

Here's What the "Smart Money" Billionaires are Buying Right Now

If you've been following my writings at *TradeSmith* for any length of time, you know I'm not one to shy away from the occasional adult beverage in my off hours.

I sometimes even use this as a bit of a strategy whenever my wife and I head out to dinner.

When we arrive, we'll head to the bar for a drink while we're waiting to be seated. And while there, I use that time to do some people watching.

But not your normal everyday people watching. I like to watch what others are ordering, so I can see firsthand what looks good for dinner.

It's a good way to make sure I'll be happy with what I wind up getting.

I like to do something similar with stocks.

By steering my portfolio toward stocks owned by billionaires, I've found I can boost the odds of finding a veritable investing feast. After all, these super-successful billionaires didn't get that way by accident.

They've spent years developing winning stock-picking strategies. They do their homework on every stock they own, including many hours of intensive research, to find the best stocks at the right time.

So, with the stock market so oversold right now, what are the big-money billionaires buying?

Or are they selling stocks, as everyone else seems to be doing at the moment?

Legendary billionaire Warren Buffett is doing his part. Buffett's Berkshire Hathaway has been a buyer of beaten-down homebuilding stocks. Plus, the Oracle of Omaha continues to boost his stake in energy and financial stocks.

In August, Berkshire Hathaway's 13F filings with the SEC revealed new stakes in homebuilders **DR Horton (DHI)**, **Lennar (LEN)**, and **NVR Inc. (NVR)** worth a total of \$814 million. The majority of that investment went into nearly 6 million DHI shares. Buffett also lifted his stake in **Occidental Petroleum (OXY)**, adding nearly a billion dollars to his \$21.6 billion position. OXY is his second-largest energy-sector investment. But it's clearly his favorite, since he's been selling shares of his top holding in **Chevron (CVX)** recently while adding to OXY.

Meanwhile, over at Pershing Square, billionaire Bill Ackman recently cashed in on a big short bet against U.S. Treasury bonds, to the tune of \$200 million in profits in just 12 weeks. Traditionally a stock investor, Ackman also increased his stake last quarter in Google-parent **Alphabet (GOOG/GOOGL)**, buying more than 1 million additional shares according to Pershing's most recent 13F filing.

Backtesting the Billionaires

Just as my dining espionage often pays off, it can also be very profitable to keep tabs on the buying and selling of some of the world's richest and most successful investors, something we do inside *TradeStops* with our exclusive Billionaires Club portfolio tracker.

We closely track the stock holdings of some of the world's smartest investors, including Buffett, Ackman, and 25 other "smart money" investors. These are all legends of the investment world who have made plenty of money for themselves and for the savvy investors who were smart enough to invest alongside them over the years.

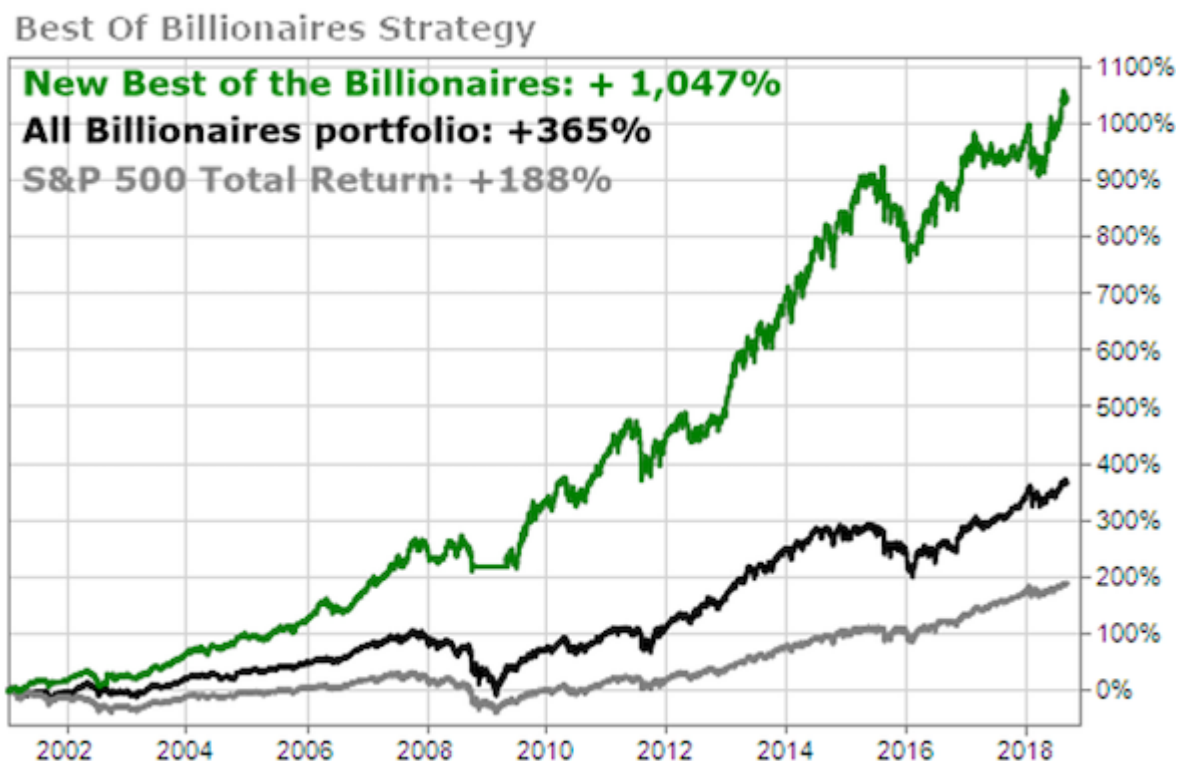
TradeSmith tracks the publicly available 13F filings from these famous investors and their funds. And we've recreated their portfolios so that you can follow along with their moves each quarter using the Billionaires Club. (Note: This feature is available to *TradeStops Pro*, *TradeStops Elite*, *Ideas by TradeSmith Elite*, *Trade360*, *TradeSmith Essentials*, and Platinum customers.)

These investing icons have done the heavy lifting for us. By using the Billionaires Club to follow in their footsteps, so to speak, we're investing with the smart money -- and we have the stats to prove it.

When we developed the Billionaires Club here at *TradeSmith*, we asked ourselves, how can we make it even better and potentially more profitable?

So we performed extensive backtests that filtered stocks owned by these prolific billionaires through our proprietary tools to find the best of the best. The results were outstanding.

By ranking stocks based on recent entry signals, the average Volatility Quotient (VQ), and the number of Billionaires Club members who own the shares, we found that our strategy outperformed the S&P 500 by nearly 10 times over.



The result is our Best of the Billionaires strategy, available to *Ideas Elite*, *Trade360 Elite*, *TradeSmith Essentials*, and *TradeSmith* Platinum customers.

Putting the Billionaires Club to Use

Given the fact that stocks have just corrected by 10% in recent months, I revisited our *TradeSmith* Screener tool this week to see what the Billionaires Club has been up to. Here's how to follow along.

First, be sure you're logged in to *TradeSmith Finance*. Then, click on the **Invest** menu and select the **Screener** tab. Finally, click on the green **+ Create New Screener** button.

Now, I'm going to keep this screen super simple because I really want to focus on the stocks that several billionaires own. But I also want to be sure the timing is right to buy these stocks now. So, here are the filters I used.

The screenshot shows the TradeSmith Finance website's 'Invest' menu highlighted with a green arrow. Below the navigation bar, the 'Create new screener' button is circled in green. To its right, the 'Manage Filters' section is also circled in green, showing a list of strategies: 'All Strategies', 'Crypto Ideas Lab', 'Ideas Lab' (with a green arrow pointing to it), 'Best of the Billionaires' (checked with a green arrow pointing to it), and 'Dividend Growers'. Below the strategies, the 'Asset Type' is set to 'Stock' (circled in green with a green arrow pointing to it). The 'Cycle Turn Area' is set to 'Upcoming Valley' and 'Valley' (circled in green with a green arrow pointing to it). At the bottom, the 'Display & Sort Results' section shows 'Show top' set to 250 and 'Sort results by' set to 'Billionaires' and 'DESC' (with a green arrow pointing to the 'DESC' dropdown). The 'Run Screener' button is highlighted in green.

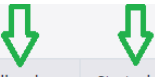
Click on **TradeSmith Strategies** to check the boxes for **Ideas Lab** and **Best of the Billionaires** and use this strategy.

For Asset Type, select Stock.

Now for the timing element, I added the **Cycle Turn Area** filter and checked Upcoming Valley and Valley. (These filters are available with a *Trade Cycles* subscription.)

Sort the results by **Billionaires**, **DESC** (descending). That will give you the list of stocks that the billionaires own in rank order, with the best on top. I got 178 results, but you can always narrow the list by adding more filters if you wish. Here's the top five on the list.

[Saved Screeners](#) (178 results)



☐	Ticker	Rating	Health ⓘ	VQ%	Billionaires ▼	Strategies	Trailing Divi...	Market Cap	Sector
☐	MSFT Microsoft	Strong Bullish	▶ 8m+	22.64%	13	3	0.80%	\$2.5T	Information Techno...
☐	GOOGL Alphabet-A	Strong Bullish	▶ 3m+	24.49%	13	4	N/A	\$734.3B	Communication Ser...
☐	AMZN Amazon.Com	Strong Bullish	▶ 5d	27.57%	12	4	N/A	\$1.4T	Consumer Discretio...
☐	GOOG Alphab-C-NV	Strong Bullish	▶ 6m+	24.17%	8	4	N/A	\$717.3B	Communication Ser...
☐	META Meta Platforms-A	Strong Bullish	▶ 5m+	32.33%	8	3	N/A	\$668.7B	Communication Ser...

Let me call your attention to the columns highlighted by the green arrows. “Billionaires” tells you the number of Billionaires Club members who own this same stock. As you can see, both **Microsoft (MSFT)** and **GOOGL** are owned by the most billionaires, 13 each.

Remember what we found in our research: When more billionaires own the stock, it has the potential to outperform the stock market. So, more is better.

Warren Buffett has a stake in **Amazon.com (AMZN)** for example, along with 11 other billionaire investors. And Bill Ackman, as I mentioned above, just increased his stake in Alphabet. Plus, seven other billionaires own the stock, too.

The next column over, “Strategies,” tells you which other *TradeSmith* strategies these stocks qualify for. MSFT for instance currently qualifies for our proven Growth and Sector Selects strategies, in addition to Best of the Billionaires.

Mike Burnick’s Bottom Line: It pays to follow the “smart money.” And our *TradeSmith* Screener tool can help you do just that. You can keep a close eye on the stocks favored by successful billionaire investors like Warren Buffett and Bill Ackman, plus dozens of other Billionaire Club members we follow.

Good investing,

Mike Burnick

Senior Analyst, *TradeSmith*

P.S. If you have any questions or concerns, please reach out to me at emailmikeburnick@tradesmith.com and include “Inside TradeSmith” in the subject line.