AAII Reno-Sparks Investor Education Group Meeting

Date and Time: Thursday, May 8, 2014, 7 to 9 p.m.

Presentation Title and Synopsis:

Building an Investment Portfolio, Part 1

Most individual investors have never read a book about portfolio management. It's a reasonable omission. After all, if you are only going to ever manage one portfolio in your life, why do you need to study a variety of portfolio structures and the range of tools that a professional might employ. By the same token, if you ever decide to build one house for yourself, you won't have the time or inclination to learn all the technology used in the homebuilding industry.

But a lack of basic technique can leave the one-portfolio individual investor making ad hoc decisions, just like the one-house builder would do. Both people lack the benefit of a framework to guide their thinking. In that vacuum, the pronouncements of any tout or wannabe expert can sound valuable. A one-time portfolio builder can wind up with a hodge-podge of securities, just as surely as a one-time homebuilder may cope with foundation cracks and drafts.

A study of investment portfolio construction includes the basic topics of security selection, diversification and balancing asset classes. Performing these three tasks is necessary for success. But there are different ideas about how to perform these tasks, even among experts, so no study will produce a universal formula. Also, with hard evidence often limited or missing, financial industry myths sometimes masquerade as proven fact.

Individual investors need to know, what's the best way to choose portfolio securities? How is risk-reducing diversification properly achieved? What's the basis for a good asset allocation and how should it be maintained? And, not the least, which of these activities should get priority?

At this month's AAII-Reno meeting we'll start examining the portfolio building task. Our discussion -- and you will raise questions I'm sure -- should help you improve your portfolio, save your time, and reduce the stress of your investing activity.

Portfolio management is a large topic so if we don't finish this month, we'll continue working on it at the June meeting.

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.]

Speaker / Discussion Leader: Alan J. Liebman

Alan Liebman has been helping investors for 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 30 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.

Cost: Free

RSVP: To use the Residents Center facility, we must provide a list of attendees to the Arrowcreek Security Office prior to the meeting. Please e-mail your name to RenoAAII@AmericanSuperior.ORG by midnight, Wednesday, May 7th.

NEXT Meeting Date: Thursday, June 5, 2014

Arrowcreek Residents Center