

Excerpt from Seeking Alpha, August 11, 2010

<http://seekingalpha.com/article/220044-three-etfs-to-invest-like-bill-gates?source=yahoo>

Three ETFs to Invest Like Bill Gates

In the San Francisco Bay area during the 1970s, a revolution was brewing. The emergence of an area dubbed “Silicon Valley” brought about a surge in technological development that changed the world forever. Two young innovators at the forefront of that revolution were Bill Gates and Paul Allen, the founders of what eventually became Microsoft (MSFT). Sensing a tremendous opportunity in the computer market, Gates dropped out of Harvard to pursue his dream—no doubt a decision that changed the course of tech history.

Microsoft, of course, would come to dominate the personal computer market, making its founders billions of dollars in the process. Gates is now counted as one of the wealthiest men in the world. So what does a billionaire do with the massive fortune he has accumulated? Invest it of course. Gates still remains active with his fortune, owning several investment firms as well as the being the single largest shareholder in Microsoft. He is now the author and co-author of several books and is a well-known philanthropist. Though no investments have paid off as handsomely as his initial bet on Microsoft, Gates has built a rather impressive track record over the last several decades, multiplying his fortune several times over.

Gates’ Bets

Among Gates’ recent areas of investment focus: cleaner car technology, specifically through the engine manufacturer EcoMotors. Gates recently allocated \$23.5 million to this Detroit-based company because he believes that our current combustion engines are quickly becoming a thing of the past. The engines that EcoMotors hopes to build “will have less mass, will cost less to make, will be more fuel-efficient and will generate lower emissions” writes Jolie O’Dell. The products will be opposed-cylinder (opoc) engines, and will use roughly half the parts of the average automobile engine. Gates’ contribution has given the firm the funds it needs to test and produce a prototype in the coming months.

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Most investors don't hold Bill Gates in the same class as Warren Buffett and Bill Gross, but the self-made billionaire has done quite well for himself in the investment arena. Below, we outline three ETF ideas for investors interested in following in the footsteps of the Microsoft Man.

PowerShares Global Progressive Transportation Portfolio (PTRP)

PowerShares' PTRP measures the Wilder NASDAQ OMX Global Energy Efficient Transport Index, a benchmark that includes global companies engaged in businesses that stand to benefit substantially from a societal transition toward using cleaner, less costly and more efficient means of transportation. The fund offers roughly 70% international exposure with the rest of the assets in domestic U.S. companies. PTRP includes holdings in multiple market sectors, including big weights in business services (36%), industrial materials (25%), and consumer goods (30%).

Though EcoMotors does not appear in the holdings of PTRP, the investment thesis driving this fund appears to be consistent for Gates' rationale for investing in the engine manufacturer; both are bets that the clean car industry will grow considerably in coming years. This ETF allows individual investors to reap the benefits of a possible boom in this relatively new (and still relatively risky) sector.

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