

A hedge fund manager who returned 146% last year shares the 6 cannabis stocks he's betting on now and why he's bullish on the industry

Jeremy Berke 4 hours ago



JW Asset Management returned 146% last year, thanks to bets on GrowGeneration, TerrAscend, and more. Samantha Lee/Business insider

- **The \$2.2 billion hedge fund JW Asset Management returned 146% in 2020.**

- **JW benefitted from large bets on the cannabis industry.**

- **JW's president shared with Insider the 6 cannabis stocks he's betting on this year including Trulieve, TerrAscend, and more.**

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Jason Wild had a pretty good year last year.

His hedge fund, JW Asset Management, returned over 146% in 2020 — buoyed by significant investments in the cannabis industry. In an interview, Wild said he's still bullish on the industry's prospects, thanks to new states like New Jersey legalizing cannabis and top Democrats, including Senate Majority Leader Chuck Schumer, pledging federal cannabis reform as a top priority this year.

And he shared the six cannabis stocks he's betting on now, including three top picks.

Wild, who is the president and founder of JW Asset Management, told Insider his top picks are TerrAscend (the fund's largest holding), Florida-based cannabis company Trulieve, and Green Thumb Industries.

He said he added new exposure to companies like Ayr Wellness, a US cannabis company, and Verano Holdings. JW also increased its position in RIV Capital through the cannabis company's recent reorganization and split from Canopy Growth.

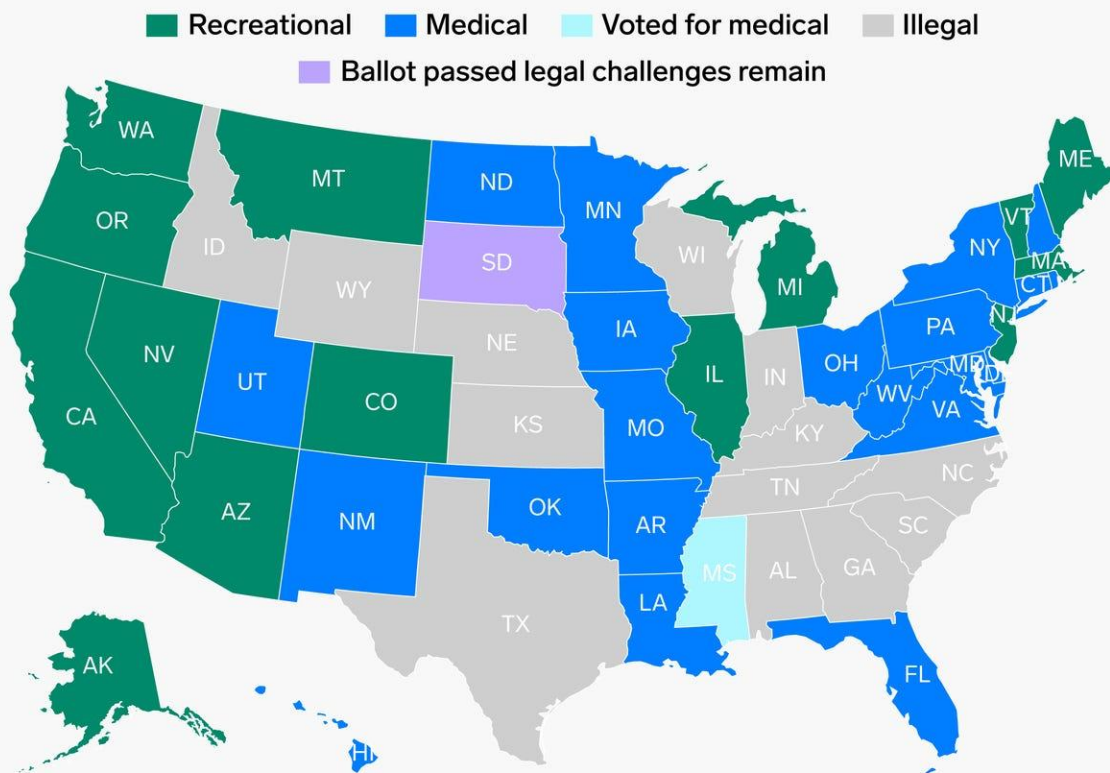
'As bullish as ever'

"I'm as bullish as ever on the US cannabis operators," Wild told Insider. "US cannabis is still in the bottom of the first inning."

The firm's 2020 performance was driven in large part by bets on GrowGeneration and TerrAscend, according to financial returns shared exclusively with Insider.

GrowGeneration, a hydroponics company geared toward growing cannabis, went public in December of 2019. Since then, the stock has gained well over 1100%. Wild says his firm bought the stock at \$5 per share. As of Tuesday, it's trading at more than \$50 per share. Wild said he has pared back some of his position in GrowGeneration, though he's still invested in the stock.

States where cannabis is legal



Insider

JW's 2020 performance was also lifted by investments in US cannabis companies like Curaleaf and Cresco Labs, among other smaller bets.

JW manages over \$2.2 billion across three separate funds, including a pure-play cannabis fund. Wild estimates JW's total cannabis holdings are well over \$1.5 billion across the firm.

Many institutional investors are limited to companies that don't handle THC

Wild said that for the short term, the only way most institutional investors are able to invest in the US cannabis industry is through picks-and-shovels companies like GrowGeneration, which is perhaps one of the reasons for the company's eye-popping stock performance over the past year. GrowGeneration provides tools for cannabis growers, but doesn't handle the plant directly.

Wild, a trained pharmacist, launched his firm's flagship fund in 1999 to invest in what he called undervalued pharmaceutical companies. That led him to look at medical cannabis in the mid-2010s.

Since the fund's launch, it has returned an annualized 27.5% net of fees, per documents Wild shared with Insider.

Other cannabis hedge funds, like Navy Capital and CB1 Capital, posted monster years last year as the sector received a fresh boost of optimism after Biden's win and Democrats took the Senate and a number of states, including New Jersey, legalized cannabis.

Many investors in the industry are hopeful that the federal government will pursue cannabis reform to open up the industry.