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Stocks by Style and Size

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Stocks by Style

Style	Characteristics
Aggressive growth	<ul style="list-style-type: none"> • Stocks of rapidly expanding companies believed to have the greatest growth prospects in the marketplace • Generally pay small or no dividends; profits are put back into the business • Generally carry the highest valuations because of investor belief in their prospects for the future, but also carry the greatest risk
Growth	<ul style="list-style-type: none"> • Stocks of corporations that have above-average growth prospects but whose potential is not quite as dramatic as aggressive growth stocks • Typically offer fairly modest dividends, if any; profits usually are still being reinvested back into the business • Generally carry above-market valuations that are somewhat lower than those of aggressive growth stocks
Value	<ul style="list-style-type: none"> • Stocks considered to be selling below their true worth because of lower historical or expected business performance • Can trade at a below-market multiple to earnings, sales, cash flow, or book value, or in many cases, several different measures of value per share • May offer above- or below-market dividend yields but generally aren't among the top tier of dividend-paying companies
Income	<ul style="list-style-type: none"> • Stocks of companies that offer the highest dividend yields in the stock market • Often preferred by income-oriented investors who also want the potential for capital appreciation and dividend increases • Often are part of industries with predictable cash flow, such as utilities

Stocks by Size

Category	Market Capitalization*	Characteristics
Large cap	\$10+ billion	<ul style="list-style-type: none">• Widely bought and sold• Tight bid–ask spread• Often are well–known names
Midcap	\$2 billion–\$10 billion	<ul style="list-style-type: none">• Somewhat smaller than large caps• Traded on major exchanges
Small cap	\$200 million–\$2 billion	<ul style="list-style-type: none">• Less widely traded• Fewer institutional investors than larger companies
Microcap	\$20 million–\$200 million	<ul style="list-style-type: none">• May trade infrequently• Fewest institutional investors• Widest bid–ask spread• Large purchases or sales can substantially affect prices• More difficult to research

*The values used to define companies by size are highly variable. Different organizations define these ranges in different ways, and the ranges can vary over time with general stock market values.



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