

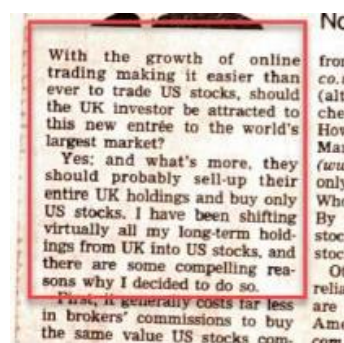
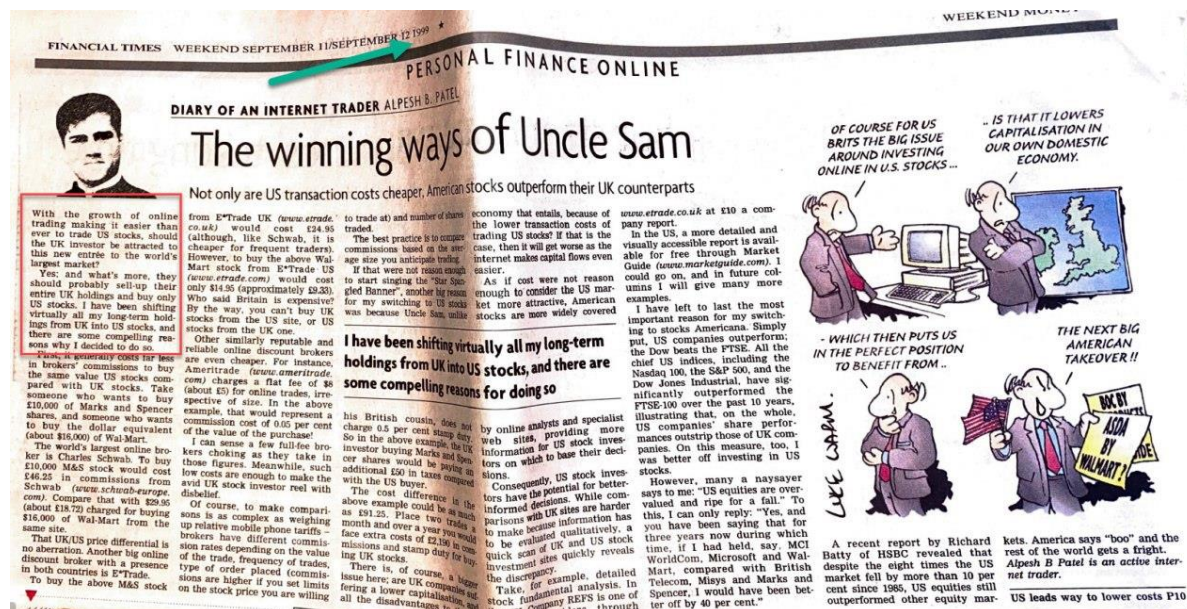
Alpesh Patel's May & June Newsletter

Exclusively for ShareScope Alpesh Patel Special Edition Subscribers



02 June 2020

Overview – Double Size Bumper Issue

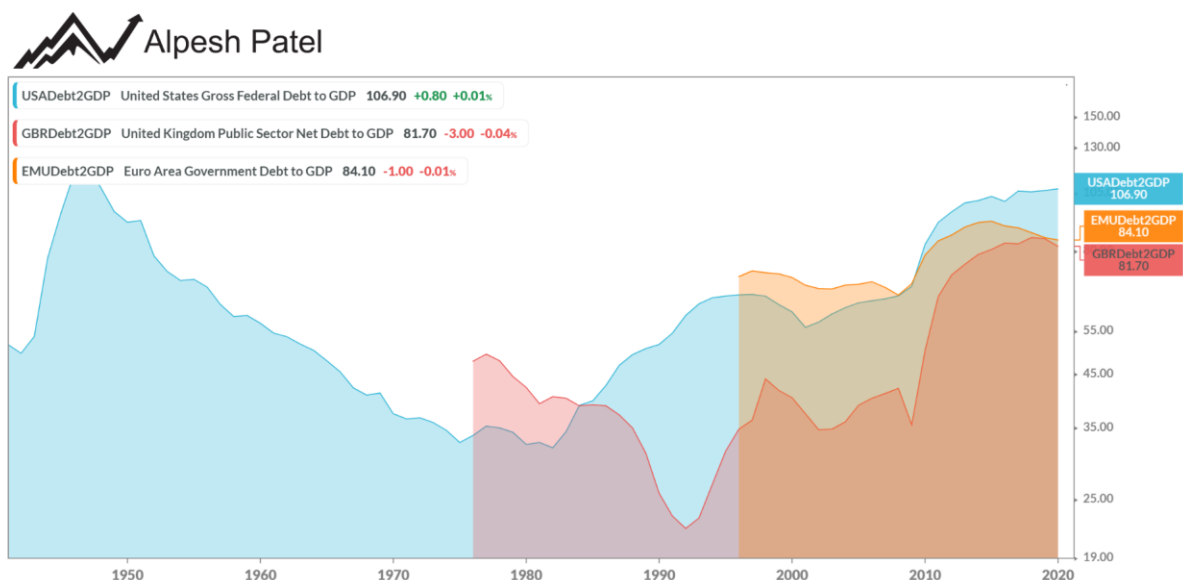
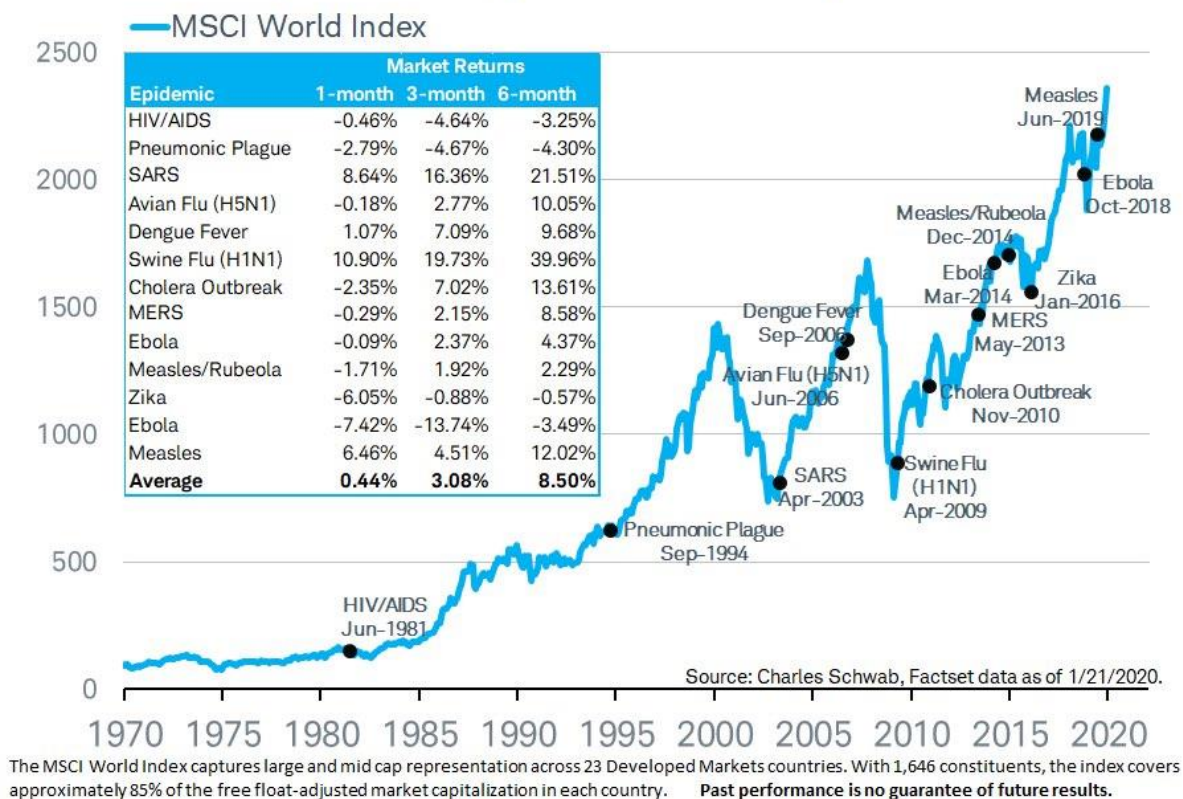


Financial Times, Sept 1999

A man should not rest on past glories – I've been winning for 21 years now – here's proof above.

First some good news:

Immune: world epidemics and global stock market performance



The debt levels are high – but the US didn't do so badly from these levels! Simplistic but I am not worried. Countries never pay off their debt – not Western ones.

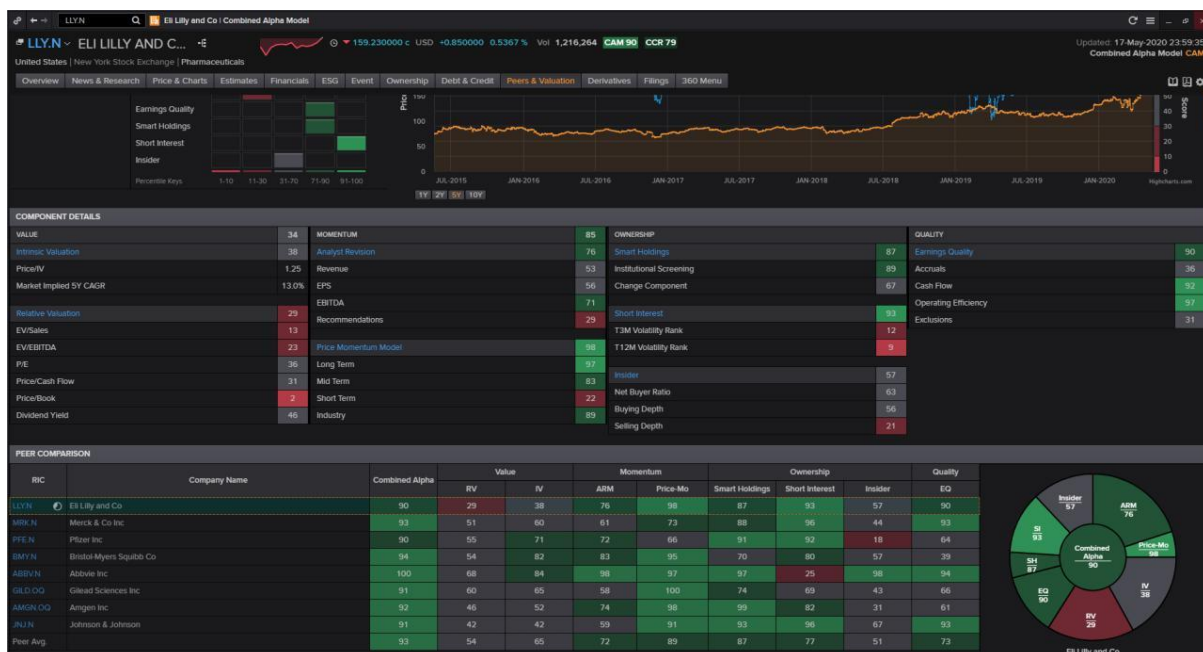
Now look at this:

Exhibit 3: S&P 500 on Track with 2009 Pattern....



Source: Bloomberg, Morgan Stanley Research

Own Eli Lilly too. I may start on a Reuters Terminal or my Bloomberg but I end up on Sharescope.



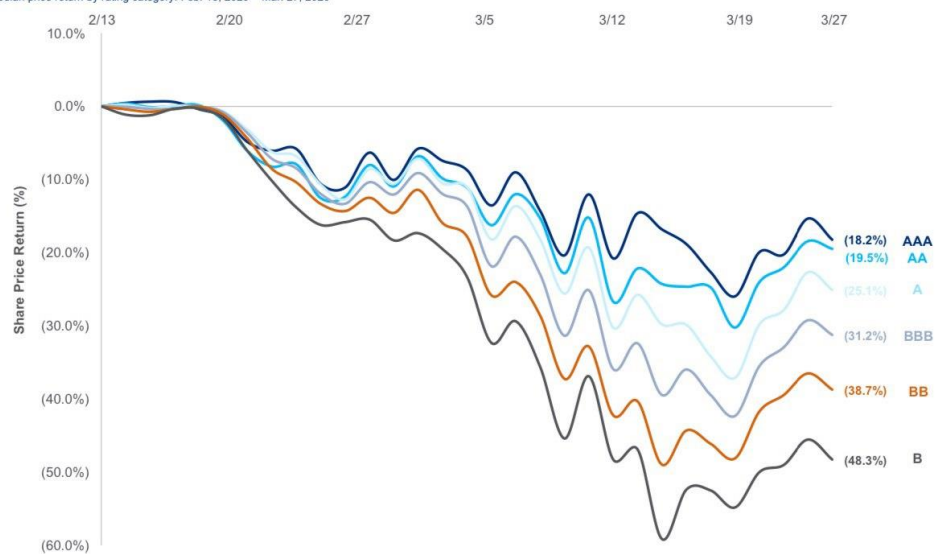
My current 9s. Bought Eli when it was an 8. (Unlike my wife, Eli is now a 7 (wife is a 9.5)) (I am a 5).

No.	Name	EPIC	Alpesh value/ growth rating
1	AbbVie Inc	ABBV	9
2	AcadeMedia AB	ACADS	9
3	Ares Management Corp	ARES	9
4	Avast PLC	AVST	9
5	Balco Group AB	BALCOS	9
6	Big Lots Inc	BIG	9
7	Caledonia Mining Corp	CMCL	9
8	Digia Oyj	DIGIAH	9
9	DWS Group GmbH & Co KGaA	DWSD	9
10	Encavis AG	CAPD	9
11	eQ Oyj	EQV1VH	9
12	Frenkel Topping Group PLC	FEN	9
13	InnovaDerma PLC	IDP	9
14	Innovative Industrial Properties Inc	IIPR	9
15	Jarvis Securities PLC	JIM	9
16	Kid ASA	KIDO	9
17	Kitron ASA	KITO	9
18	McKesson Corp	MCK	9
19	Pan African Resources PLC	PAF	9
20	PBF Logistics LP	PBFX	9
21	Rattler Midstream LP	RTLRL	9
22	Stock Spirits Group PLC	STCK	9
23	Sureserve Group PLC	SUR	9
24	Vipshop Holdings Ltd	VIPS	9

Lower Leverage Mitigates Equity Impact of Volatility

Less Levered Companies Have Fared Better Through Recent Volatility

Median price return by rating category: Feb. 13, 2020 – Mar. 27, 2020



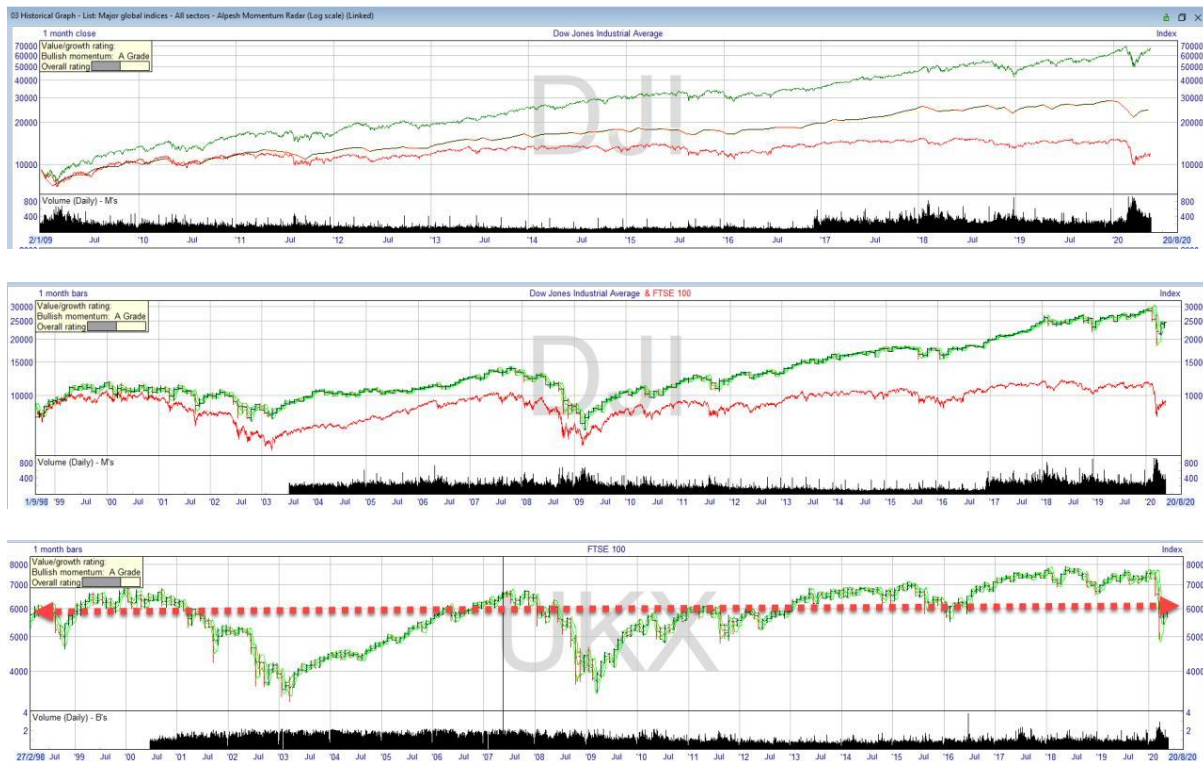
Sources: FactSet, S&P. Based on rated S&P1500 companies.

10



Why I invest in quality companies. If your IFA has lumbered you with a bunch of dogs – sack him.

Another reason to sack your advisor – he told you to buy UK growth companies! Muppet – image below UK, Dow, Nasdaq. Guess which is which.



Winners & Losers

Here's a look at the best- and worst-performing stocks in the S&P 500 Index and the biggest hedge fund ownership during the quarter.

Best Performing Stocks

1. Carrier Global Corp. +44%

Point72 Asset Management
Millennium Management

2. Regeneron Pharmaceuticals Inc. +30%

Renaissance Technologies
AQR Capital Management
Millennium Management

3. Citrix Systems Inc. +28%

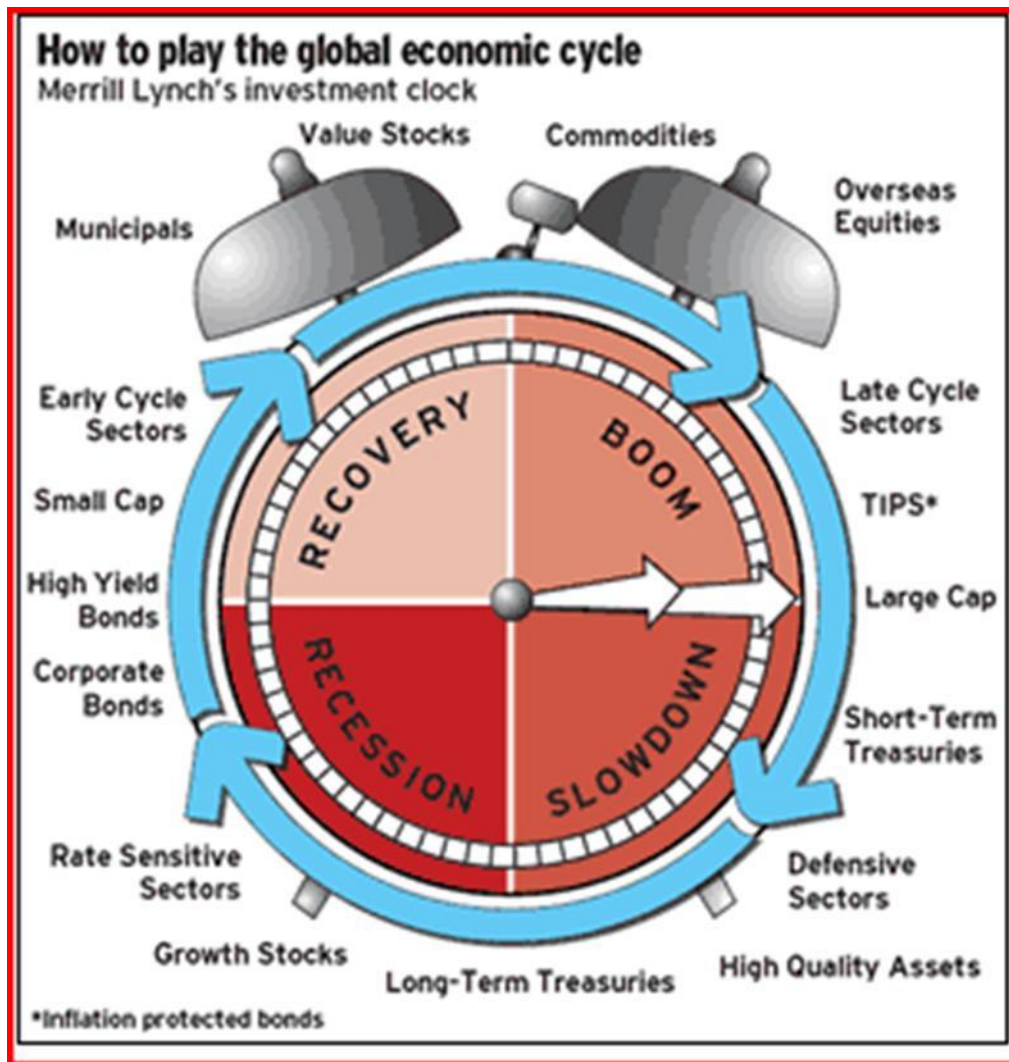
SRS Investment Management
Jericho Capital Asset Management
Citadel Advisors

4. DexCom Inc. +23%

Renaissance Technologies
D.E. Shaw & Co.
Frontier Capital Management

5. Netflix Inc. +16%

SRS Investment Management
D1 Capital
Viking Global Investors



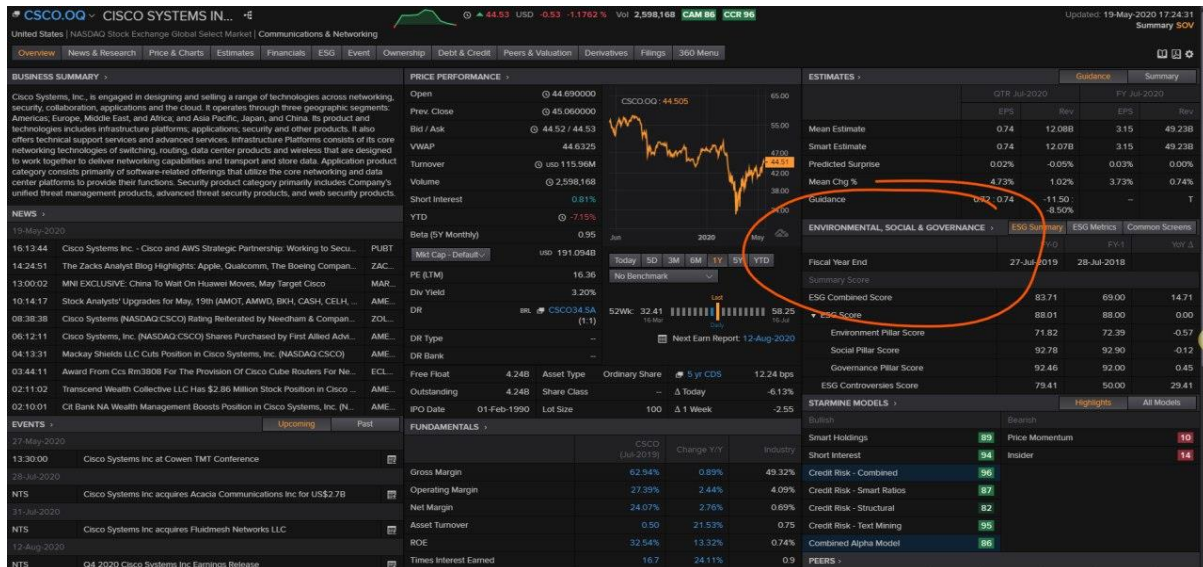
Back to 2000

Prospective price/earnings multiples are their highest in 20 years

■ S&P 500 Index - BEst P/E Ratio



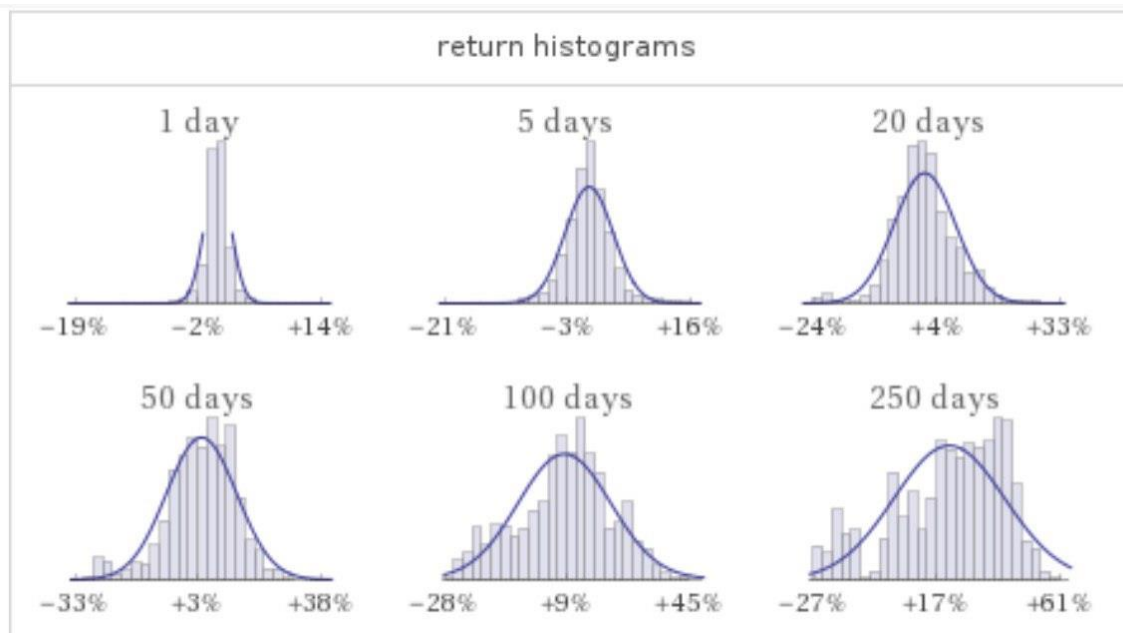
Hedge funds are getting more capital if they have positive ESG. We do in our Private Equity Fund and are raising a healthtech fund with American partners. You don't need to worry about ESG.



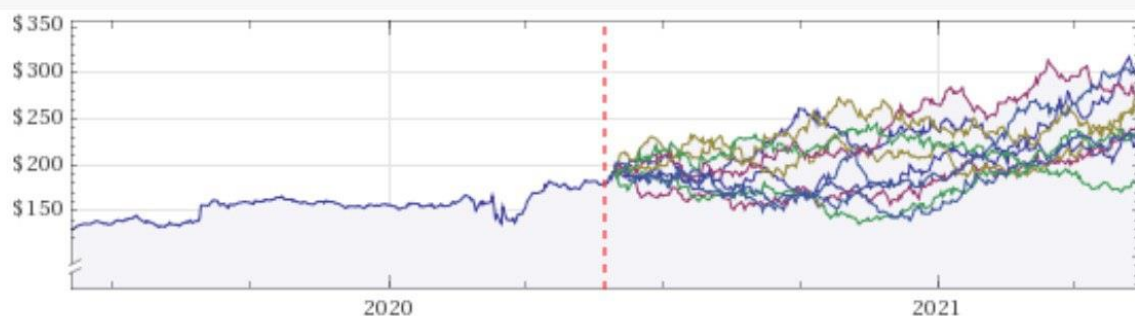
	AAPL	GOOGL	FB	MSFT
AAPL	1.00	0.761	0.634	0.809
GOOGL	0.761	1.00	0.707	0.825
FB	0.634	0.707	1.00	0.682
MSFT	0.809	0.825	0.682	1.00

Correlations. When I sanity check a portfolio I check for correlation. 1 means perfect correlation and buying more provides no diversification benefit 0 means no correlation. As I wrote some time ago in the FT people underestimate in falling markets how correlated everything becomes. Also bear in mind a man won the Nobel prize in economics for showing that a portfolio with less correlated holdings is more like to give better returns. It's like free money to replace highly correlated with less correlated - all other things being equal. Btw before you think this is too difficult and you should trust your fund manager or wealth manager - forget it - only hedge fund managers use things like Sortinos and correlation analysis. It's like the Army. Only the SAS get stealth night vision gear. The sad truth is the

average IFA, fund manager, wealth manager isn't equipped. I know, I've taken their regulatory exams. We have to. And they are totally inadequate.



The above is Dollar General which I bought into – my hedge fund team gets me this data. I like fundamentals, technical and the more forgotten statistics! (Maths Prize for A'level Statistics – geek that I am).



50% range, 1 month	\$186.00 (-2.9%) to \$207.78 (+8.5%)
95% range, 1 month	\$167.38 (-12.6%) to \$230.90 (+20.6%)
50% range, 1 year	\$216.27 (+12.9%) to \$317.13 (+65.6%)
95% range, 1 year	\$150.17 (-21.6%) to \$456.74 (+138.5%)

(log-normal random walks based on historical parameters)

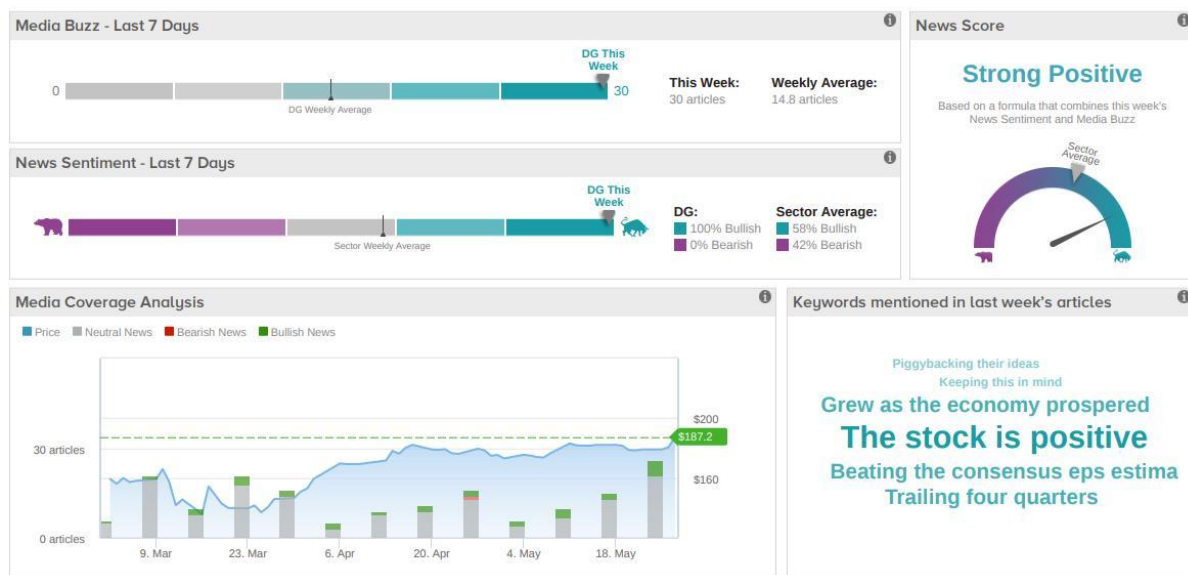
Above also for Dollar General. Love this type of analysis.

I bought PayPal – again my team's job is to get me this data nicely visually packaged for me:



Analyst	Firm	Ranking	Position	Price Target	Action	Date
Daniel Perlin	RBC Capital	★★★★★	Buy	\$159.00	Reiterated	Today
Jason Kupferberg	Merrill Lynch	★★★★★	Buy	\$171.00	Reiterated	2 days ago
Brett Huff	Stephens	★★★★★	Buy	\$159.00	Reiterated	10 days ago
Kenneth Hill	Rosenblatt Securities	★★★★★	Buy	\$145.00	Reiterated	14 days ago
Ramsey El Assal	Barclays	★★★★★	Buy	\$169.00	Reiterated	17 days ago
Mark Palmer	BTIG	★★★★★	Buy	\$172.00	Reiterated	18 days ago
Sanjay Sakhrani	KBW	★★★★★	Buy	\$152.00	Reiterated	20 days ago
Josh Beck	KeyBanc	★★★★★	Buy	\$150.00	Reiterated	21 days ago
Glenn Greene	Oppenheimer	★★★★★	Buy	\$140.00	Reiterated	21 days ago
Bill Carcache	Nomura	★★★★★	Buy	\$132.00	Reiterated	21 days ago
Moshe Katri	Wedbush	★★★★★	Buy	\$160.00	Reiterated	21 days ago
Timothy Willi	Wells Fargo	★★★★★	Buy	\$150.00	Reiterated	21 days ago
Timothy Chiodo	Credit Suisse	★★★★★	Buy	\$140.00	Reiterated	21 days ago
Joseph Vafi	Canaccord Genuity	★★★★★	Buy	\$160.00	Reiterated	22 days ago
James Faucette	Morgan Stanley	★★★★★	Buy	\$131.00	Reiterated	23 days ago
Michael Del Grosso	Compass Point	★★★★★	Buy	\$140.00	Reiterated	Last month
Bryan Keane	Deutsche Bank	★★★★★	Buy	\$147.00	Reiterated	Last month
Heath Terry	Goldman Sachs	★★★★★	Buy	\$130.00	Reiterated	3 months ago
Jeff Cantwell	Guggenheim	★★★★★	Buy	\$133.00	Upgraded	4 months ago
Colin Sebastian	Robert W. Baird	★★★★★	Buy	\$125.00	Reiterated	4 months ago



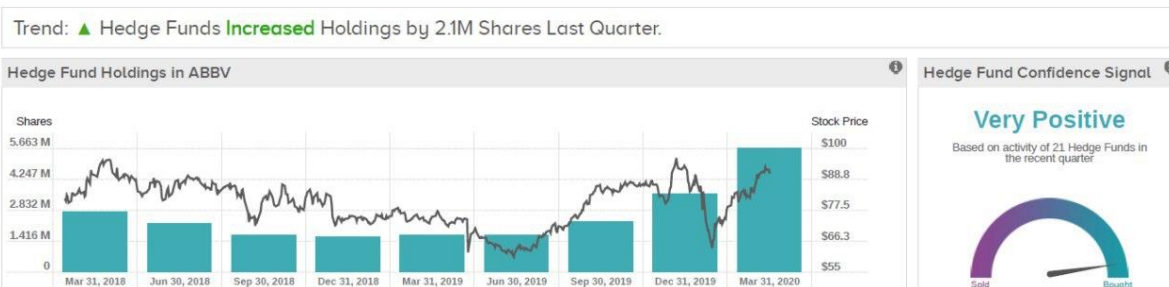


Where and how they get me the information is their job and it's why I hire them.

RENAISSANCE TECHNOLOGIES LLC Holdings Transactions for Q1 2020										
Stock	Symbol	Type	Shares Held	Market Value	% of Portfolio	Previous % of Portfolio	Ranking	Change in shares	% Change	Change Type
Bristol-myers squibb co	BMJ		65,992,111	3,678,400,000	3.5720%	2.97%	1	5,781,450	9.602%	addition
Novo-nordisk a/s ads	NVO		27,860,226	1,677,186,000	1.6289%	1.1661%	2	1,643,200	6.2677%	addition
Vertex pharmaceuticals inc.	VRTX		6,859,682	1,632,261,000	1.5851%	1.1907%	3	-216,900	(3.065%)	reduction
Versign inc.	VRSN		8,105,280	1,459,682,000	1.4117%	1.2246%	4	-165,400	(1.9998%)	reduction
Biogen inc.	BBG		4,473,912	1,415,456,000	1.3747%	1.0421%	5	95,994	(2.1006%)	reduction
Allergan plc.	AGN		7,089,144	1,255,487,000	1.2194%	0.7374%	6	2,099,332	41.2233%	addition
Chipotle mexican grill inc.	CMG		1,839,242	1,203,600,000	1.169%	1.1345%	7	75,700	4.2925%	addition
Walmart inc.	WMT		9,802,214	1,113,720,000	1.0817%	0.8152%	8	875,377	9.8081%	addition
Humana inc.	HUM		3,529,142	1,108,221,000	1.0763%	0.8312%	9	577,900	19.5816%	addition
Abbvie inc.	ABBV		13,555,849	1,032,820,000	1.0031%	0.8026%	10	1,759,105	14.9118%	addition
Gilead sciences inc.	GILD		12,531,209	936,833,000	0.9099%	0.847%	11	-4,431,735	(26.126%)	reduction
Palo alto networks inc.	PNW		5,419,351	889,557,000	0.863%	1.003%	12	-243,100	(4.2932%)	reduction
Atlassian corp plc	TEAM		6,434,024	883,134,000	0.8577%	0.5624%	13	352,100	5.7893%	addition
Glaxosmithkline plc adr	GSK		23,076,454	874,367,000	0.8482%	0.6871%	14	4,048,855	21.2789%	addition
Monster beverage corp.	MINST		13,606,592	765,507,000	0.7435%	0.5693%	15	2,154,277	18.8108%	addition
Amgen inc.	AMGN		3,750,003	760,236,000	0.7384%	0.5853%	16	590,465	18.683%	addition
Novartis ag ads	NVS		8,461,408	700,117,000	0.68%	0.4803%	17	1,890,228	28.6347%	addition
Hershey company (the)	HSY		5,255,138	696,308,000	0.6783%	0.5073%	18	764,078	17.0133%	addition
Sprint corp.	S		78,342,305	675,311,000	0.6556%	0.3605%	19	-11,711,855	(13.0052%)	reduction
Target corp.	TGT		7,009,159	651,642,000	0.6329%	0.5588%	20	1,337,191	23.5754%	addition
Diamond pizza inc.	DPPZ		1,981,525	642,153,000	0.6237%	0.3852%	21	275,425	18.1435%	addition
Fortinet inc.	FTNT		6,064,388	613,534,000	0.5959%	0.4718%	22	313,500	5.4513%	addition
Molina healthcare inc.	MOH		4,148,109	579,532,000	0.5629%	0.435%	23	-23,400	(0.5609%)	reduction
Bojiu inc adr	BJOU		5,710,043	575,515,000	0.559%	0.1862%	24	3,783,966	197.8671%	addition
Duke energy corp.	DUK		7,078,432	572,604,000	0.556%	0.4374%	25	637,779	13.4245%	addition
Newmont mining corp. (holding co.)	NEM		11,953,187	541,240,000	0.5257%	0.3083%	26	2,718,688	29.4406%	addition
Entergy corp.	ETR		5,683,364	534,066,000	0.5187%	0.451%	27	784,740	16.0196%	addition
Merck & co	MRK		6,892,370	530,299,000	0.515%	0.3965%	28	1,219,127	21.4891%	addition
Cable one inc.	CABO		212,100	513,090,000	0.4963%	0.335%	29	19,200	5.551%	addition
Align technology inc.	ALGN		2,938,229	511,105,000	0.4964%	0.5568%	30	327,381	12.5393%	addition
Vodafone group plc sponsored adr	VOD		36,142,908	497,688,000	0.4834%	0.5046%	31	2,170,688	6.3896%	addition
Franco-nevada corp.	FNV		4,904,818	489,145,000	0.4741%	0.3683%	32	265,182	5.7156%	addition
Firstenergy corp.	FE		12,034,406	462,219,000	0.4603%	0.3835%	33	1,766,198	17.1996%	addition
Colgate-palmolive co	CL		7,023,996	460,112,000	0.4527%	0.2472%	34	2,351,369	50.3222%	addition
Barrick gold corp.	GOLD		26,132,271	460,423,000	0.4472%	0.2236%	35	9,483,307	60.6002%	addition
American electric power co. (american gas & electric)	AEP		5,530,140	442,301,000	0.4296%	0.3386%	36	868,242	18.6242%	addition

I use holdings of major hedge funds to make sure I am not missing any names to investigate further.

AbbVie Hedge Fund Activity



I bought AbbVie

Want more names for analysis:

“This sharp increase in retail trading has helped a basket of popular retail stocks outperform the S&P 500 by 13 percentage points year to date,” Goldman said in its report.

Among some of the most popular names for hedge funds—those that frequently appear in the top 10 holdings for the funds—were [Amazon.com](https://www.amazon.com) (ticker: AMZN) and [Microsoft](https://www.microsoft.com) (MSFT). The two, which are often hedge fund favorites, saw the largest increase in hedge fund popularity last quarter. [Facebook](https://www.facebook.com) (FB), Alphabet (GOOGL), and Alibaba Group Holding (BABA) rounded out the top five most popular holdings, marking the seventh consecutive quarter of these names dominating the pack.

There were 12 new entries for Goldman Sachs list of 50 “Very Important Positions” for hedge funds. [Activision Blizzard](#) (ATVI), [Crown Holdings](#) (CCK), and [Change Healthcare](#) (CHNG) were three of the names joining the list. Other names joining the list were: [Equinix](#) (EQIX), [HCA Healthcare](#) (HCA), Liberty Broadband (LBRDK), [NVIDIA](#) (NVDA), [Raytheon Technologies](#) (RTX), [Tech Data](#) (TECD), [T-Mobile US \(TMUS\)](#), [UnitedHealth Group](#) (UNH), and [Zynga](#) (ZNGA).

Goldman’s “VIP” basket has outperformed the S&P 500 in 61% of quarters since 2001, the company’s data show. Goldman compiles its list by examining holdings of 822 hedge funds, representing \$1.8 trillion of gross equity exposure. The analyst team [completed its assessment from Form 13F filings](#), in which show funds’ long only positions as of the last day of the first quarter, as well as other sources.

Remember – names go into the machine – you then need to analyse.

There are 13 stocks that are “shared favorites” among both hedge funds and mutual funds: Adobe, Bank of America, Bristol-Myers Squibb, Citigroup, Crown Holdings, Comcast, Salesforce, Google parent Alphabet, Mastercard, ServiceNow, PayPal, UnitedHealth Group and Visa.

Among the big tech “FAAMG” companies, only Google parent Alphabet is a shared favorite, Goldman’s research showed; Amazon, Microsoft and Facebook are some of the most popular stocks for hedge funds, but they’re among the 10 most underweight positions for large-cap mutual funds.

There will always be ones that got away. I kept singing praises of Wix for the past 9 months – but didn’t buy the stock – didn’t think to – idiot.



Too late now? Well, I have a squad of 12-20 holdings and this one is a great player, but he's too expensive now – as the football gaffers (who I miss) would say.

Whilst I use Eikon and Bloomberg (see image below) – I love Sharescope/Sharepad and replicate scoring models other platforms use on ShareScope anyway.



Ionic and Martin Stamp are just legendary. Known them 20 odd years now.

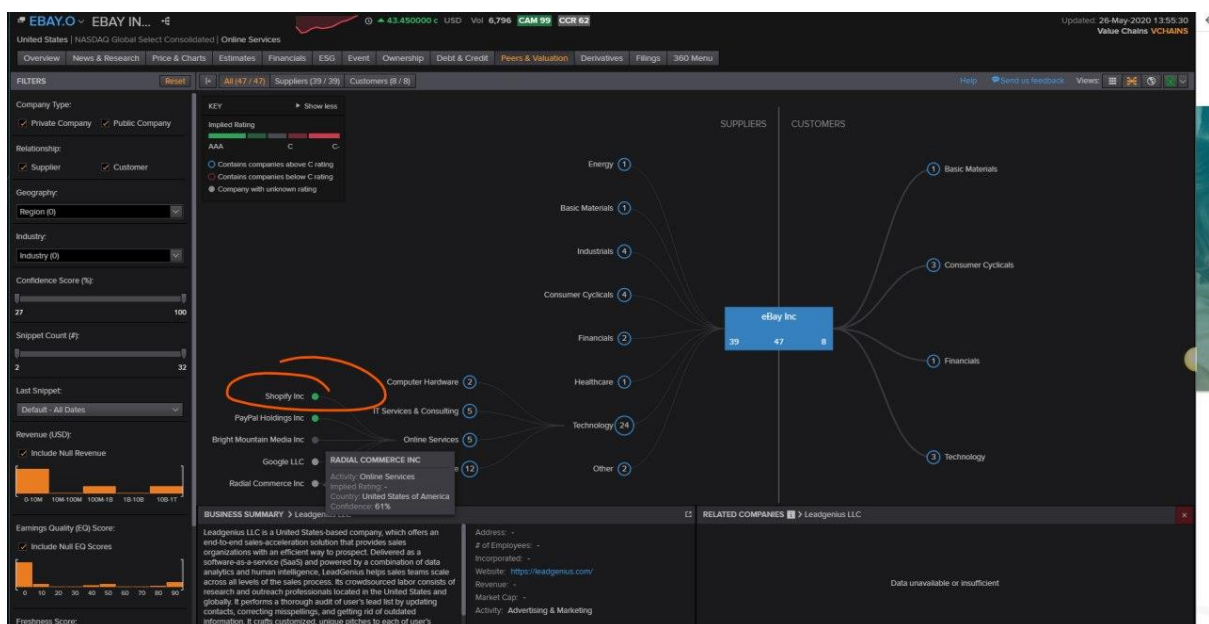


Yes I own Microsoft – not everything has to be unsubtle. And no – no Lloyds. If you have Lloyds or Barclays – well you may as well hold given they're at 30 year lows. But once they double from bouncing not growth/value/income – get out and stay out. They're banks – not Amazon!

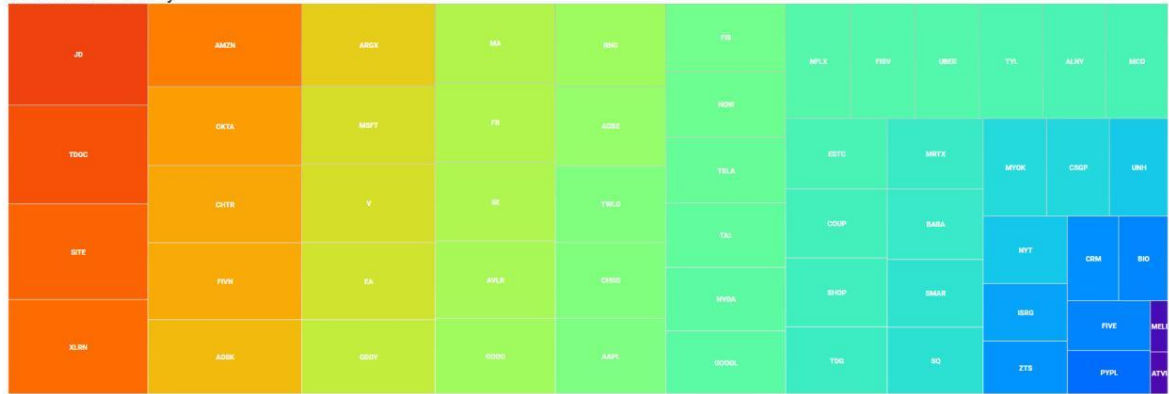


I own Ebay too.

Shopify I missed! I may get the name from Reuters Terminal or Bloomberg, but then will use my analysis on Sharescope.



Results based on 13F activity



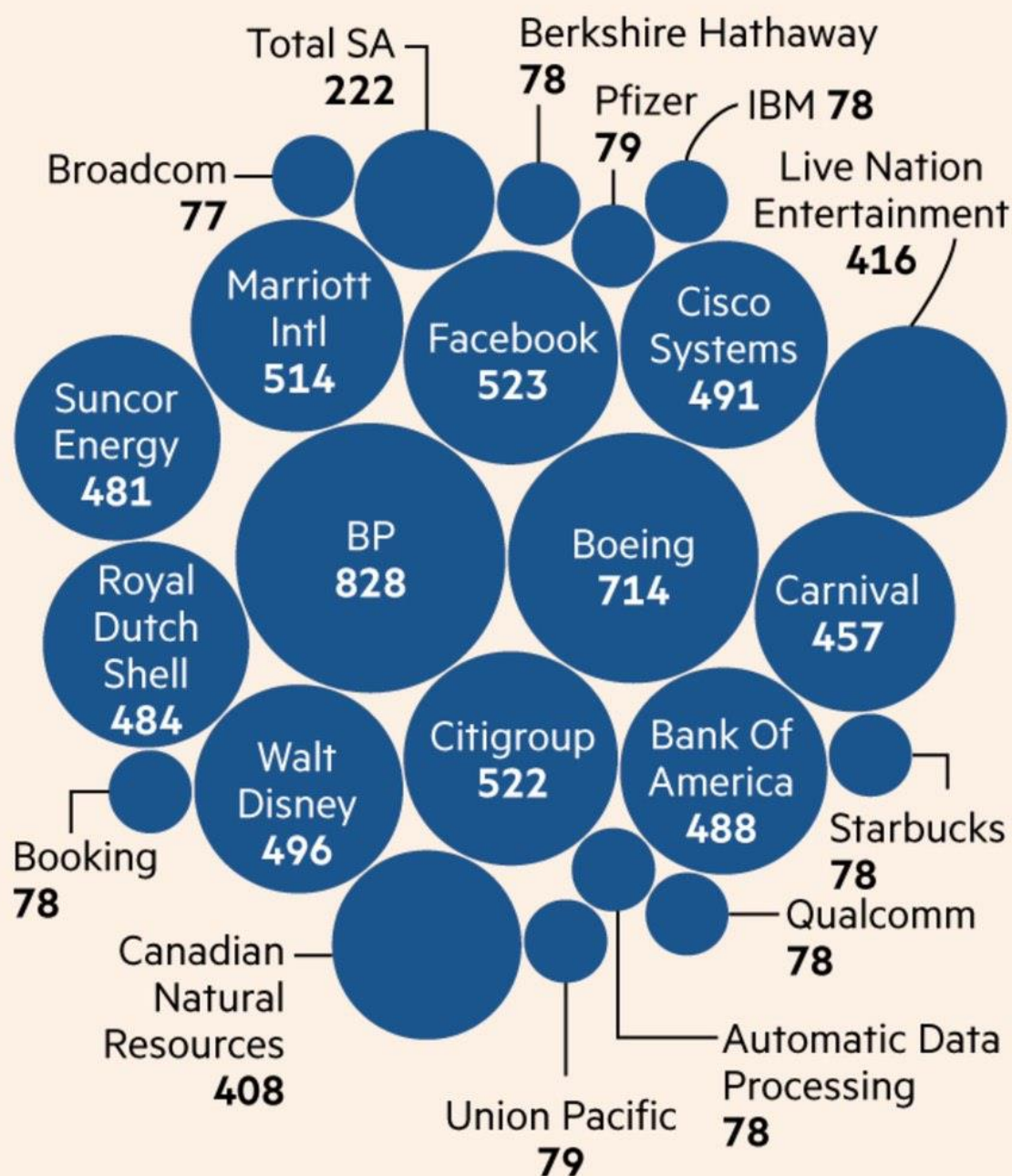
Above is the hedge funds most popular in red in the quarter ending March 31st.

12 WEST CAPITAL MANAGEMENT LP	ABDIEL CAPITAL ADVISORS, LP	ABRAMS BISON INVESTMENTS, LLC	ADAMS STREET PARTNERS LLC	AKRE CAPITAL MANAGEMENT LLC
ALLEN HOLDING INC	ALTA PARK CAPITAL, LP	ALTAROCK PARTNERS LLC	ALTIMETER CAPITAL MANAGEMENT, LP	AMERICAN CAPITAL MANAGEMENT INC
ANCIENT ART, L.P.	ARAVT GLOBAL LLC	ARK INVESTMENT MANAGEMENT LLC	ARTAL GROUP S.A.	ASHE CAPITAL MANAGEMENT, LP
ASHFORD CAPITAL MANAGEMENT INC	AVORO CAPITAL ADVISORS LLC	BAKER BROS. ADVISORS LP	BARTON INVESTMENT MANAGEMENT	BLS CAPITAL FONDSMAEGLERSELSKAB A
BLUESPRUCE INVESTMENTS, LP	BOXER CAPITAL, LLC	BRANDYWINE MANAGERS, LLC	BROWN CAPITAL MANAGEMENT LLC	BVF INC
CASDIN CAPITAL, LLC	CAT ROCK CAPITAL MANAGEMENT LP	CAVALRY MANAGEMENT GROUP, LLC	CONTOUR ASSET MANAGEMENT LLC	CORMORANT ASSET MANAGEMENT, LP
CRESCENT PARK MANAGEMENT, L.P.	CROSSLINK CAPITAL INC	CRYDER CAPITAL PARTNERS LLP	CYPRESS FUNDS LLC	DARSANA CAPITAL PARTNERS LP
DORSAL CAPITAL MANAGEMENT, LLC	DORSEY ASSET MANAGEMENT, LLC	DRAGONEER INVESTMENT GROUP, LLC	DSM CAPITAL PARTNERS LLC	EAST COAST ASSET MANAGEMENT, LLC
ECHINUS ADVISORS, LLC	ENGLE CAPITAL MANAGEMENT, L.P.	FIRST LIGHT ASSET MANAGEMENT, LLC	FOXHAVEN ASSET MANAGEMENT, LP	FUNDSMITH LLP
G2 INVESTMENT PARTNERS MANAGEMENT LLC	GFI INVESTMENT COUNSEL LTD.	GLADSTONE CAPITAL MANAGEMENT LLP	GLYNIN CAPITAL MANAGEMENT LLC	GOODNOW INVESTMENT GROUP, LLC
	GRANAHAN INVESTMENT MANAGEMENT INC	GREAT POINT PARTNERS LLC	GREENBRIER PARTNERS CAPITAL MANAGEMENT, LLC	GREENHOUSE FUNDS LLLP
HMI CAPITAL, LLC	HUDSON EXECUTIVE CAPITAL LP	HUNT LANE CAPITAL LP	IMMERSION CAPITAL LLP	GREENWOODS ASSET MANAGEMENT LTD
				INVESTMENTAKTIENGESellschaft FUER
ITHAKA GROUP LLC	JERICHO CAPITAL ASSET MANAGEMENT L.P.	KAYNE ANDERSON RUONICK INVESTMENT MANAGEMENT LLC	KG FUNDS MANAGEMENT, LLC	LANGFRISTIGE INVESTOREN TGV
			LANNEBO FONDER AB	LA FINANCIERE DE LECHIQUEUR
NIGHT OWL CAPITAL MANAGEMENT, LLC	NINE TEN CAPITAL MANAGEMENT LLC	OAKMONT CORP	OAKTOP CAPITAL MANAGEMENT II, L.P.	MARSHFIELD ASSOCIATES
PDT PARTNERS, LLC	PIER CAPITAL, LLC	POLEN CAPITAL MANAGEMENT LLC	QUINN OPPORTUNITY PARTNERS LLC	OWNERSHIP CAPITAL B.V.
REDMILE GROUP, LLC	RGM CAPITAL, LLC	RTW INVESTMENTS, LP	SANDHILL CAPITAL PARTNERS LLC	RA CAPITAL MANAGEMENT, L.P.
SCGE MANAGEMENT, L.P.	SHANNON RIVER FUND MANAGEMENT LLC	SLATE PATH CAPITAL LP	SOMA EQUITY PARTNERS LP	SC US (TTGP), LTD.
STOCKBRIDGE PARTNERS LLC	TCI FUND MANAGEMENT LTD	TELEMARK ASSET MANAGEMENT, LLC	TENSILE CAPITAL MANAGEMENT LLC	SON INVESTORS LP
TRIPLE FROND PARTNERS LLC	TYBOURNE CAPITAL MANAGEMENT (HK) LTD	VALLEY FORGE CAPITAL MANAGEMENT, LP	VISTA EQUITY PARTNERS MANAGEMENT, LLC	TIGER GLOBAL MANAGEMENT LLC
WHALE ROCK CAPITAL MANAGEMENT LLC	WHETSTONE CAPITAL ADVISORS, LLC	WINDACRE PARTNERSHIP LLC		WESTWOOD MANAGEMENT CORP

Above some of the hedge funds analysed.

Saudi PIF ramps up investment

Value of stakes acquired in 2020* (\$million)



* Value of stakes up to March 31 2020

Source: US filings

© FT

Again – I use names to analyse, not blindly buy.

THE FASTEST GROWING AND DECLINING RETAIL BRANDS

The global retail industry has experienced a catastrophic start to 2020 due to the ongoing pandemic, and no retailer has been immune to its effects.

However, several brands have experienced an increase in brand value when compared to 2019.

The following data comes from Kantar's BrandZ 2020 report, and incorporates financial data up until mid-April 2020.

KANTAR calculates the value of a brand by using global data from:

3.7M consumers 185K brands 50 markets

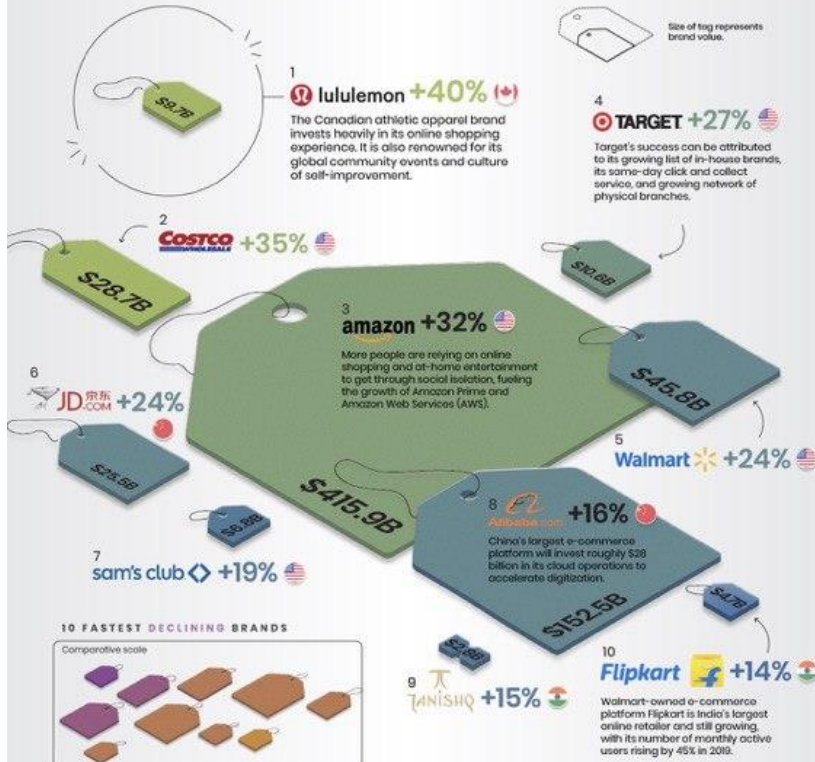
BIGGEST WINS

10 FASTEST GROWING BRANDS

BRAND VALUE % CHANGE 2020 VS 2019



Size of tag represents brand value.



10 FASTEST DECLINING BRANDS

Comparative scale



BIGGEST LOSSES

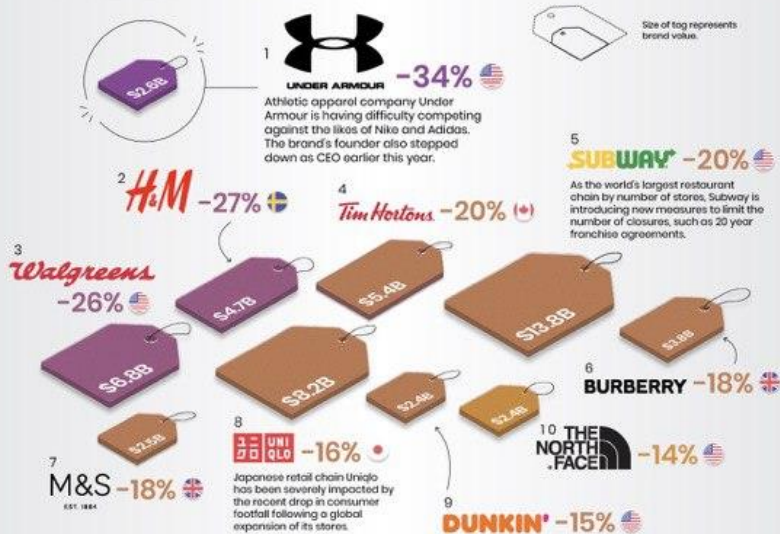
10 FASTEST DECLINING BRANDS

Scaled 200% for illustrative purposes.

BRAND VALUE % CHANGE 2020 VS 2019



Size of tag represents brand value.

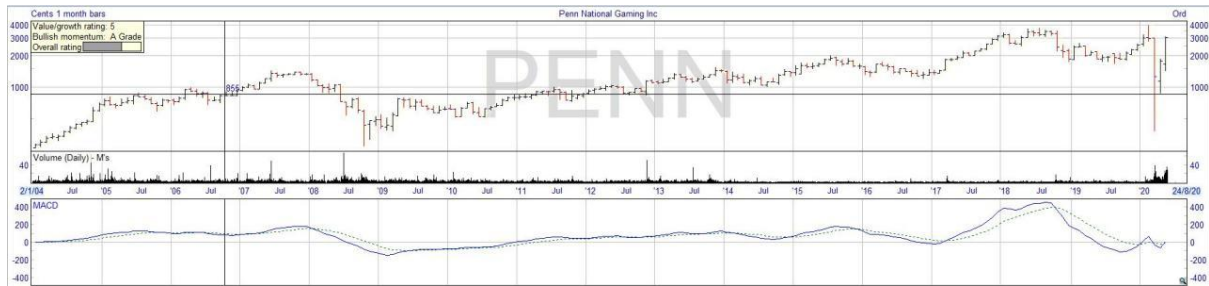


Even as the economy begins to open up again post-COVID-19, the future of retail is very uncertain. How these brands react in the coming months will determine their value in the next edition of these rankings.

All these names are analysed for quality of valuation/growth/income.

Some who didn't make the cut on my Value Growth Rating alone (8 and 9 only make it) unless either a quality company eg Amazon (there are only 5 quality companies in the world in my view and my son owns them all – Amazon, Apple, Facebook (just), Alphabet – or if I bought company for strategic reasons eg Shell hold now until oil gets to \$60 or if Shell doubles – whichever happens first and wait max 3 years to get double my money.

Below names came up and did NOT make the cut.





On above basis – some of what I own:

PYPL*

Paypal Holdings Inc USD0.0001

AZO*

Autozone Inc Com Stk USD0.01

NETC¹*

Netcompany Group A/S DKK1

WYNN*

Wynn Resorts USD (CDI)

ADBE*

Adobe Inc Comm Stk US\$.0001

LUK2

Legal & General UCITS ETF L&G
FTSE 100 Leveraged (2X) Fund

TSTL

Tristel Plc Ordinary 1p Shares

MRK*

Merck & Co Inc Common

INO*

Inovio Pharmaceuticals Inc Com NPV

PMO

Premier Oil Plc ORD GBP0.125

MSF2*

Leverage Shares Plc 2X Microsoft
ETP 03/04/67 USD

KNOS

Kainos Group plc Ordinary 0.5p

BOTB

Best of the Best plc Ordinary
5p Shares

GS*

Goldman Sachs USD (CDI)

MA*

Mastercard Inc Common Stock

BIDU*

Baidu Inc Ads Each Rep 1 Ord Cls
'A' Shs

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