



July 09, 2025

THE LONG PULL: Revisiting Process (From Idea To Watchlist To Portfolio)

Two weeks ago, I wrote about [“control burning”](#) my old investment process. I explained that “the idea is that farmers do something that looks destructive occasionally, but in reality, it promotes restoration, rejuvenation, and higher future yields.”

Control burning my investment process looks destructive, but in reality, it allows me to kill old/bad habits, and make room for new, rejuvenating ones.

I then outlined a new three-step process for Idea Generation and Screening:

1. **Weekly screen** for relative strength leaders in all our key thematic areas across 6M and 1YR time frames.
2. Develop a **basket approach** to portfolio construction and stock selection to express our key thematic areas.
3. Optimize the portfolio to have the **highest weighting in the leading relative strength names within the leading key thematic areas.**

This week, I delve deeper into my Weekly Workflow and explore how I manage my portfolio, consider position and thematic sizing, and codify my equity research process.

As in Part 1, this is a living document that will adapt/adjust over time as we leverage the Collective Hive Mind to improve our process.

The Big Idea is that we’re inching closer to a complete systems-based approach to value and inflection investing, built on the Trifecta Lens Framework. This approach not only directs *where* to invest but also *how to allocate time* researching ideas and *how to position the portfolio* to capture the full benefits of our research.

I’m thrilled that I’m writing more about **process**. It’s the most important, yet least discussed part of an investor’s journey.

Let’s get after it.

Step 1: From Screener To Watchlist

The first part of my weekly process is screening for both Inflections and Relative Strength Leaders. I explained how I screen for RS leaders in Part 1 (emphasis added):

“My job is to find the best stocks in each of these thematic that possess: leading relative strength, compelling fundamentals, and attractive valuations (looking out 12-18 months) ... or the Trifecta Lens.

To do that, I’ll screen for stocks in the 80th percentile for Global Relative Strength on a 6M and 1YR basis, then filter by the industries that match our thematic.

Here’s the important part: I let relative strength guide my initial interest. That sounds wild coming from a “contrarian value investor.” But sometimes, the most contrarian thing you can do is buy what’s already working because investors have no idea how early the company is on its journey.”

This is the “Trifecta Lens” screener. Check out the Koyfin criteria below.

2 Filter results by the following criteria

Add constraints to filter by price, technical, or fundamental data series.

Market Cap	USD ▼	> 100.0M	-	> 1,000,000,000M	×	15,424 Matches
Total Return 6M (Global Sec R)		> 80	-	100	×	2,721 Matches
Total Return 1Y (Global Sec R)		> 80	-	100	×	1,587 Matches

I do two things after I run this screen:

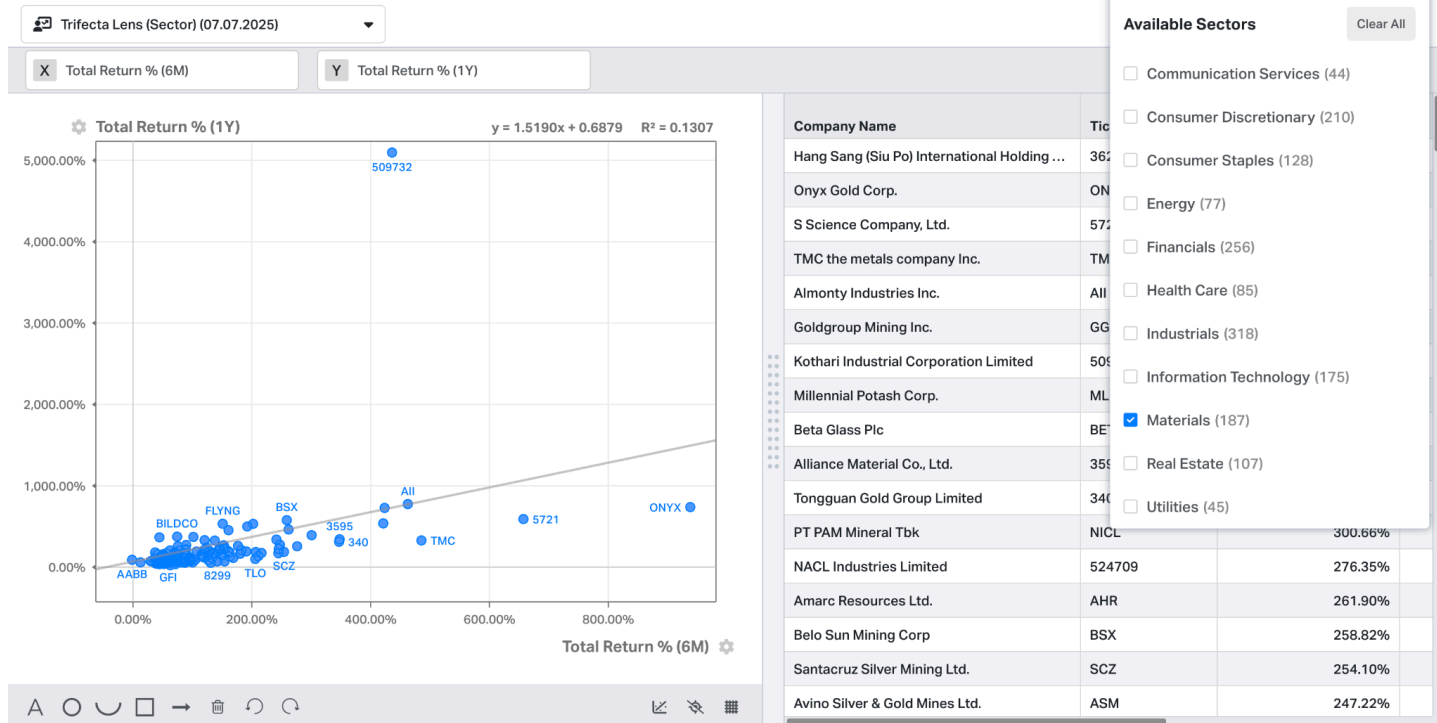
1. I download it as a new Watchlist: “Trifecta Lens (date of screen)”
2. I analyze both “Market Scatter” and “Lots of Charts” and filter by our current investable themes.

The second part is crucial – filtering by thematic – because it satisfies one of the core tenets of our new Investment Process: **investing our money in leading companies in leading industries.**

And it’s easily the highest-value, yet least discussed feature in Koyfin.

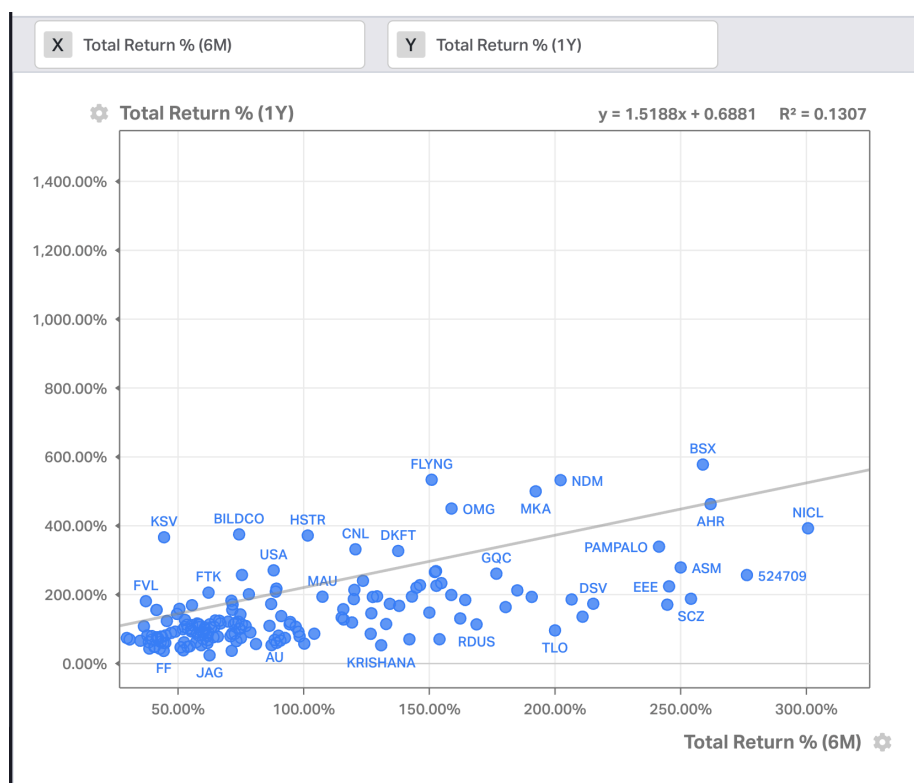
Here’s what it looks like for Market Scatter (see below).

Market Scatter



Now, I can see which stocks are performing the best relative to their industry, in an industry that **we already know** is outperforming.

I also prefer zooming in on the scatter plot to a) remove outliers, b) get a clearer picture of the relative winners, and c) quickly view their stock charts. Something like this ...



Much cleaner. From here, I quickly hover over each dot to assess the tape and see if it meets our Technical Trifecta Lens criteria.

That's how I stumbled upon Thyssenkrupp AG (TKA). Check out its daily chart below.



It's a textbook consolidation/rectangle base after a massive price increase over the past year – a relative strength leader with actionable technicals in a leading industry. The only thing missing is the Fundamentals.

So, I scan TKA's Fundamental Percentile Rank against its 10YR history, Global Sector, and Global universe. See the result below.

Fundamentals		Performance			
3Y	5Y	10Y	20Y	Country	Region
		Global			
		Current	vs. 10-Year History	Percentile Rank vs. Global Materials	vs. Global
■ Valuation Multiples					
Price / Earnings - P/E (NTM)	15.5x		78	48	47
Price / Earnings - P/E (LTM)					
Price / Sales - P/S (NTM)	0.2x		68	4	5
Price / Sales - P/S (LTM)	0.2x		52	4	5
Price / Book - P/B (LTM)	0.7x		48	16	17
Price / Tangible Book Value - P/TBV (LTM)	0.9x		84	4	6
Price / Free Cash Flow (LTM)					
Price / Gross Profit (LTM)	1.8x		62	11	16
EV / Sales (NTM)	0.1x		41	0	1
EV / Sales (LTM)	0.1x		41	1	1
EV / EBITDA (NTM)	2.2x		42	2	2
EV / EBITDA (LTM)	3.9x		36	7	8
EV / EBIT (NTM)	4.2x		42	4	5
EV / EBIT (LTM)	13.2x		48	35	37
EV / Gross Profit (LTM)	0.9x		35	2	3

TKA is one of the cheapest stocks in its industry and in the global stock universe. Of course, our fundamental analysis doesn't *end* there; we must still research the company to see if future earnings power or catalysts provide an attractive risk-reward.

But the important thing is that TKA met our Trifecta Lens Framework, and **it took no time at all to find it and add it to our watchlist:**

- **Technicals:** Consolidation after sustained breakout with leading relative strength.
- **Fundamentals:** One of the cheapest stocks in its industry on multiple metrics.
- **Sentiment:** Relative strength leading industry with secular tailwinds.

Bang, bang, bang.

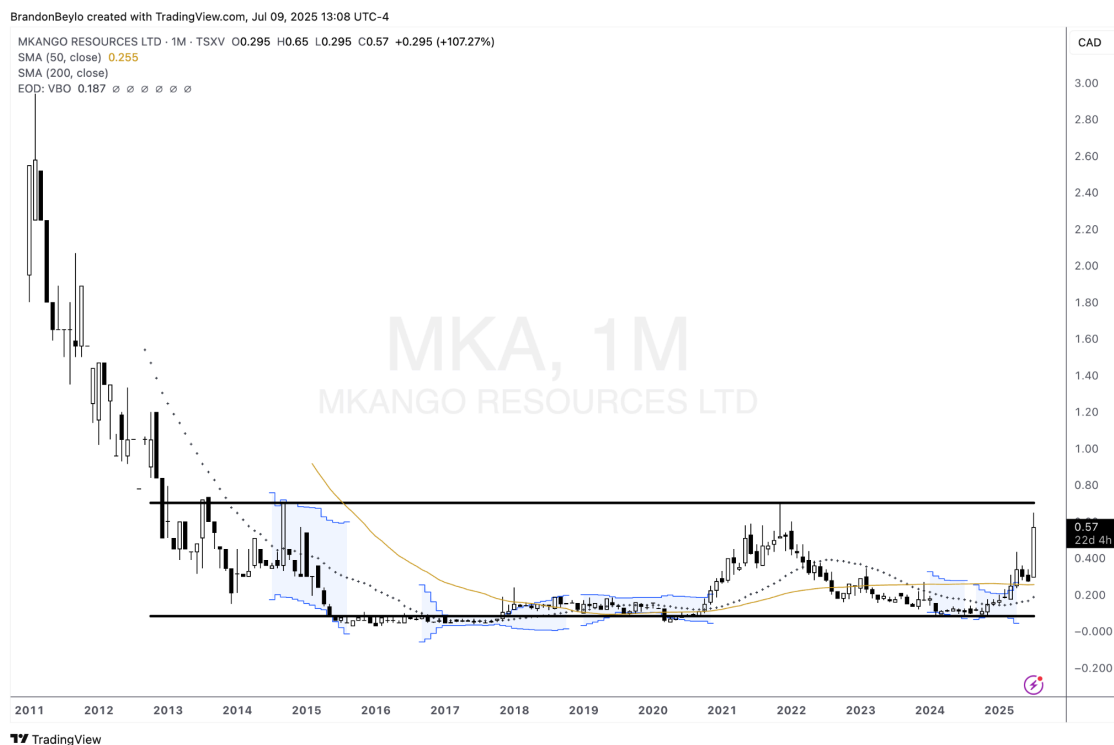
The other way to quickly scan our universe of Relative Strength Leaders in our chosen Thematics is through “Lots of Charts.” I love this tool because I can examine hundreds of charts in just a few minutes, *knowing* that I’m looking at the leaders in the industries and themes we want to be exposed to.

Here’s what it looks like.

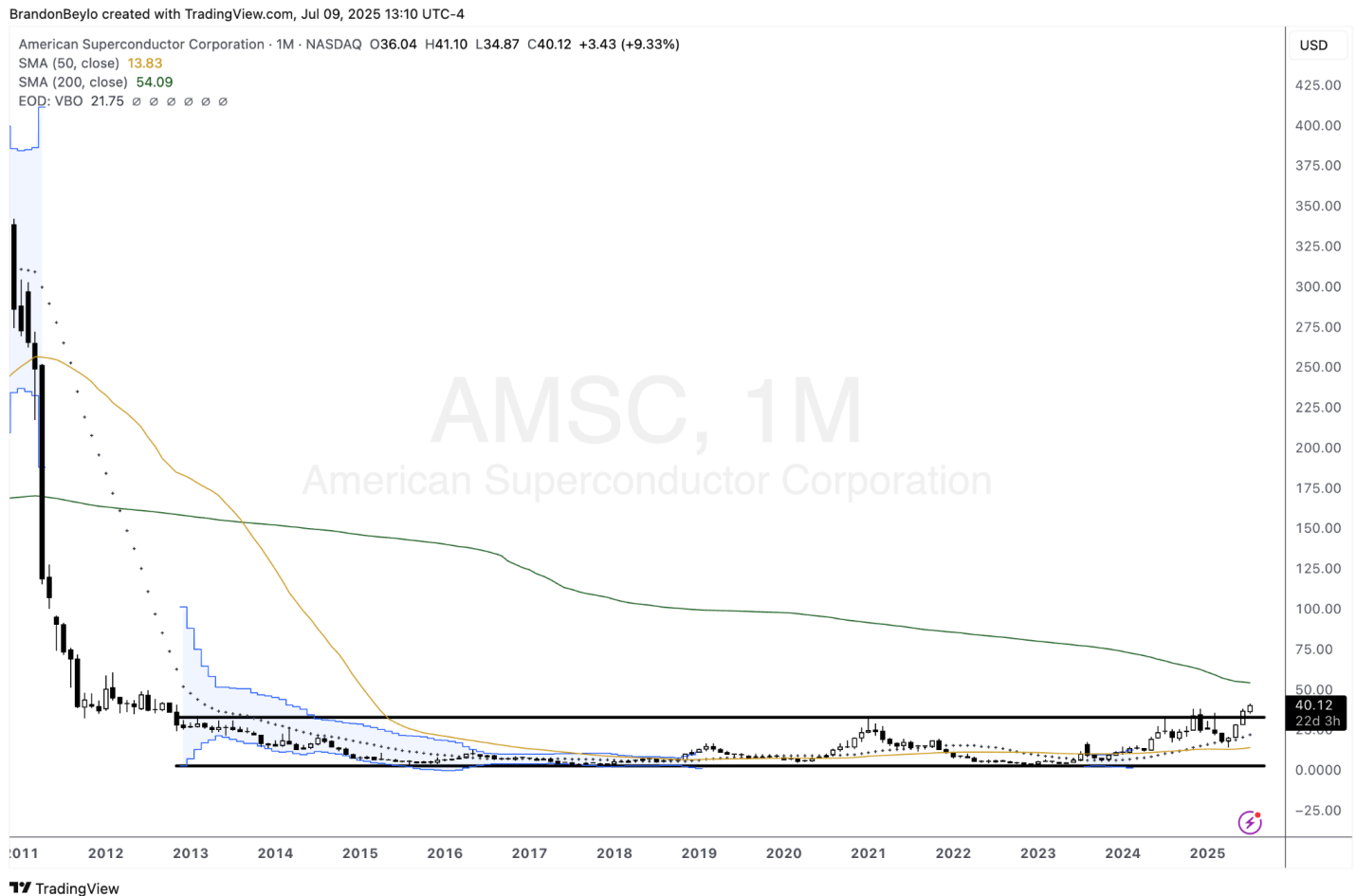


I then filter by Performance High → Low to see which stocks have performed the best over the past 3, 5, and 10YR periods, and which are offering actionable technical setups today.

That's how I found Mkango Resources (MKA). The stock has increased by 850% over the past ten years. It's a leading stock in a leading thematic with one of the best monthly charts in the space (see below).

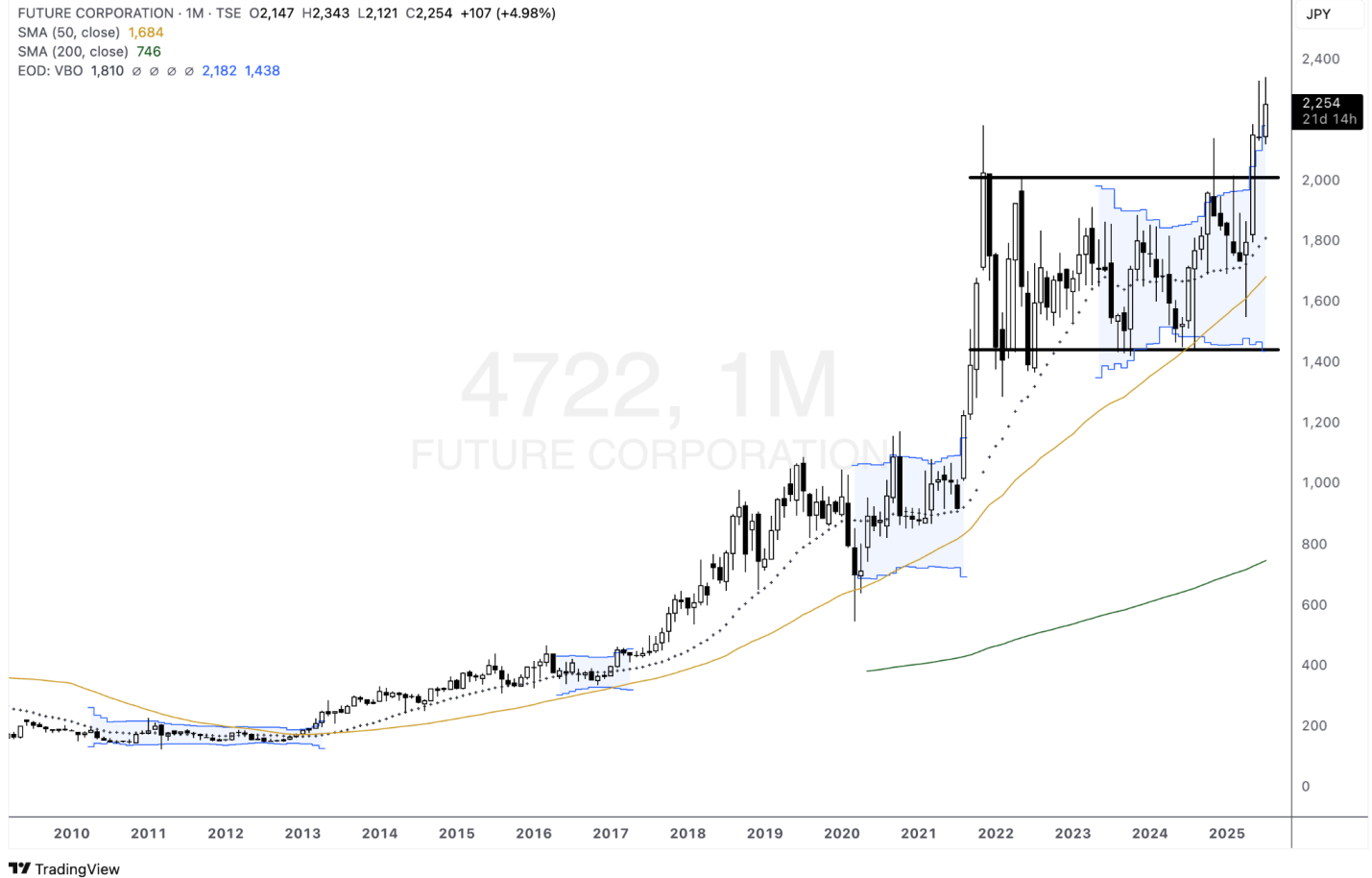


Remember, it's not just mining, but all our leading thematic. For example, I found American Superconductor (AMSC) scanning Industrials within our Trifecta Lens screener. Look at that monthly chart.



Or this profitable, growing, RS leading Japanese IT services company with a monthly breakout to new all-time highs, trading at only 20x current earnings.

BrandonBeylo created with TradingView.com, Jul 09, 2025 13:13 UTC-4



I can't emphasize enough how much time this workflow saves me. **There are very few stocks that meet all three Trifecta Lens criteria.** But this workflow does a great job at finding the ones that do.

It took me ~10 minutes to find four ideas across different industries, all within our target themes, with leading relative strength, and excellent long-term technicals.

That's how we discover new ideas in industries and themes that we want to own and are working on and leading.

Next, I'm going to share with you how we ensure we're invested in the leading industries and thematics. Then, I discuss how to identify *tomorrow's* set of relative strength leading industries or themes – which I call “On Deck” Thematics.

Let's dig in.

Step 2: RS Composite & Inflection Scores

You can't compare thematic ETFs on a "Percentile Rank" relative strength basis in Koyfin. Instead, we created two "scores" ... the RS Composite Score and the Inflection Score.

RS Composite weights Total Returns from three periods (with their respective weights):

- Three months: 20%
- Six months: 40%
- One year: 40%

Here's the Custom Column generator in Koyfin, which allows you to recreate them in

The screenshot shows the 'Column Selection' interface in Koyfin. On the left is a sidebar with navigation options: 'WATCHLIST COLUMNS' (with a sub-option 'Custom Columns & Formulas'), 'Portfolio Tools', and 'SYSTEM COLUMNS' (including 'Saved Favorites', 'Popular Selections', 'Market Data', 'Security Information', 'Asset Specific', 'Financials', 'Analyst Estimates', and 'Percentile Ranks'). The main area is titled 'Create New Custom RS Composite Score' and has a 'Go Back' button. It contains three sections: 1. A search bar with the text 'RS Composite Score'. 2. 'Selected Data Items' with a list of three items: 'A Total Return % (3M)', 'B Total Return % (6M)', and 'C Total Return % (1Y)', each with a close button. 3. 'Formula Expression' with a text box containing the formula $((A*0.2)*100)+((B*0.4)*100)+((C*0.4)*100)$.

your dashboard.

This tells us which industries and themes are currently leading based on longer-term return data. Our job, like I mentioned in the first "process" report, is to own the industries at the top of the list (see below).

Today, that means owning:

1. Gold Junior Miners
2. Silver Miners
3. Gold Miners
4. Aerospace and Defense

It's no coincidence that we have almost our entire book in these four industries. Remember, it all comes down to systematizing our process of **idea generation**, **individual security analysis**, and **portfolio management**.

But an equally important part of investing is identifying *the next* set of leading thematics ... inflecting industries that are in the early innings of a turnaround.

We find our “On Deck” thematics by creating an RS Inflection Score. This score weights three total return time frames:

- One week: 10% weight
- One month: 70% weight
- Three months: 20% weight

The idea is that you place greater importance (i.e., weight) on recent returns in hopes of capturing an inflection point in an industry cycle or technical setup.

Here are the top ten “On Deck” RS Inflection Score leaders (with RS Composite Scores to the right).

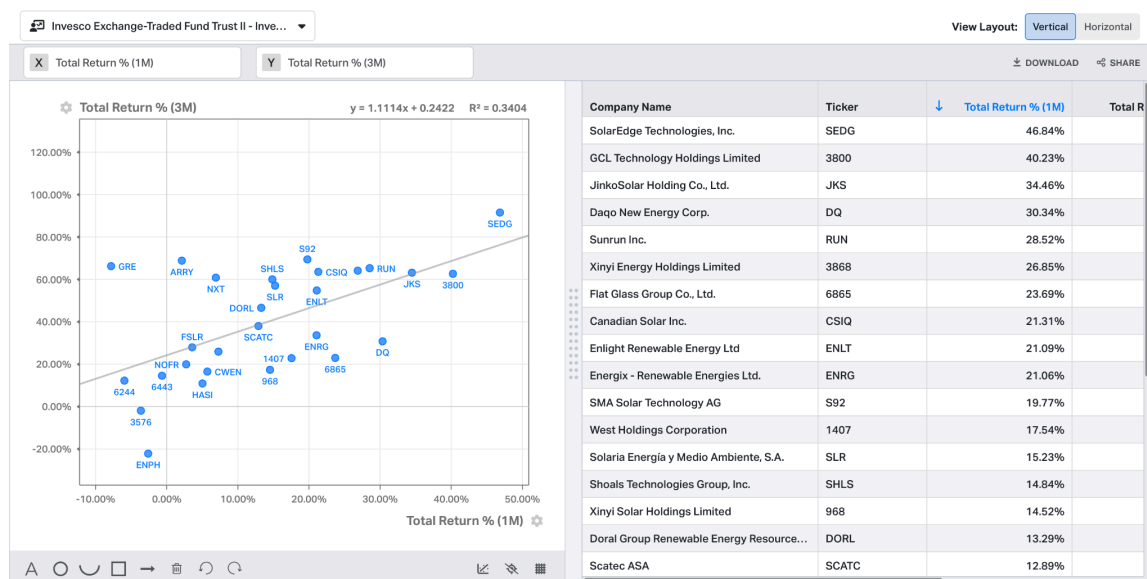
<input type="checkbox"/>	Ticker	Name	1-Day %	Total Return (1W)	Total Return (1M)	Total Return (3M)	Total Return (6M)	Total Return (1Y)	RS Inflection Score ↓	RS Composite Score
<input type="checkbox"/>	• TAN	Invesco Solar ETF	0.91%	3.74%	13.76%	37.39%	8.86%	-5.19%	17.48	8.95
<input type="checkbox"/>	• XSD	SPDR S&P Semi ETF	0.48%	1.14%	9.91%	37.70%	3.67%	2.49%	14.59	10.00
<input type="checkbox"/>	• SOXX	iShares Semiconductor ETF	0.25%	0.74%	9.89%	33.14%	9.50%	-5.28%	13.63	8.32
<input type="checkbox"/>	• BAI	iShares A.I. Tech ETF	1.04%	2.46%	8.78%	32.56%	4.98%	-	12.90	8.50
<input type="checkbox"/>	• ARTY	iShares Future AI ETF	0.61%	1.87%	8.00%	31.54%	9.02%	22.34%	12.10	18.86
<input type="checkbox"/>	• IAI	iShares U.S. Broker-Dealers ETF	0.68%	-0.47%	9.12%	27.67%	17.78%	43.98%	11.87	30.24
<input type="checkbox"/>	• XTL	SPDR S&P Telecom ETF	0.27%	0.26%	9.66%	25.08%	10.96%	52.08%	11.81	30.23
<input type="checkbox"/>	• IAT	iShares U.S. Regional Banks ETF	-0.08%	0.78%	9.86%	22.80%	4.68%	29.61%	11.54	18.28
<input type="checkbox"/>	• XLK	Tech Sector SPDR ETF	0.28%	1.33%	7.47%	26.27%	10.26%	10.45%	10.62	13.54
<input type="checkbox"/>	• IXN	iShares Global Tech ETF	0.56%	1.17%	7.65%	25.71%	9.16%	8.54%	10.61	12.23

There are two things to note:

1. Most “On Deck” industries have low RS Composite Scores (i.e., while they haven’t led over the past year, they’re *starting* to outperform now)
2. Some thematics that we assume are bubbles, like AI for example, might still be in the early innings of a thematic lead change

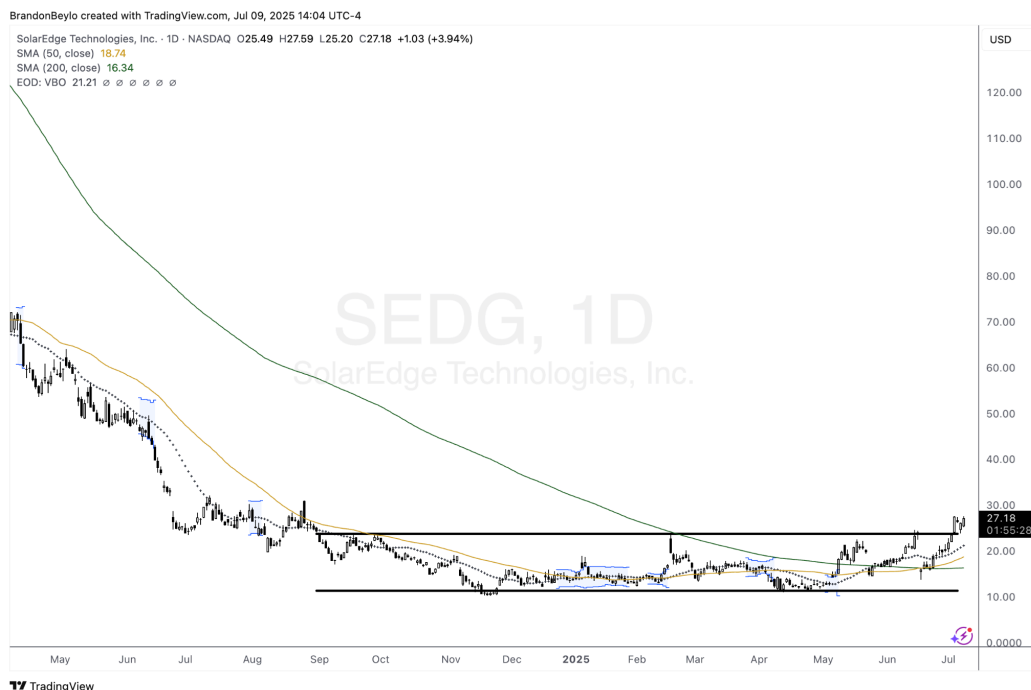
Let’s use Solar as our example, since it is the leading On Deck industry. Once I have an On Deck leader, I repeat Step 1 from above: Market Scatter and Lots of Charts.

Here’s the Market Scatter for the Solar ETF TAN.



Note that I had to change the X and Y axes to 1M and 3M total returns to reflect the “Inflection” we’re trying to capture.

We want to own the stocks that are in the upper right quadrant of the scatter plot. Which, for TAN, is really only SEDG. So check out SEDG’s long-term chart.



We can compare this with TAN's chart to see where we stand in that industry's thematic investable cycle.



So we have a confirmed breakout in the TAN ETF and a confirmed breakout in the leading solar stock, SEDG.

That's a great starting point for identifying the market's future industry or thematic leaders.

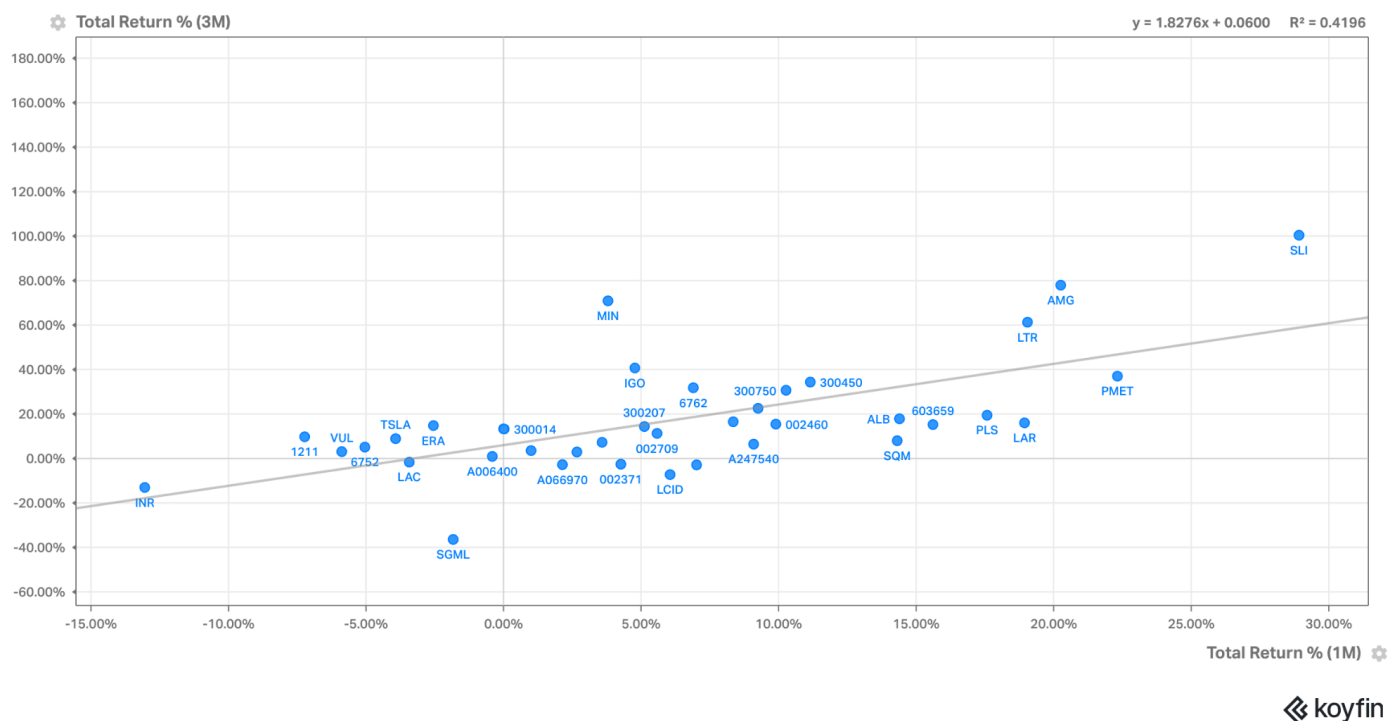
We can do the same "On Deck" exercise for metals and miners. Here's the latest RS Inflection Score for our list of miner ETFs (see below).

<input type="checkbox"/>	Ticker	Name	Total Return (1W)	Total Return (1M)	Total Return (3M)	Total Return (6M)	Total Return (YTD)	Total Return (1Y)	RS Infection Score
<input type="checkbox"/>	• COPJ	Sprott Junior Copper ETF	3.16%	7.50%	43.16%	38.28%	39.78%	26.07%	10.20
<input type="checkbox"/>	• ILIT	iShares Lithium ETF	1.65%	8.41%	15.46%	-9.19%	-5.19%	-16.24%	7.76
<input type="checkbox"/>	• GMET	VanEck Green Metals ETF	-2.14%	4.87%	26.95%	12.47%	16.16%	-2.26%	5.68
<input type="checkbox"/>	• REMX	VanEck Rare Earth ETF	0.47%	5.07%	14.01%	2.58%	7.34%	0.72%	5.04
<input type="checkbox"/>	• COPX	Global X Copper ETF	-3.49%	3.86%	29.45%	14.71%	18.50%	-2.85%	4.95
<input type="checkbox"/>	• URNM	Sprott Uranium ETF	-6.20%	1.42%	46.48%	7.38%	10.58%	-8.51%	4.40
<input type="checkbox"/>	• NIKL	Sprott Nickel ETF	-0.67%	-2.29%	47.06%	11.88%	9.77%	-9.48%	2.97
<input type="checkbox"/>	• SIL	Global X Silver ETF	-1.13%	-1.27%	30.45%	45.21%	51.84%	48.65%	1.93
<input type="checkbox"/>	• SILJ	Amplify Junior Silver ETF	-1.43%	-2.21%	30.76%	40.83%	49.19%	31.73%	1.24
<input type="checkbox"/>	• GDXJ	VanEck Junior Gold ETF	-1.65%	-3.57%	20.30%	48.02%	57.02%	53.08%	-0.80
<input type="checkbox"/>	• GDX	VanEck Gold ETF	-1.88%	-5.37%	10.40%	34.04%	43.41%	45.83%	-3.09

Using this framework, we can hypothesize that tomorrow's leading thematics could be:

1. Copper juniors
2. Lithium miners
3. Green metals/renewables
4. Rare Earths

We can do the same Market Scatter and Lots of Charts exercise for these names. Here is the Market Scatter for the Lithium Miners ETF (LIT).



I know I sound like a broken record, but it's the only way to ingrain the process into your brain.

We want to own (or look to own) the stocks in the upper-right corner of the chart. Let's see how Standard Lithium (SLI) looks.



There are a handful of other lithium miner charts that appear identical. All are preparing for breakouts from long-term bases. Can't be a coincidence, can it?

Alright, so far I've told you how I identify actionable investment ideas in our core and current thematics, and my process for finding "On Deck" thematics using Koyfin's powerful screening and data visualization tools.

The final step is managing the portfolio-level thematic allocations, identifying target percentages, and monitoring existing percentage levels. Please note that this is still in its early (beta) stages. I'd love more input and criticism on how I'm structuring it.

Step 3: Portfolio Thematic Allocation

So, you have your thematics and your stocks within those thematics, but how do you decide how much to allocate to each thematic area? What's the correct target percentage? And how do you determine which metrics to use to calculate the target percentage?

Here's my framework.

1. Develop 3M, 6M, and 1YR Relative Strength Scores
2. Generate Composite RS Score as the sum of each time frame's RS score
3. Overlay Market Regime Multiplier to Composite RS Score
4. Generate Target Allocation Percentage based on individual Composite Scores against the sum of each thematic

Here's what that looks like in practice (see below).

Thematic Allocation Plan										
3M RS Weight	20.00%									
6M RS Weight	40.00%									
12M RS Weight	40.00%									
Thematic	3M RS Score	6M RS Score	12M RS Score	Composite RS Score	Market Regime	Market Regime Multiplier	Target Allocation	Current Allocation	Delta	
Aerospace & Defense	8.8	10.40	20.00	39.20	Bull Quiet	43.12	54.12%	23.03%		31.09%
Metals & Mining	8	7.60	5.60	21.20	Blended Bull	22.26	27.94%	35.51%		-7.57%
Oil & Gas / Energy	4.2	-2.21	-3.60	-1.61	Neutral	-1.61	-2.02%	9.04%		-11.06%
Tech/Other	7.8	3.30	4.80	15.90	Neutral	15.90	19.96%	22.69%		-2.73%
Sub-Thematic	Current Allocation									
Aerospace	5.97%									
Defense	17.06%									
Copper	10.14%									
Gold/Silver	8.71%									
Potash	3.45%									
PGMs	10.99%									
E&Ps	0.00%									
Energy Services	4.15%									
Energy Sources	7.12%									
Technology	22.69%									
Total	90.27%									

I've weighted 3M at 20%, 6M at 40%, and 1 year at 40%. We place more weight on longer-term time frames because they indicate the relative strength of the underlying theme.

Next, I generate RS Scores by multiplying the weight by the thematic-specific ETF total return for that period (shown as a number, not a percentage). The Composite Score is then the sum of all time frames.

Then I add a Market Regime Multiplier:

- Bull Quiet: 1.1x
- Blended Bull: 1.05x
- Neutral: 1x

- Bear Quiet: 0.5x
- Bear Volatile: 0.25x

The idea here is that we want to own themes and names in Bull Quiet regimes because those regimes produce the highest returns over time.

You can see the results on the right side of the screenshot. Currently, we're underweight in Aerospace/Defense, slightly overweight in metals/miners, and significantly overweight in Oil & Gas.

I love this approach because it automates target allocation. Each month, we update the total returns for each time frame and determine where we should adjust the allocation based on the target versus current splits.

However, it also provides insight into themes and names we should consider cutting. For example, like oil and gas. It has a Composite Score of -1.61. From our earlier research and process, we already know that areas like Technology or Regional Banks boast higher Composite Scores. Perhaps we should consider cutting Oil & Gas and adding Regional Banks?

Again, this isn't a panacea, but it forces us to ask the right questions constantly:

- **What do we own, and how much of it do we own?**
- **What is working and what isn't working?**
- **What should we add to our book and what should we cut?**
- **Are we allocating our resources to the right thematic given the current market conditions?**

That itself is worth it. Like I mentioned, I'm still working on this Thematic Allocator tool. Please let me know if you have any insight into how we can improve it.

Conclusion: Stacking Edges, Not Biases

My job as an investor is to make money. That means owning the strongest names in the strongest sectors that meet our Trifecta Lens Criteria of aligning Technicals, Fundamentals, and Sentiment.

This process enables me to identify the right names in the relevant industries while filtering out all the noise. All the excess opinions and biases that only creep in if there are holes in your system.