Investment Selection Process

Our investment approach falls in line with our philosophy of "long-term" growth.... If we wish to have our capital grow over the long-term, it is only natural to make investments for the.... You guessed it: Long-term! Below is the process to finding these investments.

William Allan Investment Selection Process

U.S. Public Securities

There are a number of reasons we mainly invest in U.S. Public Securities, most notably: Liquidity, Audited Financials, Multinationals (i.e., Most large US co's do business across the globe, easily giving us international exposure).

4,000+... # of U.S Publicly Traded Securities

Company Centric Approach

We simply look to invest in individual co's. We find them via daily readings, experiences, research databases, and long-term investment themes.

2,000+ Companies

Long-Term Sustainability

We further reduce potential investments by focusing on companies we can 1) Easily understand & 2) Envision will prosper for years to come.

1,000+ Companies

Strong Quantitative Metrics

Co's need to produce economic value (return on capital > cost of capital), demonstrate financial strength, and have a history of meeting growth projections.

500+ Companies

Powerful Qualitative Attributes

Co's with competitive advantages, including management, industry leader, and unique product or service not easily replicated.

Exercising discipline & patience, our process results in 150+ co's on our watchlist at any given time. We then wait and only buy at the right price.

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William Allan
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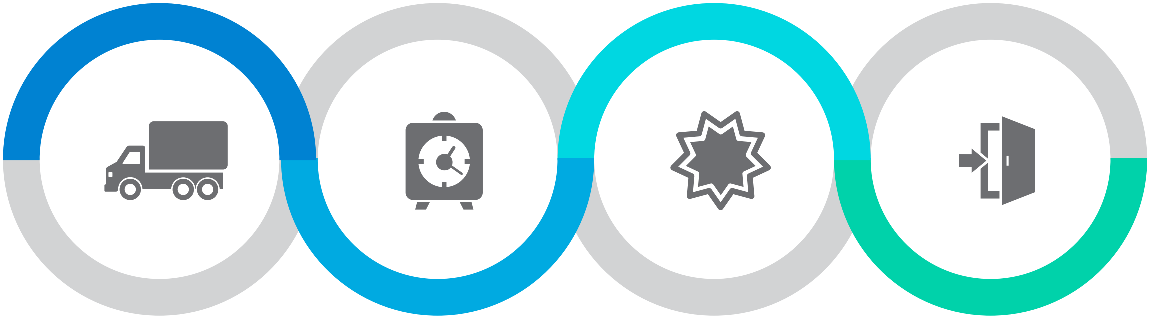
Portfolio Management Approach

To capitalize on our investment selection process geared towards long-term investing, our portfolio management is centered on discipline and patience. Below are the four pillars to our portfolio management approach.



Investing In Companies, Not Just Stocks.

When we invest in a company's stock, we are shareholders (owners) of that company. And it is our intention to maintain ownership for the long-term. We are not trading a stock. Therefore, we are willing to accept short term volatility for outsized long-term returns.

A change in a company's business plan, an extreme run up in the stock price that makes it way overvalued, or industry changes that make it unappealing to us would force a sale early.

Our ability to hold onto stocks patiently is due to our distinction between volatility and risk. Over the longer term, your risk of loss in the stock market diminishes quite substantially. Therefore, as long-term investors, we alleviate the concern of market risk and only see it as short term volatility.

Limited Holdings

Our stock portfolio typically holds between 30 & 50 securities. This is the result of: 1) A rigorous selection process that really only leaves us with 100 - 150 companies we would consider investing in, 2) We will only buy a stock when we view it trading at a discount, and 3) Knowledge that history tells us you are doing more harm than good when your portfolio exceeds 50 holdings.

The majority of actively managed mutual funds invest in hundreds of stocks and this over diversification is one big reason a large percentage of mutual funds lag the performance of the overall stock market (S&P 500 Index).

Holistic Management

In the perfect world we would all have just one investment account. Well, unfortunately, we have multiple accounts (IRA, 401(k), Taxable). But, fortunately, through the implementation of technology, we are able to treat all your accounts as ONE portfolio (known as: Holistic Management).

The benefits of this approach are numerous but two standout: 1) Minimize trading expenses. If you want to buy stock XYZ, under the holistic approach you can buy it in ONE account, rather than having to add it in multiple accounts. 2) You can diversify correctly. Now, if you own a stock in your 401(k) account, we know what percent it makes up of your entire portfolio and know not to buy it in another account.

Close Eye On Expenses

The majority of professional money managers (i.e., mutual funds) underperform the stock market (S&P 500 Index) because of expenses. Our #1 goal is to grow our client's money and therefore we will minimize expenses whenever possible. The three pillars to the left allow us to do this 1) By keeping transaction costs low, and 2) By giving us a clear view of ALL holdings in ALL accounts, we can be tax efficient when selling securities.

In comparison to the average mutual fund, Our approach gives us up to a 2% edge just from lower expenses.

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