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**Author:** Liam Cormican



## Tesla is not a meme stock: Hyperion

**Recent Tesla share price outperformance is based on “excellent business economics” which continues to improve over time, according to Hyperion Asset Management, a holder of Tesla stock.**

Speaking at a webinar, Mark Arnold, Hyperion’s chief investment officer, said Tesla was a rare investment opportunity because of its ability to rapidly innovate and create new disruptive products across a variety of industries.

Arnold said it would continue to disrupt the market because of its innovative flat organisational hierarchy and because it spent more on research and development than its competitors while spending nothing on advertising.

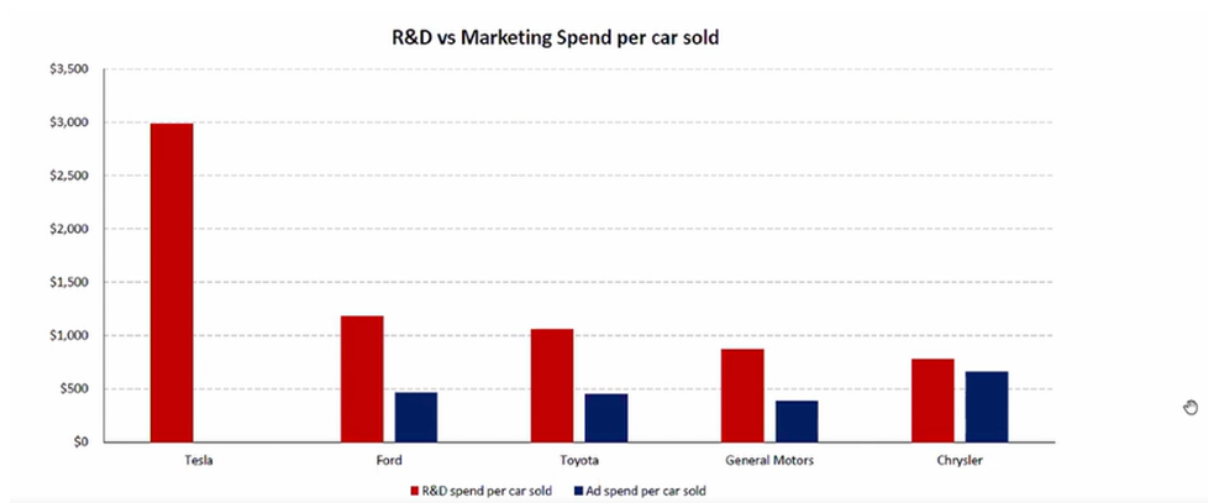
“The business is structured to actually innovate rapidly but reduce the costs of innovation through artificial Intelligence and machine learning based simulations,” he said.

Tesla was [Hyperion’s Global Growth Companies](#) fund largest holding with a 12.9% allocation, according to its October fact sheet.

Arnold noted that Tesla focused on creating exceptional products as it removed the need for advertising with word of mouth instead driving sales, allowing its research and development budget to be higher than competitors.

He said Tesla’s spending strategy was efficiency focused as they only hired the “very best” engineers.

“It believes a small team of highly talented engineers is better than a larger team of average quality engineers and it can afford to be discerning when hiring because most of the talented engineers want to work [there],” Arnold said.



Source: US Securities and Exchange Commission filings