

# InsideArbitrage

May the odds be with you

*Special Situations Newsletter for Premium Subscribers*



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## The Gambler's Den

*by Asif Suria*

With fears of a tumultuous U.S. elections subsiding and very positive data on the vaccine front from both Pfizer and Moderna, the market rallied strongly in November with all three main indices notching double digit gains. The anecdote of a shoeshine boy giving stock tips to JFK Senior right before the 1929 crash that led JFK Senior to not only sell his holdings but to short the market was repeated during the dot com bubble with taxi drivers giving stock tips. I am seeing this kind of anecdotal evidence once again based on conversations I had with multiple folks over the long Thanksgiving weekend.

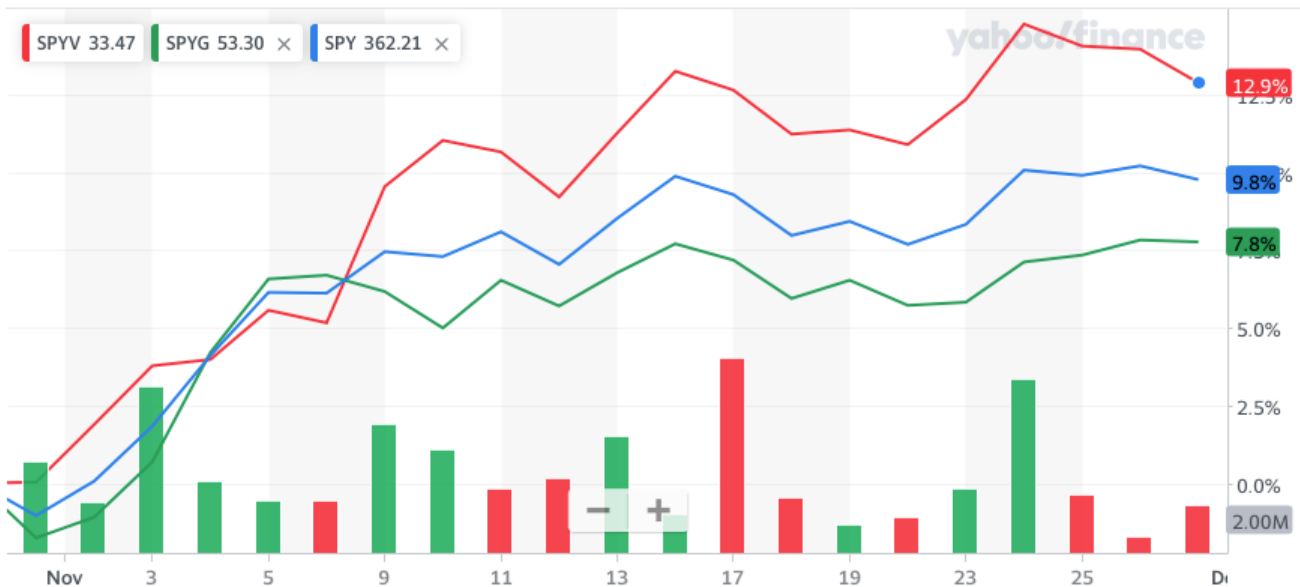
The dichotomy introduced by this pandemic where some people are doing very badly after losing their jobs and others seeing their savings rates spike as a result of lower discretionary spending has triggered a large increase in the opening of retail brokerage accounts.



Source: Federal Reserve Bank of St. Louis

The euphoria is also being fueled by mini bubbles in electric car companies, bitcoin, etc. I experienced the euphoria first hand when a company I had pretty much given up for dead in my portfolio, suddenly went up 700% in less than a month. Nothing had fundamentally improved in the business and it was a momentum driven rally ignited by a one-time favorable insurance payout that gave me the opportunity to exit a majority of my position.

The reopening trade fueled rallies in beaten down value stocks, especially those with exposure to retail and travel. As you can see from the chart below, the S&P 500 Value ETF (SPYV) significantly outperformed growth the S&P 500 Growth ETF (SPYG) in November.



Both groups however are trading at elevated valuations with the growth ETF trading at a P/E of 30.30 and P/B of 7.75 and the value ETF trading at a P/E of 17.89 and 2.17 times book value. It is understood that growth companies these days are asset light businesses and hence metrics like P/E or book value may not mean much in the near-term but when your value ETF also trades at nearly 18 times earnings, it gives me pause.

We have the option to play games in the gamblers den or take the long view and position defensively. I indicated in last month's newsletter that I was positioning defensively going into the election and my opinion has not changed. This does not translate into selling everything and going short but rather adjusting my asset allocation to take some risk off the table and moving into different sectors. The spotlight ideas from the last seven newsletters in many ways have been what I perceive to be defensive names that could benefit from a shift from growth to value.

### New Feature: Model Portfolio and Watchlist

We are very excited to add a new feature for premium members where you can track the performance of every spotlight idea from our premium newsletters in a Model Portfolio that you can [access here](#). The Model Portfolio is set up with \$100,000 in capital and \$5,000 invested in a new spotlight idea each month. Ideally we will try to run the portfolio with 20 positions and I plan to purchase most of these in my personal portfolios as well. You can track which positions I own at the bottom of the model portfolio. Clicking on the little + icon to the left of the stock symbol will let you track the spotlight idea back to the specific newsletter it was discussed in.

## MODEL PORTFOLIO

Tuesday, December 01, 2020

[Watchlist](#) [Historical Trades](#)

### Long Stock Positions

	Symbol	Quote*	Daily Change	Number of Shares	Cost	Current Value	Diff (\$)	Diff (%)	Date Added
+	PHM	\$43.63	\$-0.73 (-1.65)	123@40.76	\$5,013	\$5,366	\$353	7.04%	10/31/2020
+	MD	\$20.21	\$0.10 (0.50)	307@16.28	\$4,998	\$6,204	\$1,207	24.14%	09/30/2020
-	RILY	\$36.14	\$-0.44 (-1.20)	189@26.78	\$5,061	\$6,830	\$1,769	34.95%	08/31/2020
Read more about <a href="#">B. Riley Financial, Inc.</a> on <a href="#">InsideArbitrage</a>									
+	CLR	\$15.38	\$-1.50 (-8.89)	289@17.29	\$4,997	\$4,445	\$-552	-11.05%	07/31/2020
+	GILD	\$60.67	\$0.64 (1.07)	66@76.14	\$5,025	\$4,004	\$-1,021	-20.32%	06/30/2020
+	MHK	\$125.83	\$-4.72 (-3.62)	57@87.72	\$5,000	\$7,172	\$2,172	43.45%	04/30/2020
<b>Cash and Active Position Returns</b>						<b>\$70,230</b>	<b>\$3,928</b>	<b>13.04%</b>	
<b>Total Portfolio Value and Returns</b>						<b>\$104,251</b>	<b>\$4,251</b>	<b>4.25%</b>	

Trades that are closed can be found in the [Historical Trades](#) section of the Model Portfolio. The merger arbitrage idea we discussed in the June 2020 newsletter can be found in the Historical Trades section. We also created a [Watchlist](#) which will contain ideas that look interesting and are worth tracking but I am not ready to buy yet. With the publishing of this newsletter we are adding Coty (COTY) to the watchlist this month. I discussed the cluster of insider purchases at Coty in our [recent Insider Weekends post](#). The December 2020 spotlight idea has been added to the Model Portfolio with a purchase date of 11/30/2020 and the closing price as of the end of November.

## December 2020 Spotlight Idea: Vertex Pharmaceuticals Incorporated (VRTX) \$227.75

### Company Overview

Vertex Pharmaceuticals is a biotechnology company that invests in scientific innovation to create transformative medicines. The company was founded in 1989 by Joshua Boger and Kevin J. Kinsella and is headquartered in Boston's Innovation District along the South Boston waterfront. The origins of the company were outlined in the 1994 book [The Billion Dollar Molecule: One Company's Quest for the Perfect Drug](#) by Barry Werth.

### Product Pipeline

The product pipeline of Vertex focuses on therapies for cancer, pain, inflammatory diseases, influenza, and other rare diseases. The company has multiple approved medicines that treat the underlying cause of cystic fibrosis (CF).

Cystic fibrosis is a progressive, genetic disease that causes persistent lung infections and limits the ability to breathe over time. It is caused by mutations in the cystic fibrosis transmembrane conductance regulator (CFTR) gene that result in the CFTR protein becoming dysfunctional. This affects the cells that produce mucus, sweat and digestive juices. These secreted fluids are normally thin and slippery. But in people with CF, the defective CFTR gene causes the secretions to become sticky and thick. Instead of acting as lubricants, the secretions plug up tubes, ducts and passageways, especially in the lungs and pancreas.

The key drugs for cystic fibrosis in Vertex's pipeline are Kalydeco, Orkambi, Symdeko, and Trikafta. These drugs are CFTR (cystic fibrosis transmembrane conductance regulator) modulators and are designed to correct the malfunctioning protein made by the CFTR gene. What started out as CF treatments for a small patient population has now expanded to a much larger population across age groups (some as young as 4 months old) and geographies.



## December 2020 Spotlight Idea (continued): Vertex Pharmaceuticals Incorporated (VRTX)

Beyond CF, Vertex has of a robust pipeline of investigational small molecule medicines in other serious diseases including alpha-1 antitrypsin deficiency, an inherited disorder that may cause lung disease and liver disease, and APOL1-mediated FSGS, which is a severe kidney disorder that results in high levels of protein in the urine. Vertex also has a rapidly expanding pipeline of genetic and cell therapies for diseases such as sickle cell disease, beta thalassemia, Duchenne muscular dystrophy and type 1 diabetes mellitus.

A large part of a pharma company's value is based on its pipeline and I reached out to two friends who are research scientists at pharma companies to get their assessments of Vertex's pipeline. One of them pointed out the company's reliance on its CF franchise while the other was impressed by Vertex's pipeline and indicated that if the company's drugs to treat sickle cell disease and beta thalassemia were to get FDA approval, they could be blockbusters for the company.

### Recent Developments

In September 2019, Vertex announced that it would acquire Semma Therapeutics, a privately held biotechnology company that pioneers in the use of stem cell-derived human islets as a potentially curative treatment for type 1 diabetes, for \$950 million in cash. Semma has made two major scientific advances: the ability to produce large quantities of functional human pancreatic beta cells that restore insulin secretion and ameliorate hypoglycemia in animal models and a novel device that encapsulates and protects these cells from the immune system, enabling durable implantation without the need for ongoing immunosuppressive therapy.

On November 5, 2020, Vertex announced that the European Commission has granted approval of the label extension for KALYDECO® (ivacaftor) granules to include the treatment of infants with cystic fibrosis (CF) ages 4 months and older and weighing at least 5 kg.

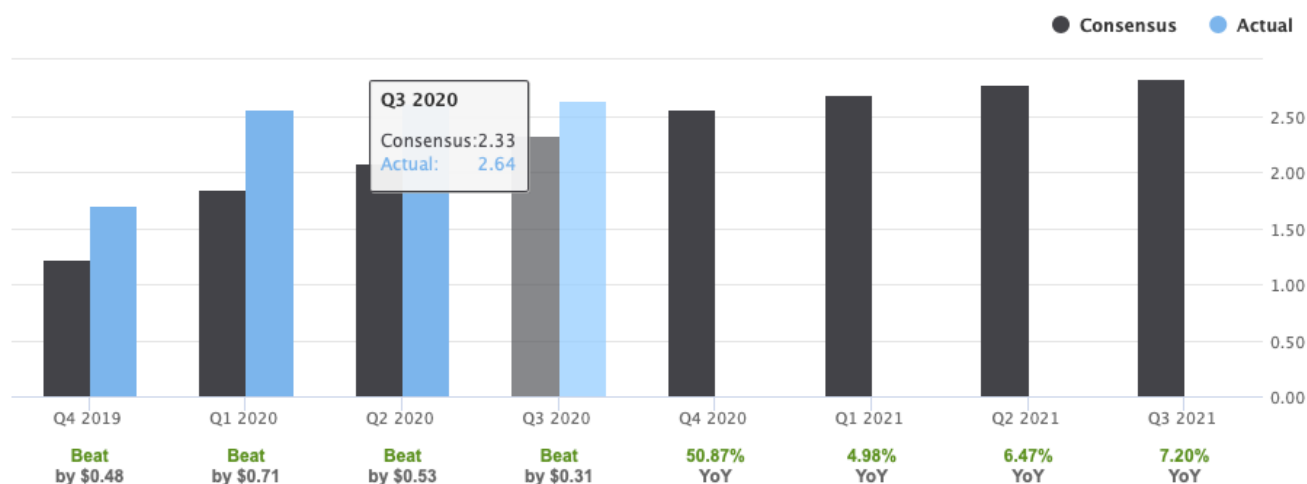
On November 27, 2020, Vertex announced that the European Commission has granted approval of the label extension for SYMKEVI® (tezacaftor/ivacaftor) with KALYDECO® (ivacaftor), to include the treatment of cystic fibrosis (CF) in patients ages 6 years and older.

### Valuation and Financials:

The expansion of Vertex's CF franchise has resulted in a significant portion of the additional revenue dropping straight to the bottom line. For the third quarter of 2020, the company reported a 62% increase in revenue from \$950 million in Q3 2019 to \$1.54 billion. The \$588.5 million increase in revenue caused a corresponding \$571.7 million increase in operating income, which increased from \$102.3 million in Q3 2019 to \$674 million in Q3 2020. Operating margins of greater than 55% are the best in its industry. Consensus analyst estimates call for earnings to continue growing in each of the next four quarters, although the rate of growth is likely to moderate.

## December 2020 Spotlight Idea (continued): Vertex Pharmaceuticals Incorporated (VRTX)

### EPS Surprise & Estimates by Quarter



Vertex Earnings Estimates and Actuals (source: Seeking Alpha)

The company trades for less than 15 times 2020 EBITDA and has a strong balance sheet with almost \$5.5 billion in net cash. Assuming moderate earnings growth from the expansion of its CF franchise, the stock would be downright cheap in a couple of years.

### Discontinued Trial and A Large Drop:

On October 14, 2020, Vertex Pharmaceuticals provided an update on its clinical programs targeting the small molecule correction of alpha-1 antitrypsin deficiency (AATD).

Alpha1-antitrypsin is a protein produced by the liver whose function is to protect the lungs. Deficiency and malformation of this protein cause obstructive pulmonary disease and liver disease. Vertex had been testing the drug, VX-814, against placebo in around 50 patients with alpha-1 antitrypsin deficiency (AATD), seeking to boost the level of the AAT protein in the patients. The results, however, showed elevated liver enzymes in several patients and four of the patients had spikes more than eight times the upper limit of normal.

Based on the safety and pharmacokinetic (PK) profile of VX-814 observed in a Phase 2 trial in AATD, Vertex decided to stop dosing in the trial and discontinued the development of VX-814. The company is continuing a Phase 2 study of a different drug, VX-864 for the treatment of AATD.

This high toxicity news related to VX-814 caused a large drop in the stock price on October 15, 2020 when the stock dropped more than 20% from \$271.46 to \$215.28. Less than a month later we saw the largest insider purchase at the company over the last 10 years as discussed below. In fact this purchase was the only one since November 2012.



## December 2020 Spotlight Idea (continued): Vertex Pharmaceuticals Incorporated (VRTX)

### Insider Purchase

Bruce I. Sachs, the lead independent director of the company's Board since 1998 purchased 15,000 shares for \$3,260,465 at an average price of \$217.36.

Mr. Sachs joined the Board of Vertex in 1998 and is the Board's lead independent director. From 1993 to 1998, Mr. Sachs has held executive positions in Xylogics, Inc., Bay Networks, Inc., and Stratus Computer, Inc.

He is a General Partner at Charles River Ventures, a venture capital firm he joined in 1999. CRV was founded in 1970 to commercialize research that came out of MIT. It has total assets of over \$4 billion. Apart from Vertex Pharmaceuticals, Bruce Sachs holds 11 other board and advisor roles including Member of the Board of Directors at iControl Networks, and Member of the Board of Directors at Watercove Networks.



### Conclusion

The insider purchase by an independent director of the company who has served on the board for well over 20 years is a strong positive signal. In many ways Vertex reminds me of Gilead Sciences, a company that benefited from its HIV drugs for a number of years and then enhanced its pipeline through acquisitions. The key difference with Vertex appears to be that its CF franchise is still growing rapidly while Gilead's growth from both its HIV and Hep C drugs has moderated significantly.

I am going to add Vertex to our model portfolio and will also initiate a position in the company in my personal portfolio after this newsletter is published.

## MONTHLY M&A OVERVIEW

There were 13 deals announced in the month of November, that included the largest deal announced in the year. The total value of all deals announced in November was \$77.55 billion.

### NEW DEALS

- The acquisition of Endurance International Group Holdings (EIGI) by Clearlake Capital Group for \$3 billion.
- The acquisition of Alaska Communications Systems Group (ALSK) by Macquarie Capital and GCM Grosvenor for \$300 million.
- The acquisition of Telenav (TNAV) by V99 for \$241 million.
- The acquisition of Navistar International Corporation (NAV) by Traton SE for \$8.6 billion.
- The acquisition of Urovant Sciences (UROV) by Sumitovant Biopharma for \$681 million.
- The acquisition of HighPoint Resources (HPR) by Bonanza Creek Energy (BCEI) for \$376 million.
- The acquisition of HD Supply Holdings (HDS) by The Home Depot (HD) for \$11.35 billion.
- The acquisition of Foundation Building Materials (FBM) by American Securities for \$1.37 billion.
- The acquisition of China Biologic Products Holdings (CBPO) by CBPO Holdings Limited and CBPO Group Limited.
- The acquisition of Norbord (OSB) by West Fraser Timber for \$3.1 billion.
- The acquisition of The Goldfield Corporation (GV) by an affiliate of First Reserve for \$211.12 million.
- The merger of IHS Markit (INFO) and S&P Global (SPGI) for \$44 billion in an all stock deal.
- The acquisition of Collectors Universe (CLCT) by D1 Capital Partners and Cohen Private Ventures for \$675.04 million

### COMPLETED DEALS

Eight active deals were successfully completed in the month of November.

- The acquisition of Bitauto Holdings Limited (BITA) by Morespark Limited on November 6, 2020.
- The acquisition of Jernigan Capital (JCAP) by NexPoint Advisors on November 6, 2020.
- The acquisition of Wright Medical Group (WMGI) by Stryker Corporation (SYK) on November 12, 2020.
- The acquisition of Montage Resources Corporation (MR) by Southwestern Energy Company (SWN) on November 13, 2020.
- The acquisition of AMAG Pharmaceuticals (AMAG) by Covis Group S.à r.l. on November 16, 2020.
- The acquisition of MyoKardia (MYOK) by Bristol-Myers Squibb Company (BMY) on November 17, 2020.
- The acquisition of Yintech Investment Holdings Limited (YIN) by Yinke Holdings on November 18, 2020.
- The acquisition of Fuling Global (FORK) by Fuling ParentCo on November 23, 2020.



## MONTHLY M&A OVERVIEW

### TERMINATED DEALS

- On November 12, 2020, Sunworks (SUNW) notified the Peck Company of its decision to terminate the merger agreement after failing to secure stockholder approval.

### AMENDED DEALS

- On November 2, 2020, Arch Capital Group (ACGL) and Watford Holdings (WTRE) announced a revised definitive agreement under which Arch will acquire all of the common shares of Watford for an increased price of \$35.00 per share.
- On November 15, 2020, Simon Property Group (SPG) and Taubman Centers (TCO) announced that they were modifying certain terms of the original merger agreement, including a modified purchase price of \$43.00 per share in cash.
- On November 23, 2020, Front Yard Residential Corporation (RESI) announced that it has amended its definitive merger agreement with Pretium and Ares Management Corporation (ARES) to increase the consideration payable to holders of outstanding shares of Front Yard stock to \$16.25 per share in cash from \$13.50 per share in cash.

### POTENTIAL DEALS IN THE WORKS

There were six new deals in the works announced in the month of November.

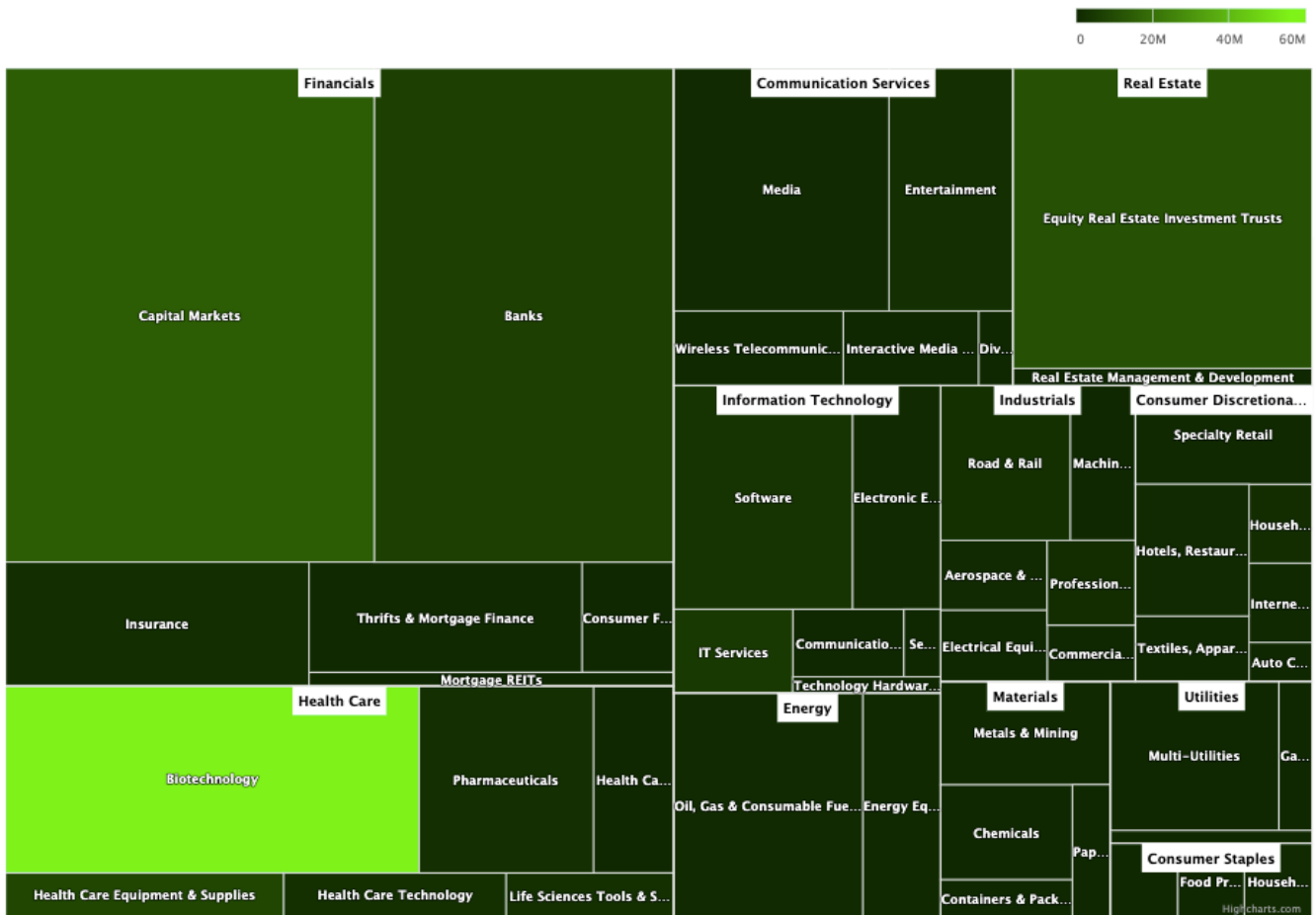
- On November 9, 2020, W. R. Grace & Co. (GRA) received a proposal from 40 North Management LLC, one of its shareholders, to acquire all outstanding common shares of the Company for \$60 per share in cash, subject to certain conditions.
- On November 9, 2020, NextEra Energy (NEE) made a roughly \$15 billion all-stock acquisition offer for U.S. power utility Evergy Inc (EVRG).
- On November 16, 2020, Navios Maritime Partners L.P. (NMM) submitted a proposal to the board of directors of Navios Maritime Containers L.P. (NMCI) to acquire the outstanding common units of Navios Containers not already owned by Navios Partners.
- On November 18, 2020, Aptevo Therapeutics (APVO) received a \$50 per share takeout offer from shareholder Tang Capital Partners.
- November 25, 2020: According to Reuters, Salesforce.com (CRM) is in talks to acquire workplace messaging app Slack Technologies (WORK) as it seeks to expand its offerings to businesses.
- On November 25, 2020, Ruhnn Holding Limited (RUHN) announced that its board of directors has received a preliminary non-binding proposal letter, dated November 25, 2020, from three founders of the Company, Min Feng, Lei Sun and Chao Shen.
- On November 30, 2020, Fang Holdings Limited (SFUN) announced that its board of directors has received a preliminary and non-binding proposal letter from General Atlantic Singapore Fund proposing to acquire all of the outstanding shares and American Depositary Shares of the company in a “going-private” transaction for US\$1.468 per Share (or US\$14.68 per ADS) in cash.

# INSIDER ACTIVITY BY SECTOR AND TOP TRANSACTIONS

The sector heat map below shows insider purchases in August by company management (CEOs, CFOs, etc.) and excludes any insider purchases by 10% owners or directors. As premium subscribers, you can pull up our [online insider heat map](#) and drill down to view specific insider purchases for a particular industry. During the month of November, the health care sector had the most purchases, followed by the financial and the real estate sector.

In the next two pages we have highlighted ten companies that had the most insider buying and insider selling in November.

Heat map of management insider purchases for all sectors over the last month



## TOP 10 INSIDER BUYS - NOVEMBER 2020

Owner	Relationship	Cost	Shares	Value
1. MultiPlan Corporation (MPLN): \$6.94			Sector: Health Care	
Michael Stuart Klein	Director	\$6.91	2,141,000	\$14,790,956
Paul Galant	President, New Markets	\$7.09	28,550	\$202,296
<i>Total Purchased by all Insiders of MultiPlan Corporation</i>				\$14,997,984
2. American Assets Trust, Inc. (AAT): \$28.69			Sector: Real Estate	
Ernest S. Rady	Chairman, CEO & President	\$22.25	362,927	\$8,074,196
<i>Total Purchased by all Insiders of American Assets Trust, Inc.</i>				\$8,074,196
3. GreenSky, Inc. (GSKY): \$4.26			Sector: Information Technology	
Robert Sheft	Director	\$3.47	1,105,220	\$3,834,119
David Zalik	CEO and Chairman of the Board	\$3.47	1,105,220	\$3,834,119
Dennis I. Kelly	President, Patient Solutions	\$4.07	27,000	\$109,944
Angela M. Nagy	SVP, Chief Accounting Officer	\$3.45	75,000	\$25,875
<i>Total Purchased by all Insiders of GreenSky, Inc.</i>				\$7,805,991
4. Coty Inc. (COTY): \$7.19			Sector: Consumer Staples	
Johannes P. Huth acquired	Director	\$6.20	1,000,000	\$6,199,000
Robert S. Singer	Director	\$6.07	67,500	\$409,462
Olivier Goudet	Director	\$7.10	50,000	\$355,175
Isabelle Parize	Director	\$6.13	10,000	\$61,300
<i>Total Purchased by all Insiders of Coty Inc.</i>				\$7,025,750
5. Danaher Corporation (DHR): \$224.63			Sector: Health Care	
Mitchell P. Rales	Chairman of Executive Committee	\$226.14	26,784	\$6,056,934
<i>Total Purchased by all Insiders of Danaher Corporation</i>				\$6,056,934

## TOP 10 INSIDER BUYS - NOVEMBER 2020

Owner	Relationship	Cost	Shares	Value
<b>6. Camping World Holdings, Inc. (CWH): \$30.65</b>		<b>Sector: Consumer Discretionary</b>		
Stephen Adams	Director	\$24.55	200,000	\$4,909,600
Michael W. Malone	Director	\$24.14	2,070	\$49,962
<i>Total Purchased by all Insiders of Camping World Holdings, Inc.</i>				<b>\$4,959,970</b>
<b>7. Vertex Pharmaceuticals Incorporated (VRTX): \$227.75</b>		<b>Sector: Health Care</b>		
Bruce I. Sachs	Director	\$217.36	15,000	\$3,260,465
<i>Total Purchased by all Insiders of Vertex Pharmaceuticals Incorporated</i>				<b>\$3,260,465</b>
<b>8. B. Riley Financial, Inc. (RILY): \$36.14</b>		<b>Sector: Financials</b>		
Bryant R. Riley	Chairman and Co-CEO	\$27.83	75,000	\$2,087,495
Randall E. Paulson	Director	\$26.65	40,000	\$1,066,008
<i>Total Purchased by all Insiders of B. Riley Financial, Inc.</i>				<b>\$3,153,550</b>
<b>9. OPKO Health, Inc. (OPK): \$4.64</b>		<b>Sector: Financials</b>		
Phillip Frost M.D.	CEO & Chairman	\$3.37	850,000	\$2,867,489
<i>Total Purchased by all Insiders of OPKO Health, Inc.</i>				<b>\$2,867,489</b>
<b>10. Aon Plc (AON): \$204.89</b>		<b>Sector: Financials</b>		
Lester B. Knight	Director	\$186.55	10,000	\$1,865,526
John G. Bruno	Chief Operating Officer	\$186.46	1,000	\$186,460
<i>Total Purchased by all Insiders of Aon Plc</i>				<b>\$2,051,960</b>

## TOP 10 INSIDER SALES - NOVEMBER 2020

Owner	Relationship	Cost	Shares	Value
1. Amazon.com, Inc. (AMZN): \$3168.04		Sector: Consumer Discretionary		
Jeffrey P. Bezos	Chairman, CEO and President	\$3022.84	1,000,000	\$3,022,840,473
Andrew R. Jassy	CEO Amazon Web Services	\$3965.00	8,044	\$24,654,881
Jeffrey A. Wilke	CEO Worldwide Consumer	\$3057.82	3,950	\$12,078,383
Brian T. Olsavsky	Senior Vice President and CFO	\$3085.62	1,377	\$4,248,899
David Zapolsky	Senior Vice President	\$3085.62	1,238	\$3,819,998
Jonathan Rubinstein	Director	\$3186.81	638	\$2,033,183
Patricia Q. Stonesifer	Director	\$3303.62	600	\$1,982,172
Shelley Reynolds	Vice President	\$3085.62	293	\$904,087
Daniel P. Huttenlocher	Director	\$3114.79	172	\$535,744
<i>Total Sold by all Insiders of Amazon.com, Inc.</i>				\$3,073,096,759
2. Facebook, Inc. (FB): \$276.97		Sector: Communication Services		
Mark Zuckerberg	Chairman of the Board and CEO	\$275.27	820,033	\$225,733,346
David M. Wehner	Chief Financial Officer	\$273.14	15,535	\$4,243,296
Susan J.s. Taylor	Chief Accounting Officer	\$272.96	3,204	\$874,574
Jennifer Newstead	VP and General Counsel	\$270.12	1,498	\$404,646
<i>Total Sold by all Insiders of Facebook, Inc.</i>				\$231,255,945
3. Walmart Inc. (WMT): \$152.79		Sector: Consumer Staples		
Robson S. Walton	Director	\$150.75	710,000	\$107,034,614
Marc E. Lore	Executive Vice President	\$145.05	85,000	\$12,329,331
Rachel L. Brand	Executive Vice President	\$149.99	10,000	\$1,499,862
Judith J. McKenna	Executive Vice President	\$150.49	10,000	\$1,504,936
<i>Total Sold by all Insiders of Walmart Inc.</i>				\$122,367,850

## TOP 10 INSIDER SALES - NOVEMBER 2020

Owner	Relationship	Cost	Shares	Value
<b>4. The Carlyle Group Inc. (CG): \$28.41</b>		<b>Sector: Financials</b>		
David M. Rubenstein	Founder and Co-Executive Chairman	\$27.31	4,000,000	\$109,239,998
<i>Total Sold by all Insiders of The Carlyle Group Inc.</i>				<b>\$109,240,000</b>
<b>5. Microsoft Corporation (MSFT): \$214.07</b>		<b>Sector: Information Technology</b>		
Bradford L. Smith	President	\$222.58	200,000	\$44,515,470
Satya Nadella	Chief Executive Officer	\$222.52	104,500	\$23,253,329
<i>Total Sold by all Insiders of Microsoft Corporation</i>				<b>\$67,769,340</b>
<b>6. Southern Copper Corporation (SCCO): \$59.37</b>		<b>Sector: Materials</b>		
German Larrea Mota Velasco	Chairman of the Board	\$56.72	1,280,283	\$72,619,271
Bonilla Luis Palomino	Director	\$58.45	600	\$35,068
<i>Total Sold by all Insiders of Southern Copper Corporation</i>				<b>\$72,653,142</b>
<b>7. Charter Communications, Inc. (CHTR): \$651.99</b>		<b>Sector: Financials</b>		
Christopher L. Winfrey	Chief Financial Officer	\$595.80	64,519	\$38,440,589
David Ellen	Senior Executive Vice President	\$640.45	17,256	\$11,051,667
Jonathan Hargis	EVP/Chief Marketing Officer	\$594.81	9,679	\$5,757,144
Richard R. Dykhouse	EVP/Gen Counsel/Corp Secretary	\$632.34	7,927	\$5,012,535
Balan Nair	Director	\$637.61	2,260	\$1,440,999
<i>Total Sold by all Insiders of Charter Communications, Inc.</i>				<b>\$61,703,015</b>
<b>8. The Boston Beer Company, Inc. (SAM): \$930.84</b>		<b>Sector: Information Technology</b>		
Cynthia A. Fisher	Director	\$1030.92	33,925	\$34,973,903
James C. Koch	Chairman	\$1019.92	27,000	\$27,537,729
<i>Total Sold by all Insiders of The Boston Beer Company, Inc.</i>				<b>\$62,511,714</b>



## TOP 10 INSIDER SALES - NOVEMBER 2020

Owner	Relationship	Cost	Shares	Value
<b>9. Paylocity Holding Corporation (PCTY): \$196.60</b>		<b>Sector: Information Technology</b>		
Steven I. Sarowitz	Director	\$194.56	242,000	\$47,083,147
Steven R. Beauchamp	Chief Executive Officer	\$194.31	27,157	\$5,276,805
Mark S. Kinsey	Sr Vice President - Operations	\$185.52	10,000	\$1,855,152
Edward W. Gaty	SVP of Product and Technology	\$184.56	10,000	\$1,845,634
Robin Le Pederson	Director	\$193.31	170	\$32,863
<i>Total Sold by all Insiders of Paylocity Holding Corporation</i>				<b>\$56,094,581</b>
<b>10. AGCO Corporation (AGCO): \$92.51</b>		<b>Sector: Industrials</b>		
Martin Richenhagen	Chairman, President and CEO	\$93.22	445,812	\$41,557,922
Andrew H. Beck	Sr. VP and CFO	\$89.76	21,395	\$1,920,414
Wolfgang Deml	Director	\$94.36	15,000	\$1,424,787
Robert B. Crain	SVP, Gen. Mgr. North America	\$90.5	10,000	\$905,498
Hans Bernd Veltmaat	Sr VP, Chief Supply Chain Off	\$88.38	5,481	\$484,405
George P. Benson	Director	\$93.08	4,000	\$372,327
<i>Total Sold by all Insiders of AGCO Corporation</i>				<b>\$46,665,891</b>

## SPINOFF UPDATES

There were two new Spinoffs announced in the month of November.



### New Spinoffs

Parent Symbol	Parent Name	Spinoff Name	Announced Date	Potential Spinoff Date	Type
IAC	IAC/InterActiveCorp	Vimeo	11/05/2020	N/A	Spinoff
BAM	Brookfield Asset Management	BAM Reinsurance Partners	11/12/2020	Q2 2021	Spinoff

On November 5, 2020, IAC announced that it is considering a spin-off of its ownership stake in Vimeo to its shareholders.

On November 12, 2020, Brookfield Asset Management (BAM) announced that it intends to distribute, in the first half of 2021, a special dividend in the form of a newly created “paired” entity, Brookfield Asset Management Reinsurance Partners (“BAM Reinsurance”). BAM Reinsurance also intends to apply to list its class A shares in the United States on the NYSE and in Canada on the TSX. Subject to the receipt of all regulatory approvals, Brookfield anticipates completing the special distribution in the first half of 2021.

### Completed Spinoff

Spinoff Date	Spinoff Name & Symbol	Spinoff Performance	Parent Name & Symbol	Parent Performance
11/16/2020	Viatrix Inc. (VTRS)	6.12%	Pfizer Inc. (PFE)	8.16%

On November 16, 2020, Pfizer (PFE) announced that it has completed the transaction to spin off its Upjohn Business and combine it with Mylan N.V. to form Viatrix Inc.



### Update

On November 20, 2020, Neurotrope (NTRP) announced that its Board of Directors has approved the conditional distribution and set the shareholder of record and distribution dates in connection with the previously announced spin-off of its wholly-owned subsidiary, Neurotrope Bioscience (“NBI”).

## STOCK BUYBACKS AND DOUBLE DIPPER

The Double Dipper is a screen we built of companies that are buying back their shares while their insiders are independently buying stock on the open market for their own portfolios. We are only including management insider purchases and are excluding purchases by directors and 10% owners. This month we ran the screen to look at share reductions over a one quarter period.

Symbol	Company	%Change in Shares	Period of Report	Previous Period
GDYN	Grid Dynamics Holdings, Inc.	-18.73%	06/30/2020	03/31/2020
AIRI	Air Industries Group	-16.55%	06/30/2020	03/31/2020
LNG	Cheniere Energy, Inc.	-15.45%	06/30/2020	03/31/2020
ATI	Allegheny Technologies	-13.66%	06/30/2020	03/31/2020
DMS	Digital Media Solutions, Inc.	-9.69%	06/30/2020	03/31/2020
MBI	MBIA Inc.	-6.58%	06/30/2020	03/31/2020
CIO	City Office REIT, Inc.	-6.36%	06/30/2020	03/31/2020
AVYA	Avaya Holdings Corp.	-5.93%	06/30/2020	03/31/2020

**Voluntary Disclosure:** I hold a long position in B. Riley Financial (RILY) and put options on the S&P 500 via SPY.

**Disclaimer:** Please do your own due diligence before buying or selling any securities. We do not warrant the completeness or accuracy of the content or data provided in this newsletter.