

Global Monopolies Portfolio

Companies with a monopoly on 8 Billion people!

February 3, 2023

Reasons why Investing in Global Monopolies is an attractive idea

1. As an Indian investor, you would make on average a 6% return per year, by simply converting your Rupee savings to US Dollars. US dollar has been appreciating by 6% vs INR for the last forty years. Most global monopoly companies are listed in US stock exchanges.
2. A lot of the global monopolies tend to be technology companies. Technology today, is at the cusp of a massive breakthrough because of data speeds. 5G is a massive enabler for Artificial Intelligence and Robotics. US Tech companies will soon revolutionise several sectors and automate them.
3. Having a monopoly on over 8 billion people means these companies have complete pricing power. In the uncertain stock market world, being a monopoly gives you the ability to navigate through any contingency. For example, monopoly companies can easily pass on rising raw material prices even if there is a sudden raw material price shock. This leads to steady stock price returns with very little volatility.
4. NAG Analytix global monopolies portfolio, has been outperforming India for over a decade. The portfolio makes a great case for diversification outside India.
5. Super easy to set up a global investment account from India.

Reasons why Investing in Global Monopolies is an attractive idea

“Reason 1: Earn 6% just on the US Dollar”

What's happened to the Rupee vs Dollar in the last 12 months?

Dollar appreciated from 74 to 83



What's happened to the Rupee vs Dollar in the last 5 years?

Dollar appreciated from 63 to 83



What's happened to the Rupee vs Dollar in the last 15 years?

Dollar appreciated from 39 to 83



Dollar has been appreciating 6% per year vs Rupee for four decades and is likely to continue



Reasons why Investing in Global Monopolies is an attractive idea

“Reason 2: AI & Robots are taking over”

New Technologies have the fastest adoption

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users

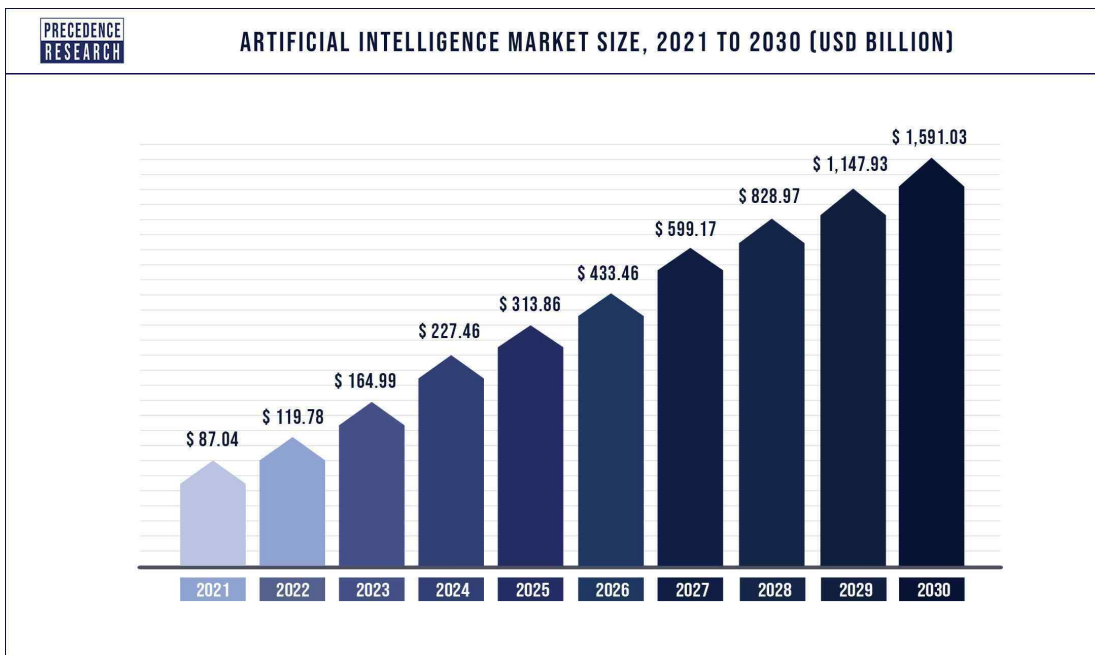


* one million backers ** one million nights booked *** one million downloads

Source: Company announcements via Business Insider/LinkedIn



The AI market will become 10x larger over the next 7 years - 39% CAGR



Buying artificial intelligence companies in the US today is like buying amazon stock in early 2000's. This was when the internet was just blossoming into something that could revolutionise several businesses as we knew it. Amazon and a host of other companies used the internet to completely change the way we purchased products. AI, we believe, can cause as much of a change today as the internet did in early 2000's.

Over the next seven years, the AI market size is going to increase by 10 times. This is a phenomenal opportunity for the handful of US companies that will be dominating this sector. The technology sector in India provides the limited opportunity of buying companies which primarily indulge in cloud implementation and applications maintenance.

As investors in India we have a choice, either continue buying back end IT service companies giving measly returns or invest in AI companies now that can transform the world.

Reasons why Investing in Global Monopolies is an attractive idea

“Reason 3: High returns low volatility ”

ICICI Bank chart from 2003 shows high volatility and no returns from 2008 to 2018

ICICI Bank is an example of a company with very volatile price movements



ICICI Bank Stock Chart from 2003 till 2023

Danaher is an example of a global monopoly with low volatility and high returns

In contrast to ICICI, Danaher stock price has continually risen with rare sell-off's



Danaher Stock Chart from 2003 till 2023

Example Two: Apple stock chart shows low volatility and high returns

Apple has successfully demonstrated two decades of steady incremental returns



Apple Stock Chart from 2003 till 2023

Example Three: Thermo Fisher chart shows low volatility and high returns

Thermo Fisher is another global monopoly with steady returns & few corrections

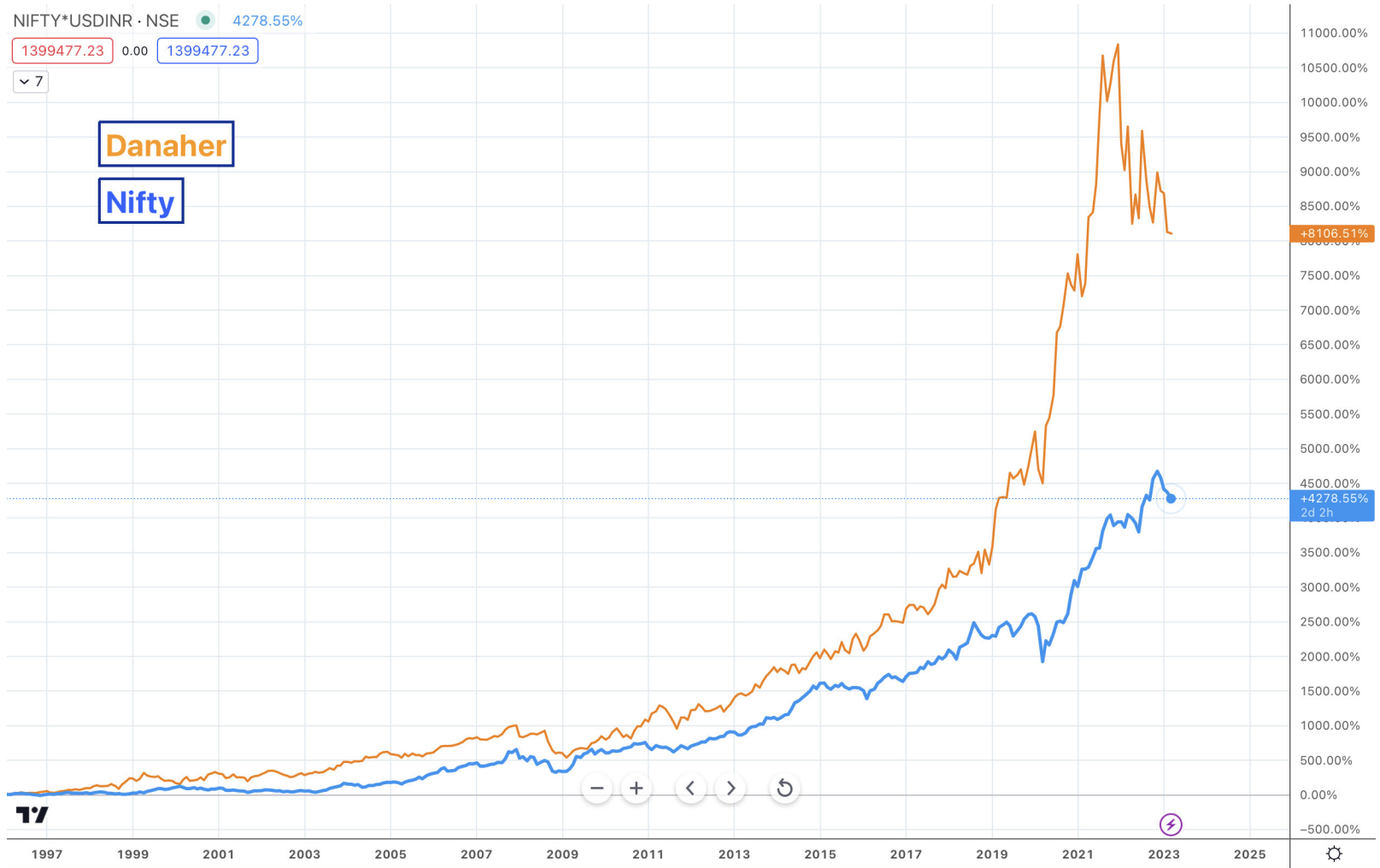


Thermo Fisher Stock Chart from 2003 till 2023

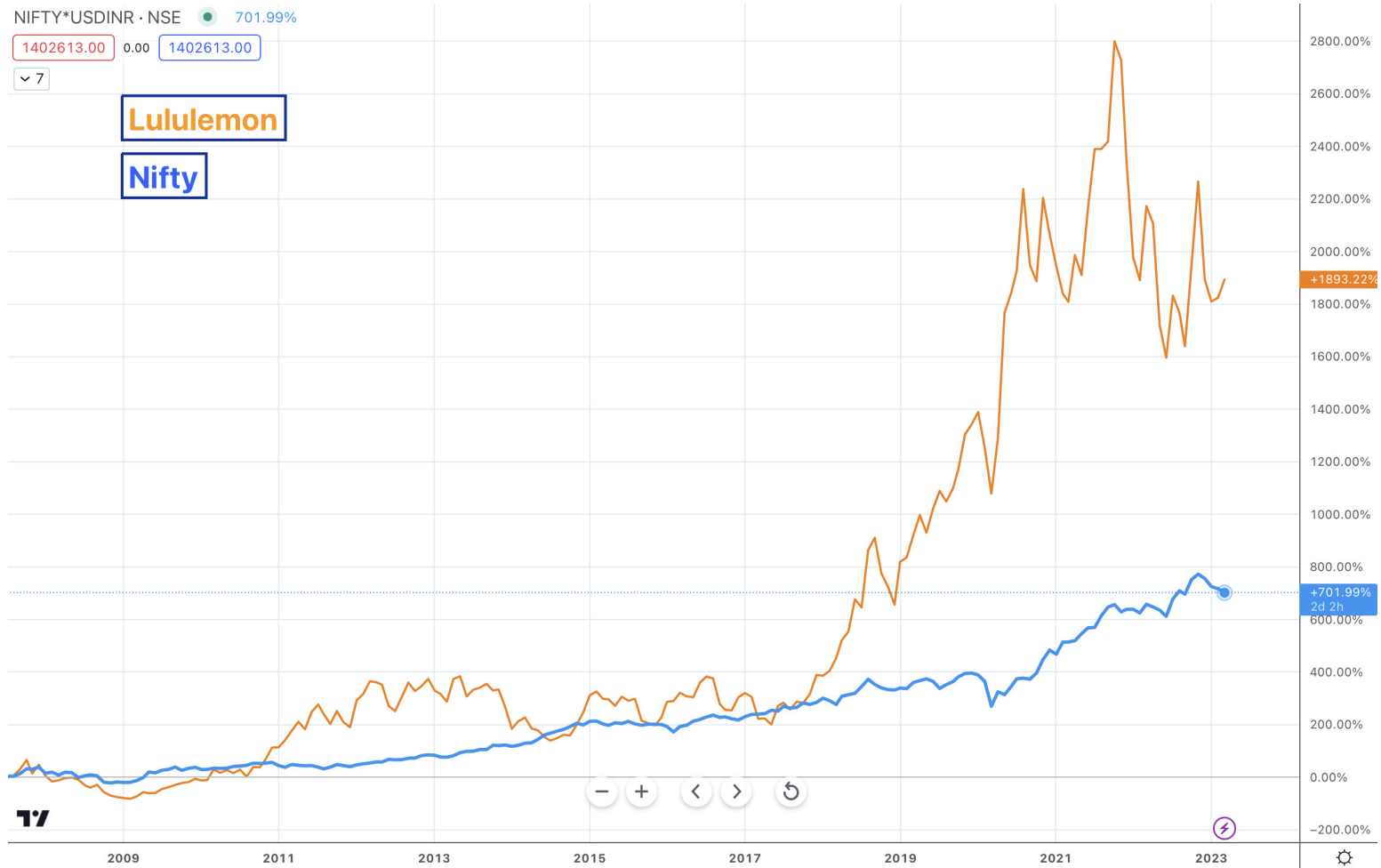
Reasons why Investing in Global Monopolies is an attractive idea

“Reason 4: Monopolies have outperformed Sensex”

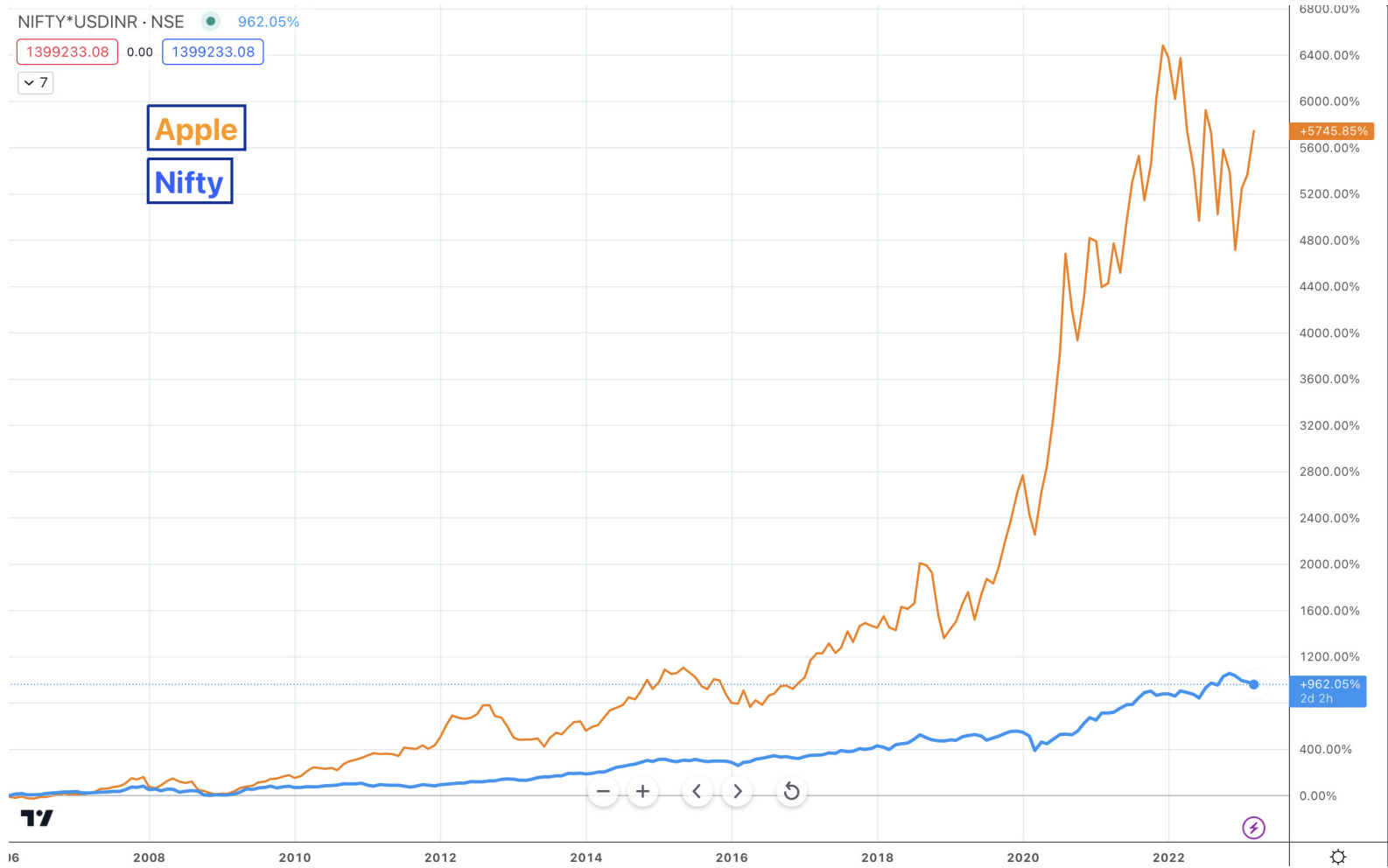
Danaher has been beating NIFTY for over 2 Decades



Lululemon has been beating NIFTY for over a Decade



Apple outperformance over Nifty



Reasons why Investing in Global Monopolies is an attractive idea

“Reason 5: Indians can easily invest in global stocks now”

Easy to set up a global investment account with Indian banks



IndusInd Bank



It is very easy today to buy global stocks from India. An investment account can be set up with any of the private banks all of whom have a set up with a large US broker - Interactive Brokers. Indian investors can also set up an account directly with interactive brokers.

Banks very often will sell US indexes like S&P 500 or NASDAQ etf's as a product to gain US exposure. We caution against it. A lot of old businesses, way past their prime are listed in these indexes. These companies could halve in value and in such a situation US indexes may not rally much at all.

For example, its fair to assume companies like PayPal and American Express are in trouble given the new fin-tech companies like Google Pay and Paytm. Both PayPal and American Express are listed in these exchanges.

About NAG Analytix

NAG ANALYTIX OVERVIEW

About Us

NAG Analytix is an investment firm founded in 2020 by Sundip Nag. We have offices in Mumbai, Singapore and New York. We currently manage a \$90 million portfolio mainly comprising of family offices and other investment firms.

We partner with local asset management companies in several countries and leverage our expertise in building a Global New Age Technology Portfolio and a Global Monopoly Portfolio.

Investment Objective

We aspire to achieve an average absolute return of 15% every year irrespective of whether the equity markets are correcting or rallying. Our target is to achieve this return annually, on average, over the entire economic cycle. NAG Analytix seeks to achieve these returns by investing in only publicly traded securities.

INVESTMENT PHILOSOPHY

WE PREFER TO BUY MONOPOLIES OR DUOPOLIES

- The core of our investment principle is to buy companies that are absolute champions in their sectors. These are companies that take home more than 40% of their industry profits and have in place high barriers to entry.
 - We filter for industry champions with a track record of more than 15% growth, high ROIC, and an ability to scale up their existing business.
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IF NOT A MARKET LEADER ALREADY, IT'S ON ITS WAY TO BECOME ONE!

- We are also particularly interested in catching small cap companies who have the potential to become future leaders in their sector.
 - A good example of this is a company called Transmedix, who we believe has the potential to become the dominant player in the medical equipment sector.
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WE DON'T LOVE A CRISIS BUT WE DO WAIT FOR ONE

- We believe the best opportunities arise out of a crisis. Over the last century of stock market analysis, bulk of the market returns have been earned within the first three years coming out of a crisis.
- Our modus operandi is to profit from a crisis during a crash, buy up best in class assets as the crisis fades and then ride those investments till the economic cycle peaks.

FIRM MANAGEMENT



Sundip Nag Portfolio Manager

Prior to founding NAG Analytix, Sundip was a Portfolio Manager at the Ashmore Group, Washington D.C. for a period of 9 years and was responsible for managing equity investments globally. Before Ashmore, he was a research analyst on ING's International fund in New York for 4 years. Sundip was one of the early investor in Facebook and successfully predicted the COVID crash.

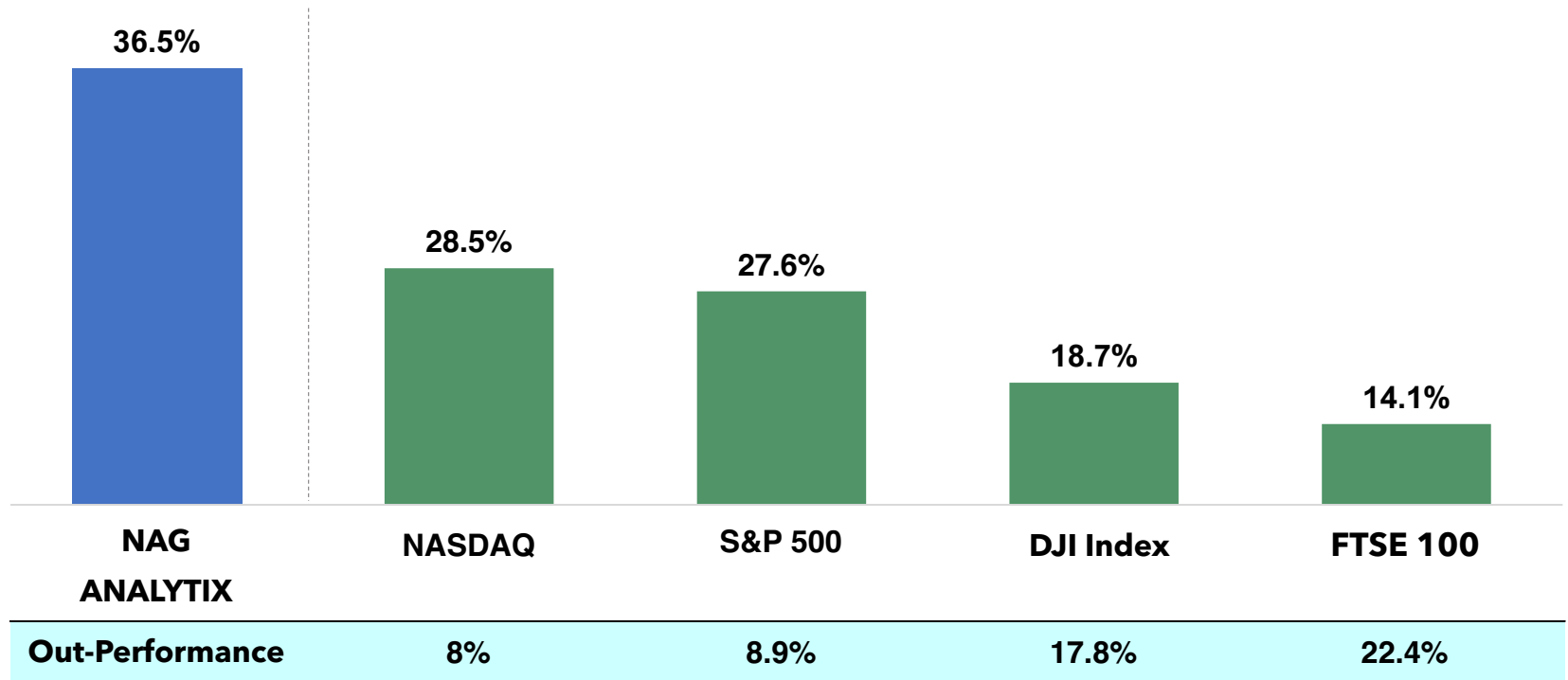
Sundip Nag, NAG Analytix's Founder and Portfolio Manager holds an M.B.A in Finance from the Zicklin School of Business, New York. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. He has a total investment experience of 15 years.

We have a team of nine investment analysts globally. Sundip is supported by co-portfolio managers Handi Huta Jaya and Kenneth Ong both based in Singapore and US respectively.

Our 2021 US Performance

Substantial Outperformance in 2021

\$100,000 invested with us on Jan 1, 2021 would be \$136,500 on Dec 31, 2021



Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal.

Major 2021 Contributors (Gross Returns)

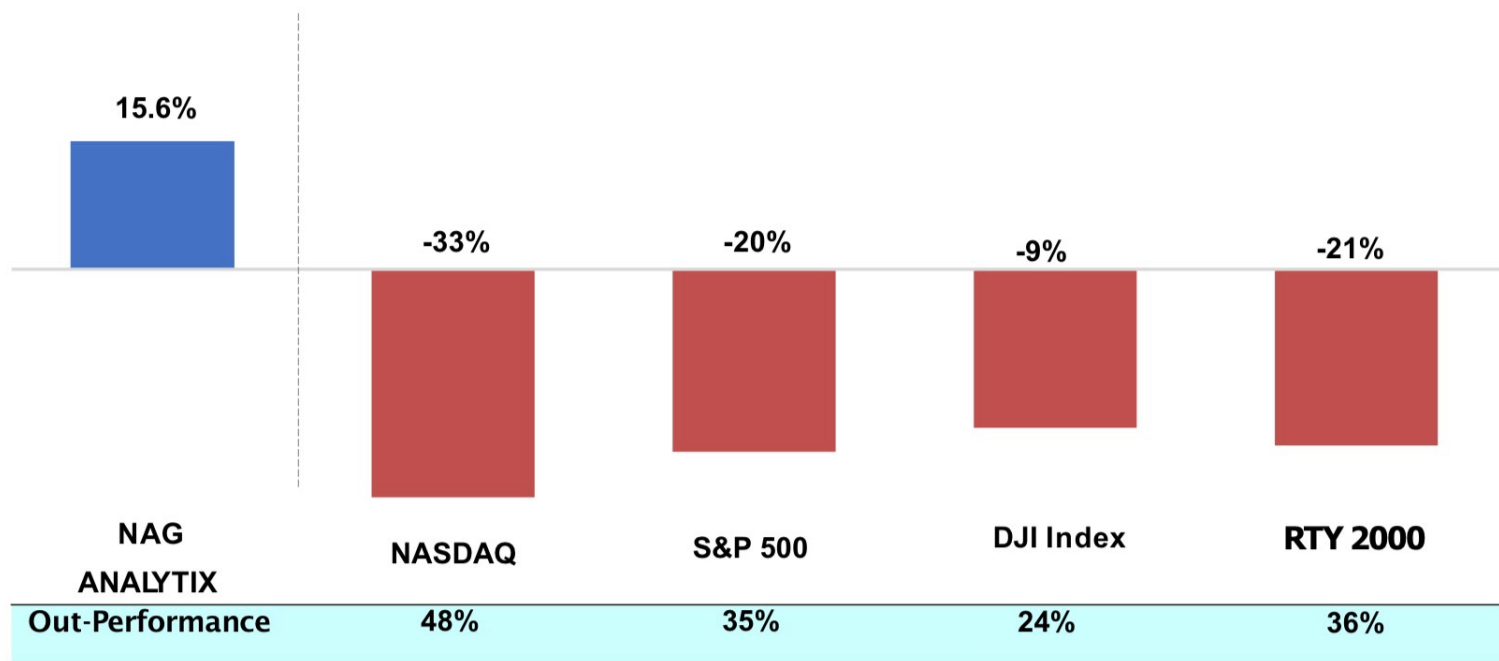
Contributors	
Tesla Motors	61.1%
IHS Markit	38.3%
Thermo Fisher	37.0%
Sun Communities	33.8%
Salesforce	31.9%
Infosys	29.9%
Starbucks	8.50%

Our Technology stocks and the large Tesla bet did well for us

Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal.

Substantial Outperformance in 2022

100K amount invested with us on Jan 1, 2022 would be Rs. 115.6K on Dec 31, 2022



Past performance is not necessarily indicative of future results. All investments involve the possibility of profit and the risk of loss, including the loss of principal.

Major portfolio bets as of Feb 3rd, 2023

Companies

Keyence

Louis Vuitton

Taiwan Semi Conductor

Nvidia

Microsoft

Transmedics

Nestle

Technology stocks and global luxury stocks are major bets

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NAG ANALYTIX OVERVIEW

Investment Structure

- Minimum Investment: \$ 50,000 per client
- Money Always in Your Account: Your money lies in your brokerage account. We execute trades on your behalf.
- Reporting:
 - Quarterly call with Portfolio Manager
- Fees:
 - As an investment advisory fee the firm charges 2% maintenance fee and a profit sharing fee of 10% (post 20% hurdle rate).
 - If we DONT make you 20% we charge no profit sharing fees.

Management Fee Only Option:

Assets Under Management (AUM)	Management Fee
\$300,000 and above	2%

Performance Fee Option:

	Terms
Minimum Client AUM	\$50,000 and above
Management Fee	2%
Hurdle Rate (Yearly)	20%
Performance Fee	10% of Profits above Hurdle Rate
High Water Mark	Yes

Disclaimer

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Other Risks:

- NAG Analytix is exposed to a concentration of investments, which could exacerbate volatility and investment risk;
- NAG Analytix may invest in derivative instruments or maintain positions that carry particular risks. Short selling exposes us to the risk of theoretically unlimited losses;
- NAG Analytix's U.S. currency investments may be affected by fluctuations in currency exchange rates;
- Adverse changes affecting the global financial markets and economy may have a material negative impact on the performance of NAG Analytix's investments;
- Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect NAG Analytix's business, investments and results of operations;
- NAG Analytix is exposed to changes in tax laws or regulations, or their interpretation