



## Billionaire Jim Simons Owns Westport Innovations Inc.; Should You Buy, Too?

### Description

You've probably never heard of him. But everyone in the know on Wall Street has heard of Jim Simons.

Simons is the founder of the Medallion Fund. Since its inception in 1989, he has consistently posted double-digit returns for his clients. Today, it's widely considered to be the most successful hedge fund of all time.

That's why you should always watch what stocks Simons is buying. And right now, he's making some interesting bets in the energy sector.

### **This natural gas stock could triple your money**

As regular readers know, North America is in the midst of an energy boom. New drilling techniques have unlocked vast amounts of natural gas. The supply glut has sent prices tumbling, down more than 70% over the past six years.

And that picture is unlikely to change anytime soon. America is sitting on 1,900 trillion cubic feet of recoverable gas. Based on current consumption rates, that's nearly 70 years of supply.

This is great news for natural gas engine maker **Westport Innovations Inc.** (TSX: WPT)([NASDAQ: WPRT](#)). At current prices, the commodity is 50% cheaper than regular gasoline as a transit fuel. Now some of America's largest trucking fleets are switching from diesel to natural gas.

For investors, the upside could be huge. Westport has a near-monopoly on this market. The company and its partners have filed over 700 patent applications to date. It's almost impossible for a rival to enter this business without infringing on at least one Westport patent.

Best of all, Westport is still small. The company is a fraction of the size of established engine makers. And over the next three to five years, it is projected to grow revenues at a 30% annual clip.

This forecast could be ultra cautious if natural gas engines make their way into cars. Today in America, less than 0.05% of the more than 250 million vehicles run on natural gas. If Westport can capture just

1% of this market, the stock could triple from here.

That idea sounded crazy only a few years ago. Today, however, several top car makers are releasing natural gas vehicles. We could see a big rollout over the next decade.

### **The smart money is buying. Should you buy, too?**

Judging by Mr. Simon's positions, he's bullish on the outlook for natural gas vehicles. As of June, the money maven owned 370,000 shares of the company valued at around US\$6.7 million.

What's interesting is that Simons likely paid between \$14 and \$18 per share, up to 50% above Monday's close. If he likes this stock at even higher prices, then Westport has a lot of upside from here.

### **CATEGORY**

1. Investing
2. Tech Stocks

### **TICKERS GLOBAL**

1. NASDAQ:WPRT (Westport Fuel Systems Inc.)

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