



This Hidden Gem Has Nearly Been a 10-Bagger Over the Last 5 Years!

Description

Small-cap investing is a fantastic way to beef up your portfolio if your intention is to beat the market. A huge reason why many mutual fund managers fail to beat the index is due to the fact that many of the larger mutual funds can't invest in small-cap stocks, which tend to enjoy the most upside over the long term.

Such large mutual funds tend to have more assets under management than the market caps of many high-flying small-cap stocks. Many mutual funds can't take a meaningful bite out of small-cap stocks, but as an individual investor, you can! And that's an edge you have over the big players on the street.

A word of warning, though. Small-cap stocks are riskier than your typical blue-chip stocks, and they tend to suffer from a lot more volatility. But don't let that scare you away. Volatility is nothing to be afraid of. It's something to be embraced, especially if you're a value investor. These large stock price movements tend to create long-term buying opportunities, and you've done your homework, buying on such dips should come naturally to you.

Consider **StorageVault Canada Inc.** (TSXV:SVI), a self-storage and portable storage company that owns and rents storage space to its customers across Canada. Fellow Fool contributor Will Ashworth pointed out in the past that StorageVault may be [the best stock that's not trading on the TSX](#). And I think he has a strong case.

With a market cap of ~\$850 million, well above many TSX-traded stocks, there are many reasons why the stock [deserves your attention](#), despite trading on the venture exchange.

The business of self-storage is incredibly simple, boring, and predictable, but that's exactly the type of businesses that followers of Warren Buffett should be looking for. Despite being in the simple business of self-storage, the company has been on a tear over the last few years with shares more than doubling this past year and returning 925% over the past five years.

Management pointed out the four D's — consumer trends that will likely continue to drive self-storage stocks such as StorageVault higher over the medium to long term.

What are the four D's?

They are death, divorce, downsizing, and dislocation are major reasons why the demand for self-storage units will be going up as time progresses. You could also add density (location density) and destruction (natural disasters) to the list.

Bottom line

StorageVault will likely continue to fly higher, fueled by the effect of the self-storage boom driven by the four (or six) D's. It's such a simple business, but it's riding so many tailwinds, and I believe investors stand to realize huge returns as StorageVault consolidates the Canadian self-storage industry.

At this rate, StorageVault is well positioned to graduate to the TSX at any moment.

Stay smart. Stay hungry. Stay Foolish.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/08/24

Date Created

2017/11/16

Author

joefrenette

default watermark