

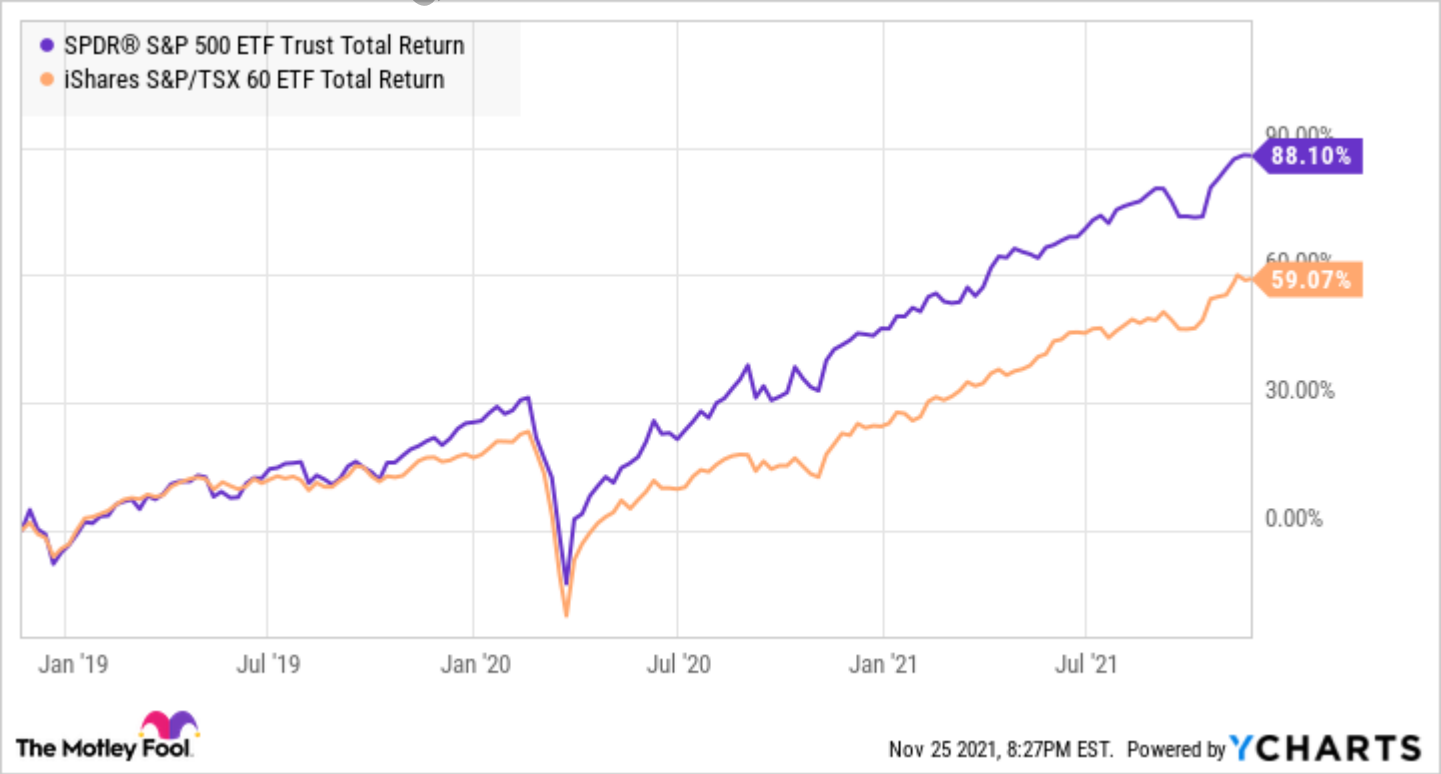


Can Your Retirement Fund Benefit From Cathie Wood’s Portfolio?

Description

Forbes describes Cathie Wood as a star stock picker and founder of ARK Invest, which invests in innovations like self-driving cars and genomics. Before Cathie Wood became the CEO of ARK Invest, she had already accumulated 40 years of experience researching and investing in innovation.

Innovative stocks are disrupting their respective industries. Not surprisingly, the three-year performance of Cathie Wood’s portfolio outperforms the U.S. and Canadian stock market benchmarks significantly with a 163% return as shown below.



SPY Total Return Level data by YCharts

This [article](#) explained, “Wood launched ARK as a means of packaging active stock portfolios into an ETF format. By concentrating on innovative, disruptive technologies, ARK invests in companies with the potential for both explosive short-term growth and long-term relevance.”

Top 11 stocks in the Cathie Wood portfolio

Here’s a quick overview of Cathie Wood’s largest stock holdings to get a sense of the kinds of [growth stocks](#) that she buys.

- **Tesla** – electric car maker
- **Coinbase Global** – provides financial infrastructure and technology for the crypto economy
- **Unity Software** – operates a real-time 3D development platform
- **Teladoc Health** – provides virtual healthcare services on a business-to-business basis
- **Shopify** – provides a commerce platform and services
- **Square** – provides software infrastructure to enable sellers to accept card payments, reporting & analytics, and next-day settlement
- **UiPath** – provides an end-to-end automation platform that offers a range of robotic process automation solutions
- **Spotify** – provides audio streaming services globally
- **Roku** – operates a TV streaming platform
- **Exact Sciences** – provides cancer screening and diagnostic test products
- **Twilio** – provides a cloud communications platform that enables developers to build, scale, and operate customer engagement within software applications

(The quick descriptions are largely snippets from *Yahoo Finance*.)

Can your retirement fund benefit from Cathie Wood’s portfolio?

It really depends on your investing style and experience. The ARK Invest stocks are probably not the ideal stocks for new investors. However, from the ARK Invest fund returns crushing the market returns, the stocks could fit well for portfolios seeking aggressive growth.

Notably, a pundit stated that half of her picks could be gone at one point. Don’t take that at face value, though. The idea is much like in the internet bubble, during which many tech stocks disappeared. In this competitive world where multiple innovative companies are disrupting the same industries, it’s logical that some will survive and thrive while others will disappear.

While the Cathie Wood portfolio provides aggressive growth potential, it also comes with high volatility and high risk. It’s not as easy to hold as a stable dividend stock portfolio, for example. Some holdings could drop a lot — leading to huge losses if investors end up selling at a low. Investors must have a long-term view, be diversified, and be on top of things.

It could be dangerous to follow Cathie Wood’s portfolio and buy her losers to hope for huge gains down the road because those losers could end up being the ones that will actually disappear. If you’re not investing with ARK Invest or its funds, it would be a safer approach to buy a basket of innovative

stock holdings to diversify one's exposure.

While you research individual innovative stocks and aim to buy on dips opportunistically, you should also view the portfolio as a whole. At the end of the day, will you be satisfied with the overall returns over a long period while enduring the volatility and risks taken?

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