AAII Reno-Sparks Investor Education Group Meeting

Date and Time: **Thursday, October 6, 2016, 7 to 9 p.m.**

Presentation Title and Synopsis:

Middle Men: Stock Ideas from the Mid-Cap Universe

Investors often classify stocks by their "market capitalization", basically the total market value of all of a company's shares in circulation. We characterize the DJIA stocks or the S&P 500 stocks as "big cap", for instance, because each of the included companies are among the most valuable in the US market.

As a rule, though, we recognize that smaller businesses can have higher growth rates than large ones because they're starting from a smaller revenue or profit base amount. History shows this has been true in some time periods. For example in the last fifteen years -- almost the whole 21st century -- the mid cap universe has produced a 10% average annual return while the big cap universe only provided 6.8% compounded. That means the mid cap cumulative gain doubled the big cap cumulative delivery: 318% to 168% over 15 years.

When people rattle off the phrases "big cap, mid cap, small cap" in one breath it gives the impression that the three categories are somehow "equal" marketplaces. But in fact big cap has about 90% of the value of all US public share capital, while mid cap only represents 8% and small cap about 2%. Mid cap companies may grow better but they're typically ten times smaller enterprises than big cap which may introduce higher risk .

At the October Reno-AAII meeting we'll study the composition of the mid cap stock universe and evaluate a selection of mid-cap companies you might want to consider owning. We'll also talk about the difference between buying an index fund of this whole market segment versus individual mid cap stock picking. In stock markets, it can be useful to be the man in the middle!

Location: **ArrowCreek Residents Center, 2900 Arrowcreek Pkwy, Reno 89511**

Directions: Exit I-580 at Damonte Ranch and go west across Virginia St. Bear left onto Arrowcreek Pkwy and continue west about four miles to the entry gate of the Arrowcreek Community. Tell the guard you are attending the AAII meeting at the Residents Center. Proceed straight 1/2 mile to the first stop sign. Turn right *(downhill)* into the parking lot for the Residents Center. It's a 10 minute drive from I-580 to the

Center building. [NOTE: If you arrive at the Arrowcreek *Country Club* by mistake, just go directly back across Arrowcreek Parkway to the *Residents Center*.]

Cost: Free [$1 voluntary donation for copying may be requested]

RSVP Necessary: To use the Residents Center facility, we must provide a list of attendees to the Arrowcreek Security Office prior to the meeting. If you plan to attend, please e-mail your name by midnight TOMORROW, October 5th to.... **RenoAAII@AmericanSuperior.ORG**

Speaker / Discussion Leader: **Alan J. Liebman**

Alan Liebman has been helping investors for more than three decades. He earned a bachelor's degree from Columbia University in physics and a doctorate from Yale in applied physics. Liebman worked in corporate R&D at Xerox Corporation and AT&T for 15 years.

In 1984, Liebman founded American Superior Company in suburban Chicago, a fee-only investment advisory firm. During 32 years of practice, Alan has published a stock market advisory letter, managed stock and bond assets of $60 million, led monthly meetings of AAII-Chicago groups, served as Vice President of the AAII-Chicago Board, and lectured across the country on investment topics.

In 2011, Liebman moved American Superior Company to Reno, Nevada where he continues to serve high-net-worth clients in six states and to help all investors make more informed choices.

NEXT Meeting Date: **Thursday, November 3, 2016**

Arrowcreek Residents Center, 7 to 9 PM