

CINCINNATI BUSINESS COURIER

BANKING & FINANCIAL SERVICES

How Medpace lifted investment pro to Courier stock contest title

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A fast-growing Cincinnati stock that soared last year fueled local investment adviser Tim Meyer's victory in the annual Courier stock-picking contest.

Meyer, president and chief investment officer at Anderson Township-based Meyer Capital Management, posted a 60% gain with his five-stock portfolio during 2021 to pull away in the second half of the year. Jim Gore, chief investment officer and owner at Thor Investment Management, also in Anderson Township, took second with a 46% return.

The 26 contestants – 25 local investment advisers and the Courier with its own picks – each chose a portfolio of five stocks in early January that they expected to produce the best total return, including dividends, in 2021. At least one selection had to be a locally based company.

Madisonville-based contract research organization Medpace (Nasdaq: MEDP) generated a 56% gain during the year, helping Meyer's results. That was the fourth-best return of any local stock selected in the contest.

"It's a quality company that operates super-efficiently," Meyer said.

Meyer's picks were extremely consistent. All five stocks in his portfolio posted gains ranging from 56% to 69%. Kitchen and home goods retailer Williams-Sonoma turned in the best gain among his selections at 69%. That was a play on the rise in food consumption at home through the pandemic, Meyer said.

"I didn't make any attempt to hit a home run," he said. "I went for on-base percentage. That's what we do with our client portfolios, go for doubles and triples."

Most, including Papa John's and Home Depot, stuck to an overarching idea.

"The theme that stuck out to me was consumer cyclicals and consumer spending," Meyer said. "Consumers were flush with cash because they weren't going out or eating in restaurants."

The victory came in a fitting year for the firm, he said

"2021 was our 25th year as a locally owned, independent firm," Meyer said. "To win the stock contest in our 25th anniversary year was very cool."

Twelve of the 26 contestants beat the S&P 500's 26.7% total return for the year. All but two contestants generated a positive return in a strong year for stocks.

The Courier annually picks only locally based stocks using a combination of growth and value metrics. It finished seventh with a 35% gain and has placed in the top 10 in 14 of the contest's 19 years under this format. The Courier's picks have beaten the S&P 500 in 12 of those years.

The Courier portfolio gained from downtown-based insurer American Financial Group Inc.'s (NYSE: AFG) 95% gain, the best performance of any local stock. Another insurer, Cincinnati Financial Corp. (Nasdaq: CINF), gained 33% to help the Courier's results. Its picks also included Procter & Gamble Co. (NYSE: PG), which rose 20%.

Meyer expects 2022 to be a bit more difficult to make money in stocks. Corporate earnings should rise, he said, meaning there won't be a recession. So he expects stock prices to continue to climb but after three straight years of double-digit gains, history shows the following year is likely to rise but not as powerfully.

"We expect gains to be more modest, in the 6% to 10% range," he said.

The contest's top 10, ranked by total return:

1. Tim Meyer, Meyer Capital Management, 60.0%
2. Jim Gore, Thor Investment Management, 45.9%
3. Thom Guidi, Foster & Motley, 41.9%
4. Eric Strange, Bahl & Gaynor, 41.1%
5. Kevin Gade, Bahl & Gaynor, 37.9%
6. Buck Newsome, Cambridge Financial Group, 37.1%
7. Cincinnati Business Courier, 35.2%
8. Andy Eng, Renaissance Investment Management, 35.1%
9. Garrett Cobb, Meyer Capital Management, 34.3%
10. Chris Graner, North Side Bank & Trust, 30.8%