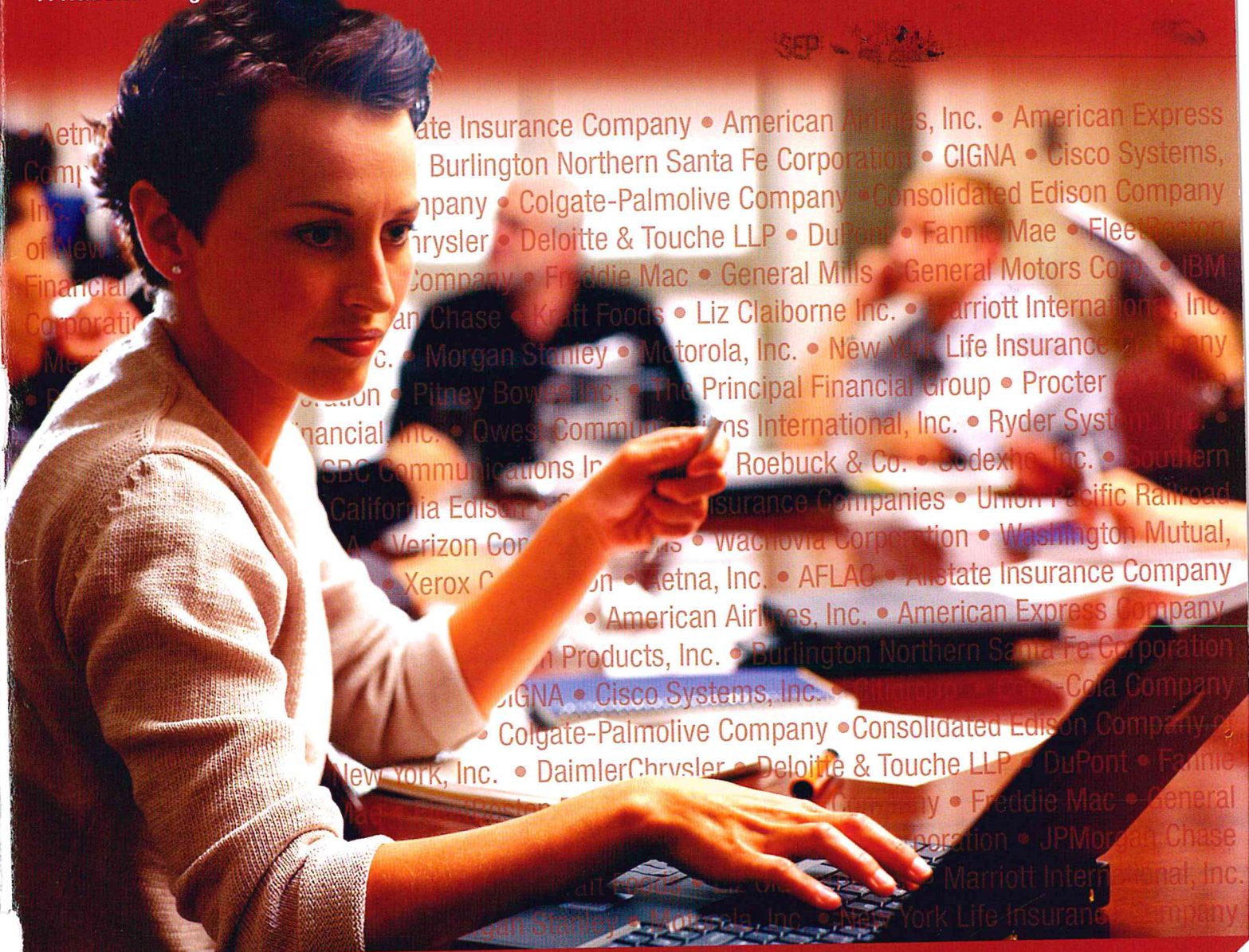


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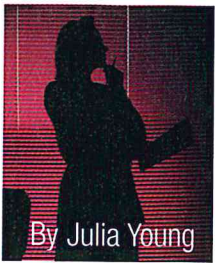


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The **50** Best Companies
For Latinas to
Work For in the U.S.

Special Report



Intelligent Investing

There are no guarantees when it comes to investing in the stock market. But one thing is almost certain: in the long run, it's a reliable way to increase the value of your assets. Even if the market is unpredictable in the short term, over the last several decades the general trend has been steadily upward.

If you do invest, it's imperative to be aware of your choices. Although you can't invest without the services of a brokerage firm or licensed stockbroker (to whom you will have to pay a commission), you can choose the method by which you invest.

Many individuals choose to purchase shares in mutual funds, which are groups of stocks selected and administered by a mutual fund manager. A typical mutual fund can contain a wide variety of stocks, so the major advantage to investing in one is that you are automatically diversifying your stock portfolio. Put simply, you are spreading your investments among a wide group of companies rather than placing your money on only a few. This is a wise choice if you are interested in decreasing your risk — after all, it's good to follow the maxim, "Don't put all your eggs in one basket."

But mutual funds come with some caveats, including high (and sometimes hidden) fees, as well as a legal requirement that may oblige investors to pay capital gains taxes on their fund even when it suffers steep losses.

One way of getting around the drawbacks of a mutual fund is by investing directly in individual companies. According to Hilda Ochoa-Brillembourg, President and CEO of Strategic Investment Group, one major advantage of direct investing is that investors have greater control over the taxes they pay, since they decide when to buy or sell their stocks. "From a tax point of view, it's much more effective to invest directly than through a mutual fund," she says. However, she cautions that direct investors are at a disadvantage unless they have sufficient knowledge about the market: "Otherwise, you're investing at your own peril — you're competing with people who have more resources and access to more information."

For individual investors who are concerned about paying fees and taxes on a mutual fund but don't want to put all of their money into a few individual stocks, there's a third option: investing in "stock baskets." For example, at the online brokerage firm FOLIOfn (www.foliofn.com), you can select a basket of stocks — known as a folio — and

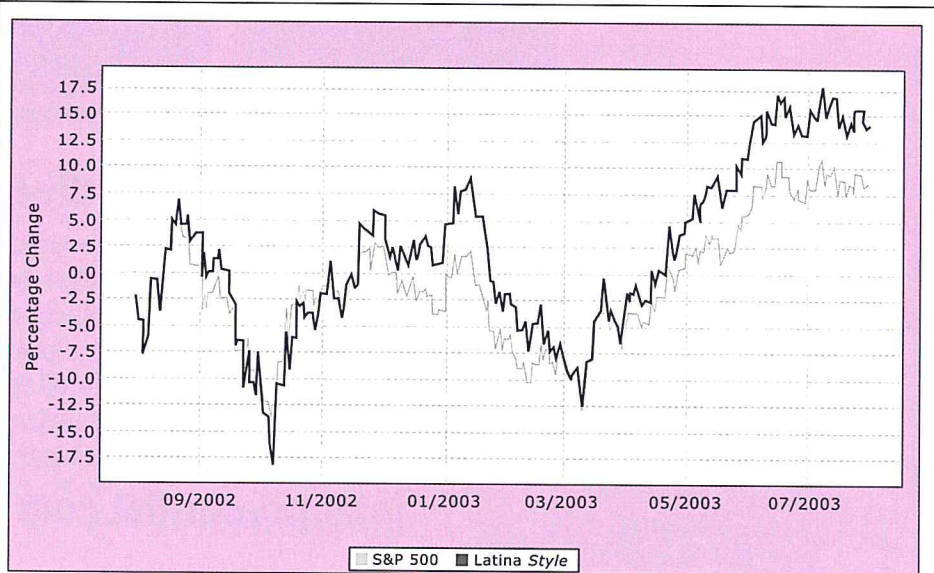
spread your investments out in practically as many stocks as you want, at a lower cost than owning a typical mutual fund or purchasing individual stocks from a traditional brokerage. You can build your own folios or select from prearranged baskets that have been tailored to a variety of investment themes. "These baskets make a lot of sense if they are constructed intelligently and the risks are spread efficiently," says Ochoa-Brillembourg.

No matter how you decide to invest, she adds, "You need to be aware of your tolerance for loss. If you are very risk-averse and you can't stand a 5 percent loss in one day, for example, your optimal portfolio will be different from someone who doesn't even look at their stocks for five years." In other words, don't invest in more volatile stocks if a minor loss will cause you to panic and restructure your investments without careful consideration.

If you're confident, informed, and decisive about how you want to invest your money, then you're ready to start working the market. If you're patient and a little bit lucky, you might just make the market work for you. **LS**

Investing in the LATINA Style 50

When it comes to picking stocks, some people like to "invest with their conscience" by choosing companies that have good records on social, ethical or environmental issues. Although it's wise to consider the social practices of any company you invest in, it's not a great idea to put money into companies with poor financial performance just because their values coincide with your own. As Hilda Ochoa-Brillembourg points out, "This is not the most efficient way of making your views known — you might as well donate your money directly to that company." So if you do choose to invest with your conscience, do it with your brain as well.



To put the concept to the test, LATINA Style decided to evaluate the market performance of the companies selected for the 2003 LATINA Style 50. So FOLIOfn put together a "Ready-to-Go Folio" of all of the publicly traded companies on our list and found that over the past year, this portfolio outperformed the S&P 500 by 6.1 percent. For more details on FOLIO Investing or to invest in the LATINA Style Folio, visit www.foliofn.com/latinastyle.