

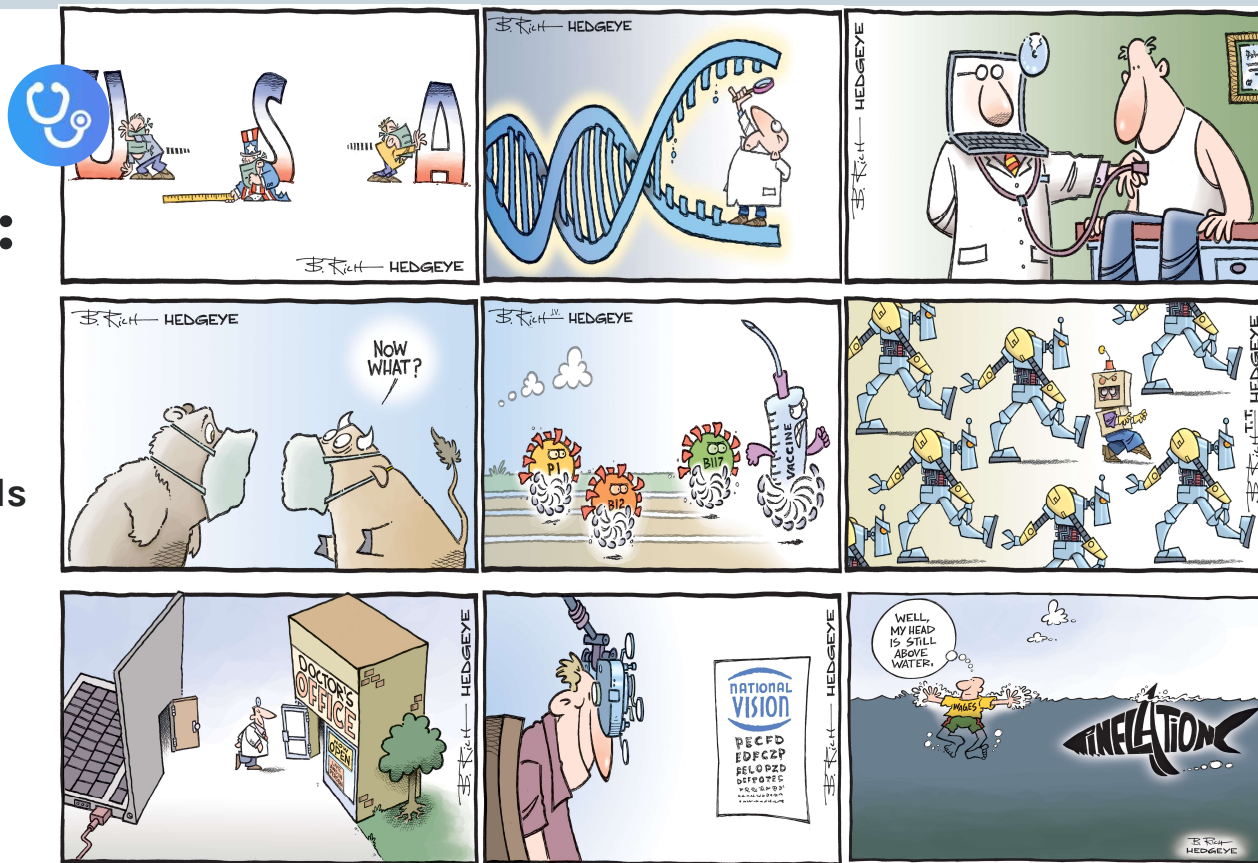
HEDGEYE

Hedgeye Health Care: Weekly Sector Distillation

MicroQuads & Estimate Revision Trends

For the week ending Oct. 15, 2021

October 18, 2021



Hedgeye Health Care

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MICROQUAD RESULTS

While we have up to five (5) years of data on the securities in the MicroQuads model, not all securities in the model have five years of trading history, and while we make every effort to assure the accuracy of the data, we cannot guarantee its accuracy. The methodology used to arrive at the results displayed herein is proprietary to Hedgeye and involves aggregating the actual historical results for each security while it "resides" in the appropriate MicroQuad over the defined periods of time. These results do not include any consideration for trading costs, commissions, or other factors that could impact results, we make no representations or warranties that past results will or can be repeated, and the data have not been verified by a third-party.

PERFORMANCE MONITOR FORWARD/PROSPECTIVE PRICE CHANGES

The data for each security are based on historic price performance and average forward returns and are not a guarantee of future performance. We make every effort to assure the accuracy of the calculations and forecasts; however, we cannot guarantee their accuracy or that performance will be repeated.

Health Care Position Monitor

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For Week of September 18, 2021

Best Ideas - Longs						Best Ideas - Shorts					
LONG		Price	Mkt Cap (\$B)	Trend	Tail	SHORT		Price	Mkt Cap (\$B)	Trend	Tail
Active Longs						Active Shorts					
NTRA	Natera, Inc.	\$ 126.36	\$11.9B	✓	✓	TDOC	Teladoc Health, Inc.	\$ 143.16	\$22.8B	×	×
AMN	AMN Healthcare Services, Inc.	\$ 112.11	\$5.3B	✓	✓	EXAS	Exact Sciences Corporation	\$ 108.15	\$18.6B	×	×
DGX	Quest Diagnostics Incorporated	\$ 154.77	\$18.9B	✓	✓	ARKG	ARK Genomic Revolution ETF	\$ 83.93	\$8.2B	×	×
EYE	National Vision Holdings, Inc.	\$ 58.88	\$4.8B	✓	✓						
ONEM	1Life Healthcare, Inc.	\$ 25.16	\$4.9B	✓	✓						
NEO	NeoGenomics, Inc.	\$ 48.32	\$5.9B	✓	✓						
DRIO	DarioHealth Corp.	\$ 14.37	\$0.2B	✓	✓						
BFLY	Butterfly Network, Inc. Class A	\$ 12.54	\$2.1B	✓	✓						
ATIP	ATI Physical Therapy, Inc. Class A	\$ 3.53	\$0.7B	✓	✓						
Long Bias						Short Bias					
GDRX	GoodRx Holdings, Inc. Class A	\$ 46.98	\$14.8B			AMWL	American Well Corporation Class A	\$ 11.25	\$2.4B		
TXG	10x Genomics Inc Class A	\$ 163.49	\$14.8B			UHS	Universal Health Services, Inc. Class B	\$ 145.92	\$11.1B		
NVTA	Invitae Corp.	\$ 31.54	\$6.9B			ACHC	Acadia Healthcare Company, Inc.	\$ 61.22	\$5.5B		
GH	Guardant Health, Inc.	\$ 132.05	\$13.4B			ME	23andMe Holding Co Class A	\$ 8.34	\$0.8B		

Note

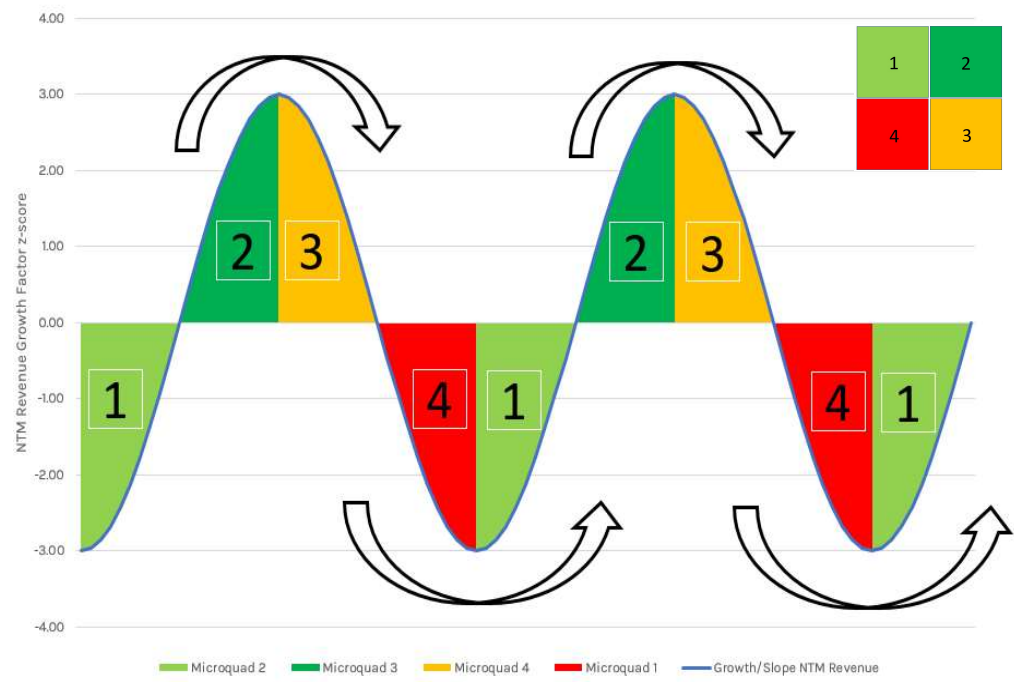
Best Idea Longs/Shorts are high conviction ideas that we've either presented a Black Book for already or have one in the works (similar to other Hedgeye teams). Bias Ideas are ones in which we've done the bulk of the work, but there may be another question we need to answer to move it over the line. All active positions are higher conviction than bias ideas. We rank active versus active and bias versus bias.

Disclaimer

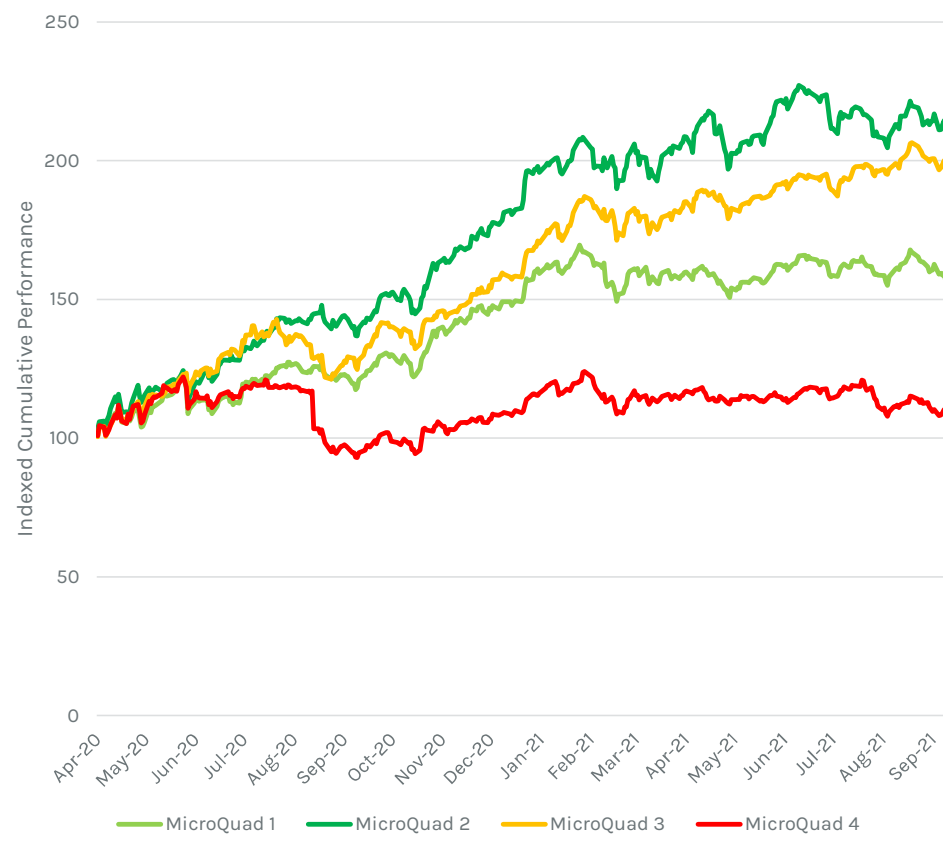
Hedgeye's "bias" represents Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on the bias and representation of a company on the bias does not forecast whether Hedgeye will or will not issue any additional material on that company.

MicroQuad | Model vs Actual

MicroQuad – Generic Growth Curve Progression



MicroQuad – Indexed Performance by MicroQuad



MicroQuad | Model vs Actual

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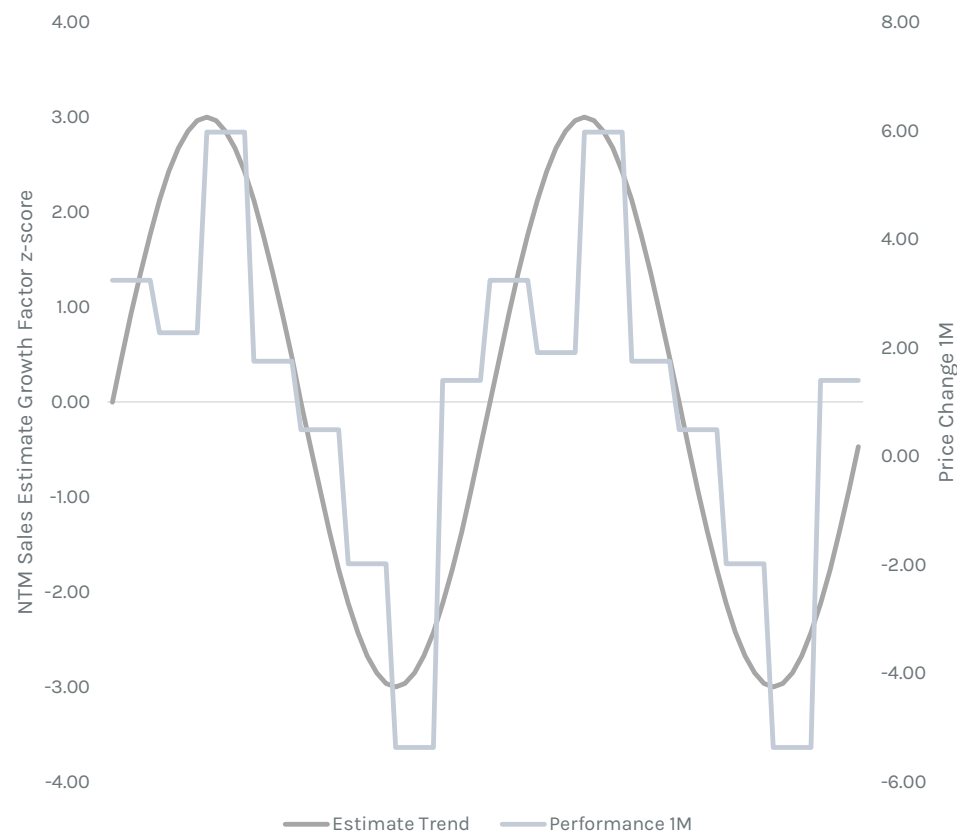
MicroQuad – Percentage Change (through 10/15)

Average Performance (%)					
MicroQuad	1WK	1M	3M	6M	12M
1	2.88	-9.12	-8.82	-7.75	19.82
2	1.99	-6.80	-5.69	-5.25	39.08
3	2.87	-9.00	-3.16	-0.43	38.72
4	0.49	-3.39	-10.47	-10.11	11.37

Batting Average					
MicroQuad	1WK	1M	3M	6M	12M
1	0.489	0.436	0.473	0.486	0.503
2	0.477	0.458	0.483	0.493	0.516
3	0.535	0.456	0.500	0.509	0.528
4	0.500	0.463	0.461	0.462	0.498

Slugging Percentage					
MicroQuad	1WK	1M	3M	6M	12M
1	1.409	-3.978	-4.172	-3.771	9.974
2	0.948	-3.117	-2.749	-2.588	20.153
3	1.535	-4.108	-1.578	-0.220	20.439
4	0.245	-1.569	-4.824	-4.675	5.658

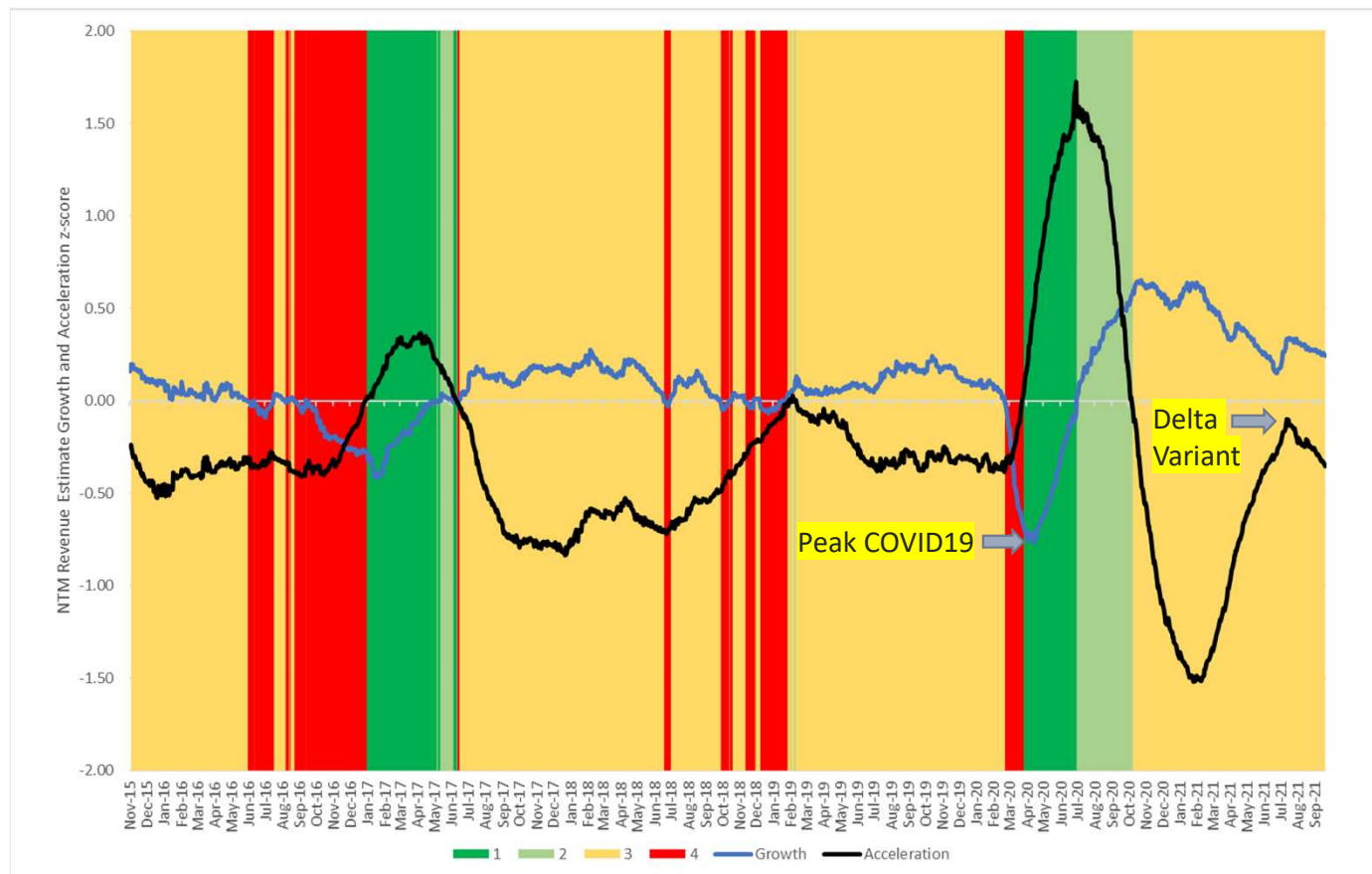
Historical Price 1M Change vs MicroQuad Curve



Estimate Revision Trend | October 15, 2021

HEDGEYE

Revision trend rate of change pulling back a bit after 2Q21 inflection point



Data updated through 10/15/2021. The estimate trend slope has been fighting against the **Delta Variant** since late July 2021 and after finally turning positive against the COVID-comp during 2Q21 earnings season.

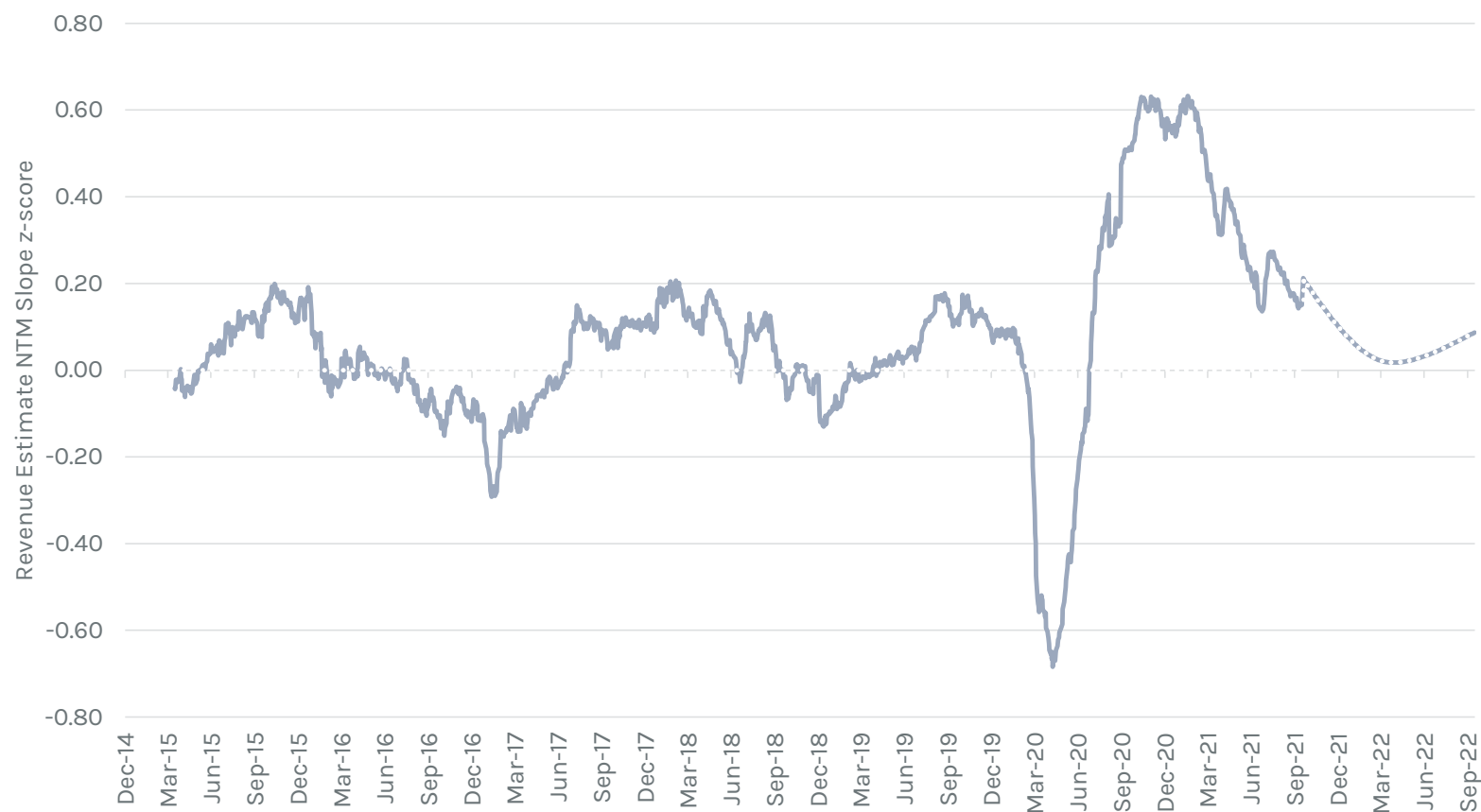
COVID cases are falling nationally and leaving fewer hot spots across the United States. We've seen only a modest impact to broad measures of medical utilization as Delta Variant ramped and fell over the third quarter. We are expecting a solid 3Q21 earnings season, and commentary on early 4Q trends should help too.

September BLS Employment Report showed a decline in Health Care employment for the month. **The issue of the day seems to be labor scarcity, wage pressure, and the impact to volume and margins.**

Estimate Trend | Down and then up again?

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Will 3Q21 bring a higher low? Looks like it might be heading for upside



Consensus revenue estimates began to turn negative at the end of February 2021, coincident with the beginning of a slide in performance across our Health Care universe. The recovery since then has stalled.

Looking to 3Q21 results with delta waning could lead to positive commentary on 3Q earnings call.

Based on current readings, the trend won't bottom until 1Q22.

MicroQuad Screen | Oct 15, 2021

Active Long

Active Short

Bench Long

Bench Short

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MicroQuad1

ABT LH
 AMED LLY
 AMGNMCK
 BAX MRK
 BDX OPK
 DGX PKI
 DOCS PRSC
 ENSG QDEL
 EXAS SYK
 FLGT TDOC
 GKOS TMO
 HOLX

MicroQuad2

CERN TXG
 CHNG
 COO
 HAE
 IART
 IRTC
 LHCG
 MDT
 OMCL
 PODD
 SGRY
 TFX

MicroQuad3

A	EHC	INOV	Q	WAT
ABC	EYE	IQV	RCM	WST
ABMD	GH	ISRG	RGEN	ZTS
ALGN	GMED	MEDP	RMD	
ATRC	HCA	MMSI	SEM	
BIO	HCAT	MOH	STAA	
BSX	HRC	MTD	STE	
CHE	HSKA	NTRA	TECH	
CNMD	HUM	NVTA	TNDM	
CRL	ICUI	PCRX	TWST	
CVET	IDXX	PEN	UNH	
DXCM	ILMN	PHR	VEEV	

MicroQuad4

AMN
 ANTM
 DHR
 MASI
 NEO
 JNJ
 ABBV
 VRTX
 OPCH
 MRNA

MicroQuad 2 Screen

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High multiple, high beta, small cap, large pull backs

MicroQuad 2														Sales MicroQuad								
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22
CERN	Cerner Corporation	\$71.72	1.39	-3.38	-7.41	22,634	21,111	0.41	5.85	0.59	6,037	2,040	\$3.57	3	3	2	2	2	2	2	3	3
CHNG	Change Healthcare, Inc.	\$20.75	-0.62	-3.76	-7.20	11,401	6,413	0.12	12.01	0.57	3,560	1,096	\$1.61	2	2	2	2	2	2	2	2	3
COO	Cooper Companies, Inc.	\$401.30	-3.27	-9.83	-0.64	21,610	19,638	0.96	4.98	0.93	3,092	1,041	\$14.55	3	3	2	2	3	3	3	3	3
HAE	Haemonetics Corporation	\$70.76	3.34	4.77	17.31	4,172	3,563	0.19	4.06	0.54	1,028	281	\$2.89	3	2	2	2	2	2	2	3	3
IART	Integra LifeSciences Holdings Corporation	\$67.20	-3.06	-2.99	-0.03	7,031	5,724	1.08	12.40	0.63	1,618	432	\$3.33	2	2	2	2	2	2	3	3	3
IRTC	iRhythm Technologies, Inc.	\$72.43	14.26	16.65	36.51	1,986	2,126	0.60	2.42	0.66	349	-68	-\$3.50	1	1	3	2	3	3	3	3	4
LHCG	LHC Group, Inc.	\$143.63	-1.09	-14.95	-29.30	4,671	4,605	0.37	3.89	0.79	2,397	319	\$6.80	2	2	2	2	2	2	3	3	3
MDT	Medtronic Plc	\$124.80	-1.60	-5.20	-0.79	188,827	171,927	1.05	2.13	0.69	33,854	10,457	\$5.98	2	2	2	2	2	2	3	3	3
OMCL	Omniceil, Inc.	\$157.81	-1.56	-0.93	4.60	7,358	6,866	0.92	11.51	0.95	1,236	275	\$4.04	3	2	2	2	2	2	3	3	3
PODD	Insulet Corporation	\$304.03	3.76	4.32	13.30	20,425	20,696	0.55	7.33	0.98	1,263	245	\$1.34	3	3	2	2	2	2	3	3	3
SGRY	Surgery Partners, Inc.	\$39.23	-5.61	-16.14	-32.20	6,654	3,380	1.36	4.45	0.53	2,376	356	\$0.29	3	3	4	2	2	2	3	3	3
TFX	Teleflex Incorporated	\$364.48	-2.54	-6.22	-6.62	19,275	16,998	0.98	3.51	0.93	2,955	921	\$14.23	2	2	2	2	2	2	2	3	3
TXG	10x Genomics Inc Class A	\$153.73	-0.19	-1.55	-10.19	16,160	13,796	0.33	5.38	0.90	639	8	-\$0.26	2	2	2	2	2	2	2	2	2

The MicroQuad 2 long screen thinned out a bit as stocks shifted to MQ3 over the past two weeks. We're left with an interesting mix of devices/tools companies including PODD and TXG, to name a couple. As a reminder, with a Macro Quad 2 backdrop, smaller market cap, high multiple, and high beta names that pulled back may look like good candidates for trading longs if the fundamentals check out (i.e., if rising estimates are warranted).

MicroQuad 3 Screen

Slowing, with some deteriorating further in 4Q21

MicroQuad 3														Sales MicroQuad									
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	
A	Agilent Technologies, Inc.	\$152.59	-1.76	-12.20	2.46	48,517	46,398	1.09	1.92	0.92	6,739	1,904	\$4.77	3	3	3	3	3	4	4	1	1	
ABC	AmerisourceBergen Corporation	\$120.11	1.30	-4.52	6.41	29,960	24,905	0.64	1.82	0.78	237,742	3,403	\$10.64	3	3	3	3	3	4	4	4	1	
ABMD	ABIOMED, Inc.	\$345.07	1.40	-2.85	8.52	15,404	15,945	1.42	3.93	0.60	1,127	300	\$4.51	2	2	2	3	3	3	3	3	3	
ALGN	Align Technology, Inc.	\$597.72	-9.63	-15.85	-2.99	45,966	46,586	1.03	2.76	0.89	4,596	1,391	\$12.77	3	3	3	3	3	3	3	3	3	
ATRC	AtriCure, Inc.	\$71.38	-0.78	-4.66	-7.99	3,129	3,275	1.18	5.00	0.83	311	-5	-\$1.07	2	2	3	3	3	3	3	3	2	
BIO	Bio-Rad Laboratories, Inc. Class A	\$720.11	-1.55	-8.86	6.72	20,804	21,473	0.58	2.85	0.93	2,829	635	\$13.64	4	3	3	3	4	4	4	4	1	
BSX	Boston Scientific Corporation	\$43.25	-0.85	-3.91	2.73	68,797	61,795	1.32	3.70	0.90	12,782	3,634	\$1.81	2	2	3	3	3	3	3	4	2	
CHE	Chemed Corporation	\$417.67	-0.67	-12.50	-11.52	6,969	6,766	0.34	2.57	0.98	2,209	466	\$19.40	1	4	3	3	4	4	4	1	1	
CNMD	CONMED Corporation	\$139.13	0.82	8.42	7.74	5,294	4,142	1.14	7.86	0.93	1,101	231	\$3.65	2	2	2	3	3	3	3	3	3	
CRL	Charles River Laboratories International, Inc.	\$405.84	-2.58	-7.72	5.55	23,525	20,337	1.37	1.32	0.90	3,902	1,016	\$11.35	3	3	3	3	4	4	4	1	1	
CVET	Covetrus, Inc.	\$20.04	5.64	1.88	-16.85	3,588	2,736	1.36	5.23	0.51	4,838	271	\$1.05	2	2	3	3	3	3	3	3	3	
DXCM	DexCom, Inc.	\$554.51	2.84	0.51	23.58	53,538	52,677	0.97	5.92	0.96	2,810	544	\$3.27	1	2	3	3	3	3	4	4	1	
EHC	Encompass Health Corporation	\$67.10	-6.00	-12.69	-15.70	10,512	6,728	0.46	2.73	0.83	5,511	1,105	\$4.54	3	3	3	3	3	3	3	2	2	
EYE	National Vision Holdings, Inc.	\$59.42	2.20	0.78	19.90	6,707	5,202	1.58	11.48	0.53	2,204	288	\$1.37	2	2	2	3	3	3	3	3	3	
GH	Guardant Health, Inc.	\$104.24	-6.59	-17.92	-11.35	9,900	10,292	-0.27	6.43	0.80	474	-327	-\$3.34	2	3	3	3	3	2	2	2	2	
GMED	Globus Medical Inc Class A	\$77.15	-1.41	-4.89	-3.45	7,454	5,985	1.35	2.48	0.89	1,022	362	\$2.18	2	2	2	3	3	3	3	4	3	
HCA	HCA Healthcare Inc	\$242.51	0.09	-5.44	10.63	117,602	79,037	0.91	1.52	0.86	60,021	12,549	\$17.63	2	3	3	3	3	4	4	4	1	
HCAT	Health Catalyst, Inc.	\$48.78	-0.14	-9.80	-11.58	2,110	2,462	1.41	10.46	0.84	279	-1	-\$0.39	-	2	3	3	3	3	3	3	2	
HRC	Hill-Rom Holdings, Inc.	\$151.91	0.68	0.44	32.16	11,541	9,947	0.02	3.01	0.86	3,068	716	\$6.46	3	3	3	3	3	3	3	2	2	
HSKA	Heska Corporation	\$250.66	-5.69	-1.21	4.97	2,390	2,679	0.95	5.45	0.90	282	38	\$0.68	3	3	3	3	4	4	4	1	1	
HUM	Humana Inc.	\$434.98	7.71	8.47	-7.63	60,854	56,671	0.76	2.55	0.89	90,727	4,750	\$23.89	1	2	3	3	3	4	4	4	4	
ICUI	ICU Medical, Inc.	\$234.12	0.88	-4.00	20.19	4,583	4,896	0.63	3.23	0.68	1,287	280	\$7.60	3	3	3	3	3	3	3	3	3	
IDXX	IDEXX Laboratories, Inc.	\$629.72	1.08	-4.83	-5.70	55,820	54,036	0.93	1.51	0.96	3,468	1,119	\$9.23	3	3	3	3	3	3	3	4	4	
ILMN	Illumina, Inc.	\$408.10	1.00	-9.29	-12.32	58,410	64,154	1.06	2.17	0.91	4,701	1,465	\$5.80	3	3	3	3	3	3	3	3	2	
NOV	Inovalon Holdings, Inc. Class A	\$40.72	0.07	0.89	27.37	6,970	2,960	-0.01	4.16	0.75	848	303	\$0.88	3	3	3	3	3	3	3	3	2	
QV	IQVIA Holdings Inc	\$246.82	1.23	-4.54	-0.36	59,222	47,683	1.11	3.77	0.93	14,481	3,201	\$9.77	3	3	3	3	4	4	4	1	1	
SRG	Intuitive Surgical, Inc.	\$330.95	-2.18	-68.35	-65.17	116,534	118,336	1.26	1.76	0.89	6,231	2,667	\$5.34	3	3	3	3	3	4	4	1	4	

We touched on GH last time around (attracting our skepticism). EYE, NTRA, and NVTA are the other Position Monitor stocks in MQ3. These are longs, but smaller allocations in the model.

MicroQuad 3 Screen Con't

Slowing, with some deteriorating further in 4Q21

MicroQuad 3														Sales MicroQuad									
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-00	J-00	J-00	J-00	J-00	J-00	J-00	J-00	J-00	J-00
MEDP	Medpace Holdings, Inc.	\$186.61	-3.39	4.15	2.01	6,845	6,701	1.10	4.86	0.91	1,314	251	\$4.94	4	2	2	3	3	4	4	4	4	4
MMSI	Merit Medical Systems, Inc.	\$71.09	-2.09	-1.80	18.58	4,286	3,916	0.55	6.96	0.55	1,110	231	\$2.34	1	2	3	3	3	3	3	3	3	2
MOH	Molina Healthcare, Inc.	\$280.04	1.05	5.23	8.91	14,101	16,357	0.70	3.59	0.87	28,667	1,437	\$16.05	3	3	3	3	3	4	4	4	4	4
MTD	Mettler-Toledo International Inc.	\$1,399.31	-0.36	-10.37	-3.43	34,861	32,774	1.34	3.48	0.90	3,803	1,156	\$35.44	3	3	3	3	4	4	4	4	1	1
NTRA	Natera, Inc.	\$113.37	-2.75	-5.71	0.22	9,561	10,388	1.34	8.05	0.94	725	-387	-\$4.52	3	3	3	3	3	4	4	4	1	1
NVTA	Invitae Corp.	\$27.73	4.37	-6.41	-2.63	7,466	5,977	1.15	8.65	0.84	633	-407	-\$2.49	2	2	2	3	3	3	3	3	3	3
PCRX	Pacira Biosciences, Inc.	\$53.84	10.74	-2.43	-2.64	2,328	2,365	1.27	18.76	0.72	623	260	\$3.67	2	2	3	3	3	3	3	3	3	3
PEN	Penumbra, Inc.	\$269.71	3.10	-6.64	6.09	9,947	9,794	0.99	10.69	0.91	827	90	\$1.42	3	3	3	3	3	3	3	3	2	2
PHR	Phreesia, Inc.	\$64.13	3.60	-7.22	0.88	2,793	3,239	1.55	2.88	0.89	229	-30	-\$1.48	-	3	3	3	3	3	3	3	3	2
Q	QVIA Holdings Inc	\$246.82	1.23	-4.54	-0.36	59,222	47,683	1.11	3.77	0.93	14,481	3,201	\$9.77	3	3	3	3	4	4	4	4	1	1
RCM	R1 RCM Inc	\$22.71	-2.36	9.92	12.09	7,672	6,277	0.45	4.13	0.86	1,646	391	\$0.55	2	2	2	3	3	3	3	3	3	2
RGEN	Repligen Corporation	\$268.57	-1.32	-9.39	34.19	14,729	14,675	1.45	2.97	0.96	730	238	\$3.00	3	3	3	3	4	4	4	4	1	1
RMD	ResMed Inc.	\$254.62	-0.15	-12.33	0.56	37,915	37,228	0.49	1.67	0.96	3,852	1,323	\$6.46	2	2	3	3	3	4	4	4	4	1
SEM	Select Medical Holdings Corporation	\$32.40	-7.38	-6.49	-16.37	8,813	4,503	0.41	3.52	0.71	6,162	936	\$2.86	2	2	3	3	3	4	4	4	4	1
STAA	STAAR Surgical Company	\$114.37	-5.49	-19.57	-11.67	5,526	5,445	1.70	4.85	0.89	278	50	\$0.90	3	3	3	3	3	3	3	2	2	2
STE	STERIS Plc	\$224.19	3.16	4.29	7.94	23,606	22,455	1.08	1.96	0.77	4,840	1,357	\$8.23	3	3	3	3	4	4	4	4	1	1
TECH	Bio-Techne Corporation	\$497.85	1.93	-6.00	8.54	20,359	19,541	1.41	1.20	0.97	1,127	446	\$8.10	3	3	3	3	3	3	3	2	2	2
TNDM	Tandem Diabetes Care, Inc.	\$134.30	6.37	8.87	36.36	8,003	7,901	0.83	3.41	0.92	793	124	\$0.64	3	3	3	3	3	4	4	4	1	1
TWST	Twist Bioscience Corp.	\$114.49	14.02	1.36	2.12	5,067	5,560	1.02	8.00	0.84	175	-153	-\$3.18	-	3	3	3	3	3	2	2	2	2
UNH	UnitedHealth Group Incorporated	\$420.36	3.87	0.68	0.16	433,274	403,635	1.11	2.19	0.94	304,489	29,469	\$21.04	3	3	3	3	3	3	3	3	3	3
VEEV	Veeva Systems Inc Class A	\$308.29	7.05	2.85	-2.25	48,161	42,907	0.98	2.06	0.97	2,080	840	\$3.94	3	3	3	3	4	4	4	4	1	1
WAT	Waters Corporation	\$344.94	-0.40	-15.84	-6.95	22,455	21,153	0.98	3.32	0.87	2,871	977	\$11.45	3	3	3	3	3	4	4	4	1	1
WST	West Pharmaceutical Services, Inc.	\$407.43	-2.46	-9.96	9.04	30,387	29,947	0.97	2.65	0.87	2,978	942	\$8.68	3	3	3	3	4	4	4	4	1	1
ZTS	Zoetis, Inc. Class A	\$200.39	0.69	-1.75	0.36	100,146	95,841	0.93	2.02	0.96	8,193	3,629	\$5.02	3	3	3	3	3	4	4	4	4	4

It's also worth noting that there are some stocks that have been absolute monsters over the last few years in MQ3 - ISRG and UNH, for example. Will these eventually roll over?

MicroQuad 4 Screen

HEDGEYE

Good reasons to be short some of these names...

MicroQuad 4														Sales MicroQuad								
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22
AMN	AMN Healthcare Services, Inc.	\$101.73	-15.39	-10.12	6.26	5,309	4,468	-0.96	2.30	0.92	3,033	424	\$4.74	3	3	4	4	4	4	4	1	1
ANTM	Anthem, Inc.	\$390.71	2.64	4.32	-0.73	116,279	95,832	1.03	2.46	0.85	147,941	10,085	\$27.97	4	4	4	4	4	4	4	4	4
DHR	Danaher Corporation	\$300.43	-0.72	-7.63	5.49	238,195	215,155	0.72	2.21	0.95	30,035	10,116	\$9.80	3	3	3	4	4	4	4	1	1
MASI	Masimo Corporation	\$285.15	3.30	4.55	9.06	15,875	15,753	0.85	6.03	0.97	1,306	402	\$4.29	4	3	4	4	4	4	4	1	1
NEO	NeoGenomics, Inc.	\$43.60	-2.46	-7.59	0.53	5,710	5,328	1.65	5.70	0.95	562	24	-\$0.17	1	1	1	4	1	3	2	2	2
JNJ	Johnson & Johnson	\$160.11	-0.76	-3.21	-4.75	439,106	424,619	0.39	2.45	0.87	97,162	34,645	\$10.30	3	3	3	4	4	4	4	4	4
ABBV	AbbVie, Inc.	\$108.91	-1.77	1.06	-7.31	267,733	193,205	0.50	1.95	0.69	58,883	32,334	\$13.58	4	4	4	4	4	4	4	1	1
VRTX	Vertex Pharmaceuticals Incorporated	\$181.90	1.04	-3.69	-10.08	41,624	47,156	0.31	3.59	0.78	7,900	4,453	\$13.03	4	4	4	4	4	4	4	4	1
BIOS	Bioplus Acquisition Corp. Class A	\$24.26	-2.91	-4.29	21.82	#N/A	17,265	0.94	2.19	0.86	3,620	305	\$0.82	1	1	1	4	4	4	4	4	1
OPCH	Option Care Health Inc	\$24.34	-2.91	-4.29	21.82	5,490	4,400	0.94	2.19	0.67	3,620	305	\$0.82	1	1	1	4	4	4	4	4	1
MRNA	Moderna, Inc.	\$331.88	7.28	-23.61	15.87	132,348	130,866	0.93	1.09	0.91	21,259	15,760	\$28.54	4	4	4	4	4	4	4	4	4

AMN had an atrocious week last week. MRNA, JNJ, et al. continue to struggle relatively speaking. We are now somewhat concerned about NEO; however, it looks MUCH different from the others (you can see how central NEO is on the Position Monitor Sigma + how the forecast is for a move to MQ2). 3Q21 commentary could accelerate that, but we're keeping close watch in the interim.

MicroQuad 1 Screen

HEDGEYE

Who can make the turn?

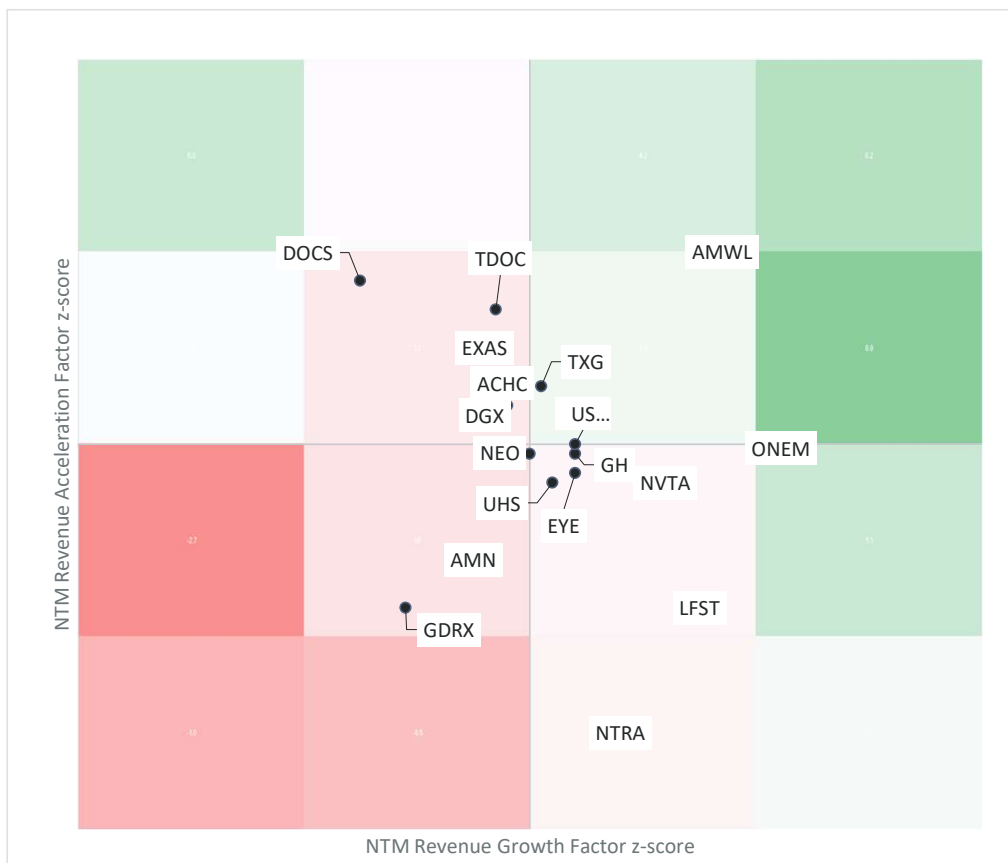
Ticker	Name	Price	MicroQuad 1										Sales MicroQuad									
			1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22
ABT	Abbott Laboratories	\$117.57	-0.29	-7.78	0.05	220,478	208,288	0.60	2.09	0.95	39,428	11,424	\$4.61	1	1	1	1	4	2	2	3	3
AMED	Amedisys, Inc.	\$154.19	5.83	-9.12	-40.34	5,364	5,116	0.78	1.92	0.93	2,415	320	\$6.39	1	1	1	1	1	3	2	2	2
AMGN	Amgen Inc.	\$206.78	-1.12	-5.20	-16.61	144,416	118,022	0.56	4.12	0.84	26,887	16,109	\$17.54	1	1	1	1	1	4	4	4	4
BAX	Baxter International Inc.	\$79.89	-0.86	-4.40	-1.88	44,104	39,843	0.52	2.75	0.78	13,079	3,271	\$3.87	3	3	3	1	1	1	4	2	2
BDX	Becton, Dickinson and Company	\$242.68	0.38	-7.26	-2.17	84,824	69,259	0.43	2.08	0.86	19,520	5,493	\$12.39	1	1	1	4	2	2	2	3	3
DGX	Quest Diagnostics Incorporated	\$142.41	-0.76	-8.59	5.87	22,304	17,411	0.61	3.22	0.79	8,965	1,966	\$9.00	1	1	1	1	1	1	4	4	4
DOCS	Doximity, Inc. Class A	\$75.63	-5.72	-19.79	39.15	12,217	3,414	1.68	3.09	0.82	346	120	\$0.41	-	1	1	1	1	1	1	1	1
ENSG	Ensign Group, Inc.	\$72.73	0.59	-6.38	-16.35	5,143	4,016	0.22	7.70	0.93	2,794	364	\$3.88	3	1	1	1	2	2	2	2	3
EXAS	Exact Sciences Corporation	\$97.75	2.36	-6.59	-14.25	18,063	17,016	0.31	6.91	0.82	2,014	-359	-\$2.81	1	1	1	1	1	1	2	4	4
FLGT	Fulgent Genetics, Inc.	\$78.67	-3.00	-9.32	3.09	2,053	2,303	-0.20	6.95	0.95	623	0	\$7.45	4	4	1	1	1	1	4	4	4
GKOS	Glaukos Corp	\$47.20	2.72	-8.85	-17.21	2,031	2,087	0.88	3.23	0.68	271	13	-\$1.37	3	1	1	1	4	2	2	2	3
HOLX	Hologic, Inc.	\$70.26	-2.04	-9.48	1.04	20,329	17,660	0.43	2.71	0.87	3,882	1,388	\$3.69	1	1	1	1	4	2	2	3	3
LH	Laboratory Corporation of America Holdings	\$275.71	-1.29	-8.00	-0.27	31,087	26,264	0.76	2.88	0.88	14,328	2,891	\$18.14	1	1	1	1	4	4	4	4	4
LLY	Eli Lilly and Company	\$236.69	1.51	1.27	1.82	230,029	227,551	0.62	2.16	0.89	27,857	9,766	\$8.34	1	1	1	4	2	2	2	3	3
MCK	McKesson Corporation	\$203.06	1.73	-2.68	7.31	39,691	31,580	0.75	2.84	0.57	255,992	4,793	\$20.81	1	1	1	1	1	1	4	4	4
MRK	Merck & Co., Inc.	\$78.33	-4.41	7.58	0.40	216,998	198,283	0.38	1.41	0.78	51,783	22,014	\$6.55	1	1	1	4	2	2	3	3	3
OPK	OPKO Health, Inc.	\$3.76	0.53	0.53	7.43	2,592	2,534	0.85	16.29	0.59	1,270	109	-\$0.05	1	1	1	1	1	1	1	3	4
PKI	PerkinElmer, Inc.	\$169.68	-0.77	-9.18	10.11	21,059	21,431	0.70	3.46	0.94	4,112	1,151	\$7.08	1	1	1	1	1	1	1	4	4
PRSC	ModivCare Inc.	\$167.25	-3.54	-3.52	1.12	2,639	2,370	0.29	3.07	0.87	2,169	188	\$6.46	4	1	1	1	2	2	3	3	3
QDEL	Quidel Corporation	\$135.01	-0.88	-8.23	7.90	4,985	5,339	-0.88	6.26	0.79	975	505	\$7.68	1	1	1	1	2	2	2	3	3
SYK	Stryker Corporation	\$263.85	-0.79	-4.78	2.43	112,644	100,428	1.25	3.92	0.96	18,307	5,289	\$10.22	1	1	1	1	2	2	2	3	3
TDOC	Teladoc Health, Inc.	\$136.88	4.65	2.18	-6.74	21,617	21,562	0.95	7.52	0.78	2,465	366	-\$1.91	4	1	1	1	3	2	2	3	3
TMO	Thermo Fisher Scientific Inc.	\$577.35	-1.06	2.56	11.07	242,369	229,123	0.55	1.38	0.97	37,845	10,946	\$21.09	1	1	1	1	3	3	4	4	4

MicroQuad 1 lost NEO to MQ4, but LH and DGX remain, as well as EXAS and TDOC. We'll have to see if the Street continues to doubt DGX's earnings power here, or if estimates can accelerate. We think the risk of EXAS and TDOC rotating back down to MQ4 may be higher than people think (comparing EXAS and NEO is interesting here).

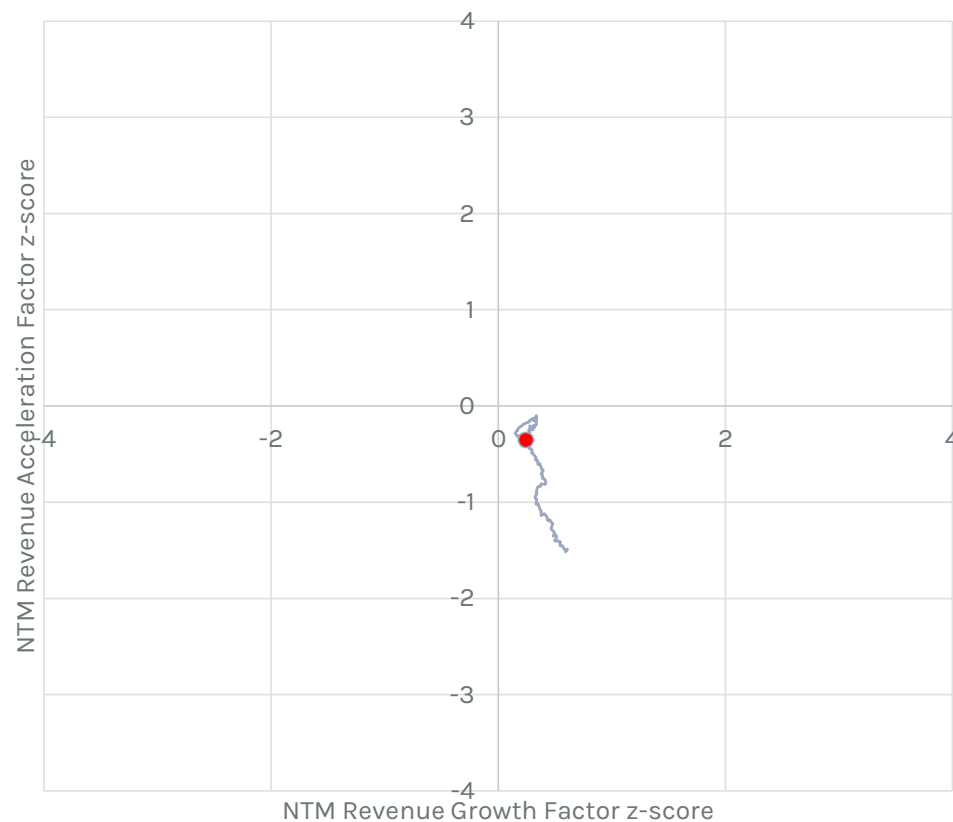
Position Monitor | October 15, 2021

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Sigma Positioning – Current Position Monitor



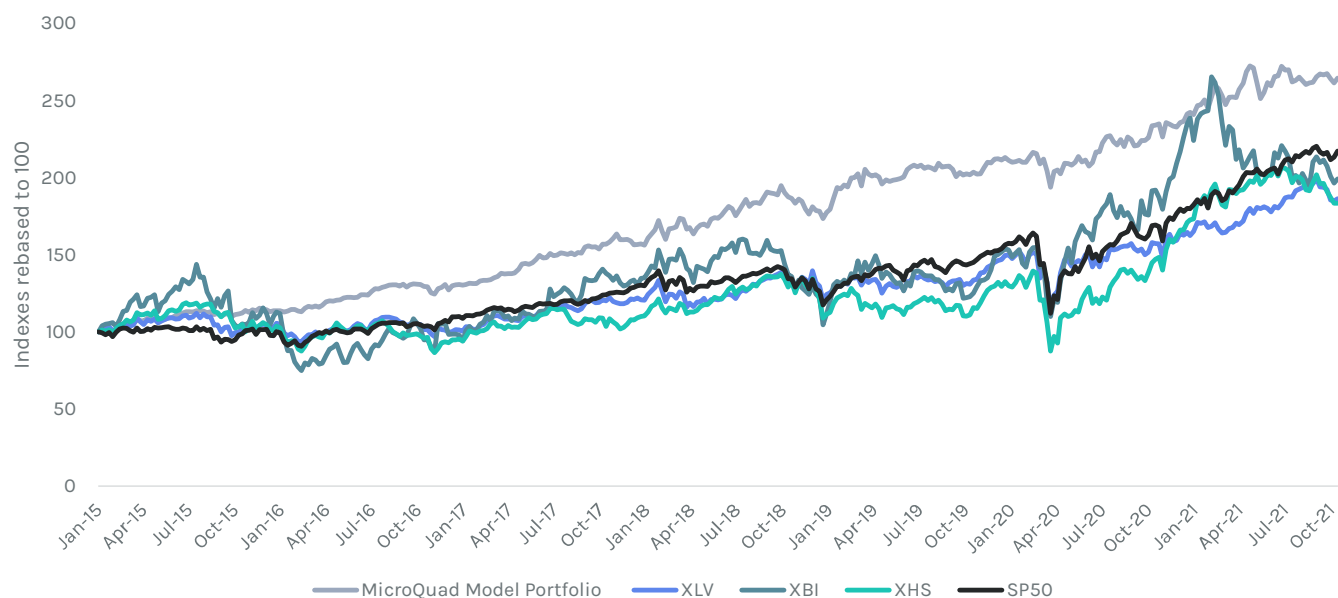
Sigma Positioning – Universe Average



MicroQuad Model Portfolio

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Wrap up for the week of 10/15/2021



Particulars	MoM	YTD	YoY	Annualized since 2015
MicroQuad Model Portfolio	-0.8%	9.9%	13.0%	15.4%
XLV	-3.8%	12.8%	18.6%	9.6%
XBI	-5.9%	-11.2%	3.7%	10.6%
XHS	-6.5%	5.9%	24.7%	9.3%
SP50	0.9%	19.0%	28.3%	12.1%

For the week ending 10/15/2021, the model portfolio was up +1.2% week over week. There were 61 longs and 36 shorts, not much changed in terms of names and allocations. The batting average by MicroQuad was 59.6% overall with the longs in MQ2 and MQ3 at 69.2% and 65.3%, respectively, and the shorts in MQ4 and MQ1 at 40% and 50%, respectively.

The allocation for each MicroQuad is based on the Macro Quad 3 allocations listed in the table below.

		Micro Quad			
		1	2	3	4
Macro Quad	1	-30%	80%	30%	-10%
	2	-40%	80%	30%	-10%
	3	-50%	70%	20%	-10%
	4	-60%	70%	20%	-10%

For more information, contact us at”
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