

April 2024

To the students of the CIS, Marshall School of Business at USC

Once again, it's a true pleasure to have this chance to be with you today. I've experienced much in 28 years on Wall Street, and the opportunity to be here on the USC campus handing down my knowledge about markets, the economy, and asset management is one of the highlights.

I sat in that seat you're in three decades ago. Like you, I had a whole new world out there in front of me that I had yet to experience. Stepping off into it can be a daunting task. But it's daunting for most everyone. You are neither alone, nor special. The latter is meant in the kindest and most helpful way. Entering your career with entitled expectations isn't setting a strong foundation. And hopefully you won't.

Listen closely, learn, experience as much as you can, dive down that rabbit hole of intellectual curiosity, and someday you will have grown into the special column of the big Excel spreadsheet of life.

Let's take another step towards that journey today.

Fight on!

Bryan Goligoski
Ucla, Class of 1995

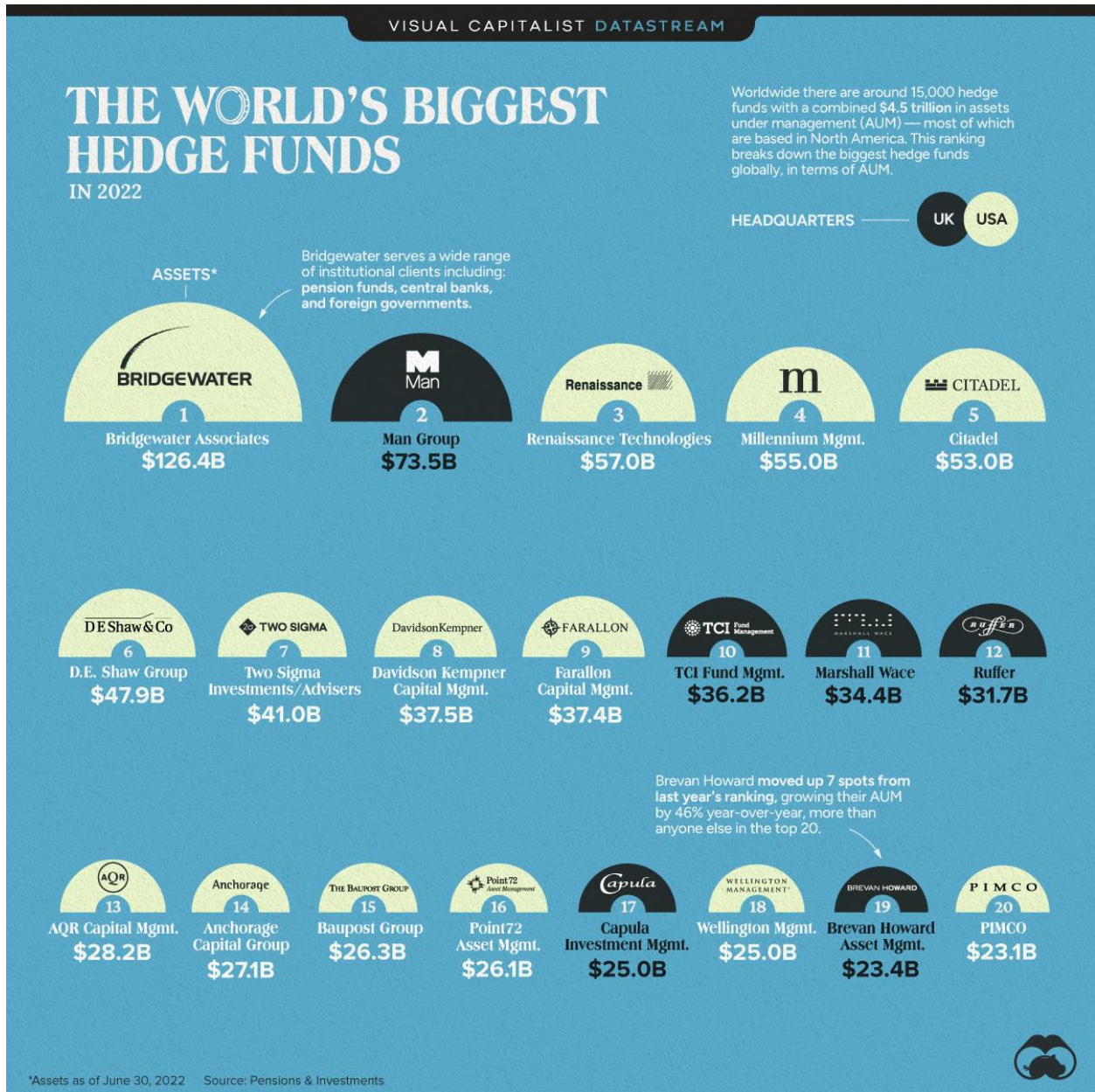
USC Marshall

School of Business

Hedge fund management, long/short investing, market neutral, short selling, long bias, stat arb, and the list goes on. Is it art, or science? Or is it a combination of the two. It depends on who you ask, and probably how much money they've made in the business. And there are plenty to ask. While these are the 'apex feeders' there are plenty of others who will opine. Self-included.



The biggest...



Keep getting bigger...

The biggest hedge funds attract all the money

\$ in assets under management



Note: Numbers up to Q4 2022

Source: HFR

Before we dive deep in, I'd like to set the stage for participation and success.

Bridgewater, the world's largest hedge fund, has a policy called 'radical transparency'. It was founded on these five principals. I would have lasted exactly four minutes at Bridgewater. There probably is a line where 'radical transparency' goes over, and I would have actively sought it out.

RADICAL TRANSPARENCY AT BRIDGEWATER: THE BASICS



Everything is recorded.

All meetings and interviews, with few exceptions, **are filmed and made public** to all employees.



Everyone follows the “Principles.”

Each employee has a copy of Dalio’s exhaustive management philosophy guide, which contains **210 lessons**.



Complete honesty means nothing held back.

Talking behind someone’s back makes someone a “slimy weasel,” according to the Principles, and is a **fireable offense**. All tensions, even with Dalio himself, must be brought to that person.



Employees have “baseball cards.”

Employees use an internal iOS app called **Dot Collector** to rate each other’s attributes. Averages are collected in “baseball cards” for each member of Bridgewater.



Pain + reflection = progress.

The above equation is fundamental to Dalio’s Principles. Each employee uses an iOS app called **The Pain Button** to log negative work experiences for the purpose of later discussion and resolution.

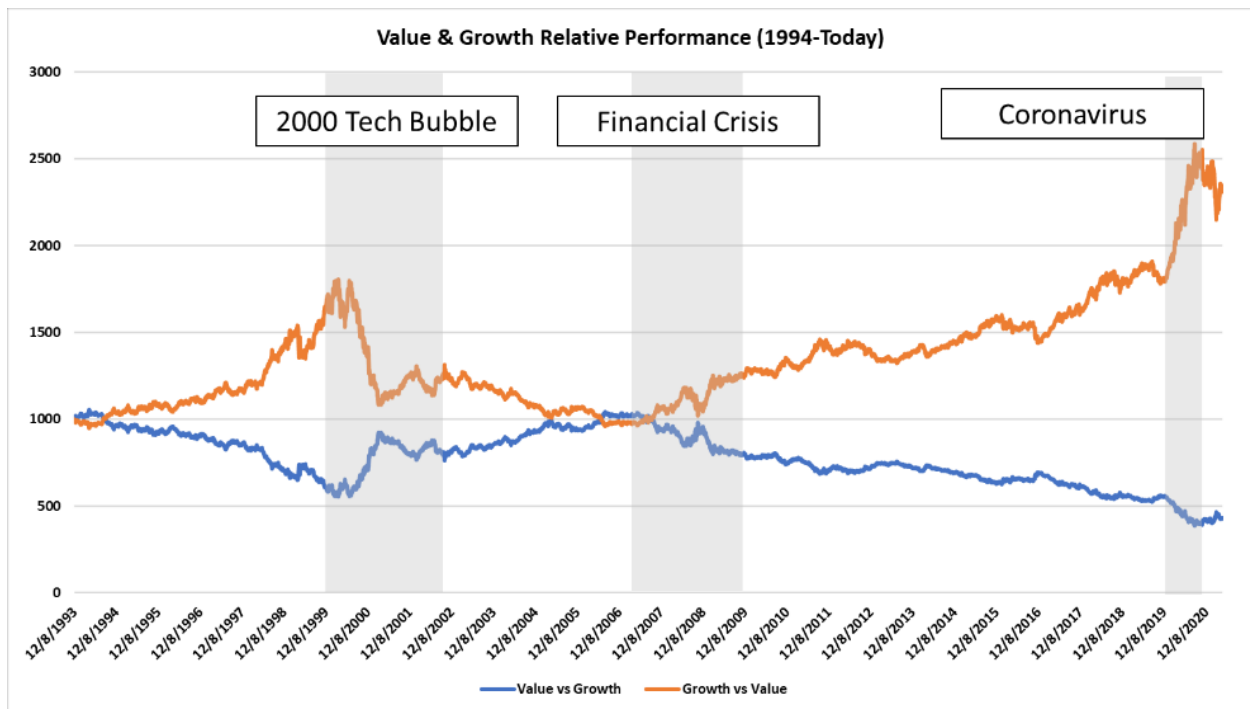
For today, we are going to use a wimpy version of radical transparency that you are all encouraged, *nee* required, to air your bubble thoughts. If you have a question, ask it. If something resonates with you, speak it. But most importantly if you disagree, or want to challenge an idea, bring it on!



After the earth cooled, there was Alfred Winslow-Jones. The father of hedge funds. Over the course of ten years in the 1960s, he returned 600% versus the 300% of the Dow Jones Industrials. He was integral in the development of short selling as we would come to know it. His mantra was short expensive stocks, be long value. A novel idea in today's markets.



But how would his strategy of shorting 'expensive' stocks and buying long value do now? A version of that would have taken you out on a stretcher in the last 30 years. One could make the argument that growth may not be expensive given the underlying prospects of the company. That said, it's generally agreed that growth tends to be expensive. Bottom line, it's been a very tough road for that trade, to the detriment of value.



Before we jump in further into the subject of hedge funds. I want to step back and explain a little something about asset allocation and 'style purity'. Two foundational aspects of success and failure of hedge funds. To lay the groundwork I'm going to use a group of guys and gals that I'm lucky enough to call friends. They are the Kleins, from the mean streets of Pacific Palisades.



It starts with USC football legend, Bob Klein. His job as tight end was to catch the shorter passes and make a few yards. Just as importantly, in fact more so, be a great blocker for the rest of the offense, especially the running backs. Here he is on the far right of the picture blocking for OJ Simpson on arguably the best run of 'The Juice's' college career. It broke open the game when No. 1 Ucla squared off versus No.2 USC, and we Bruins never recovered. Notice John McKay on the sideline with his highwater pants and white socks.



I once asked Bob 'Where were you on that play?'
His baller response, 'Where wasn't I.'

It was a statement, not a question.

The lesson here is what was Bob's job? Catch the ball when called on, and block downfield and off the line more often. Had he racked up a bunch of running yards either Bob was playing at the wrong spot, or the offense was running plays that had 'style drift'. God forbid he leads the team in tackles, then you know things are FUBAR city. If you win, (most) all is forgiven. You lose, and you can expect to hear about it the rest of your career. Bob had a great career and was one hell of a kick line dancer.



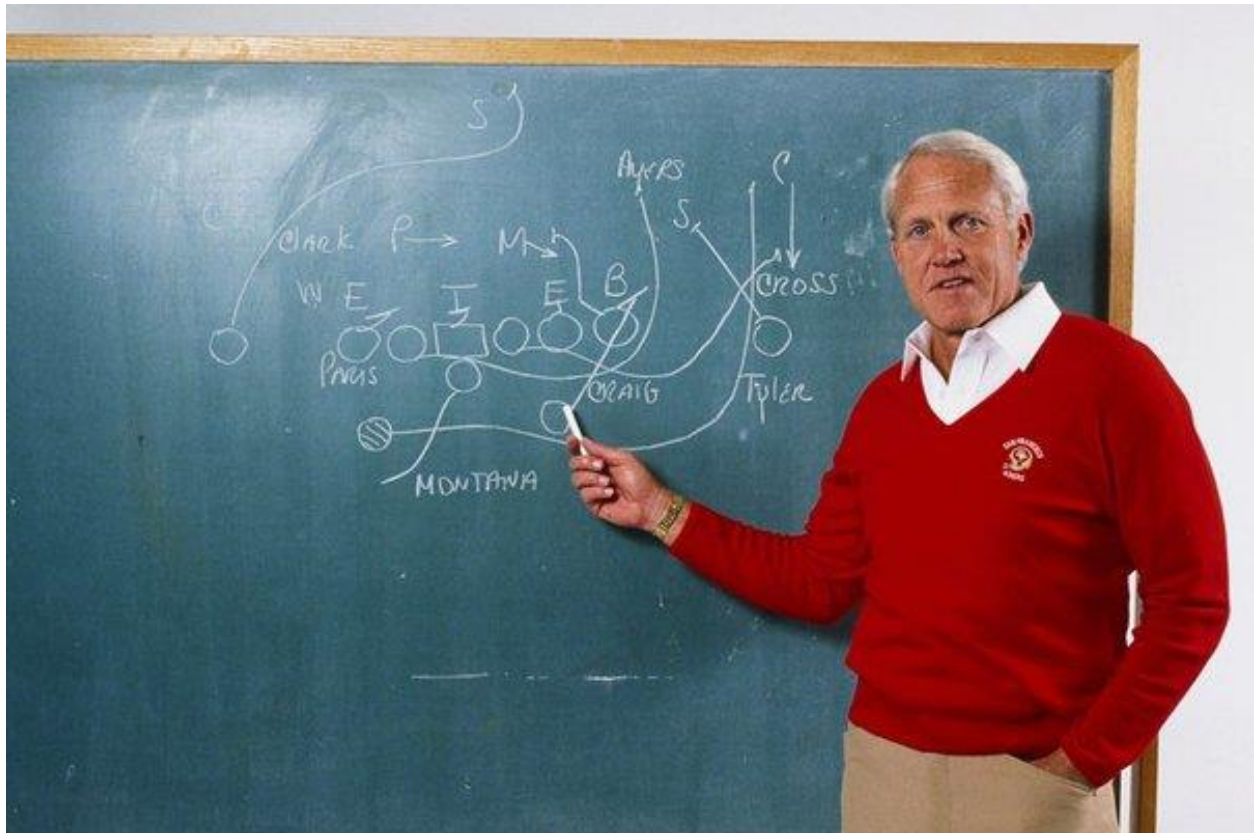
Fast forward, thirty years and along comes his son, Jim Klein. He attended Loyola High School, not far from here. And then onto Stanford. Jim came in as a heavily recruited linebacker and had his choice of schools. He went to the 'Farm' and a great career until an injury took him out of the game. While not the best shot of Jim, this one does include his brother-in-law Adam Keefe, a legendary Stanford hoops and NBA player.



Like his dad, Jim played a singular position. His happened to be linebacker. His job was simply following the eyes of the runner or short yard receiver and hit him as hard as he could when he came through or caught a pass. If during the season Jim became the defensive leader in sacks, something in that scheme had changed or broken down. If he had years where he had rushing yards, he was on the wrong side of the ball and 'style' or 'position' drift had happened.

If Stanford wins a Rose Bowl, all is forgiven. Do that in a game against Cal, and you are going to hear about it. This is my Lord and Savior, Bill Walsh, explaining how a

play is to be run. He coached at both Stanford and for the San Francisco 49'ers. I can hear Lon Simmons calling out 'Montana, back to pass' like it was yesterday.



Take Jim's story one more level. Not only was he a stud football player, but he also played two sports and played volleyball. As a strategy, being a two-sport athlete, Jim is now 'muti-strat'. When Stanford football wins, volleyball might lose. Sometimes the same way, sometimes not. But ultimately, they are non-correlated sorts. Which is what you want, and what the market wants as well.

Multi-strategy Funds Take Market Share

Stock-focused hedge funds are losing popularity

Multi-strategy Equity long/short

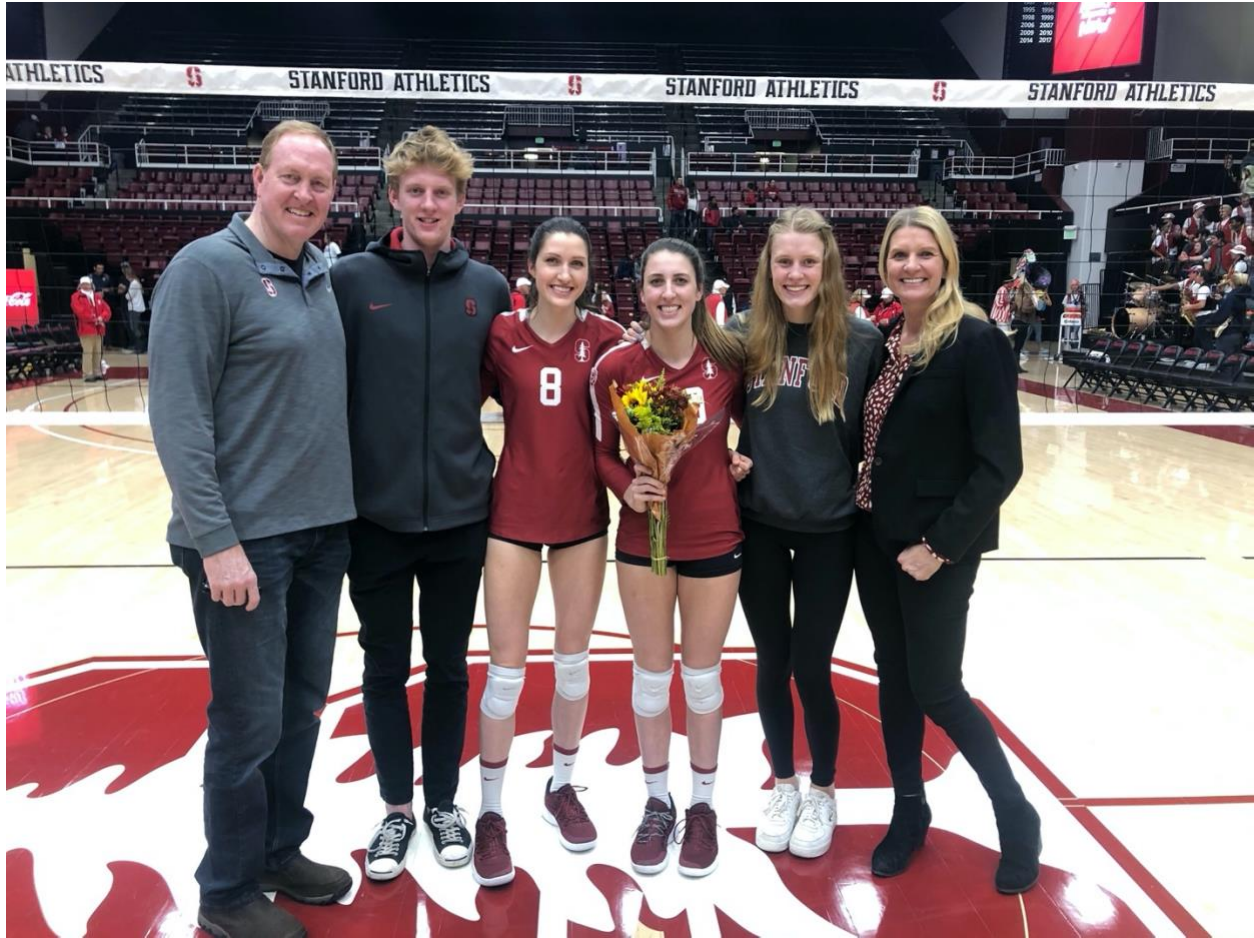


Source: eVestment

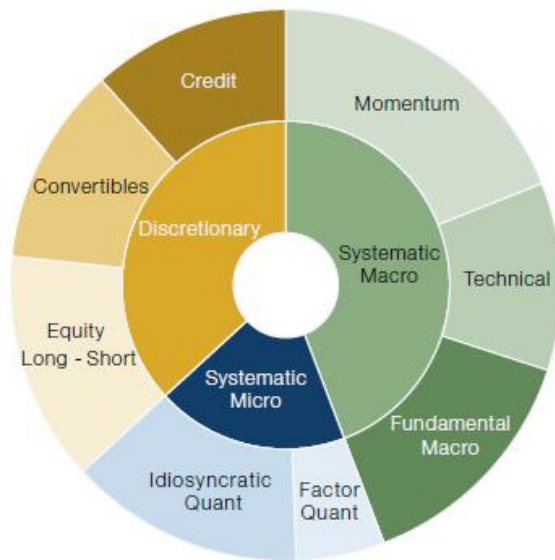
NOTE: Data as of end of October

Bloomberg

While there is no great old school picture of Jim playing volleyball, there is one of his sister Kristen, and husband Adam Keefe, and their volleyball playing daughters. Another multi-strat in and of itself. Oh, did I mention, their son James also played a little hoop at Stanford.



Long and strong! Goldman Sachs should have collateralized these guys. On Wall Street, this is what that might look like...



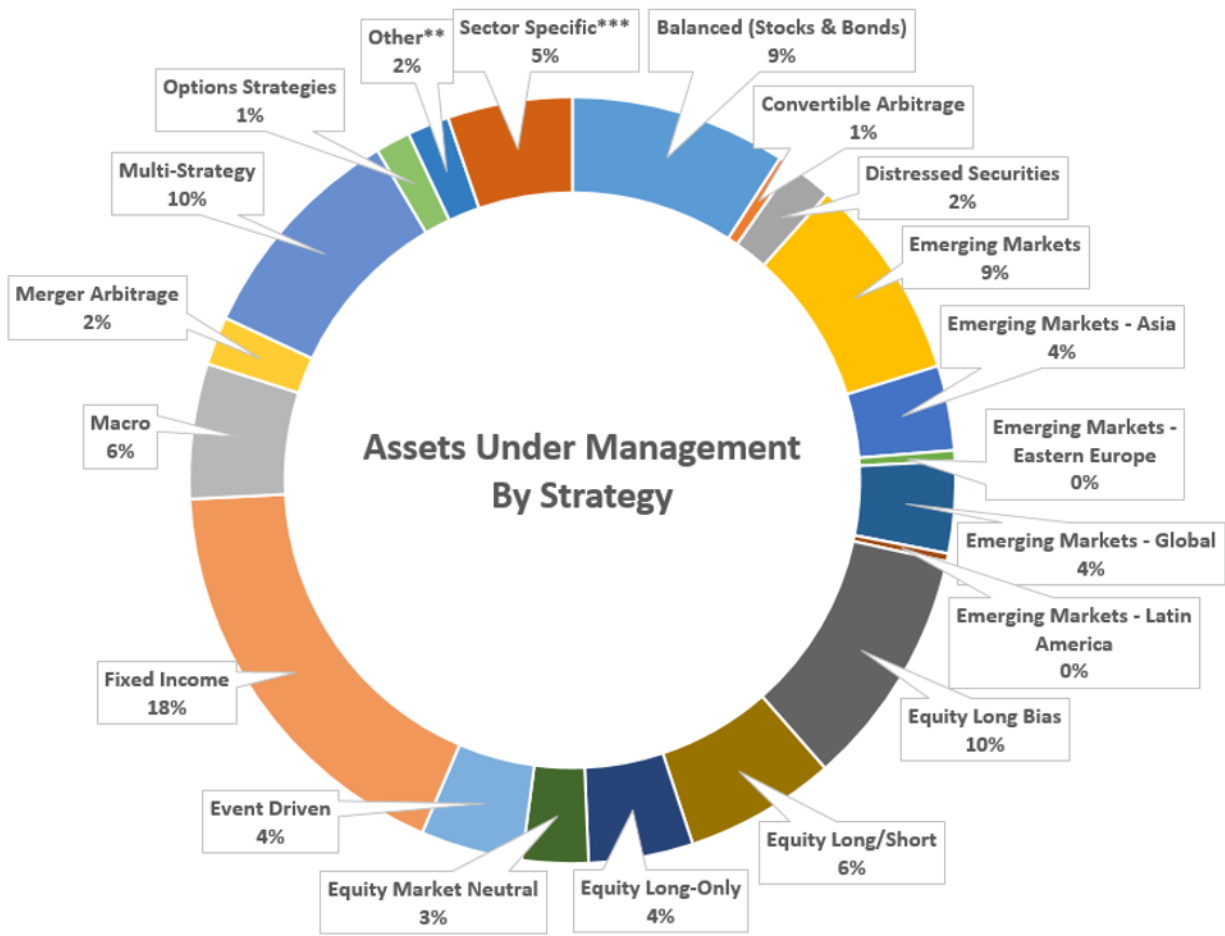
Now, fast forward even further and the third generation of apex feeding Kleins is here at USC. Dillon Klein, who may or may not be joining us today, was the number one recruit in the country as an outside hitter. One of the key positions, that in theory should score the most.



In our asset allocation correlation, Dillon plays offense. He is a high beta growth stock manager. His job is to score and score a lot. If at the end of the season he leads the Trojans in blocks, something broke down. Either the middle blocker wasn't doing his job, or Dillon 'drifted' out of position. Not likely with Dillon, as he is a very disciplined player. That said, some teams are just 'mas macho' sometimes...Go Bruins!



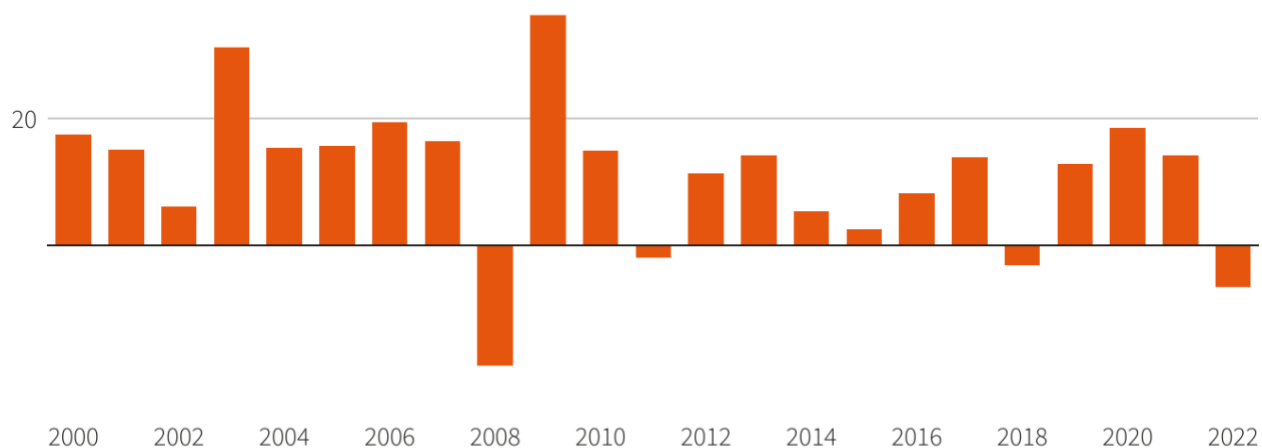
Now, let's bring this correlation back to what are here to learn about today, hedge funds, how they are run, and how they get allocated to. Each of these styles, many of which are alternatives, play a role. They have characteristics that a foundation board, a chief investment officer, a financial advisor needs them to play. Market Neutral should have low volatility positive returns. Global Macro and Emerging Markets can have wild swings. And so on down the line.



Even with all the hype around being a hedge fund manager, the payouts, and the stories, performance can leave a little on the 'to be desired' side.

Hedge funds' yearly price returns

Hedge funds are set to post their biggest decline since 2008



Note: 2022 performance is as of Nov 30
Source: Preqin/Patturaja Murugaboopathy

Breakdown by style. Boom goes the crypto fireworks in 2022.

Hedge funds performance in 2022

While equity portfolio managers struggled, macro funds shined



Note: In %
Source: HFR

Let's start to break down some styles. First up is 'market neutral' which has the characteristic of a non-correlated, lower volatility, consistently positive return. It does so with the underlying securities, but more importantly, it does so with one dollar allocated long, and one dollar allocated short.

Types of Market-Neutral Strategies

STRATEGY	DESCRIPTION	KEY BENEFITS
Arbitrage Strategies	Exploit Pricing Inefficiencies Through Simultaneous Purchase and Sale of Assets	Minimal Risk, Capitalize on Market Inefficiencies
Pair Trading	Take Long and Short Positions in Two Highly Correlated Stocks to Profit From Relative Price Movements	Not Reliant on Absolute Price Movements, Manage Risk Effectively
Long/Short Equity	Invest in Undervalued Stocks (Long) And Short Overvalued Stocks, Balancing Net Market Exposure	Profit From Both Rising and Falling Stock Prices, Diversification
Option-Based Strategies	Utilize Options Contracts to Manage Risk and Generate Returns in Various Market Conditions	Limited Risk Exposure, Flexible for Different Market Outlooks



My first great year in hedge fund management was 1998 when I hedged off every long position in my book at Strome, with a dollar short. I did so not even know what I was doing, as Mark would tell me. But the volatility of the market that year was such that a dollar short, versus a dollar long felt pretty good.

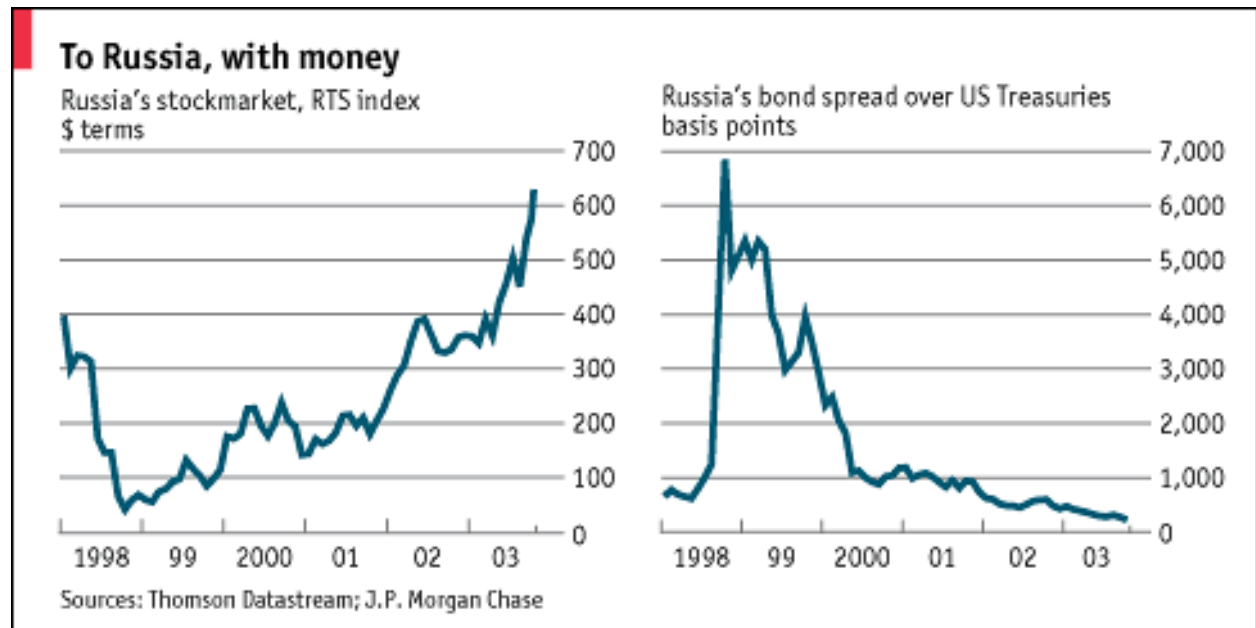
S&P 500 1998

\$SPX S&P 500 Large Cap Index INDX © StockCharts.com
 14-Dec-1998 Op 1166.52 Hi 1166.89 Lo 1136.89 Last 1141.20 Vol 1.2B Chg -25.26 (-2.17%)



www.ccmmarketmodel.com For illustrative purposes only. Use at own risk.

What drove the vol? Just a little thing where Russia defaulted on its debt.



The OG, Mark Strome...

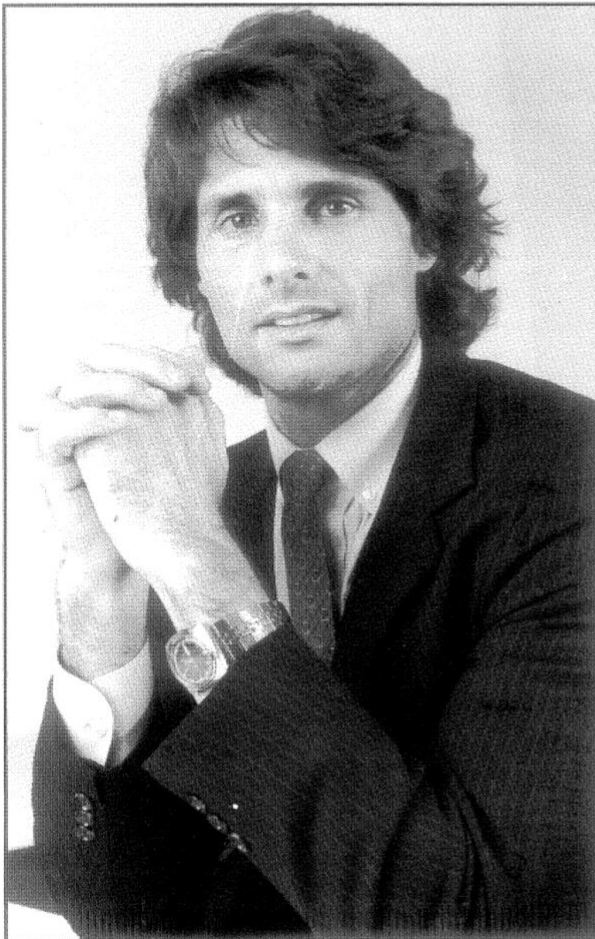
BARRON'S

NATIONAL BUSINESS AND FINANCIAL WEEKLY

MARCH 15, 1993

\$2.50

Mark Strome: Thinking Man's Investor



**PORTFOLIO SMARTS
PAY OFF IN
GREAT PERFORMANCE**

**UNCLE SAM'S
PRIVATE EYE**

**SIZING UP
SPIN-OFFS**

**UP & DOWN
WALL STREET**

By ALAN ABELSON

THE greatest bull market the world has ever seen. It's not in bonds or stocks or foreign securities or lumber or exotica like interest-rate swaps.

No, the awesome bull market we're referring to is in a commodity that's been around since the dawn of time and is actively traded the world over.

We're talking about the raging bull market in politicians.

At first blush, you might hoot at the very notion that anyone would give a sou for such a patently worthless item and one, moreover, whose cost of carry isn't cheap: you need a pretty big trough just to keep it fed. And it doesn't always smell so good, either. But stifle that hoot, because the price of politicians has been hitting new all-time peaks, especially in foreign markets, no

Continued on Page 43

Still looking for my 'finder's fee'...



Regarding shorting, and to make sure there is a common understanding let me say this, short selling is not a crime, nor un-American. It's a practice that has few modern practitioners left, but one that is at the heart of long/short investing. This is a technical primer on exactly how one 'get's short'.

- 1) Choose a stock I want to short.
- 2) Find the 'loan'
- 3) Borrow the shares
- 4) Sell them in the open market
- 5) Stock goes down, I buy back the shares for a profit
- 6) Stock goes up, I buy back the shares for a loss.
- 7) After I buy them back, I return the shares to the lender.
- 8) Pour two fingers...neat. Celebrate that I hopefully survived a short sale.

Short Sale of Stocks



The three different types of hedging...

- 1. The Pair Trade – I not only like my long position, I like a short against it. In theory, I'm doubling down on my conviction.*
- 2. The Hedge – I like the stock, I like the market, but I'm not sure of the timing and want some protection from volatility.*
- 3. The Pure Short sale – You've found the stock. You have the story or catalyst, and you go straight at it.*

There are several 'family trees' on Wall Street of short sellers. Jim Chanos was one. The Feschbach brothers and Jim Fleckenstein also participated. I came off Mikles Miller & Kodiak Capital tree. The firm was founded by Lee Mikles and his partner Mark Miller. During the time I worked for them, we looked to deep dive as much as we could. Never shorting valuation. Most often we would look at the debt structure and serviceability of the cash flows and dividend payment. The quote we lived by.

'Stocks can tell whatever story they want. But debt never lies.'



The Short Book of Ideas, or was it the Book of Shorts?

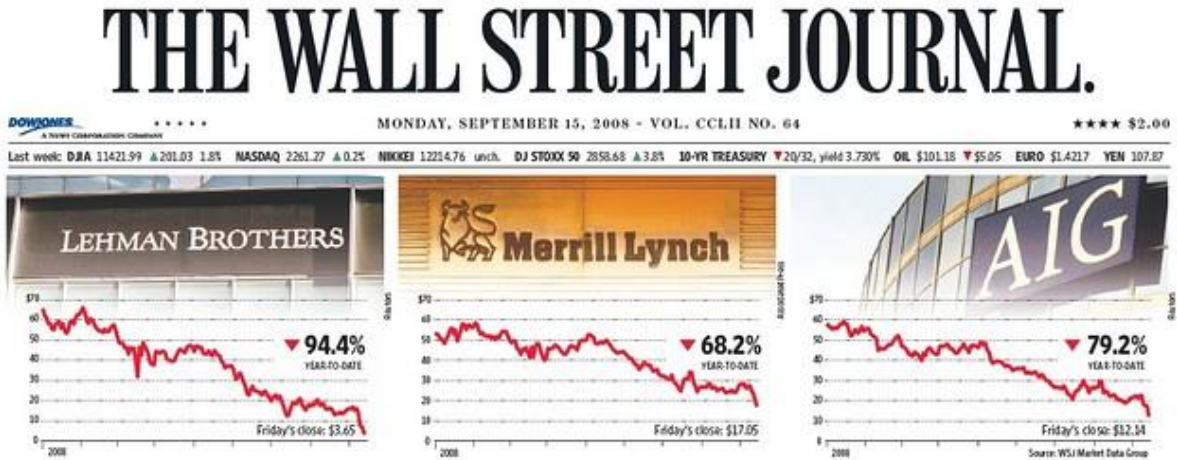
Le Croix – First to market in the bubble water business, and then the competition caught up.



From \$20, to \$120, and then almost a round trip back again.



Financials in 2008 – We knew it was going to be big, but we didn't know how big. It was BIG.



Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash

Fed Will Expand Its Lending Arsenal in a Bid to Calm Markets; Moves Cap a Momentous Weekend for American Finance

The American financial system was shaken to its core on Sunday. Lehman Brothers Holdings Inc. faced the prospect of liquidation, and Merrill Lynch & Co. agreed to be sold to Bank

ers, walked away. On Sunday night, Bank of America struck an all-stock deal to buy Merrill Lynch for \$29 a share, or \$50 billion. Lehman was working on a possible bankruptcy filing

mercial and investment banks announced Sunday night that they would pool \$70 billion of their own money to create a borrowing facility. The 10 institutions, which include Citi-

ries that they needed capital. "Monday will be a day of reckoning for the financial markets," said Carlos Mendez, senior managing director of ICP Capital, a boutique investment

traders moved to disentangle themselves from trades with Lehman. When hopes of a potential sale dimmed, a quiet Sunday on Wall Street turned into a mad rush. Executives

**Ultimatum
By Paulson**

The Wells Fargo/JP Morgan pair. Like a gift from God!

WELLS FARGO FINED \$3 BILLION

**WELLS
FARGO**

- Fake accounts created by forging signatures
- Driven by corporate sales goals
- Criminal prosecution deferred

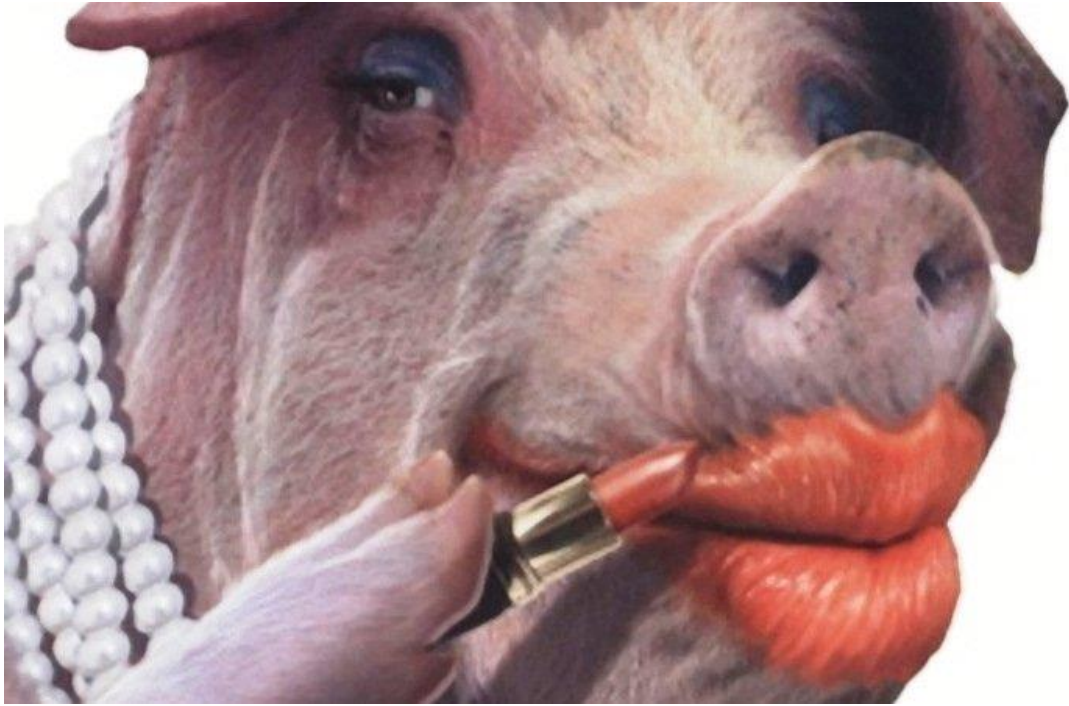
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3 WBTV
ON YOUR SIDE

Nothing wrong over at JP Morgan. In fact, there was a lot going right. And the setup for a great pair was in place.



'My Big Fat Facebook Short'...a modem masterpiece



Apology not accepted by the victims of Facebook's business practices, but accepted by Wall Street.



The lipstick on the pig. While I'm an old man now, I still have to say WTF!



From \$350 to \$100 in ten months, on one of the most heavily owned hedge fund long positions out there. Read [the story behind how the idea came to being](#), and how it worked. I'll never forget where I was on January 24, 2022. It was right here.

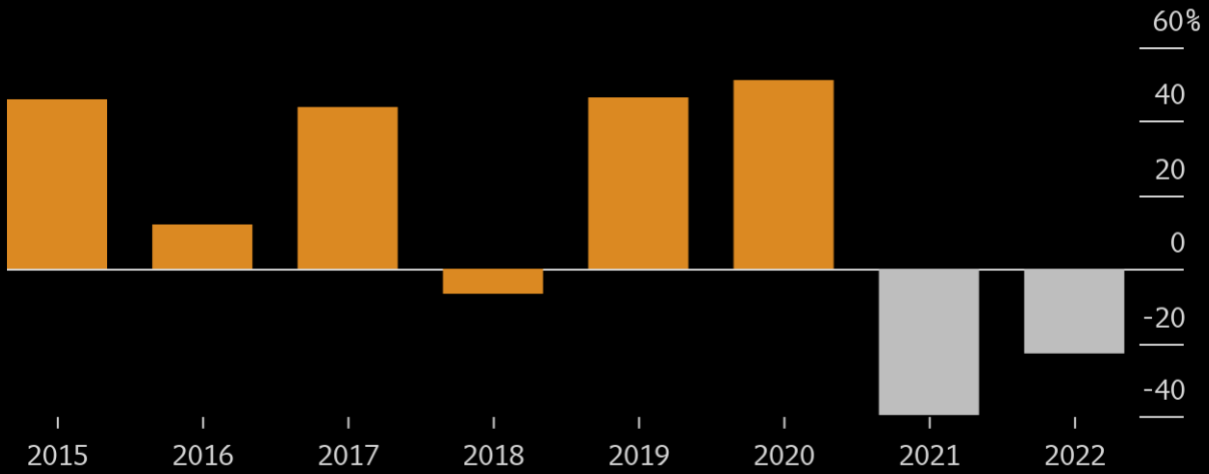


The tragic tale of Melvin Capital, and the meme stock revenge.

Coming in, these were simply great numbers for a short biased hedge fund manager, but then came the meme stock squeeze.

Devastating Years

Melvin Capital had years of double-digit gains before 2021



Source: Bloomberg reporting
Note: 2022 return is YTD through April 30.

Bloomberg

The GameStop Squeeze

Short sellers squeezed in crowded GameStop bet

Borrowed GameStop shares as % of outstanding



This is what a short screen looks like. Beware the most heavily shorted.

Russell 3,000 Most Heavily Shorted Stocks							
Ticker	Name	Sector	Price	Market Cap (bn)	SI as % of Float	SIPF YTD Chg (ppt)	YTD Share Price % Chg
PRLD	Prelude Therapeutics	Health Care	10.01	0.46	80.4	-1.1	-19.6
HLTH	Cue Health	Health Care	8.74	1.12	53.9	9.8	-34.8
IGMS	IGM Biosciences	Health Care	17.72	0.56	50.7	1.3	-39.6
SKLZ	Skillz	Comm. Svcs.	4.73	1.76	42.6	2.1	-36.4
CRTX	Cortexyme	Health Care	6.40	0.18	39.9	-2.1	-49.3
TTCF	Tattooed Chef	Cons. Staples	12.53	0.97	39.0	0.7	-19.4
BLNK	Blink Charging Co	Industrials	21.09	0.80	38.6	0.6	-20.4
LMND	Lemonade	Financials	31.69	1.77	37.0	0.5	-24.7
BYND	Beyond Meat	Cons. Staples	64.75	3.58	36.9	1.0	-0.6
HRTX	Heron Therapeutics	Health Care	8.78	0.83	36.4	0.3	-3.8
ICPT	Intercept Pharmaceuticals	Health Care	15.93	0.46	35.6	-0.1	-2.2
GOGO	Gogo	Comm. Svcs.	12.63	1.42	35.4	0.3	-6.7
SAVA	Cassava Sciences	Health Care	44.13	1.59	34.8	-1.7	1.0
ADGI	Adagio Therapeutics	Health Care	7.14	0.75	34.8	-0.6	-1.7
FUV	Arcimoto	Cons. Discret.	6.14	0.20	34.4	-0.5	-21.1
SFT	Shift Technologies	Cons. Discret.	2.31	0.17	34.3	-0.4	-32.4
INDT	Indus Realty Trust	Real Estate	78.35	0.78	33.9	31.0	-3.3
BEEM	Beam Global	Industrials	12.45	0.10	33.9	0.5	-33.1
WEBR	Weber	Cons. Discret.	10.58	3.01	32.1	2.2	-18.2
ARCH	Arch Resources	Energy	95.08	1.50	31.9	2.6	4.1
SGFY	Signify Health	Health Care	13.12	2.82	30.7	2.5	-7.7
RENT	Rent the Runway	Cons. Discret.	5.84	0.33	30.6	3.8	-28.3
CTRN	Citi Trends	Cons. Discret.	50.41	0.41	30.5	2.8	-46.8
BBBY	Bed Bath & Beyond	Cons. Discret.	16.56	1.50	30.4	4.1	13.5
CRSR	Corsair Gaming	Technology	19.47	1.74	30.4	1.5	-7.3

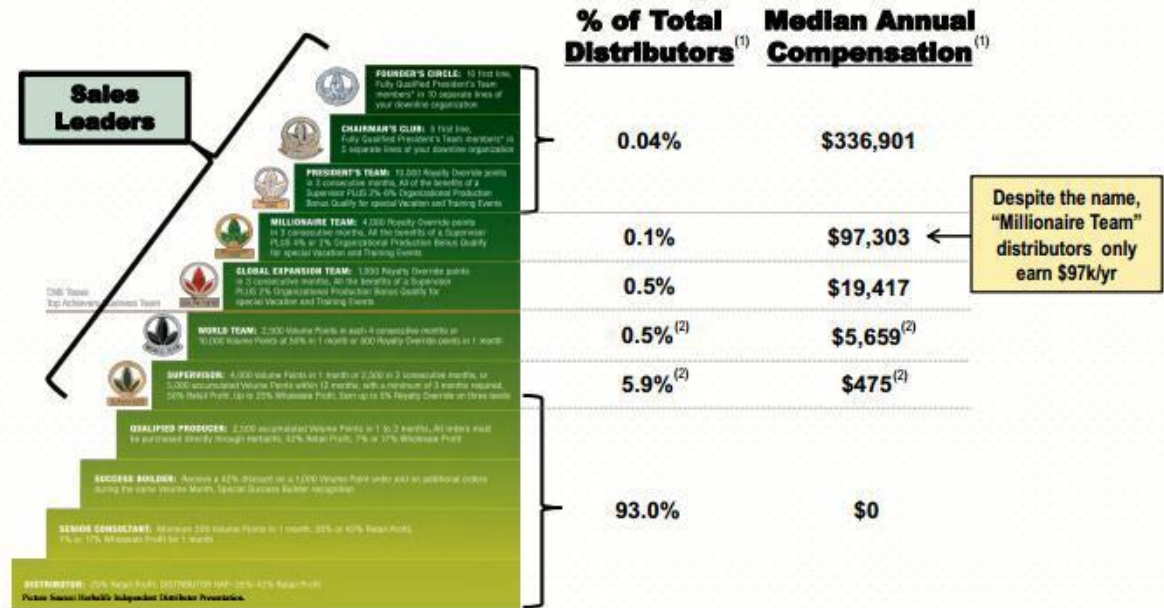
*SIPF: Short interest as a % of float

The Herbalife saga, Bill Ackman on the short side, Carl Icahn on the other. That's what makes a market, as they say.

All of us short sellers were short HLF at one point in the game. The pyramid scheme nature of the business was like Jack Daniels to a guy with a drinking problem

Herbalife's Multiple Levels: The Only Way to Make Money is to Get to the Top

A de minimis fraction of Herbalife distributors earn enough to achieve the wealth and lifestyle depicted in distributor recruiting presentations



(1) The figures above refer to U.S. distributors. "Compensation" is an Herbalife term and does not include income earned by distributors from Retail Profit or from Wholesale Commissions. "Compensation" is gross, not net of expenses or taxes. Percentages vary from Herbalife's Statement of Gross Compensation because not all distributors are included. Source: Herbalife Statement of Average Gross Compensation of U.S. Supervisors (2011).
 (2) Only includes "Active" World Team and Supervisors as defined by the Company in its Statement of Gross Compensation of U.S. Supervisors (only 39% of Sales Leaders are "Active").

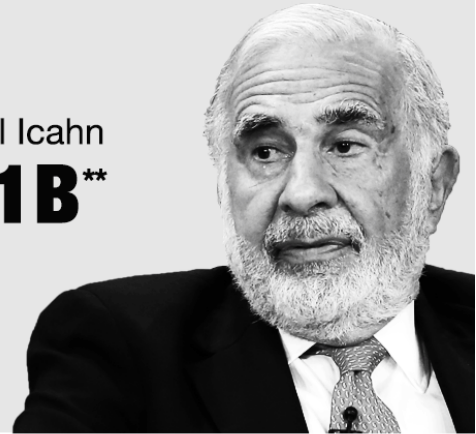
Take a walk on the wild side...Bill and Carl did.

HERBALIFE SCORECARD ICAHN VS. ACKMAN

The two activists have been at loggerheads over the investment for five years.



Bill Ackman
-\$760M*



Carl Icahn
+1B**

* based on public documents and analyst estimates at the time Ackman sold his short position and converted his investment into puts

** based on sources and analysis of public data

TheStreet.

But Bill Ackman bailed out too soon, and Icahn stayed at the party too long.
Maybe?



The Long Side - Are you a growth, value, special situation investor, or maybe something else?



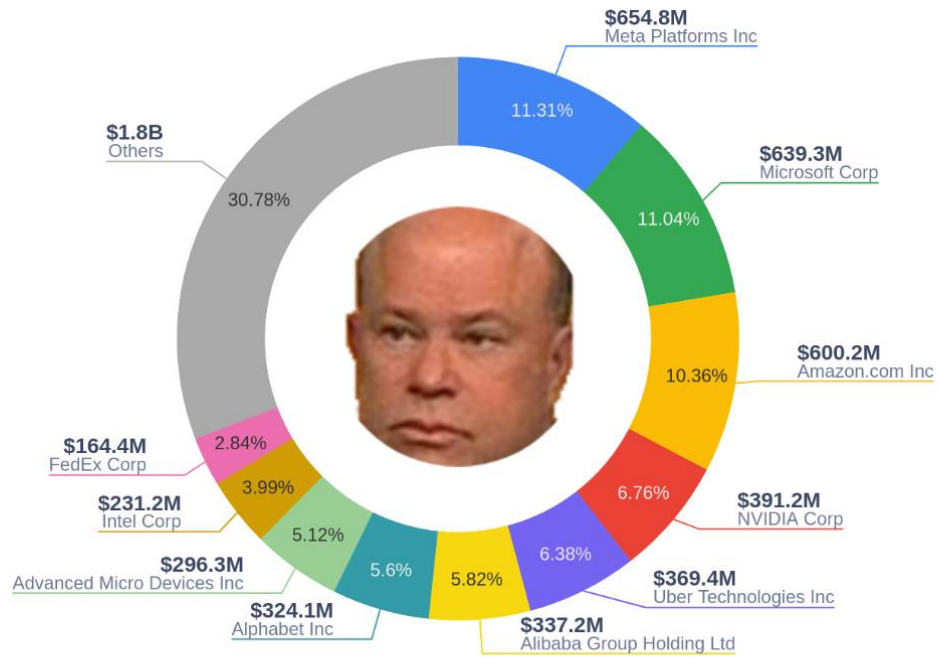
It usually starts with a quant screen, drops into a quarry of stocks the look interesting, some work on understanding valuation and growth drivers, and then a thesis. It's very similar to how a long only manager would pick his own long book.

Bill Ackman's Book



David Tepper's Top Holdings

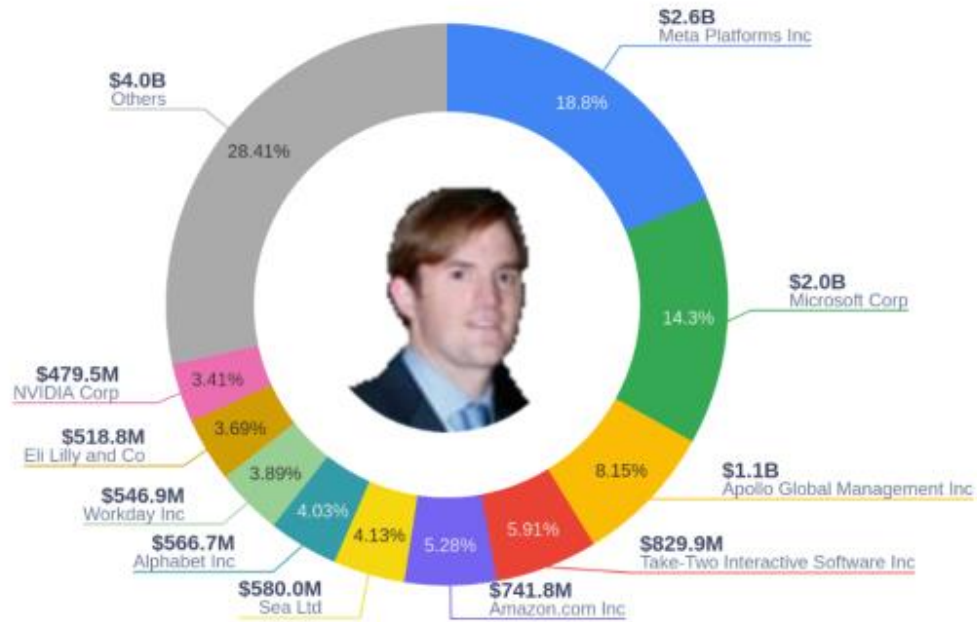
David Tepper's Top Holdings of 2023-12-31



Feb 14, 2024 Powered by **gurufocus**

Tiger Global and Chase Coleman's Top Holdings

Chase Coleman's Top Holdings of 2023-12-31

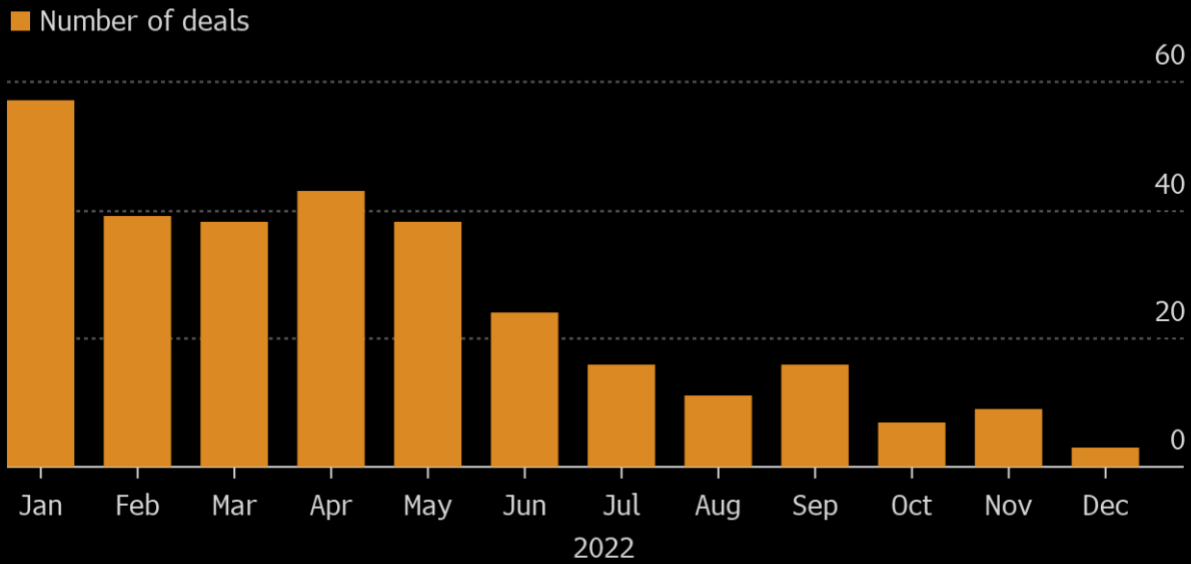


Feb 15, 2024 Powered by [gurufocus](#)

Tiger Global juiced returns with private equity and venture capital laced throughout the portfolio. Though that slowed down massively after the implosion in 2022.

2022 Deal Slowdown

Tiger Global made fewer venture, private equity bets later in the year

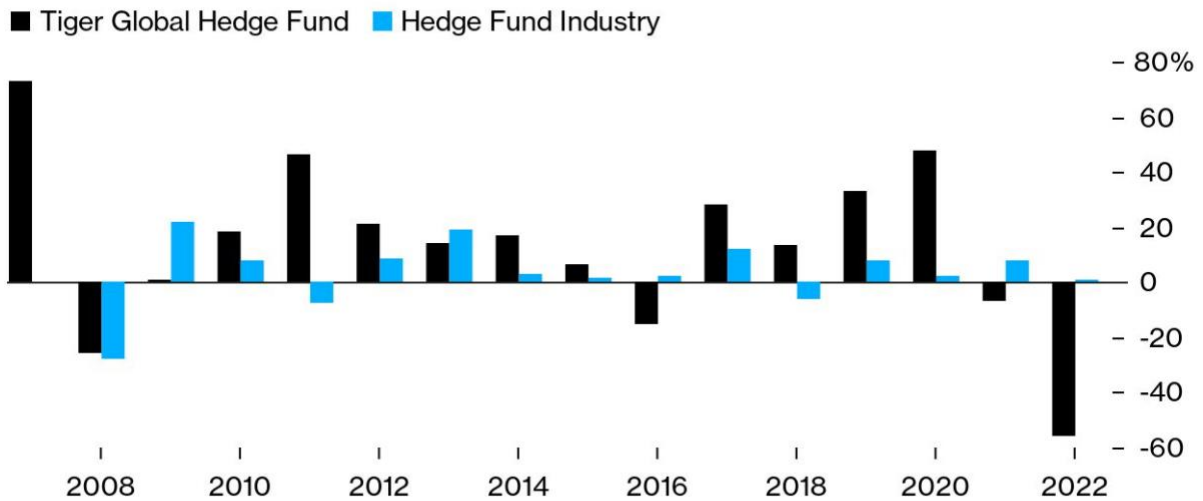


Bloomberg

The implosion...

Tiger Global at a Glance

The firm's hedge fund has lost money four times in its history



Sources: Bloomberg reporting, Hedge Fund Research asset-weighted index
Note: Industry data not available for 2007

Bloomberg

What that did to AUM, management fees, and their high water marked performance 'rake'.



Why are most managers long biased? It's the easiest, and they all can own the same things. And oftentimes do.

2018

S&P 500 Stocks Ranked By \$ Value Owned by Hedge Funds as of 1Q18

Ticker	Company Name	Sector	Industry	Total \$ Value Owned by HF's	\$ Value Owned As % Total Hedge Fund Assets	% of HF's In Study Own The Stock	\$ Value Owned by HF's as a % of Co Mkt Cap		Top 20 S&P 500 Weight as of 1Q18?	1Q18 Relative Perf	2Q18 Relative Perf
							HF's as a % of Co Mkt Cap	Top 20 S&P 500 Weight as of 1Q18?			
FB	FACEBOOK INC	Info Tech	Internet Software & Services	19,432	1.7%	40%	4.2%	Yes	-8.2%	12.7%	
GOOGL/GOOG	ALPHABET INC	Info Tech	Internet Software & Services	18,857	1.7%	35%	2.6%	Yes	-0.3%	1.9%	
MSFT	MICROSOFT CORP	Info Tech	Software	16,422	1.5%	31%	2.3%	Yes	7.9%	4.0%	
AMZN	AMAZON.COM INC	Cons. Discretionary	Internet & Direct Mktg Retail	12,237	1.1%	29%	1.7%	Yes	25.0%	6.2%	
TWX	TIME WARNER INC	Cons. Discretionary	Media	10,508	0.9%	25%	14.2%	No	4.6%	-2.8%	
NFLX	NETFLIX INC	Cons. Discretionary	Internet & Direct Mktg Retail	8,480	0.8%	19%	6.6%	No	55.1%	7.7%	
V	VISA INC	Info Tech	IT Services	8,191	0.7%	23%	3.2%	Yes	6.1%	6.9%	
AET	AETNA INC	Health Care	HC Providers & Svcs	7,760	0.7%	19%	14.0%	No	-5.1%	2.1%	
FOXA/FOX	TWENTY-FIRST CENTURY FOX	Cons. Discretionary	Media	7,314	0.7%	15%	10.8%	No	7.5%	0.5%	
BAC	BANK OF AMERICA CORP	Financials	Banks	7,004	0.6%	24%	2.3%	Yes	2.8%	1.4%	
STZ	CONSTELLATION BRANDS	Consumer Staples	Beverages	6,819	0.6%	15%	15.4%	No	0.9%	-5.4%	
ADBE	ADOBE SYSTEMS INC	Info Tech	Software	6,568	0.6%	18%	6.2%	No	24.5%	6.8%	
AVGO	BROADCOM INC	Info Tech	Semis & Semi Equipment	6,533	0.6%	18%	6.7%	No	-7.0%	-0.2%	
MON	MONSANTO CO	Materials	Chemicals	6,295	0.6%	16%	12.2%	No	1.1%	4.7%	
MU	MICRON TECHNOLOGY INC	Info Tech	Semis & Semi Equipment	6,259	0.6%	19%	10.4%	No	28.0%	0.9%	
BKNG	BOOKING HOLDINGS INC	Cons. Discretionary	Internet & Direct Mktg Retail	6,109	0.5%	19%	6.1%	No	20.9%	-3.3%	
EA	ELECTRONIC ARTS INC	Info Tech	Software	5,531	0.5%	17%	14.9%	No	16.6%	4.6%	
AAPL	APPLE INC	Info Tech	Tech HW, Storage & Periph	5,257	0.5%	20%	0.6%	Yes	0.4%	8.4%	
UNH	UNITEDHEALTH GROUP INC	Health Care	HC Providers & Svcs	5,253	0.5%	17%	2.5%	Yes	-1.7%	9.2%	
MA	MASTERCARD INC	Info Tech	IT Services	5,168	0.5%	19%	2.8%	No	16.9%	6.9%	

Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi

Methodology Notes: % HF assets = % of HF assets invested in US stocks (does not include ADR's, ETF's, etc.); performance stats are relative to the S&P 500

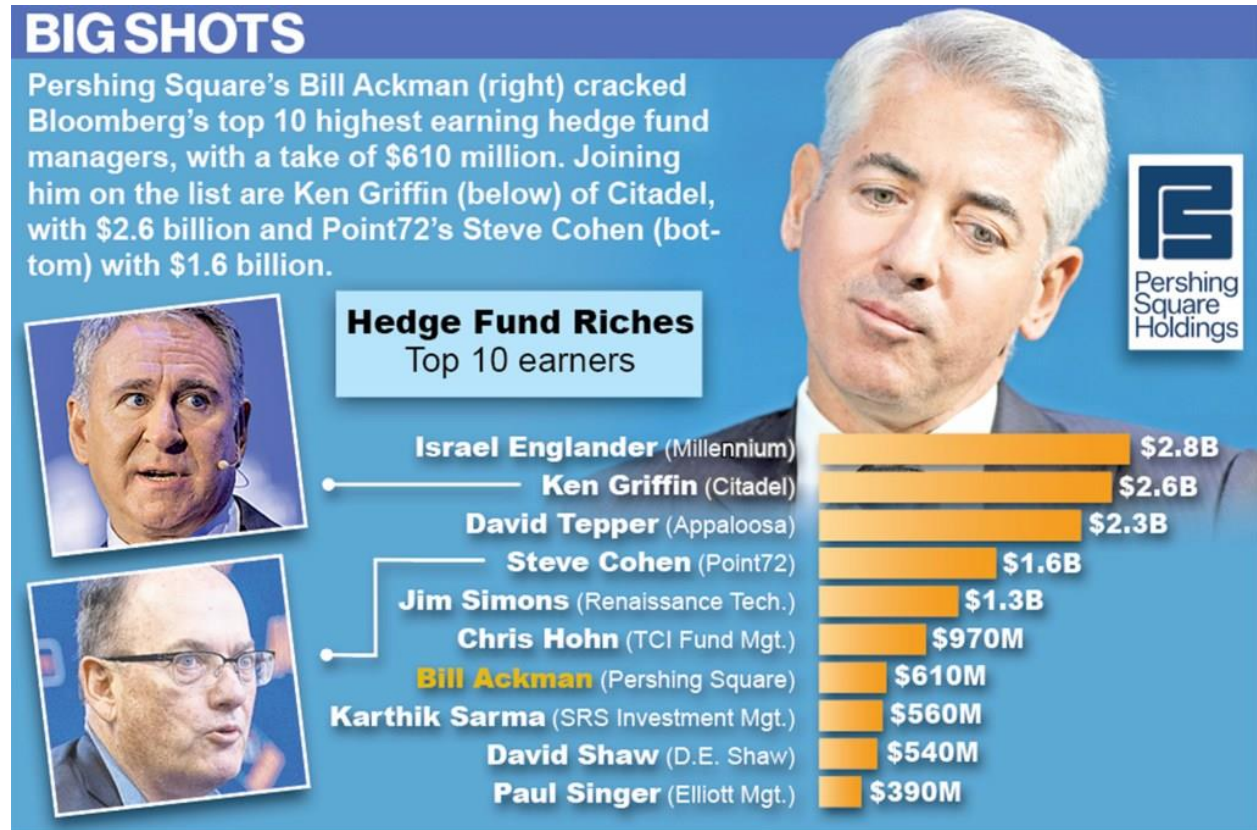


Six years later, not much has changed.

50 stocks that most frequently appear among the largest 10 holdings of hedge funds

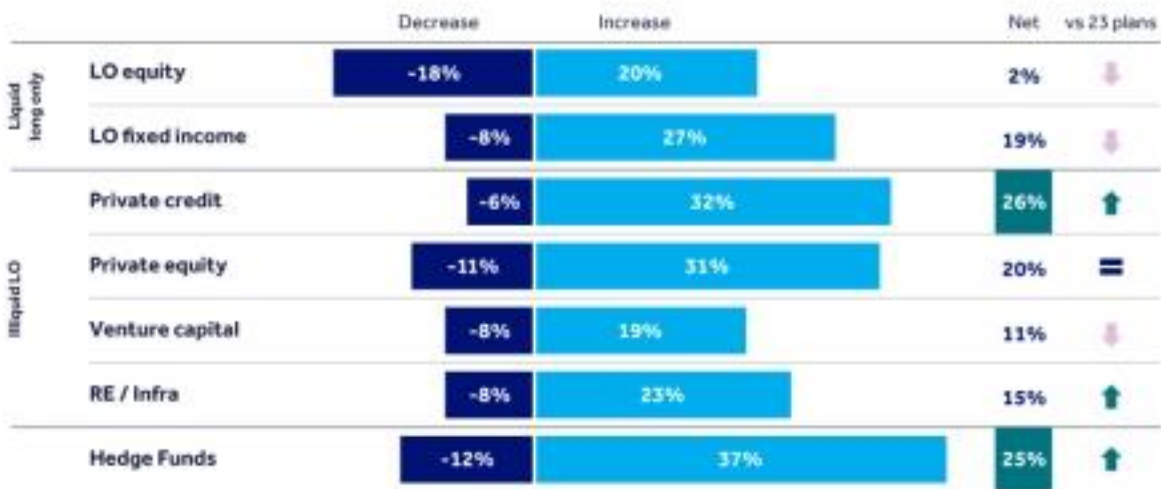
Company	Ticker	Sub-sector	Equity cap (\$ bn)	No. of funds with 10 to 200 positions owning stock		Average portfolio weight when stock ranks among top 10 holdings	% of equity cap owned by hedge funds	Total return YTD
				31-Dec-22	31-Dec-22			
Microsoft Corp.	MSFT	Systems Software	1,954	129	75	8%	1%	10%
Amazon.com Inc.	AMZN	Internet & Direct Marketing Retail	1,001	119	73	9%	2%	17%
Meta Platforms Inc.	META	Interactive Media & Services	389	104	59	7%	4%	4%
Alphabet Inc.	GOOGL	Interactive Media & Services	1,153	110	49	6%	2%	8%
Visa Inc.	V	Data Processing & Outsourced Services	369	80	36	7%	3%	9%
Uber Technologies	UBER	Trucking	72	70	35	9%	9%	46%
Apple Inc.	AAPL	Technology Hardware Storage & Peripherals	2,446	59	33	7%	0%	18%
Netflix Inc.	NFLX	Movies & Entertainment	156	59	33	7%	3%	19%
Activision Blizzard	ATVI	Interactive Home Entertainment	61	67	28	8%	8%	1%
Mastercard Inc.	MA	Data Processing & Outsourced Services	351	62	28	9%	2%	6%
Horizon Therapeutics Public Limited	HZNP	Biotechnology	25	39	24	11%	27%	(4)
NVIDIA Corp.	NVDA	Semiconductors	548	45	22	6%	1%	51%
Fiserv Inc.	FISV	Data Processing & Outsourced Services	74	32	18	7%	5%	15%
S&P Global Inc.	SPGI	Financial Exchanges & Data	119	42	18	8%	3%	7%
Salesforce Inc.	CRM	Application Software	168	48	18	7%	4%	27%
Alibaba Group Hldg (ADR)	BABA	Internet & Direct Marketing Retail	271	49	17	7%	1%	17%
Berkshire Hathaway	BRK.B	Multi-Sector Holdings	677	40	16	8%	1%	(0)
Palo Alto Networks	PANW	Systems Software	52	34	16	6%	6%	23%
PayPal Holdings	PYPL	Data Processing & Outsourced Services	87	56	16	6%	5%	8%
TransDigm Group	TDG	Aerospace & Defense	41	29	16	9%	18%	19%
T-Mobile US Inc.	TMUS	Wireless Telecommunication Services	183	34	15	7%	1%	5%
Worldpay Inc.	WDAY	Application Software	48	40	15	7%	13%	12%
Constellation Energy	CEG	Electric Utilities	28	20	14	8%	7%	(1)
Advanced Micro Devices	AMD	Semiconductors	129	37	13	6%	3%	24%
Coupa Software, Inc.	COUP	Application Software	6	35	13	7%	28%	1%
Flex Ltd.	FLEX	Electronic Manufacturing Services	11	30	13	8%	14%	13%
MeradLibre Inc.	MELI	Internet & Direct Marketing Retail	56	21	13	7%	4%	32%
Charles Schwab	SCHW	Investment Banking & Brokerage	146	29	13	6%	1%	(3)
Tenet Healthcare	THC	Health Care Facilities	7	23	13	8%	27%	26%
Apollo Global Mgmt	APO	Other Diversified Financial Services	41	32	12	7%	3%	13%
Chesapeake Energy	CHK	Oil & Gas Exploration & Production	10	26	12	7%	17%	(11)
Energy Transfer LP	ET	Oil & Gas Storage & Transportation	40	26	12	9%	2%	13%
EQT Corp.	EQT	Oil & Gas Exploration & Production	12	31	12	9%	10%	(6)
Ferguson Plc	FERG	Trading Companies & Distributors	31	21	12	7%	11%	17%
First Horizon Corporation	FHN	Regional Banks	13	20	12	6%	7%	1%
ServiceNow Inc.	NOW	Systems Software	92	37	12	7%	4%	57%
Taiwan Semiconductor Manufacturing Co.	TM	Semiconductors	467	27	12	4%	1%	22%
UnitedHealth Group	UNH	Managed Health Care	455	42	12	5%	1%	(8)
Valaris Ltd.	VAL	Oil & Gas Drilling	6	19	12	13%	30%	16%
WillScot Mobile Mini Hldgs	WSC	Construction & Engineering	11	26	12	12%	13%	14%
API Group Corp.	API	Construction & Engineering	5	13	11	7%	26%	18%
Frontier Communications Parent	FYBR	Integrated Telecommunication Services	7	17	11	20%	45%	12%
Humana Inc.	HUM	Managed Health Care	64	23	11	8%	4%	(1)
Progressive Corp.	PGR	Property & Casualty Insurance	83	23	11	7%	2%	10%
Shaw Communications Inc. Class B	SJR	Cable & Satellite	14	16	11	6%	9%	2%
Vivare Inc.	VIVV	Systems Software	49	28	11	5%	4%	(5)
Wells Fargo & Co.	WFC	Diversified Banks	180	35	11	4%	1%	15%
Atlas Air Worldwide Holdings, Inc.	AAWW	Air Freight & Logistics	3	16	10	7%	23%	1%
Vertiv Holdings Co.	VRT	Electrical Components & Equipment	6	17	10	5%	13%	17%
Booking Holdings	BKNG	Hotels Resorts & Cruise Lines	97	32	9	8%	3%	24%
Average			5246	41	20	8%	9%	13%
Median			68	33	13	7%	4%	13%

Why are they like sheep, not like lions? Because they are lazy, index huggers, but still get to clip billions in performance fees. Remember, Ackman has a long book of ten stocks. How come I can't own ten stocks and make \$600 million?



The rumors of my demise have been greatly exaggerated. The big names have survived, and so has the industry.

Percentage of investors indicating plans to increase / decrease in 2024 (%)



Source: All figures refer to Parity's Strategic Consulting survey results only and take interim data into account.

Applying the lessons learned in public markets and hedge funds and applying it to the side gig that has become the real gig, Skinny Dips & Salsas.



Unique Product = Yes
Distribution = Yes
Demand = Yes
Margin = Yes
Balance Sheet = Work in Progress

Is that the end of the story?
'Nah. I'm a million dollar produce, just getting started.'

Thumbs Up & Fight On!

