Growth Research Report

Seasoned investors know there's more than one way to make money in the stock market. One money-making method in the market is through what's known as growth stocks. Growth stocks are anticipated to grow at a rate above the market. But as a tradeoff, they generally do not pay dividends, as they reinvest earnings to accelerate short-term growth.

These stocks should experience growth over three years in:

- Price
- Earnings per share
- Sales

That said, a stock might not meet the requirements for the mentioned categories for all three years. That doesn't necessarily disqualify the stock entirely. If it holds a significant market share within a rapidly growing industry, it may still qualify as a growth stock.

As a general rule, these investments do tend to carry a higher amount of risk. However, as you may know, *TradeSmith* is here to help put risk to work for you.

TradeSmith Helps You Identify Growth Stocks

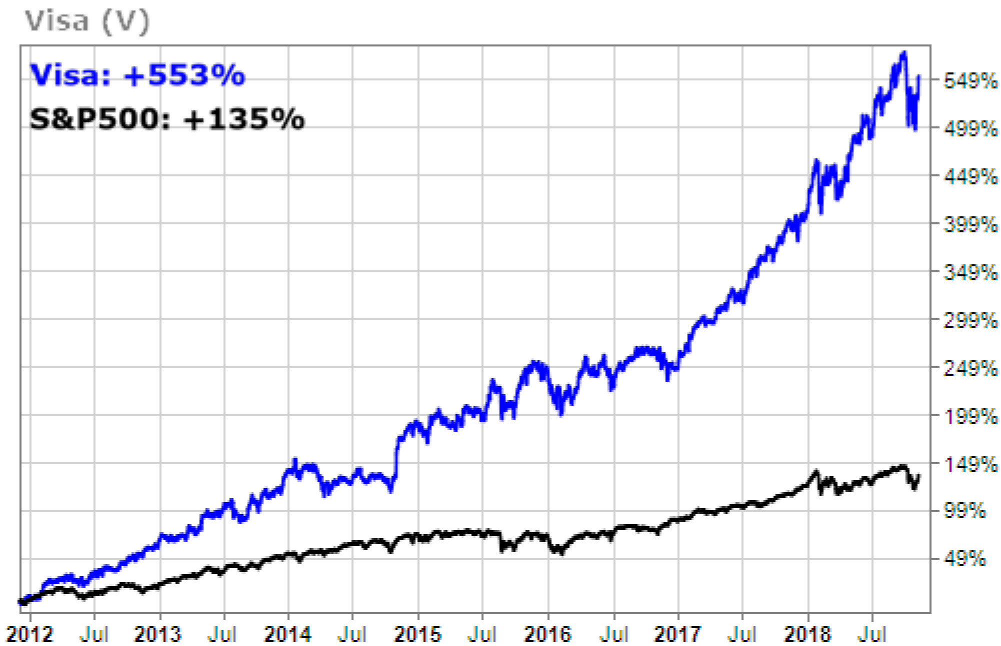
Our proprietary Volatility Quotient identifies the risk associated with each stock. When we screen for growth stocks, we ensure that the average risk is no more than 40%.

We take things a step further by assessing the health of the stock as well. We call this our Stock State Indicator system. It looks at the performance of the stock over time to determine if it's healthy and normal (SSI Green), correcting (SSI Yellow), or not behaving normally & stopped out (SSI Red). When we screen Growth stocks for you, we ensure the investments are only in the SSI Green Zone.

The Results

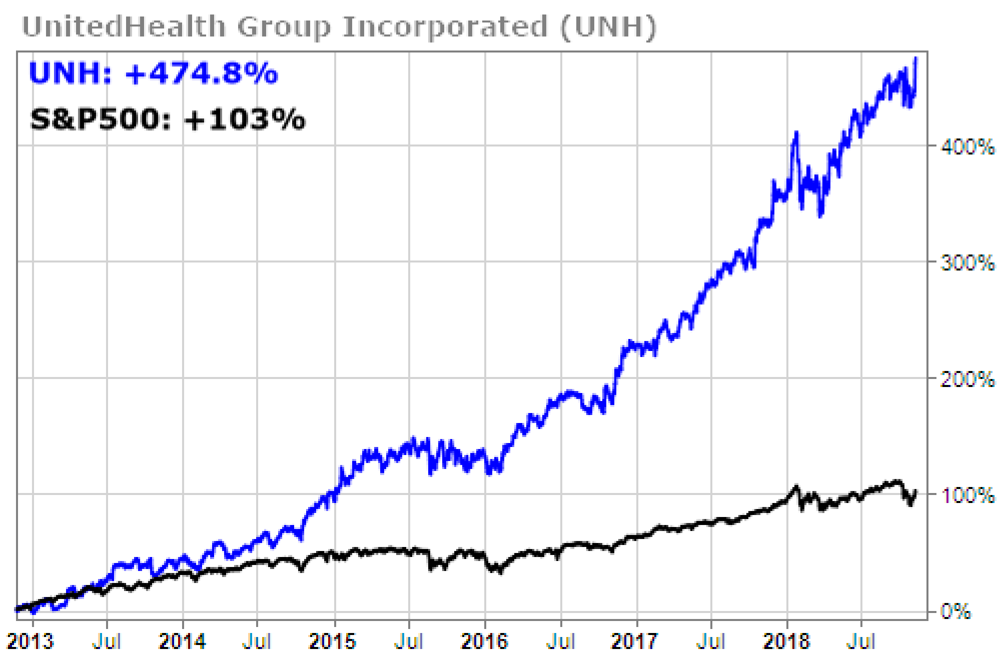
By applying the fundamentals that are central to Growth stocks with our indicators, we've found some phenomenal results. Let's start by looking at some stocks that you're probably very familiar with.

Visa (V) first met our Growth stock requirements back in 2012. From that time through July 2018, V blasted off to new heights.



The chart speaks for itself. The point of Growth Stocks is to find those investments that will outperform the market. Quite obviously, Visa accomplished this with a gain of 553% as compared to the S&P 500's 135% performance.

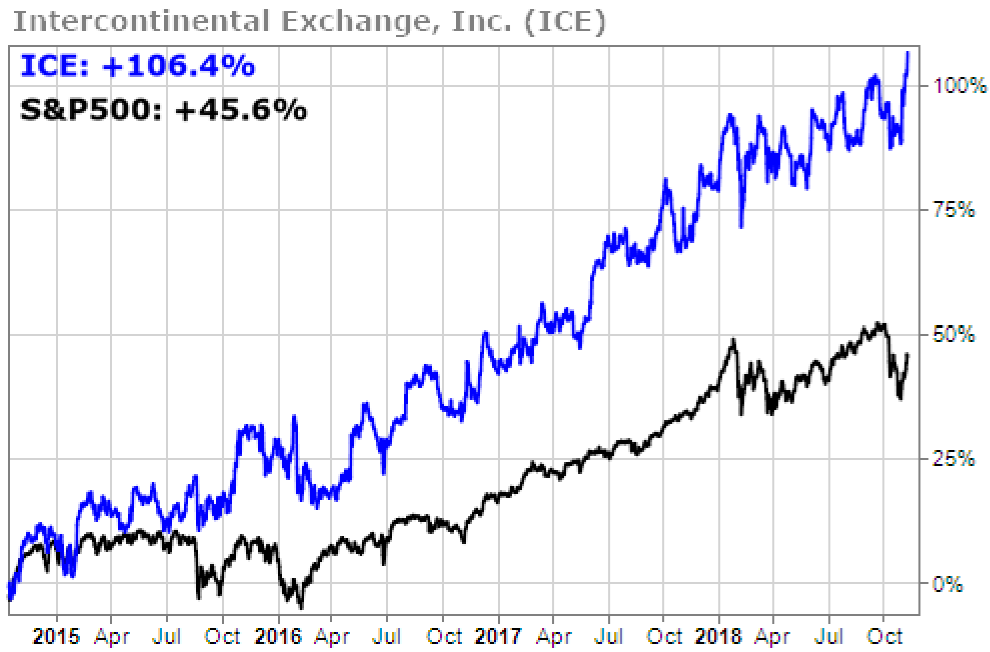
Let's check on another example. This time, we'll look at United Healthcare. It met our Growth Stock requirements back in 2013. Just like Visa, it took off to new heights, rocketing past the performance of the S&P 500 over the following five years.



We're sure no investor would scoff at a 475% gain over five years; that's fantastic performance. And, *TradeSmith* would have kept you in the game, making these gains, while also helping to mitigate your downside risk.

Let's look at one more example, the Intercontinental Exchange, ICE. They build, operate, and advance global financial and commodity markets.

In late 2014, ICE met our Growth stock requirements. Just like the previous examples, it outperformed the S&P 500 over the same time period.



In just over three years, you could have doubled your investment in this growth stock. That represents some great profits, especially when you consider that ICE has lowered its dividend since 2014.

Easier Investing

If we Google "growth stocks," we're met with millions of results. No one has the time to look through all the ideas published by various websites, let alone conduct further research on all those ideas. That's why *TradeSmith* is here to identify stocks with strong growth potential based the stock's current health, our algorithms, and industry best practices to measure each stock's fundamentals. You can rest easy knowing that we're optimizing for risk and helping you find the stocks with the best historic performance. Growth stocks just got that much easier!