Chapter 2
Sample Chapter

TAKE STOCK

A Roadmap to Profiting from Your First Walk Down Wall Street

THIRD EDITION

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CHAPTER 2

Why Take Stock?

There are gazillions of investments to put your money into, so why should you be interested in stocks? If my assumption is correct — that you're interested in making money with your money and not simply indulging your ego with ownership, be it a painting or a professional ball team — then owning stocks is where it's at.

There are few things you can invest in that are alive. Diamonds, though they sparkle, are dead. Paintings, whether of still lifes or live models, are said to have life if they're well done, but they lie dormant as they increase in value. Most of these "dead" objects increase in price because the dollars that were initially paid for them are the equivalent of more dollars today. In other words, inflation drives up the prices of inanimate objects. In addition to inflation, the relative scarcity of the kind of item you're holding will increase the perception of its value, so the price will increase as the item's perceived value increases. Sad but true, the value of a painting rises nicely when the artist dies.

Even bonds or Treasury bills that pay a fixed amount of interest are reasonably stable in price, except when interest rates fluctuate and the bonds are sold or purchased at more or less than their original price. Again, interest-rate changes, as with inflation, do not add real value to an investment.

What Is Money and How Is It Made?

To fully understand the significance of investing in something "live," which is key to technamental investing, let's take a quick run through something that you probably know but haven't thought much about. In order to build my case, I'm going to start at a point where everyone has to agree — as rudimentary as it may be. So here goes.

Meet Oog and Mog. Oog was a fellow who lived in a cave when that lifestyle was the equivalent of living in our modern-day suburbia. Now Oog wasn't the hunter that Mog was. In fact, he couldn't run as fast or jump as high as Mog. If the truth were known, Oog was scared to death of saber-toothed tigers. But he had a special skill. He could make a heck of an arrowhead out of stone. And he learned to wrap it tightly on a pole, creating a mean spear.

Mog, on the other hand, was all thumbs when it came to tapping stones. He couldn't wrap the thongs around the poles; he simply didn't have the patience for it. But he was as brave as he was clumsy, and he was a heck of a hunter.

You already see where I'm going with this. Oog would make the spears for Mog, and Mog would give him meat in return. And this was how the concept of money began: with barter. One person would do something of value for another person, who would give back something of value to the first person in return.

Years later, Oog's and Mog's descendants began to exchange stones or animal teeth for those goods or services. These tokens made barter more convenient. Tokens evolved into coins (introduced by the Lydians in the seventh century B.C.), and later into currency, or money (first introduced in China and many centuries later in late 18th-century France). As civilization progressed and goods and services proliferated beyond the point where people could meet at a marketplace and conduct their barter, money made it possible for each person to do what he or she did best when it was most convenient to do it. People could store up credits and use them for goods or services when the time was right.

The concept of currency has taken a beating in recent years as governments have postponed immediate trouble by printing more of it, by borrowing against future confiscation through taxation, and by otherwise cheapening its real value.

Still, nothing has really changed since Oog's time. The real value of money, and the way it is made, is timeless. To make money — to really create money and not just pass it around or diminish its value — one has to do one of two things: add value to a resource or provide a service that contributes to that effort.

Adding Value

Charlie, a construction worker, goes to work one morning and is told to dig a hole that measures 4 feet deep by 4 feet wide by 4 feet long. He finishes the task by noon.

When he comes back from lunch, his boss tells him that he's sorry, but the morning's work was a mistake. His job for the afternoon is to go get the dirt and sod and to make that hole disappear.

At the end of the day, when the afternoon's task has been completed, will Charlie have made any money? Charlie will earn money — he certainly deserves to be paid for his sweat and strain — but he will not have made anything! The wage paid to him for his effort will be a loss because that effort will add no value to any resource, nor will it provide a service of any value to anyone—not even his boss or his company.

What is worth the money is the value of what is produced, not the value of the input it took to produce it. (Wouldn't labor relations take a different direction if all parties thoroughly understood that concept!)

Providing a Service

Again, the key to the creation of wealth is adding value to a resource, or providing a valuable service and accumulating the rewards for doing so. Digging ore from the ground, making steel from that ore, machining a part out of the steel, building an automobile out of such parts, and selling that automobile to the public — all are examples of adding value or providing a service. Manufacturing, information services, transportation, construction — whatever business you are in

— must add value or provide a service that entices or induces someone who benefits from that value or service to pay for it.

It's rarely possible to add actual value to collectible objects or to income instruments such as corporate or government bonds. For that reason, collectibles and bonds don't have nearly the investment potential that you'll find in a business.

Starting a Business

A business, on the other hand, is created for the sole purpose of adding value or performing services of value. Therefore, being in business is the key to the creation of wealth.

An entrepreneur dreams up an idea for something she thinks will be of value, then follows through on it. Whether she's providing a product or a service, the enterprise involves substantial risk. No one can accurately predict how much demand there will be until the product or service is available, and no one can predict the cost of making it available until that cost has been paid. Nor can anyone predict whether demand for the product or service will last long enough for the entrepreneur to recover her investment.

Taking an idea from its birth in the brain to its tangible realization takes guts, intimacy with the product or service, and usually a whole lot of capital. Unfortunately, according to studies made for the U.S. Department of Commerce, many more new companies go belly-up than survive — and most of those because of insufficient capital.

That's why those who provide venture capital and startup money to a new business demand and receive a sizable chunk of the business and a substantial portion of the reward. And that's why *you* don't want to put your life's savings into someone else's new business. Even if the reward for picking a winner is fantastic, the chance of picking that winner is slim indeed. So leave the financing of new companies to those who know that business, who deal regularly with the odds, and who can afford the risks.

What about buying a business that's already successful? Maybe that's the ticket. Most of the initial risk is gone and the concept has already been proven. Instead of being 80% against you, the odds are somewhat more favorable.

Of course, the cost of buying such a business, now that the initial concerns have been laid to rest, would be much greater, because someone has already assumed the greater part of the risk and has done all of the startup work.

Let's assume for the moment, however, that you have enough money to buy a business outright. You'll then have to think about the management of that business.

Will the original founder, owner, or staff stay on, or will you have to take over the business and manage it? Is it a business you know something about? If the need arose, would you be able to manage it successfully on your own? What are your skills? Are they in the domain of the product or service that the company provides? Or are they in the area of business management? Personnel management? Marketing? Would you know enough about the results each aspect of the business should achieve to hold the appropriate people's feet to the fire? Are you prepared to take the risks that still remain? There will be many risks. Businesses are not static. They and the economic environment that surrounds them can change at the drop of a hat or the utterance of a politician.

Aggressive competition, the loss of a key management person, a marketing misstep, a sustained downswing in the economy, a public relations gaffe, and product obsolescence are but a few of the host of things that can torpedo a business.

The rewards of owning a business are considerable, but there are still plenty of risks, not the least of which are those revolving around liability and litigation — especially in today's world.

Each step you take to decrease risk decreases your reward at the same time. But you're still looking at the real benefits of adding value to create money and wealth, which is what a business does.

Perhaps it would be worthwhile to share the risk and the management responsibility with a partner or partners. Whatever money and skills you don't bring to the table, maybe other individuals could.

If you take on a partner or partners, however, you take on additional risks. Many partnerships just don't work out because too much disagreement develops over management or finance issues, or over the direction the company should take. Besides, taking on partners still doesn't remove the risk of litigation. Don't forget

that as a partner you can be sued for everything you own, not just for what you have invested in the company.

If you want to share the business risks and eliminate the risk of liability, the answer is the corporation. With a corporation you can own the business or a part of it, share the risks, and limit your liability to just the extent of your ownership. This is by far the safest way to harness the ability of a business to add value and create wealth — your wealth. And owning an already-successful corporation will probably swing the odds around to your favor.

Evaluating the Business

So what's your desired corporation worth? You need to figure out a way to determine how much to pay for it.

First of all, you need to hire a competent accountant or analyst to look at the books. You wouldn't want to just take anyone's word that the company's strong. And you would want to make sure that the books have been audited. These things require a competent and honest professional.

You then need to look at the value of the machinery and property that the business owns, knocking off something for wear and tear and obsolescence. And you want to know whether the business is profitable and to ensure that it doesn't owe more money than it can comfortably afford to pay out of income. All of this comes from the company's financial statements, which you'll find reduced to their simplest terms in Chapter 4.

All of the previously mentioned notwithstanding, the most important determination you need to make is an assessment of how profitable the business can be for you. The bottom line (quite literally) is an evaluation of how quickly you'll get your investment back and start making money yourself. Whether you put the profit back in your pocket or let the business retain it, you'll start making money only after the business has recovered the cost of your original investment.

Negotiating the Price

You'll need to know how much of a profit the business makes each year, and you'll negotiate a price that is some multiple of that. Depending upon the kind of business, there are rules of thumb that suggest what conventional wisdom considers to be a fair multiple. Some businesses are typically valued at five times their earnings, and others at only three. There's no hard-and-fast rule beyond fair market value: the price at which there is a willing seller and a willing buyer. Regardless of what price you may pay, it translates into a multiple of the company's profits.

If you want to buy someone else's business and assume all of the responsibilities for running it as well as its risks and liabilities, multiples of three to five times the annual profit are about par for the course. And you will wind up paying something over and above the sticker price in the form of sweat equity: You will be doing the work and handling the responsibilities yourself.

Let's say that you are willing to pay three times last year's profit for a company that is capable of producing that profit year after year, a somewhat conventional multiple. After three years, you will have recovered your investment, and from then on everything will be gravy.

However, just think of what would happen if the profits were growing each year before your purchase instead of just remaining the same. Certainly the price that you'd expect to pay for the business would be higher, because it would be a much more valuable business in the first place. You would probably be willing to pay as much as five or six times last year's profit if it would still take you only three years to recover your investment and start making money. Thus, a fair multiple of profits is, in a sense, a measure of time: "How long will it take me to recover my investment?"

When you look at a business that is successful, increasingly profitable, well-managed by a team of accomplished professionals, and that will insulate you from the business's risks and liabilities because of its status as a corporation, you must expect — and be willing — to pay a whole lot more.

To sum up, each of the levels of business participation I've described represents a reduction in risk, but each also represents an increase in the price of participation. To enjoy the greatest reward with the least risk, you should own a corporation —

or a share of one, thus sharing the risk by sharing ownership with other investors. You would limit your liability to just the value of your investment. Your ownership would be based upon the amount of stock that you hold in the corporation, and you wouldn't have to worry about losing your home if someone sued the business. You would hire or retain the management that's capable of running your company successfully. And you would then reap your share of the profits.

If you could buy such a company, or an interest in it, and recover your investment from its profits within five years, your purchase price wouldn't be too much to pay. As you will find, my goal is to help you not just recover your money in five years, but to double it. Surprisingly enough, the goal is an achievable one.

Owning Stock

A share of common stock represents part ownership of the corporation whose stock you have purchased. It entitles you to a "piece of the action." It gives you all of the benefits of outright ownership with few of the risks.

As an owner, you're entitled to a fractional share — a small fraction, to be sure — of the profits of that business, and you own a portion of its assets. Even if the company goes belly-up, you will receive a share of whatever value of the company might remain after its debts have been paid off.

If you own stock in a larger company that isn't growing or is growing only modestly, you will likely receive at least a portion of your profit in dividends. But that's not the most desirable option unless you're past retirement age and want to invest strictly for the income. Even then, there are compelling arguments against investing in such companies. I'll talk a bit about the disadvantages later.

If, however, you own stock in a company whose profits grow every year, then you will probably not see any cash because your money will be plowed back into the company, showing up only as increased value. Until you sell your interest in the company, you won't be able to put that portion of its profit in the bank. Nor, by the way, will you have to pay taxes on it.

Only when you sell your interest to someone else will you realize the gain and pay the taxes. And because the company's profits will have accumulated, the price you can demand and receive for that interest will have grown as well.

As a technamental investor, you are going to select only world-class companies that have excellent track records and are still growing. (Chapter 6 goes into detail about the kinds of companies you should look for and how to find them). You'll find these companies listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ (National Association of Securities Dealers Automated Quotations), an electronic, "virtual" exchange.

Companies that are listed on these exchanges typically sell for many more times their profits than do those just getting started. The principle is the same, however. Ownership of companies that have gone well past the risk threshold will cost multiples upwards of 10, 15, or more. In fact, when the first edition of this book was written, there were some companies that were selling for multiples of more than 100! If a multiple is a measure of how long it will take to recover the investment, you can already appreciate the fact that those who would pay that many times the company's profit are either expecting to live well beyond the normal life span or are very foolish indeed!

Diversification: Spreading the Risk

Putting all your eggs in one basket has never been smart. No matter how good the basket is, something can always happen to it. The last step in understanding why you should buy common stock is to understand the final reduction of risk.

If one business will give you a good return, why not invest in small pieces of a bunch of businesses? If you study companies — an easy job, as you will shortly discover — you'll be able to eliminate from consideration all of the companies that are below average. You can then assemble a collection — a portfolio — of above-average companies that will perform better than the rest. And because you have your eggs in a variety of baskets, you will not have to worry about all of the risks that could blow a single company out of the water.

This is called diversification, and it's the final reason why ownership of common stocks is the place to be. When you own a few shares of a variety of above-average companies, you reduce your risk while retaining all of the benefits of owning businesses — those wonderful engines for adding value and making money.

Investing vs. Playing the Market

The expression "playing the market" should be your first clue that this is something you don't want to do with your money. If you want to play, then you can certainly get the same kind of rush in the stock market that you get at the tables in Las Vegas or Atlantic City, and you can enjoy the same success that most people who play those tables enjoy: none. When you play the market, the odds are very much against you. So if you think that this book will help you play more successfully, you're reading the wrong book!

There is a basic difference between what I propose and what many unfortunate folks do. I suggest that you earn your money by participating in a business, not by betting that you can make a killing by finding someone who will pay a lot more for the stock than you did. When you invest, you depend upon the successful businesses you have chosen to add value and create money.

Don't kid yourself! Playing the market is gambling in its truest sense. The risks that a player takes are enormous because the rewards aren't based upon the orderly supply of products or services for which people are willing to pay a fair price. A player relies upon a variety of totally unpredictable events or occurrences, as does a gambler at the roulette table. This is the playground of the traders.

Stock was first issued for the sole purpose of allowing more than one individual to participate in a venture. Later, a market sprang up that allowed people to sell their shares to others, creating a new kind of share owner, one who likes to speculate by buying and selling shares. The dynamics of that market well suits those who are eager to get rich in a hurry.

Psychology has always played a major role as shares were bought out of greed and sold out of fear. Until recent years, it wasn't difficult for unscrupulous people to manipulate the price of shares by planting fears or by spreading excessively optimistic stories. They would then buy below or sell above the real value of the shares before the enterprise itself was able to add to the shares' value.

Today the stock market does a roaring business while traders watch the minute-to-minute movement of the prices and frantically sell or buy shares when they move up or down by only a few cents.

The BFS/STS School of Speculation

Ask the average person what she thinks of the stock market today, and she will probably say it's scary. Everyone has either lost money on the stock market or can recite some horror story about someone she knows who has. As is the case with those who play the lottery, only a lucky few among traders make the big bucks; the great majority have been burned.

Except for the professionals, the stock market today is made up largely of folks who have no concept of the fact that they're really buying a company, not just buying its stock. These investors hold to what I call the BFS/STS School of Speculation.

"BFS/STS" means "buy from a sucker, sell to a sucker." What is their methodology? It's simple. You have to first buy the stock from some poor sucker who doesn't know its true value as well as you do. And then you have to turn around and sell it to some other poor sucker who doesn't know its true value either, or else she wouldn't buy it from you for the price you're asking.

What chance do you think the average investor — or you, for that matter — has of not being the sucker on at least one end of that transaction, if not both? Slim to none! If there is no rational means of determining the reasonable value of a stock, the only thing that provides the opportunity for people to sell their stocks at a profit is the presence of someone who is similarly unenlightened. Wall Street has cynically called this phenomenon by another name: the "Greater Fool Theory." Each buyer admits to being a fool but relies on the next buyer to be yet a greater one.

On the other hand, if you buy stock in a growing company after having determined (in the fashion that you'll shortly learn) that the stock is worth a certain multiple of the previous year's profit, you'll have paid a fair price for it. Over the long term you'll see profits grow, and the value of the company will grow right along with them. As time passes, assuming the multiple you paid was reasonable, another buyer will be quite willing to pay as high a multiple as you did — perhaps higher. The same multiple times twice the profit means twice the price; your investment's value will have doubled. Long-term investing is not a gamble, nor does it depend on finding a "greater fool" to take your holdings off your hands.

Why Invest for the Long Term?

The decision is yours to make. At this point, you may still prefer the rush that goes with betting on the long shots and you'd rather ride the hare to the finish line than the tortoise. Just so you know what you're missing if you do, here are some of the benefits of doing it my way:

Pick Winners 4 out of 5 Times

Investors have been following the same style of investing I'm recommending for nearly half a century. From their experience, we can learn that if you have done your homework diligently and conservatively, for every five stocks you pick, one will exceed your highest expectations, three will do about as you expected them to, and one will go down the tubes. This is called the *Rule of Five*, and you should keep it in mind when you worry about having some failures.

No one can predict when some calamity will befall a company. For example, not long ago a major food chain lost all of its high-level executives in an airplane crash. How could anyone have predicted that?

All kinds of risks can come without notice, but the odds are in your favor. If you do it right — and it's really not hard — you can enjoy an 80% success rate. And that ain't too shabby!

Double Your Money Every 5 Years

If you're able to pick stocks that do you proud four out of five times, you can double your money every five years, on the average. With this "sure thing" philosophy, all you have to do is watch the companies you've bought to make sure that, other than the occasional stumble that good management is allowed once in a while, your companies continue to perform as you expected. If their growth continues substantially as you anticipated, then the price of their shares will do the same over the long term, despite the fluctuations that occur every day.

Consider this: The S&P 500 is a dollar-weighted index of 500 stocks that have been selected as representative of their industries and that meet certain quality criteria. Since its inception, the S&P 500 has produced an average annual return of

around 10%. This means that if you had bought all 500 of these companies, you would have increased the value of your investments by 10% after holding them for a year. This hasn't been the case every year, but the average has been around 10%.

Because this performance is for an average of 500 companies, doesn't it stand to reason that, if you can eliminate the below-average companies and pick just a few of the very best, your performance might easily be even better?

As a technamental investor, you will look for a return on your portfolio of 15%, which, compounded annually, will double your money every five years. (Compounding simply means that each year the earnings from the previous year are added to the value of the investment, and growth is then calculated on the new value.) Doubling the value of your investment in five years is quite achievable. There are hundreds of thousands of folks just like you out there who are doing it all the time!

Maintain Your Portfolio Painlessly

How would you like to be so confident in your investments that you check their performance only once a month, or every three months, or even once a year? Do you think that's smart — or even possible?

This is one of the great benefits of buying the company and not the stock. If you subscribe to the BFS/STS School of Speculation, you have to watch every movement of the price, the thing you're most concerned about. The price changes every minute that the exchange on which the stock trades is open. In fact, the price can even change during the night when the exchange is closed, which can drive traders nuts. Moreover, prices can fluctuate by as much as 50% above and below their averages during the course of a year. As a trader, you're afraid to miss a trick!

Long-term investors know that the price will fluctuate in the short term for a variety of reasons, most of them irrelevant. They don't have to worry about those fluctuations in price because they know one simple fact (and I'll repeat this later because it's important): *Changes in price that are not caused by changes in the fundamentals (sales, profits, and so forth) are transient. What goes up will come*

down, and what goes down will come back up. Because the price of a stock over the long term is directly related to the company's profits, there's really no point in watching the price zigzag as it does every minute of every hour of every weekday. If you want to make money, you'll invest, not gamble. Watching the short-term fluctuations in the price is hardly different from sitting at the roulette table. It may be exciting, but it's not likely to beat your day job!

Everyone's a Winner!

This point may be redundant, but it's worth repeating. This style of investing — the long-term, buy-and-hold, fundamental investment philosophy — produces no losers. If you perform the simple tasks related to studying a company before you buy it, and if you diversify enough so that the Rule of Five gives you at least an 80% chance of being satisfied, you can't lose! Nor will you need to find a sucker to sell to because, when you're ready to sell something, you'll offer it at a fair value. Not only will you win, but the person who buys the stock from you at a fair price also will make out just as well.

Defer Taxes

As a bonus benefit, don't forget that there is no tax on your gain until you sell your stock.

There are only two reasons for selling your shares: if you need or want the money (which is why you were investing in the first place), or, if a company's fundamentals (that is, its operational performance) deteriorate so much that the company no longer meets your expectations. (There's a third, unusual, occasion that I'll talk about in Chapter 12.)

Otherwise, let that company simply generate those profits, plow them back into the business, and make the value of your holdings increase year after year as its earnings grow. And defer paying taxes on those unrealized gains until you're ready to sell.

Although you can defer the payment of taxes, there are only two circumstances that allow you to avoid paying taxes on gains: your death or the loss of your gains. Neither of these alternatives is palatable.

Traders, who are in and out of the market buying low and selling high, have to pay a tax on every cent of profit they earn — when they earn it. If they have to pay 20% of their gain, that's 20% less that they can reinvest and earn money on.

You may ask, "What about an IRA or a 401(k), where I don't have to pay taxes until I take out the money?" These investment vehicles can certainly be good when you want to move your money from one company to another that has a greater potential without incurring a tax liability. And the 401(k) is a great boon to many people who wouldn't otherwise discipline themselves to invest. What's more, if you're fortunate enough to have a program where the company contributes substantial additional funds to your investment program, you're already making a good return on your investment, and that's hard to beat anywhere else!

The biggest benefit of tax-deferred investments is that you can reinvest money you would otherwise have had to pay out in taxes. And the money earned on that reinvestment can continue to grow without being taxed until later.

There's no free lunch, though. You will pay a substantial cost for this benefit later on. The taxes on your gains when you finally do take out your money are paid not at the capital gains rate, which can be as low as 5%, but at the full rate that applies to ordinary income (although by the time you reach retirement age, your tax rate may have come down some).

At this writing, the highest personal tax rate is more than three times the capital gains rate! So unless Congress acts in a way that is quite out of character, you will have to do a great deal of optimizing to make up for paying almost triple the taxes.

Clearly, the least costly gains are the gains in a non-tax-deferred portfolio. And it's a pleasure to watch the value of your holdings increase year after year without having to pay a tax on those increases in value.

If You're Retired and Don't Have a "Long Term"

Finally, I'd like to address the question of how this long-term philosophy can be of benefit to people in the "third third," people who are in their golden years, when it's time to make use of the funds they've accumulated for this time of their life.

My counsel to anyone at any age is to pretend that you're going to live forever. Not only will this give you a happier outlook from the time you wake up until the time you go back to sleep, but it will provide you with a better investment plan.

No matter how you slice it, a 15% return is better than a 6% return — more than twice as good — and you will be able to endure a lot of leaner years if you have more than twice the accumulation of wealth when times are good.

Since the early 1940s, when World War II brought the Depression to an end, there has not been a long-term catastrophe in the stock market like it. Even in the worst of times — and at this writing, it appears we are enduring such a period — good companies continue to earn, and many stocks buck the trend. To be sure, some of the weaker companies with poor managements will fold. But the well-managed, strong companies quickly scoop up their market share and life goes on.

Focus on investing in growth companies for the long term and, if the time arises when you need to take cash out of your account, sell off portions of your losers — the ones whose sales and profit growth is sluggish, not necessarily the ones whose prices are down.

This will assure you that when the market comes back up, which it surely will, you'll have a portfolio of winners. Have faith that the companies you own a piece of will perform well in the long term and so, therefore, will your investments. And gloat as you continue to rack up 15% years while your contemporaries are pulling down 6% and paying the taxes on it every month.

Let's Take Stock of the Reasons You Should Take Stock

- ✓ You can create wealth only by adding value to resources or by providing a service of value to someone willing to pay for it.
- ✓ Only investments in active businesses are capable of adding value.
- ✓ Owning a business, though very rewarding, is expensive and risky; but owning shares in a variety of successful businesses eliminates most of the risk while retaining most of the reward.
- ✓ Buying the stock of quality growth companies and holding it for the long term provides substantial, predictable returns.
- ✓ Short-term trading (BFS/STS) is unpredictable and stacks the odds against you, because it relies upon winning at some loser's expense and because there's no assurance that you won't be the loser.
- ✓ The benefits of long-term investing include carefree portfolio maintenance, the potential to double your money every five years, the deferment of taxes, and the fact that there are rarely any losers.

Finally, let's review the simple math that makes this method work:

Assume that 15 times earnings is a fair multiple for a good company and that the company earned a dollar per share last year.

- ✓ You will therefore pay $15 for the stock.
- ✓ In five years, the earnings will have grown to $2 per share.
- ✓ At 15 times earnings, the price will then be $30.
- ✓ The value of your investment will have doubled — in five years!

I hope you're satisfied with the logic behind this investing approach and can see its advantages. Next, let's dispel any doubts you might have about whether you can be successful.