Global Small and Mid-Cap Stock Investing

Global small/mid cap stocks are a specialized form of investing in the equity market. There are hundreds of small-cap funds throughout the world, managing billions of dollars for many years. Over time, it is felt that small cap stocks have out performance potential compared to large cap stocks. They also provide opportunities to generate risk-adjusted excess returns within the context of the Efficient Market Hypothesis. Attention is paid to investment styles such as growth vs. value; discounted cash flow versus comparative analysis; as well as, fundamental, quant, behavioral and technical analysis strategies.

The course will require use of valuation models to applied cases to determine a stock's investment attractiveness. Subject to market conditions, a planned field visit will be made to view a prospective company's potential in terms of its products and services. A review of the trade-offs of doing large cap and small cap analysis will be reviewed.

John Palicka has been rated a top-ranking fund record in small-cap stocks for almost 30 years. He will guide the case analysis using actual Street techniques and the demands of intern programs of major investment firms. Participants in the case study will examine controversial issues that an analyst may experience on the job. This is a rare opportunity to use theoretical knowledge and apply it practically to everyday investment situations under a proven investment manager. Your decision will require an eventual buy/hold/sell decision on a stock and your strategy in managing a portfolio.This course is a good compliment to Alternative Investments and Portfolio Management courses.

Targeted Audience

Portfolio managers, research analysts, client services staff, consultants, individual and institutional investors, private bankers and financial advisors, research staff members and asset allocators of pension boards and plan sponsors.

Special Offer

Clients who register for this course will receive a complimentary 3 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscription, call 800-628-8088 or email uscirculation@ft.com. U.S. enrollees only. (All non-U.S. enrollees will receive a subscription to FT.com only.)

Advance Preparation

No advance preparation required.

Prerequisites

Financial calculator is required. Excel techniques will be demonstrated but not taught. Texas Instruments BA II Plus is recommended.

Learning Objectives

Students will be able to:

. Gain insight into the small/mid-cap strategies of leading approaches

. Develop hands-on strategies for stock selection and equity valuation

. Apply appropriate performance and risk control measures to portfolio assessment

Follow-Up Courses

Portfolio Management - Theory & Practice

Stock Investing for Professionals

Advanced Corporate Finance

Level: Intermediate

CPE Credits: 21.5

Instructional Method: Group-Live

Detailed Outline

Day 1 - Setting the Stage: Small/Mid-Cap equities and the Capital Markets

Day 2 - Stock Selection: Finding Value Behind the Numbers

Overview of the Capital Markets
. Prominence of the US and other geographic areas
. US versus international versus
. Emerging/frontier markets
. Definitions of small-mid cap
. Index benchmarks
. Differentiations from venture capital, blind pools, private placements, PIPES

The Roles of Valuation Techniques
. Importance of earnings and cash flows
. Key valuation models
. Cash flow analysis. GAAP, Non-GAAP, economic cash flows
. Free cash flows for the firm and equity
. Growth models
. Quant and behavioral issues
. Psychology and technical analysis

The Firms Capital Structure
. The weighted average cost of capital (WACC)
. Challenges of capital risk determinations
. Alternatives to CAPM
. Efficient market considerations
. Event valuation

Role of the Analyst: Gatekeeper or Cheerleader
. The earnings estimate
. Is Wall Street research useful?
. The consensus
. Conflicts of interest
. Quality analyst traits
. Regulatory issues and analysts, such as Rule FD, SEC exams, industry screening.
What type of research is practical?

A Look at the Financials
. Balance sheet
. Income statement
. The quality of earnings: A closer look
. Financial shenanigans: Playing games with numbers
. Cash flows
. Footnotes
. Regulations and analysts
. Peer group analysis and key ratios
. Growth/value considerations
. Market cap size considerations
. Fairness opinions
. Special challenges in small/mid cap stocks
. Pro-forma M&A issues

Non-Financial Considerations
. Management quality
. Product potential
. Marketing issues
. Lifesstyle and regulatory issues

Day 3 - Company Case Studies to Determine Valuation and Buy/Sell DEcision as used on the Street

. Role of the portfolio manager and analyst
. Trading issues with algorithmic considerations, liquidity, discovery
. Index considerations
. Financial engineering alternatives
. Fund structure and marketing issues
. Portfolio structuring

Caareer Advice: Knowledge from Day 1 and 2 will be used in a practical example of a case study led by John Palicka's successful fund experience. Students will be required to evaluate a company and make portfolio decisions.

Disclaimer:

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.