



YOUR SHARE OF THE PIE - by William Meyer

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William Meyer is a qualified Chartered Accountant (SA) and Chartered Financial Analyst (USA). He has been CEO of Fenestra Asset Management since 1990. He lives in Mooi River with his wife Claire and their four children. He commutes to his Head Office in Cape Town. His company has outstripped the All Share Index with a compound growth rate of 18.87% per year since 2004.

EXTRAORDINARY PROFITS FROM ORDINARY SHARES * WINNING STOCK MARKET STRATEGIES * THE RACE TO ONE TRILLION DOLLARS!

Can anyone really conceptualise One Trillion Dollars? The amount is incomprehensible and impossible to come to grips with but the graphics detailed alongside might help. After all a picture is worth a thousand words.

As economies grow and the cancer of inflation rears its ugly head, the numerical value of assets creep inexorably upwards. This has sparked a most interesting debate.

Which company will be the first to be worth One Trillion Dollars? And how much is One Trillion Dollars? Well a billion is one thousand million dollars i.e. (\$1000 000 000) and a Trillion is one thousand billion i.e. (\$1000 000 000 000) and to think of it another way, had you spent \$1 million a day since Jesus was born, you would have not spent \$1 trillion by now but only \$735 billion (smiley face!).

To calculate what a listed company is worth an investor simply multiplies the shares in issue (or outstanding) by the market price per share. This gives you the "market capitalisation" or in other more ordinary words the value of the entire company.

So where are we in this race?

These are some of the world's most valuable companies in descending order :

Billions of Dollars

Apple	820
Google	643
Microsoft	567
Facebook	501
Amazon	465
Alibaba	455
Johnson and Johnson	362
Exxon Mobil	328
Wells Fargo	264
Starbucks	79

Looking at the above table it is interesting to remember bygone days when oil companies, banks, and railroads were the sectors where the world's



most valuable companies were to be found.

These are ancient memories. Today the most valuable companies are, in historical terms, very new. And all of them involve technology and the internet.

According to Fortune Magazine, the banking giant Barclays thinks another company that's not even halfway to a \$1 Trillion market capitalisation is a strong contender for the crown. They think Amazon may win this race. Amazon's share price has increased by more than 50 percent in the past year alone. According to Barclays, Amazon seems incapable of displeasing investors. If Amazon shares keep rising at this rate, it will get to the elusive \$1 Trillion market cap in a little over two years.

In my view this is going to be difficult for Amazon. Amazon stock needs to gain over 140% from its current price to reach the magical 13 - figure valuation. As fortune Magazine puts it: "Markets are rarely so steady, investors so faithful, nor competitors so unthreatening year after year!"

Is it too late to make money here? Certainly not! Even the world's most successful investor, Warren Buffet, has come to this party very, very late. Still he has made billions of dollars on his Apple investments over the last few months.

It is my strong belief that Apple is going to win this race and that it will be the first company to be worth One Trillion Dollars!

Why not come along for the ride?

If you are not happy with your portfolio performance or would like a second opinion, please do not hesitate to contact Fenestra for a confidential consultation.

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Contact Fenestra for a review of your share portfolio and investment strategy

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