Investment Process

SCM utilizes a disciplined quantitative and fundamental bottom-up stock selection process that identifies attractive equities globally. This process is consistent across all borders and currencies and is basic to the creation of a portfolio with growth characteristics and excess returns over time.

Our proprietary three-step investment process is a series of eleven valuation disciplines and screens that rank securities from a database of 6,600 global equity securities. The modeling process uses quantitative factors such as a dividend discount model, earnings momentum, liquidity, and the demand and supply of shares.

The ranking procedure creates an overall score for each security and produces a list of the 130+ most attractive securities. Fundamental analysis is then applied to the most attractive securities to create the portfolio.

Each component of the selection process is assigned a decile ranking and is combined in the quantitative screening model to create an overall score for each security. This weekly process produces the "Universe" of the 130+ most attractive securities. After the universe is produced, rigorous fundamental analysis is applied.