

How To Make The Most of Growth Stock **CONFIDENTIAL**



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How to Make the Most of Growth Stock Confidential

There's only one way to invest successfully, consistently stay ahead of the markets, and achieve the financial freedom only investing over time can provide.

Trends come and go.

Bull markets turn into bear markets.

Even a strategy like following insider buying can work great for a long time, even years. Then it doesn't work.

There's almost nothing consistent about investing.

After all, if markets were simple and predictable, every investor would be rich.

Markets are dynamic. They're always changing. Everything is always changing.

And that right there is the key to top-tier investing success and all the freedom and benefits which come with it.

Let me explain.

In 35 years as an investment advisor and equities analyst I can tell you there's only one tried and proven way to consistently make the kind of gains in any type of market which will put you on a direct path to financial freedom.

That one way is change.

Following it. Embracing it. And investing in it early and often.

It's simple really.

Change means growth and growth means profits.

I'm not a complicated guy. I try not to make things any harder than they have to be. Life's complicated enough.

That's why I've boiled it all down to that over the years.

I mean...It's all right there.

If you just follow the major changes in the world, you will find the growth opportunities, and investment profits will follow.

And it's this simple and powerful idea that was the driving force for me to create the *Growth Stock Confidential*.

However, you don't need to take my word for it.

You should see how I've applied it in the past to uncover dozens of 1000%+ winners for forward-thinking investors.

Below you'll learn about:

The winner in "Growth" vs. "Value" investing
How the Growth Stock Confidential principles work
How I've applied these principles to deliver potential gains of 794%, 1433%, and 1956%
How you can use these principles right now to jump on the next major trends early

All that and more is available for you below.

First though, let's start with the basics.

A Primer on Growth Stock Confidential Investing

The style of Growth Stock Confidential investing is a combination of the best elements of two time-honored and consistently proven investing strategies.

Surely, you're familiar with both "growth" investing and "value" investing.

It was one of the first lessons I learned as a stockbroker.

You can buy value stocks for value and growth stocks for growth.

There was no crossover. It was one or the other.

That simplistic understanding couldn't have been more wrong.

Over the decades I've tried both with similarly frustrating results.

I've bought value stocks.

Regrettably, most of the time they remained great values too.

Most of them just never went anywhere. Only in a bull market would they even move. And even with a bull market, many lag way behind.

I bought plenty of growth stocks too.

They were much more exciting. Often had good stories. Were in the headline.

They were often the exact opposite of value stocks in every way, but they sure acted the same.

Many did well in the short run. But inevitably their growth would slow, and their prices would fall.

Early on I've come to the conclusion neither growth investing, or value investing works if you don't have a 20-year time horizon.

That's why I created the Growth Stock Confidential model.

It combines value and growth.

Ideally, a Growth Stock Confidential stock offers great growth at a great price.

Granted, there aren't many of these opportunities out there, but you only need to find a few each year to do really well.

Undervalued shares of a company that is growing or about to grow significantly will produce fantastic results.

It's the best of both worlds.

There is value there which keeps risks low and potential gains high.

Yet there's also growth to unlock the value.

It's a perfect combination. And, looking back on the biggest gains for my past readers, this combination has worked a lot for me over the years.

Let me show you three Growth Stock Confidential-style opportunities to show you exactly the value opportunities I was able to uncover and how I foresaw significant growth which unlocked the deep value on the way to massive gains.

Growth Stock Confidential Example #1: **794% Gains on The Special Chip Powering "New Wave" Tech Devices**

I remember thinking, "*Wait, there's something going on here.*"

Let me take you back to 2010.

That April, Apple unveiled the original iPad.

No one knew what to think about it either.

We've watched "tablets" come with much fanfare every few years.

Historically electronic tablets were heavy, underpowered, had little functionality, and expensive.

Invariably, they would disappear just as fast.

Apple changed that with the iPad.

Now, I wish I could tell you I saw the iPad was going to be as big a hit as it has been when it unveiled.

I didn't.

I was quite skeptical of it all.

I remember the Compaq Concerto from 1992, the WinPad devices from the mid-1990s, all the way up to the Ultra-Mobile PC in 2006, and many just as forgettable tablets in between.

None of them stayed around for long.

Based on history, the iPad was no sure thing either. This time is never different and all that.

But it was Apple and they've got a track record with products you can't deny.

So, I watched from the sidelines and tracked the sales each quarter.

The first quarter it was available Apple sold more than three million. Pretty good.

The next quarter it was available it sold more than four million. A bit better.

The third quarter it was available it sold more than seven million. Wait, there's something going on here.

I dove into it and what I found was something very unique that was powering the tablet boom.

It was the Graphic Processing Unit, or GPU.

You see, the reason the iPad was so successful was because it was an exceptional product.

It was easy to use, had great software, and provided top-notch video and gaming capabilities that were better than many PCs.

About nine months after the launch of the iPad, I forecasted a major switch away from PCs and into tablets and, as a result, a rise in GPU demand which is an essential component to small, graphics-heavy interfaces like the iPad and smartphones.

One of the GPU makers I singled out was **NVIDIA (NASDAQ: NVDA)**, the world leader in the GPU market.

The stock was a dog. In the decade leading up to the start of the tablet boom shares went practically nowhere.

After accounting for inflation, the shares were up about 21% over ten years.

Things were about to change though.

As more and more tablets came out, phones demanded more graphics power, and more traditional computers started relying on powerful GPUs to power modern software, GPU sales started picking up year by year.

Now they're downright exploding, and NVIDIA shares have gone from \$19 when I featured them as a way to play the tablet boom to a recent high of more than \$170 a share.

That's a gain of 794% which even more than doubled the return of the iPad over the same time.

Growth Stock Confidential Example #2: Spinning Multi-Decade Lows into One Year Gains Of 1433%

Murphy's Law says, "Anything that can go wrong, will go wrong."

Back in 2015 everything went wrong and more for gold and gold stocks.

Gold was in true crisis at the time.

Gold prices peaked in August of 2011 at just over \$1900 an ounce slid steadily down to \$1060 an ounce by the end of 2015.

The bear market was truly epic.

Beyond the 45% decline in the price of gold, gold mining stocks were on their proverbial end and, in a few cases, their literal deathbeds.

In July 2015 the Financial Times headline correctly claimed, "Gold Bugs Squashed by Aggressive Selling" and I knew opportunity wasn't far behind.

At the time I wrote in when the bear market was just a few weeks away from rock bottom of how truly dire the gold bear market had become for gold miners:

This latest drop in the price of gold is not good news for gold mining companies. For many miners, their break-even cost is around \$1,100 an ounce. So, any drop below that price will bring severe pain.

*The selloff in gold stocks was led by the world's top producer of gold, **Barrick Gold (NYSE: ABX)**. It tumbled to the lowest level seen since 1990, and is down about 40% in just the past three months alone.*

Barrick's market capitalization of \$8.5 billion is a mere shadow of its \$64 billion market cap when gold was at its peak of \$1,911 an ounce in August 2011.

It was bad. So bad it couldn't get much worse.

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Just look at the numbers.

The largest gold mining stock ETF, the **Market Vectors Gold Miners ETF (NYSEARCA: GDX)**, was **down 79%** from the time gold peaked in 2011 to the bottom at the end of 2015.

The smaller gold miners were even in worse shape. The **Market Vectors Junior Gold Miners ETF (NYSEARCA: GDXJ)** was **down 87%** from gold's 2011 highs.

Gold and gold stocks weren't just cheap though. They literally couldn't get much cheaper.

Big money investors weren't just selling gold stocks, they were actively betting against it.

That July I also noted that active bets against gold was at a record high when "overall short interest in gold is nearing its peak, hit in 1995."

That's all a recipe for a bottom. And since the bear market was so bad, the recovery would likely be as tremendous as the bear market was bad.

A few months later gold would started to tick up a bit and that's exactly what happened.

I advised my readers to get on it ASAP.

I wrote to them in March 2016 that the jump in gold prices from \$1060 to more than \$1200 much more than a 12% rally, it was the start of something much bigger.

I wrote, "Gold is back. The three-year downturn is over."

Anyone else who saw the opportunity forming gold merely going from "too cheap" to anything better had the chance to score massive gains.

Gold prices went on to rally a total of 27%. Not bad.

But remember, gold prices were hit hard, but gold miners completely crashed, and they were so cheap any rebound in gold would be magnified many times over.

Gold stocks soared.

The **Market Vectors Gold Miners ETF (GDX)**, which was down 79%, rebounded **138%**.

The **Market Vectors Junior Gold Miners ETF (GDXJ)**, which was down 87%, regained **188%**.

There were plenty more huge gains like:

Golden Star Resources (GSS) - 525%

B2Gold (BTO) - 313%

Goldmining Inc (GLDLF) - 665%

Aurvista Gold (ARVSF) - 1,433%

One of the biggest opportunities was with the world's largest undeveloped gold deposit in the world.

Right in Alaska you'll find the Pebble deposit owned by **Northern Dynasty (NAK)**.

This stock was \$21 a share in 2011 when gold and gold stocks were in demand.

By the end of the bear market it was 30 cents a share.

The **total decline of 98%** was massive. It priced to explode.

Over the next year it went on to rise as much as **1468%** while gold ticked up just 27%.

More importantly, it's the kind of potential deep value investments can have.

If you buy cheap stocks, you will do well.

But if you buy extremely cheap after years of declines, after 80%+ price declines, and when investors are actively betting against it and you will do extremely well.

The gold rally proved that out many times over and it was all very predictable and the massive gains which could be had in Growth Stock Confidential-style opportunities.

This example isn't alone either. There are more.

Growth Stock Confidential Example #3: Making 1,956% In the Birth of The Biotech Bull

One of the biggest and most lucrative trends I caught onto early on was the current biotech bull market.

The market hit rock bottom in March 2009. Every sector was hammered at the time. There was no place to hide.

Six months later it was clear the bottom was in and it was time to jump on a bull market with unlimited potential.

As an investor, I didn't want to just buy the market and hope it all turns out great. I wanted the absolute best opportunity I could find.

To do that I used the two basic principles of investing the Growth Stock Confidential way -- buy what's cheap and growing.

All signs pointed to the biotech stocks.

Two factors combined to make biotech stock boom that followed the credit crisis truly epic.

First, biotech stocks were exceptionally undervalued.

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The NASDAQ Biotech Index was hit hard in the credit crisis like everything else. Between the summer of 2008 and March 2009, the biotech stock index fell 33%.

Relatively, not too bad. A lot of other sectors were far worse off.

However, that number belied biotech stocks' true undervaluation.

Leading up to the credit crisis biotech stocks went nowhere.

In fact, during the bull market between end of the dot-com bubble and the height of the credit bubble in 2007, biotech stocks were down 20%.

So, when the credit crisis hit they got hit like everything else, but since they didn't go up in the run-up, there was a lot less to give back.

As a result of all this, the biotech industry was off the radar of most investors altogether.

I wrote at the time in October 2009:

The [biotech] sector is ripe for the picking, too, with the financial crisis having created an impressive buyer's market for larger companies, as smaller firms struggle to extend financing.

Again, that was just the set up. The Growth Stocks Confidential method requires growth too. And that was about to boom.

The second factor that I thought at the time made biotech stocks ripe for the picking was called the "patent cliff."

The major pharmaceutical companies were facing a huge problem. When they develop a drug they only have so many years to sell it before generic drug makers can join in. The time is usually 17 years from when the first patent is granted on a new drug candidate.

However, after years of underinvestment, Big Pharma companies had many the best-selling drugs reaching the end of their patents. Most of their drugs were going "off patent." IMS Health Midas research found that dozens of major drugs were going to be going off patent and the total "patent cliff" Big Pharma was facing was \$89.5 billion.

That's a huge hole for any industry.

There had to be a solution and there was.

Big Pharma and major biotech companies went on an epic acquisition spree that reignited a biotech boom.

The boom so far has been epic.

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From the time I put these pieces of the puzzle together the Nasdaq Biotech Index went on to rise 381% over the next six years.

Of course, considering the principles of Growth Stock Confidential, there were much bigger gains to be had in buying the ultra-cheap pharmaceutical and biotech stocks.

Even relatively safe biotech companies worth a billion or two in the market bottom have soared.

For example, investors who bought in when I spotted this Growth Stock Confidential-style opportunity in 2009 had the chance to score gains as high as:

Regeneron (REGN) - 1956%
Incyte Pharmaceuticals (INCY) - 795%
Alnylam (ALNY) - 1023%
Medivation (MDVN) - 1176%
Jazz Pharmaceuticals (JAZZ) - 1708%
Sarepta (SRPT) - 2796%

Those are just a few examples of huge biotech winners.

Those examples are all mid-cap biotech companies mostly worth billions of dollars before the biotech boom started.

I could point to literally hundreds of other tiny biotech companies which did even better.

Biotech stocks were so cheap and the growth opportunity so big there would inevitably be a few **Intercept's (ICPT)** and **ACADIA's (ACAD)** which went on to rise 2,326% and 6,492%, respectively, on the ensuing bull market.

My point is that the Growth Stock Confidential-style opportunity was so great, buying anything biotech -- even mid-cap biotech stocks with multiple drug candidates -- was going to pay off massively.

The Growth Stock Confident Model: 1+1=3

In the end, those are just three examples of Growth Stock Confidential opportunities all of which I've publicly identified early on.

Each one was unique, but the situations all shared the same foundations.

There were years of a "dead money" and sectors littered with exceptionally cheap valuations.

And there was also a growth catalyst to unlike those extreme values to deliver massive gains in a few months or a couple years.

That's why the combination of value and growth is both simple and wildly effective.

And again, I've been around the financial industry for decades and can tell you it's the only way to invest successfully and consistently over the years.

With Growth Stock Confidential, we'll be focusing exclusively on these undervalued growth opportunities.

Good investing,

Tony Daltorio
Founder, *Growth Stock Confidential*

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