SIFTER

Sifter Insight

30th April 2018

15 years - Still going strong

According S&P study over the 15-year period (2002-2017) less than 10% of global large-cap equity funds were able to beat their respective benchmark. Sifter Global Fund was established in 2003 and thus turning a teenager this year June. Since inception Sifter Fund has returned better than the market index (8.3% p.a. vs index 7.8% p.a.) with lower volatility (11.1% p.a. vs index 12.2% p.a.). Especially in downturn markets Sifter Fund has historically done better versus its comparison index (MSCI World NR USD).

Our process is different

The story of Sifter started over 25 years ago, when Dr. Hannes Kulvik created the Stocksifter™ investment process. The core idea being that stock picking is too risky and only adds cost to investors because of busy trading. Stock picking also relies too heavily on timing. Instead of trying to find the best investment opportunities Stocksifter™ eliminates the poor ones. We call it the elimination process.

Analysing 65,000 public listed companies is a huge job for any professional analyst team and would take years. Picking the best ones from the universe would be almost impossible and highly speculative. Time that we don't have to waste and risks we don't want to take.

By eliminating the poorer performing companies quickly and effectively, we can be sure that the surviving companies are, in fact, superior. Our analytics team uses a number of tools and criteria to effortlessly eliminate weaker yielding opportunities, and they do it fast. Giving us more time to focus on the most promising investment cases.

Fully invested in strong earning models

At Sifter, we don't follow fluctuations in the market because when it comes to stocks, we don't believe in luck. Market timing succeeds only by luck. Getting market timing right is a skill we don't claim to possess. That's why we're fully invested all the time. We don't keep cash. Just because the stock market averages are breaking records, it does not mean that every stock and sector is performing the same. There are always areas of the market which are experiencing adversity and have not kept up with the averages.

In our mind set we don't invest in stock prices. We invest in business returns. Despite occasional stock market fluctuations, we can feel safe about our investments as long as their long-term earning models stay unharmed. High quality businesses and strong earning models are able to gain consistent returns no matter what the market condition.This is especially apparent during a downturn, when the best businesses are able to gain market share and become even stronger in their industry.

We don't have any crystal ball what happens in the market or political environment. No of us can have a significant impact on that. However, we know what might happen for certain businesses. Especially those we have invested in. We are not saying that one shouldn't allocate his asset classes. However, in our mind, the best way to stay calm is to know one has invested in strong earning models.

Welcome to invest

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25 years ago Sifter was established to manage assets of one Family, specializing in equities globally. Since then company has grown a professionally managed global equity fund with own proprietary equity research and investors all over the Europe. Typical Sifter investor is a family or family office. They value our research driven investment process and consistently favourable returns. The founding family has a significant co-investment in Sifter Fund.

We thank for our investors trusting on us. We hope you are satisfied with the Fund's performance. Also, we welcome new investors when you share same values with us: long-term investment, buy and hold strategy and investing in high quality businesses globally.

Looking forward the next 15-years, to make Sifter even better equity investment for you.

Santeri Korpinen

CEO, Sifter Capital

For more information:

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