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## **Winning Investment Research Systems For Squeezing More Growth Out Of Any Portfolio**

**Dan Eggertsen:** Hi, I'd like to welcome everyone to the call. This is Dan Eggertsen. I'm here with my dad, Karl Eggertsen. How you doing Dad?

**Karl Eggertsen:** I'm doing real good Dan.

**Dan Eggertsen:** Well great. So today the topic is investment research and we've been getting a lot of questions as usual on the topic of investment research. What I've done is I've taken the top three questions we see over and over and I'm going to ask them to you here today.

**Karl Eggertsen:** Okay.

**Dan Eggertsen:** So if you're ready Dad, we can get started.

**Karl Eggertsen:** Sure.

**Dan Eggertsen:** Okay. The first question is, "What is the best place to go online to do investment research?"

**Karl Eggertsen:** Many surveys have pointed to Morningstar.com as a top tier investment research site. It's very comprehensive. It's one of the few remaining comprehensive one-stop places for investors on the web today. There's been a whole slew that started out trying to be the one-stop but there's really been narrowed down to a much fewer number and Morningstar continues to pop up on a variety of surveys and just about every investment category as being one of the top tier.

That's what I've found. Morningstar is my primary investment research site. It has extensive research and the breadth of tools that are very unique; some proprietary. No other's have some of their capability. They're very powerful and practical and quite easy to use for the individual investor. It's, as I mentioned, comprehensive, it is very comprehensive for investors. It keeps you up to date on the market news and business news.

It can also help you develop and manage your investments and portfolio strategy and it provides an extensive database. It's very well organized and easily tapped in a variety of ways to help

you do your research for investments. It has in-depth coverage of asset allocation which is the number one most critical thing that investors need to think about in developing an investment portfolio because that's over 95% of the results of your success with your portfolio over time is how it's asset allocated.

It has an asset allocator tool and it actually provides recommendations to individual investors depending on their specific goals. It has exchange traded funds, a huge database with a superb screening tool to find the best exchange traded funds for your purposes. It will even compare exchange traded funds with like mutual funds to find out what would be better for you to go in your particular situation.

**Dan Eggertsen:** Ah that's great.

[02:56.1]

**Karl Eggertsen:** Mutual funds, 8000; a database of 8000 mutual funds. It's really the mother of all mutual fund rating systems and database capabilities. Stocks, it has a proprietary research tools and reports and screeners. It has thousands - it's the home to thousands of stocks. It also has international funds and provides people a lot of help.

Many people are a little more fearful of investing internationally because it's not our country and that's kind of a natural response but their capability on the site helps investors get more comfortable and helps lead them in the direction of what are the best funds for them to invest from an international point of view and a lot of those strategies that have been successful on investing internationally.

**Dan Eggertsen:** Oh great.

**Karl Eggertsen:** Okay. Tools include an x-ray overview. There's none other like it anywhere that I know of. It has the ability to look in-depth at a total portfolio and tell you how it's allocated based on asset type, market sectors, expenses, styles that you're primarily invested in. It helps. It's very valuable in helping you adjust your portfolio if you find yourself over-weighted in any particular area.

**Dan Eggertsen:** Great.

**Karl Eggertsen:** The site has the tools also include exchange traded fund and mutual fund screeners, stock screeners that provide top in the worst performers in dozens of categories, snapshots of individual funds, the top holdings in each of their performance, their rating system, how they're rated, their style, a portfolio tracker which provides information about how your portfolio is doing, how well it's diversified.

It actually measures diversification and risk. So it's really a superb site. What I elicit here or just an overview of what it can do but it's amazing about the capability that it can provide the investor. You can really invest on your own utilizing this site and have the tools and capabilities that many brokers and financial advisors don't have access to.

**Dan Eggertsen:** Wow. So this sounds like a very powerful tool and you would say it's probably the best place to go.

**Karl Eggertsen:** Well it is. It is. It's to get the full capability. It's not free. Some of the capabilities are free but to get all the capabilities that I talked about which are very powerful and useful it's about \$200 a year. But you divide that by 12 months or whatever. If you think about it, it's not that expensive for what it's providing to you and it's providing an education besides the tools and the database, it's also giving you an education so you can understand before you do anything what you're doing and why. There are some other sites I'll hit on real quick that are useful and that I periodically go to for a variety of purposes. Getting back to Morningstar for investing, when you're thinking about pure investing, focused investing it's hard to beat Morningstar.

**[06:35.1]**

But these three sites that I'm going to mention to you have some focus on some other areas that relate to money and money management that Morningstar doesn't focus as much on. Okay the three sites are; MSN Money or it's MoneyCentral.MSN.com, SmartMoney.com, Yahoo! Finance or Finance.Yahoo.com. Those three sites are very good and they include - I'm going to mention some things that they include some capabilities regarding the management and handling as money that Morningstar doesn't get into quite as much.

One is personal finance. That's kind of your day to day budgeting and handling of money things like that, retirement planning, estate planning, and financial news and analysis. Okay which they get very much quite a bit heavier I've found in general in financial news and commentary and so on. But they also hit on these other arenas that Morningstar treats but their big forte is what they can do for investors and finding and managing investments.

**Dan Eggertsen:** Okay. Okay good.

**Karl Eggertsen:** Okay.

**Dan Eggertsen:** So excellent. So you've got us some good tools to use. Now are there any types of investment research sites on the Internet that one should be wary of and I don't know if you want to talk about specific websites or just a certain criteria that these sites should meet for you to feel comfortable doing your research on them and which ones should we look out for.

**Karl Eggertsen:** Okay the way I'm going to treat this is I'm personally not cognizant of any specific website that is dangerous or has bad intentions, criminal, whatever. I don't know of any specifically okay? But what I am aware of, I'll give you some general things that I think are important to think about; some tips. Then I'm going to give you specific things to do to detect issues and what to do about it.

One is it's always important to be aware of - any time you go on a website; who runs the website. Usually pretty quickly you can tell if they're purely promotional and hypey and with

little to no useful information. I think almost anybody using their common sense and taking care, safety first kind of attitude is going to be able to detect this kind of stuff.

Are you finding any useful information or is it all purely promotional; they're looking for money right off the bat. Some promote worthless information. Some of it can be very high cost though worthless. Some of them will hype "get rich quick" schemes. Some even criminal, could be even criminal. Some charge and request very hefty fees.

So how to detect and what to do about these types of experiences when and if you run into them; avoid sites that are hypey, always get professional advice before you make any investment decisions period. Your own advisor, your own professional certified advisor or certified financial planner, somebody like that, before you take anything off an investment website, make sure that you've run it somebody who knows your personal situation, somebody you can trust, somebody certified.

**[10:26.6]**

But be very wary of sites that are very hypey and are offering things that sound too good to be true because they probably are. Promising easy profits, you know, "This is no sweat. Just do this and you'll make a million in a week."

**Dan Eggertsen:** Click a button and you'll be a millionaire.

**Karl Eggertsen:** Be very skeptical of schemes involving recruitment of others, receiving money for others, for other people, or requesting advanced payments, you know hefty advanced payments up front before anything is done for you. These are the things to watch out for that tell you that there's something shady probably going on here.

If you do feel that there's something funny going on a particular site, you can do a web search to see if anyone has had problems with this suspicious looking website. You can also make phone calls. Call a person, any phone number that's on that particular site. But the point is don't take action when you have any questions or concerns.

The point is to look into it. Definitely stay away from it and if you choose to, you can research it and find out how legitimate that website really is. You can even report them if you feel that there's something particularly of concern. The point is stick with well-known credible sites that we've mentioned here. Sites that have been around forever, they are used all the time.

They are surveyed and quoted and reported on in national magazines like *Personal Finance*, *Forbes Magazine*, *Business Week*. These sites Morningstar to MSN.com to SmartMoney to Yahoo! Finance, these are all sites that are credible, that are ones that – you don't really need to go to other sites anyway because there's enough legitimate comprehensive sites out there that you really don't need to worry about getting off in the corners of the web and trying to find something that you feel you may not get someplace else.

Because 99% of the time you're going to be able to find at some of these comprehensive sites that we mentioned, what you want, what you're looking for. So you don't need to get off and

deal with unknown websites that don't have some credibility and that cause you some concern.

**Dan Eggertsen:** Okay. Great Dad, great tips for anyone to follow to avoid some of these shady sites. Final question and you've already hit on this and we can all kind of guess the answer to this. "Where do you do your investing research Dad?"

**Karl Eggertsen:** Morningstar is where I really – when it comes to pure investing and my portfolio and managing my investments, I primarily use Morningstar. The other three sites I will go to periodically for news and other things and sometimes I'll do a little research on some of their sites.

**Dan Eggertsen:** And those three sites again are...?

[13:52.5]

**Karl Eggertsen:** Okay Morningstar.com is the one I use primarily for investing and the other three sites are SmartMoney.com. There's MSNMoney.com and there's YahooFinance.com. So those three sites are also good to go to and as I mentioned they cover the gamut of money management including personal finance, retirement planning, estate planning, and financial news and analysis. They have a lot of in depth news and commentary on a daily basis. And that's of value.

Now there're two others that I'm going to throw out that are reputable and good. They're not as near as comprehensive as the sites I mentioned to you previously. But they have some good information. One is MarketWatch.com, they have a lot of state – I primarily follow them for the state of California where I live. California and National News related to the markets and finance. They have some really good articles and up to date stuff even including investments.

The other one is Kiplinger.com. I take a newsletter that focuses on the state of California economy and business and I find that very valuable. They also have a pretty good website. The variety, the rather simple tools that are not necessarily complex but they help you in budgeting and money management and making decisions on buying cars. They have just a lot of little tools, a lot of good articles on national and state level, economy and so on, economies and investment markets and good articles on investments and so on.

Though not comprehensive, I pay quite a bit attention to MarketWatch.com and Kiplinger.com. In fact, I have them email me daily, little updates and what when on during the day. So those are two sites that again are not comprehensive, not near as comprehensive for investors and managing their investments as is Morningstar. But they're good on news and little updates and getting a variety of perspectives is always a good thing anyway.

**Dan Eggertsen:** Yes it sure is Dad. Well thank you so much for your time today and I want to thank everyone for being on the call. You've answered all three questions beautifully Dad, and I really appreciate it.

**Karl Eggertsen:** Okay Dan. Thanks.

**Dan Eggertsen:** Thanks so much. Have a good day.

**Karl Eggertsen:** Okay bye.

**Dan Eggertsen:** Bye. All right Dad.

**[16:40.6]**