

My use of Shadow Stocks

By Bernard E. Scoville April 18, 2013

Shadow Stocks are microcap (below 200,000 market cap) stocks

I invest in these stocks for the following reasons:

Performance, Performance, Performance. These stocks have averaged 17% since their 1993 inception.

How I invest in these stocks.

1. One at a time.
2. I logon to the AAll website.
3. I download the Shadow Stocks into an Excel Spreadsheet.
4. I copy, then sort the Passing Stocks (not the actual Portfolio) according to low P/E and high dividend.
5. Then I study the stocks I like in detail – Yahoo Finance and Better Investing's Toolkit mainly.
6. Then I pick a stock and buy it. NOW. Market orders don't bother me. I have missed some good stocks by trying to save a quarter.
7. I don't worry about these value stocks, but I do look at them from time to time (maybe quarterly) and I follow them in AAll publications.
8. For diversification, when I feel I have enough of a Shadow Stock, I move on and buy another.
9. I don't follow all of the rules, but I get to take advantage of the Shadow Stocks.