



---

## To worry or not to worry?

These are stressful times for investors. Reading headlines, having conversations with money managers and screening the market can create a sense of unease. The news you read or hear can be interpreted either positively or negatively, either adding to or lessening your worry. Let me share some thoughts that could help you feel better.

### To worry

In times like these, when the economy has been growing for years and market prices have surged, there is a tendency to feel like the party is over and it's time to leave. The problem is obvious: once you leave the market, what do you do with the cash? It no longer feels safe to have too much. Some investors have been waiting years for a market decline and choose to enter while prices are down. This makes sense. However, most feel disappointed they didn't invest earlier and gain some nice profits over the years.

If you interpret the news negatively and decide to leave the market now, how are you able to return? According to academic studies, most investors are not able to invest when prices are down, despite this being their initial plan. It either feels too risky while the economy or political situation is unstable, or else they need money for something better.

### The idea of growth and ownership

Capitalism is based on innovation and growth. Without the belief that the world and business will improve in the future, there would be no growth. All major innovations throughout history have affected businesses. While some businesses have rotted, most have flourished. Nevertheless, when we look at the bigger picture, we see that nations, economies and businesses have been growing and generating wealth.

How would you feel if you owned a portion of multiple different businesses around the world? Businesses that are currently making nice earnings and can survive the bad times, too? Being an owner, not of just one business but many, reduces your risks in many ways.

We believe in businesses. We consider them the safest asset class in the long-term. Businesses make something concrete; they evolve, grow and eventually share money with their owners. Ideally, you'd find beautiful businesses, evaluate them and finally acquire a business at an attractive price. However, with the current market, businesses are not cheap to buy. Therefore, it takes a lot of work to screen the whole equity universe of over 65,000 companies to find a good one that's also a bargain.

### Not to worry

Let's assume the market goes down at some point in the future. What will you have lost? Well, it's disappointing that your invested money is 20% less than what you paid. But if you don't sell them at that point, you've lost nothing. You are still an owner of those businesses. Thoroughly



**SIFTER**

SIFTER NEWSLETTER

October 23, 2018

evaluated and carefully chosen businesses will survive through the bad times – some of them gain market share, evolve and are even stronger in the years to come. Slowly but surely, their stock price will follow those earnings. You are better off. This simple idea of investing in good businesses globally, buying them at an attractive price and holding on to them during both the good and bad times has been a proven recipe for us and Sifter investors for over 15 years.

## Story of Sifter

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

We thank our investors and hope you are satisfied with the Fund's performance. Also, we welcome new investors who share values with us: long-term investment, buy and hold strategy and investing in high quality businesses globally. We are looking forward to the next 15-years, to make Sifter an even better equity investment for you.

Santeri Korpinen  
CEO, Sifter Capital