# Five ways for a guppy to invest like a whale

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The markets are moved by big investors, the so-called "whales" of Wall Street. But how does the average investor tap into the same information that fuels the portfolios of the Carl Icahns or Warren Buffetts of the world? Kevin Cook, Senior Stock Strategist, Zacks Investment Research has put together a list of five tips to help the layman investor dabble in the big waters with the whales of the investing world.

1. **In the equity market, winning equals 'follow the big money'**

"How do you beat the market? If you just want the return of the S&P you buy the SPDRs (Standard & Poor's Depositary Receipts). But you've got to be a stock picker," Cook tells BNN.

"Now, I don't consider myself the best stock picker in the world, but what I do have is the tools to follow some of the best. So, for instance, a Steve Mandel of Lone Pine Capital, or Carl Icahn, or Dan Loeb; when these guys make a move in a stock and they take a five percent position or more and they're adding to it…then I want to pay attention to what they're doing."

2. **Go where no one else has gone**

"Some people screen for value stocks, undiscovered gems so to speak. And what I've found a number of times this year is that when I run my screen I see a whale coming in and buying a stock that no one else is looking at, or very few are looking at it, and maybe the stock is a value."

3. **Whales have to buy and they don't have to sell**

"It's just a fact of the equity markets," Cook explains.

"There are trillions of dollars that are earmarked for one thing, and that's buying stocks. So when new money's coming in to these guys they can't sit on cash, especially in a bull market. If they want to at least meet the S&P and outperform their peers they have to be buying stocks. So that means they're drilling down, doing their research and they're going to put that money to work and they're in it for the long haul. So, when I say that they don't have to sell, I'm sort of exaggerating, but in a downturn if they like the stock they're probably going to hold on to it."

4. **The whales do deep homework and hang on**

"Most of us aren't going out and visiting the plant and talking to the CEO. And we're not always on every conference call. We don't have access to all of the data and that's why I follow the whales because these guys they devote their lives to it. They're going to visit the company, they're talking to the CEO, they're on every conference call, they're going through every 10Q, every filing. And so if they've gone through all that data and they come up positive on the name then that's why I'm following. Because I can't do that homework I let the whales do it for me."

5. **The U.S. Security and Exchange Commission has a mountain of data, and it's a secret money trail**

"It's all publically available. You can go on the SEC website, they've got all the EDGAR (Electronic Data-Gathering, Analysis, and Retrieval) filings, but they're very cumbersome to look through, trying to find out 'did he buy? Did he sell?' Well, we found a way to streamline that data, we pull it into our database, and everyday I get a snapshot of what happened and what the fresh 13Ds and Gs [company filings] are, if somebody added, if they sold, what's the stake, that kind of thing. Our research engine for that is just invaluable."

Three stocks that Cook is following:

- Medivation (**MDVN-Q**)
- Synaptics (**SYNA-Q**)
- Michael Kors (**KORS-N**)