



Cathie Wood: The Next Warren Buffett?

Description

In recent years, investment legend Warren Buffett has added more exposure to innovative tech stocks. His largest holding at the moment, for instance, is the iPhone maker. However, an emerging investment manager is purely focused on these innovative sectors and has outperformed nearly everyone else over the past year.

California-based Cathie Wood created her investment management company ARK Investment Management LLC to offer retail investors a convenient way to bet on disruptive technologies. Her funds focus on bleeding-edge sectors such as artificial intelligence, gene editing, space tech and electric vehicles.

Now, her partnership with a company in Canada has brought all her funds to the Canadian stock market. Three of these exchange-traded funds have outperformed all other ETFs in Canada over the past year.

If you're a growth investor, here's what you need to know.

The next Warren Buffett?

Back in 2019, Cathie Wood's investment firm was a tiny company with just US\$3 billion (C\$3.8 billion) assets under management and a handful of employees. However, the company had positioned itself for tremendous growth by betting on pivotal technology companies very early.

ARK was one of the first funds to add exposure to Bitcoin in 2015, which quickly made the company stand out from the rest of Wall Street. However, the company's most important bet was on electric car giant **Tesla** in 2013.

Tesla stock has delivered an 11,500% gain since then and is up 675% over the past year alone. This performance put ARK on the map. The company now manages US\$34 billion (C\$42.9 billion) in assets and is one of the top three largest active ETF managers in the world.

In short, Cathie Wood could be the [tech world's Warren Buffett](#).

Cathie Wood's Canadian ETFs

ARK's partnership with Toronto-based Emerge Canada Inc. brings five of ARK's most popular ETFs to the Canadian stock market. Three of these ETFs are the best-performing ones in Canada over the past year.

Emerge ARK Genomics & Biotech ETF, for instance, has delivered 156.36% over the past 12 months. Similarly, **Emerge ARK AI & Big Data** and **Emerge ARK Global Disruptive Innovation ETFs** have delivered 137% and 126%, respectively over the course of 2020. Growth investors should keep an eye on these ETFs.

Cathie Wood stocks

Investors might also want to keep an eye on Canadian stocks that are part of Cathie Wood's portfolio. **Shopify**, for instance, is part of the Innovation ETF. The company is also actively discussing launching a new ETF focused on space tech stocks, which could feature **Maxar Technologies**.

Bottom line

Early bets on pivotal technologies have turned Cathie Wood into a rock star investment manager this year. It's too early to say whether she can sustain this incredible run. However, growth-seeking investors could learn a lot from her strategy and early bets.

I believe ARK's Canadian ETFs and tech stocks are worth keeping an eye on in 2021 and beyond. Good luck!

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