRock left to head up FPA at Lending Club. I enjoyed working with her and kept in touch, and made the move to join Lending Club when the timing was right.

#### What advice would you give current Finance Students?

Take a supplemental course on three statement modeling and learn Excel shortcuts to the point where you can throw your mouse away!

I recently completed training programs with Training the Street and Breaking into Wall Street – both of which offer great online programs. It took me years of on the job experience to learn skills that could be learned in one of these one-week crash courses.

## Alumni and Friends

### What's the most valuable thing you learned at Behrend?

Corporate accounting. Love it or hate it, you can't avoid it in finance. It is the language of business.

I would also have to say learning how to learn. It may sound funny, but most of what I currently do at work was learned in the role. I am now able to quickly get up-to-speed in new roles because of the learning techniques I developed at Behrend.

### Did you have a job lined up at graduation? If not, how long did it take you to find work?

I was able to secure a full-time role at the beginning of my senior year during 2008, at a time when most companies were not hiring. I knew it was going to be hard so I spent my entire junior year at Behrend researching companies and roles to figure out what I wanted to do. I also did not have an amazing GPA so I had to work extra hard to get my foot in the door to explain that I

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worked full-time during college.

I began to see the job search process as a funnel. The top of the funnel was applications and the bottom was job offers. The more quality jobs I applied for, the higher my odds for finding a job. At the same time, I had to put in a significant amount of time to research each company and role so that I could explain to a recruiter why I

wanted to work for that company in that role.

I applied for more than fifty jobs, received about ten phone interviews, flew across the nation for five on-site interviews and ultimately received three job offers. The process took up all of my free time for an entire semester, but through the process I learned more about what I was looking for. I learned that I did not really know what finance role I wanted. How is someone with a degree in finance supposed to know whether they want to work in FPA, accounting, treasury, tax, etc.? I changed my strategy and started applying for rotational programs so that I could try three to four jobs over the course of two years. The rotational experience was exactly what I needed to make a long-term career choice with FPA.

I also became very proficient at interviewing through my fifteen-plus interviews! I had heard just about every question imaginable and began to feel excited for interviews.

## LUIS SILVA PROVIDES AN INTERNATIONAL PERSPECTIVE ON THE FMA



Luis Silva is a first-year student majoring in Engineering. He is from Brazil and shares his thoughts on the FMA program

The Financial Management Association (FMA) has been the best club for me that I surveyed in my first-year. I am studying engineering and I loved being part of this club. Many engineers work in the finan-

cial sector. In fact, many Brazilian engineers end up working in the banking industry. This is why I joined the organization. I went to many guest speaker events to learn, ask questions, and think about finance.

In Brazil, the management and finance undergraduate degrees are very different from those in the United States. A management degree in Brazil has almost no math, so most people that end up working in the financial sector are engineers. My cousin, for example, graduated with a finance degree in one of the best universities in Brazil and just now received his MBA from the Massachusetts Institute of Technology (MIT). He is doing very well in his career, but he told me that if he could go back in time, he would have done engineering. Because of this, I decided to pursue an engineering degree, and get involved in learning as much about finance as I can.

The FMA offers engaging and well-prepared guest-speakers, and learned a lot about the field of finance from being a part of the club. Furthermore, as the newly elected vice president of membership for the FMA, I know that we have a lot of great activities planned for next semester. It is going to be an exciting semester!

**“The FMA offers engaging and well-prepared guest-speakers, and I learned a lot about the field of finance from being a part of the club. .”**

## INTERNSHIP CORNER WITH LAUREL BROWN



I would like to formally introduce myself to those of you whom I have not yet met, and to thank those I have met for such a warm welcome.

I have been hired to coordinate the Professional Development Program for the Black School of Business. My responsibility as a coordinator includes working with faculty members to identify professional development activities for students, both in and out of the classroom environment. I am happy to report that we will be piloting an online system in the fall, which will track students' completion of activities within identified competency areas. This is going to be a gaming format with competition. Watch for information as this project unfolds.

My other area of responsibility is to help coordinate internships with ACPC. Students, you play an important part in this shared responsibility. If you are seeking an internship, please let your instructors know, let me know, and visit ACPC and the Nittany Lion Career Network.

My office is Burke 280A. I appreciate visitors, helpful insights, and information.

## FINANCE FACULTY MEMBERS PARTICIPATE IN RELAY FOR LIFE FUNDRAISER

Faculty members Dr. Jeffrey Coy, assistant professor of finance, right, and Mr. Rick Hedderick, lecturer in finance, bottom, participated in the Behrend Women's Basketball team's Relay for Life fundraiser.



**TRADING TECHNOLOGIES SOFTWARE DONATION**

The Black School of Business received a substantial software-in-kind donation of derivatives trading software by Trading Technologies, a global financial services technology company based in Chicago. The company donated thirty licenses for its X\_Trader real-time derivatives trading software that carries a retail value of approximately \$35,000 per month. The company's website states, "Today, X\_Trader is the standard for proprietary traders, brokers, hedge funds, Futures Commission Merchants (FCMs), and investment banks worldwide. X\_Trader provides the most demanding traders in the world with stability, speed, and accuracy to competitively trade and manage risk in the global markets."

Dr. Timothy A. Krause, assistant professor of finance, was able to procure this donation and he plans to utilize this software extensively in two courses: FIN 427 Derivative Securities and FIN 419 Advanced Energy Finance. X\_Trader will allow his students to interact with derivatives markets on a real-time basis. He plans to develop case studies that utilize the software to simulate a realistic trading environment. The students will work as teams to implement strategies commonly used by hedge funds, derivatives trading firms, and commodity producers/consumers (hedgers). Students will be grouped into trading teams that include a quantitative specialist, a marketer, a broker, and/or a trader. Eventually, the software will also be incorporated in two other finance courses FIN 497 Fixed Income Securities and FIN 461 Portfolio Management. Other professors may also choose to take advantage of the software's capabilities to give students a "real world" feel for finance.

**FINANCE STUDENT AWARDED THE TOP MALE BEHREND SCHOLAR-ATHLETE AWARD**

*Finance and Accounting major Jimmy Belack was awarded the top male Behrend Scholar-Athlete Award at the Awards and Honors Convocation.*

ALUMNI AT CFA REVIEW COURSES



Finance alumni Gena Braxton '14 and Marion Mason '14 attended a Level II CFA review course in Chicago. Dr. Greg Filbeck, Samuel P. Black professor of finance and Risk Management, met up with the pair while teaching a Level III CFA review course at the same event.

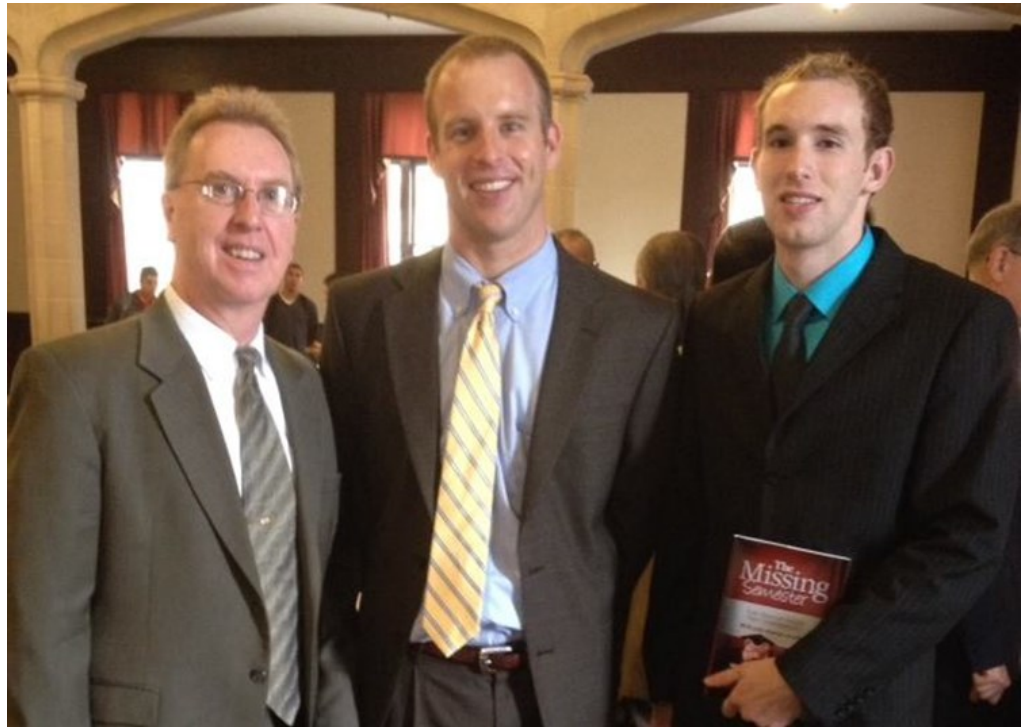
The finance program focuses on preparing students for key financial designations. Each year, we map the CFA curriculum to our course offerings. As a University Recognized Program with the CFA Institute, we are able to offer scholarships annually to level 1 candidates who are graduating seniors— and often have others pursuing the designation well. Our alumni continue to pursue the higher levels of the designation after graduation and can often be found at review courses in preparation for the exam— which requires on average more than 300 hours per level in order to achieve success



Alumnus Thomas Iliife '13, center, attended professor Greg Filbeck's Level III CFA review course in Fort Worth, TX, April 27-30. Alumnus Jainik Mody '14, left, participated in the Level II review course.

**PENN STATE BEHREND FINANCE STUDENT CHOSEN TO PARTICIPATE AT CFA SOCIETY EVENT**

Penn State Behrend Finance student, Chris Smith, right, was chosen to participate as a member of a Financial Planning Panel Discussion at a recent CFA Society Pittsburgh event. The panel was composed of regional students who were asked to address the importance of financial planning. Smith is pictured with Rick Hedderick, left, lecturer in finance, and Gene Natali, middle, an analyst of C.S. McKee in Pittsburgh.



**PENN STATE BEHREND FINANCE MAJORS ATTEND THE ENGAGE INVESTMENT RESEARCH SYMPOSIUM IN DETRIOT**



Penn State Behrend Finance majors Justin Staab, Aaron Filbeck, and Ryan Mitcheltree and faculty members Dr. Tim Krause, title, and Dr. Greg Filbeck, title, attended the ENGAGE Investment Research Symposium in Detroit in March. The students competed in the Stock Pitch Competition and attended seminars on investments and portfolio management.

### FINANCE MAJORS HONORED AT CFA SOCIETY PITTSBURGH FINANCIAL PLANNING COMPETITION



Behrend students participated in the CFA Society Pittsburgh's Personal Financial Planning Competition this semester. The competition is an event hosted by the CFA society to help students take ownership of their financial future. Individual students are required to come up with a four-to-five-page plan for their personal financial future, covering a one-, three-, and five-year time horizon. The plans need to be accurately researched, well thought out, and include both goals and how the students plan to achieve them. Behrend students Brad Prosper, left, and Michael Sundberg, right, placed 3rd and 6th out of more than 120 participating students.

### CFA SOCIETY PRESENTATION HELD AT WILLIAM OMNI PENN IN PITTSBURGH



CFA Society Pittsburgh guest speaker Stephen Gurgovits, Managing Partner of FNB Capital Partners, with Finance majors Amir Nasir and Dylan Antolik on March 18. Presentation was held at William Omni Penn in Pittsburgh



**STUDENTS PARTICIPATE IN ERIE INNOVATION COLLABORATIVE SHOWCASE COMPETITION**

Congratulations to Team Baby M8, from left David Graham, Tim Douglass, and Eric Frei who placed third in the Erie Innovation Collaborative Showcase competition recently! Their work was the result of a joint project among Intermediate Corporate Finance (FIN 451)/ Plastic Engineering (PL ET 350), and Manufacturing Engineering (ME 468). Kudos also to Team PlaStick Climber Tree Stand Ladder, consisting of Kelsey Schupp, on the right in the photo below,, Zach Shofestall, Corey Hoovler, Dan Markle, Austin Greek, Josh Barbara, and Dan Clark, Keni Etienne, Matt McGee, on the left in the photo below, and Robert Stark for making it to the final round of competition.



**INVESTMENT RESEARCH CHALLENGE TEAM TAKES THIRD PLACE**

The Penn State Behrend Investment Research Challenge team competed in the regional finals on March 2 at the Omni William Penn Hotel in Pittsburgh. Josh McAleer, Conor Chadwick, Brad Prosper, Ryan Mitcheltree, and Andrew Dylewski created an in-depth investment report on Black Box Corporation (BBOX), assessing its place in the competitive landscape, its management, the inherent risks involved in the company, and its intrinsic value. The final product was required to be submitted both as a ten-page research paper with unlimited appendices as well as a ten-minute presentation followed by a ten-minute question and answer session.

Our students proved more than up for the task. The Behrend IRC team was able to create a cohesive, comprehensive, and fundamentally sound analysis on their target company as a result of the material they learned in class and the advanced techniques they researched.



Eight teams competed in the event, including heavyweights like Carnegie Mellon and the University of Pittsburgh. Behrend placed third overall.

HONORS AND AWARD CONVOCATION WINNERS



**Accounting** - John Fetchko

**Finance** - Aaron Filbeck

**Marketing** - Brittany Nelson

**PICPA (Penn. Institute of Public Accounting)** - David Kerin

**Project Supply Chain Management** - Paul Lukasik

**Delta Sigma Pi Scholarship Key Award** - Anissa Eliason

**IMA (Institute of Management Accountants)** - Anissa Eliason

**Interdisciplinary Business with Engineering Studies** - Sara Victor

**Master of Business Administration - Erie** - Alex Woolslare

**APICS** - Madelynn Monte

**International Business** - Amelia Payne

**Master of Business Administration - Cranberry** - Mike Valore

**Business Economics** - Amanda Myers

**Management** - William E. Catron

**Kenneth L. Spencer Award**

**Economics** - Ryan Astemborski

**Management Information Systems** - Brian Morrow

**Finance** - Josh McAleer

**Accounting** - Andrea Kressler

FMA UPDATE



The FMA has had a truly incredible semester. We have heard from several incredible speakers and we learned a great deal about the private sector. Along with hosting the speaker series, we finalized and perfected our methodology for live streaming FMA events to remote locations. This streaming allows Penn State students around the world to benefit from what our guests have to offer. In addition to perfecting the streaming technology, our website was radically restructured during the semester, providing a coherent source for information about our club.

This semester, we were able to tour fantastic companies and catch a glimpse into the history of our field during our trip to Chicago. We also said goodbye to our seniors and prepared our juniors to transition into their new standing.

The Behrend FMA pushed the boundaries of what an academic club should be by making a difference in our local community and in our school. I was tremendously proud to have been a part of this evolution and I am constantly humbled by the dedication and professionalism of my officer team and the faculty that supported us.

It has been a great semester and we look forward to coming back just as strong in the fall.

Josh McAleer,  
Behrend FMA president

FMA VOLUNTEER WORK

This year The Financial Management Association (FMA) has been trying to increase its relations with the local Junior Achievement organization. One of their collaborative efforts this semester was hosting a Junior Titans event. At this event, students from multiple local high school schools came to Penn State Behrend to compete in a business application competition. The day began with a number of FMA members teaching high school students various finance topics relating to the competition. In the afternoon, the high school students competed in a live business simulator and saw how their decisions affected the success or failure of their business. Both the high school students and FMA members in attendance greatly benefited from the experience. Not only did the participants benefit from the experience, the Junior Titans event also fostered the relationship among the FMA, the Black School of Business, and Junior Achievement.

This experience greatly benefited the high school students that attended, the FMA members that participated, and increased the relationship between the FMA, The Black School of Business, and Junior Achievement.



*The Black School of Business and FMA Host Junior Achievement*

Additionally, FMA members like Eric Frei have begun working one-on-one with Junior Achievement. The program consists of our Finance majors going to high schools to teach classes on finance and general business practices. It is tremendously rewarding for both our members and the youth that they work with, and we are looking forward to expanding our involvement in the semesters to come.

## A Message From the President of the Student-Managed Fund

During the first quarter of the year, the Intriery Family Student-Managed Fund returned 3.44%, significantly outperforming the S&P 500 Index quarterly return of 0.44% that has been used as the fund's benchmark in the past. The revised fund's benchmark of 80% S&P 500, 10% EAFE, and 10% Russell 2000 returned 1.65% for the quarter due to the performance of international stocks. As noted in the previous report, we were fully invested this quarter in an attempt to eliminate a cash-drag on performance.

This has been a great start to 2015, and the credit for our massive outperformance goes to the current team of analysts, all of whom have been working diligently to make sure we are actively managing our holdings. My hope is that the next team that succeeds this one is able to continue to bring forth new ideas and implement an even better infrastructure to continue this streak of outperformance.

I am very happy to announce that Kevin Pascale, our lead analyst of the Healthcare Sector has been selected as my replacement as President & Chief Investment Strategist for the upcoming fall semester. Kevin's skills and abilities as an analyst can only be expanded upon in this new role. There is still so much that can be done, and I am very interested to see where he takes the fund in the coming months. I would also like to welcome the new team of lead analysts: Andrew Dylewski—Basic Materials, Andrew Williams—Consumer Discretionary, David Graham—Energy, Joshua McAleer—Financials and Real Estate, Kevin Pascale—Healthcare, Zachary Stickle—Technology/Communications, and Chris Galvin—Utilities.

On a personal note, this past year has been a great experience, and I am very excited to begin utilizing the skills I've acquired from working on this team in the investment world. I am very thankful to Dr. Tim Krause, assistant professor of finance, who has taught me so much in such a short amount of time, and I am excited to watch what the next group of analysts accomplishes in the next year and beyond.

Regards,

Aaron Filbeck, president & chief investment strategist



### 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](mailto:mgf11@psu.edu) or Ariana Gloeckner, newsletter coordinator, at [azg5486@psu.edu](mailto:azg5486@psu.edu)

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