AyurAsset LLC

Global Hidden Compounders (GHC) Strategy: Investment Thesis

THE INVESTMENT THESIS

Global Hidden Compounders (GHC) is a concentrated, long-term growth strategy that buys and holds 4–6 exceptional, founder-led, **global** small-cap businesses. We select companies with revenue growth of 10–50% annually, 20%+ Return on Invested Capital (ROIC) and with market capitalizations under $1 billion that are still **“hidden”** from mainstream institutional coverage.

The Thesis: Small, capital-efficient, insider-owned businesses run by long-term operators that can **compound** per-share value at above-market rates for a decade or more, and their obscurity — low float, low volume, and limited analyst coverage — is what keeps them value-priced long enough for patient investors to benefit.

Because these companies generate most of their revenue outside the US and trade in local currency, the strategy may provide a hedge against long-term US Dollar depreciation and are less correlated to US equity markets.

WHAT QUALIFIES A COMPANY

- Founder/owner-operator with significant equity, likely to run for the next 10+ years
- 20%+ ROIC with low or no debt — not capital-intensive
- Opportunities to redeploy profits at high returns
- Dominant, defensible niche with sticky customers
- Slow-changing, mostly non-tech industries
- Low public float / trading volume — overlooked by institutions
- Price-to-Cashflow under 30x; targeted 20%+ 5-year IRR potential
- Sold only on deteriorating fundamentals, founder exit, or a materially better opportunity

WHERE IT FITS IN A PORTFOLIO

GHC is designed as a satellite allocation, not a core holding. GHC is for the **aggressive-growth, capital-appreciation portion of a portfolio** that is intentionally concentrated and illiquid, looking for long-term growth (10+ year horizon) and currency diversification. AyurAsset recommends allocating no more than 30% of total liquid net worth to the strategy, with the remaining 70% held in diversified, liquid assets (e.g., broad market, real estate, bonds) that can fund lifestyle and near-term needs.

Good Fit If You…	Not A Fit If You…
• Have $350K+ in liquid net worth • Don’t need this capital for 10+ years • Can tolerate 30–40% drawdowns without panic-selling • Want appreciation for legacy or long-term growth and not for income or current needs	• Need liquidity in the funds allocated • Require exits on demand. These companies trade very few shares — exiting is not always immediate or price-favorable. • Are seeking income, dividends, or capital preservation • Want to customize or restrict individual holdings

INVESTOR ELIGIBILITY

- Minimum investment: $100,000
- Recommended allocation: 30% or less of liquid net worth

ACCOUNT FEE & STRUCTURE

- Fee: 1% AUM annually, billed monthly; no performance fees
- Custody: Interactive Brokers (third-party custodian)
- Structure: single model portfolio for all clients
- Termination: 90 days’ notice

KEY RISKS TO UNDERSTAND

- Concentration: 4–6 positions — a single loss can materially impact returns
- Small-cap & liquidity risk: higher volatility, harder to exit quickly
- Fully invested, largely unhedged to currency or market moves
- Political, currency, and key-person (founder-led firm) risk
- Not a substitute for diversification — it complements the other 70%