

# UNVEILING MICRO-CAP OPPORTUNITIES



Those companies represented in the micro-cap investing arena – especially those companies not analyzed stringently by traditional Wall Street traders – are exactly the opportunities Michael Corbett of Perritt Capital Management seeks for his firm’s various mutual funds.

“That lack of attention is a true opportunity within this inefficient asset class. The inefficiency stems from the perspective that micro-caps are neither efficiently analyzed nor traded properly across the markets, because research to identify the opportunities is just not done in great detail by the major traders,” Corbett said. “This is exactly what we talk about with our clients. The micro-cap stocks are what we call a truly inefficient asset class. We at Perritt pride ourselves on this because we are the ones doing the necessary research in great detail.”

Micro-cap investing is a niche that Corbett has developed for his firm over the past two decades. Always drawn to the entrepreneurial spirit because of working for local businesses in his

hometown, after his college days, Corbett knew he wanted to work with people who were equally passionate about the merits of entrepreneurship and an appreciation of the free spirit of capitalism associated with small business.

Corbett joined the Chicago-based firm right out of college, starting in the research department for Investment Information Services, which produced the financial newsletters started by Dr. Gerald Perritt, founder of Perritt Investments, the forerunner of today’s Perritt Capital Management Services. Corbett worked his way over to the money management side of the firm, becoming Lead Portfolio Manager in 1999 and owner in 2007, when he purchased the firm.

Today he holds a variety of titles – CEO, CIO, Portfolio Manager and majority owner of the firm – and he strives to educate potential clients on the value of investing in micro-cap and small business.

“The spirit of small business is what this country was founded on. Much of

the excitement in our economy is focused now on small business,” Corbett emphasized. “Smaller companies hire people and create jobs. The real passion and the true value that enhances our economy and our communities comes from smaller companies.”

Corbett explained how keeping that excitement about small business at its peak is one reason Perritt Capital employs an in-house compliance team. In this highly-regulated industry, Corbett believes that using outside compliance is too cumbersome. It delays getting marketing materials out to potential clients and slows down the flow of information.

“Having compliance in-house helps us put material together in a timely manner, signed off for legal purposes and properly documented so we are able to have a strong compliance process that also allows us to get information to our clients in a pretty fast and efficient manner,” Corbett said. “The only drawback to this industry is that is highly-regulated and I don’t see that going down, but only increasing.”

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