

**YOU SHOULD CONSIDER
SMALL COMPANIES FOR
YOUR PORTFOLIO**

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ADVANTAGES OF SMALL COMPANIES

- Faster growth rate
- Exciting creative things being done in smaller companies
- Less complex to study
- New corporate tax cuts may have greater impact on small companies
- Less potential downside exposure if trade tensions heat up
- Adds diversification to portfolio

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WHERE TO FIND PROSPECTIVE COMPANIES

- Russell 2000 Index
- Better Investing's Top 200 List in April publication
- Forbes Americas Best Small Companies Oct. edition
- I Club Central Stock Prospector
- Yahoo Finance Screening Tool
- First Cuts on Better Investing Web Page
- Investor Advisory Service-Small Cap Informer
- Leading Small Cap Mutual Funds Holdings

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WHERE TO FIND INFORMATION

- Company's Investor Relations Department and other company communications
- Trade publications and events in the companies field
- Value Line Small and MidCap Edition
- Home Town Newspaper
- Alerts-Company, Brokerage Firm, Google, etc.

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BETTER INVESTING RATES A COMPANY'S SIZE BY ITS ANNUAL SALES

- Small companies have up to a billion in sales
- Medium companies have 1 billion to 10 billion
- Large companies have greater than 10 billion

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BETTER INVESTING RECOMMENDS THAT A PORTFOLIO SHOULD BE DIVERSIFIED BY SIZE

- 25% small companies
- 50% medium companies
- 25% large companies

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DISADVANTAGES OF SMALL COMPANIES

- More risk
- More volatile
- Information may be scarce so harder to research
- Fewer analysts following them
- Less history
- Usually no dividends

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QUESTIONS?