



CHRISTMAS
CORPORATION



7 REASONS TO INVEST IN U.S. COMPANIES

March 2016



CHRISTMAS
CORPORATION

a registered investment adviser with the U.S. Securities and Exchange Commission

A Quote from Warren Buffett
Berkshire Hathaway Annual Report, 2014

The Opening
Investing in U.S. companies

1: Economy
The monster is still growing

2: Population
Immigration overcomes ageing problem

3: Innovation
“Creative Destruction” is in the blood

4: Politics
Trust in government and political stability matter

5: Business
It's easy for foreigners to do business

6: Unique Sectors
Some are yielding higher than emerging economies

7: Stock Market
Long-run story and comparison to Indonesia

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Chairman & CEO

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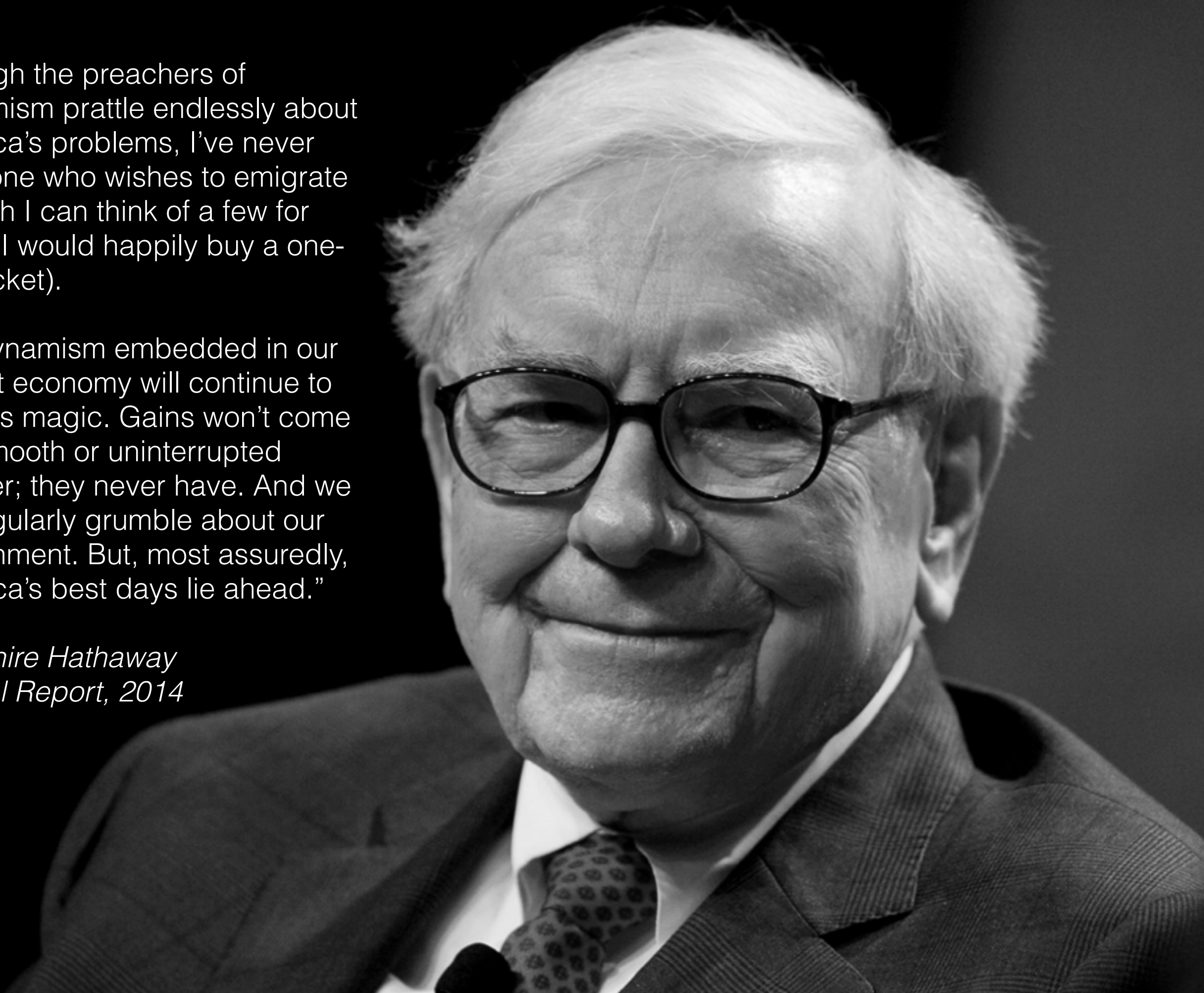
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“Though the preachers of pessimism prattle endlessly about America’s problems, I’ve never seen one who wishes to emigrate (though I can think of a few for whom I would happily buy a one-way ticket).

The dynamism embedded in our market economy will continue to work its magic. Gains won’t come in a smooth or uninterrupted manner; they never have. And we will regularly grumble about our government. But, most assuredly, America’s best days lie ahead.”

*Berkshire Hathaway
Annual Report, 2014*



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THE OPENING

7 reasons to invest in U.S. companies

Some people say that U.S. is (or will be) no longer a global economic powerhouse. The Author says a different thing: this country is too good to be ignored. **Challenges** do exist: ageing population, Federal debt, strong dollar, etc. But please remember, this is a country that **survived** great depression, world war 2, cold war, and great recession. With its innovative culture, political stability, abundant resources, and business environment, the country's potentials are yet to be unleashed.

Many publications out there have mentioned reasons to invest in the U.S. Some are splendid reports, some are poor ones. This 'more-like-presentation' report exposes easy-to-understand data and information for each reason. Seven is author's favourite number, that's why this report comes up with that.

Investment alternatives

You can invest in U.S. companies through several ways:

- building a new company,
- acquiring an existing business, or
- putting money in U.S. stock market.

Christmas Corporation can help people who want to do business or investment in the U.S.

March 1, 2016

Author

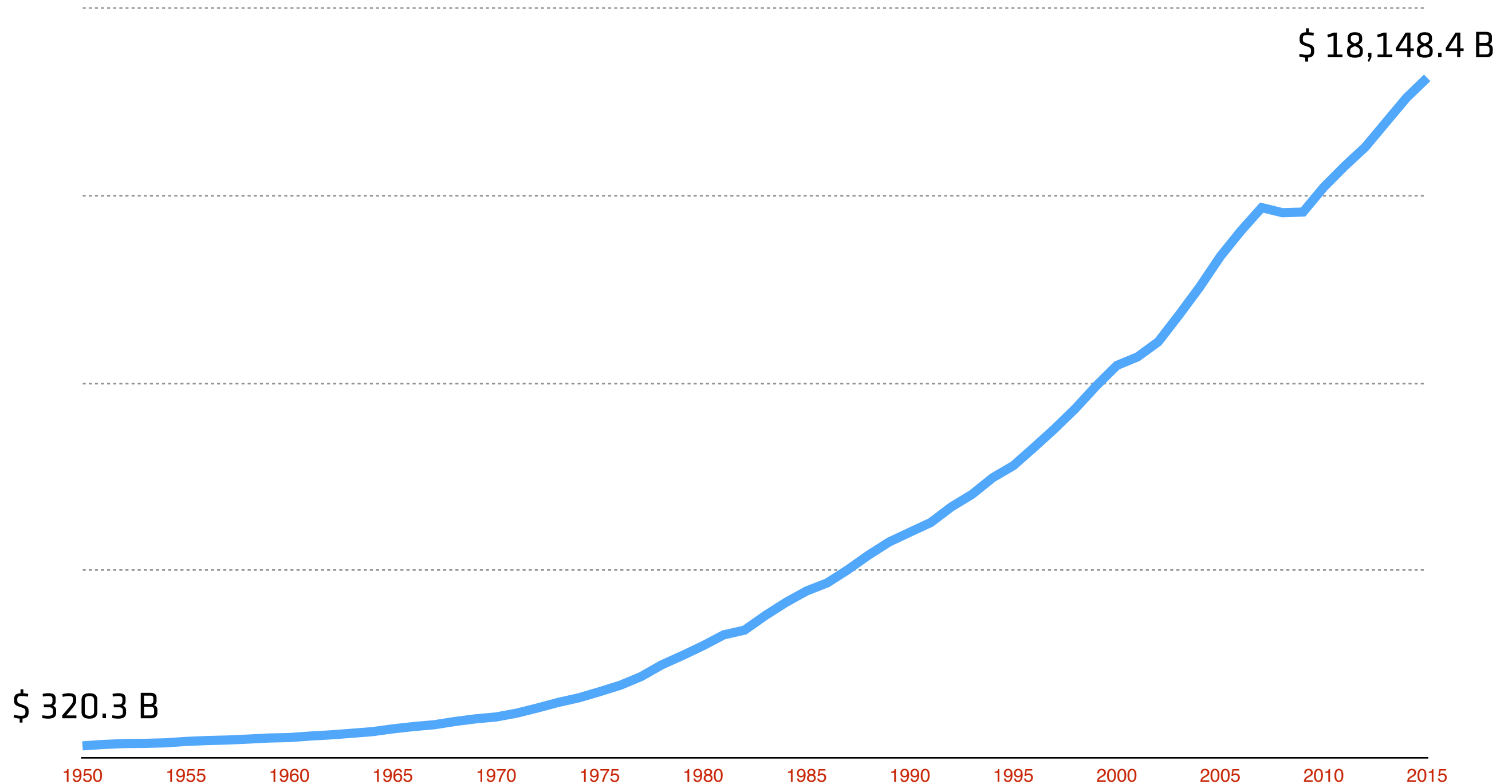
An aerial photograph of the New York City skyline during the 'golden hour' of sunset. The sky is a gradient of warm colors, from a pale yellow near the horizon to a soft teal at the top. The city is densely packed with skyscrapers and buildings, their windows reflecting the low sun. The Empire State Building stands out prominently on the right side of the frame, its spire reaching towards the sky. In the background, the Hudson River and the George Washington Bridge are visible under the hazy light. The overall mood is one of a bustling, enduring metropolis.

1 ECONOMY

The giant is
still growing

THE HISTORY

U.S. Nominal GDP, 1950 - 2015

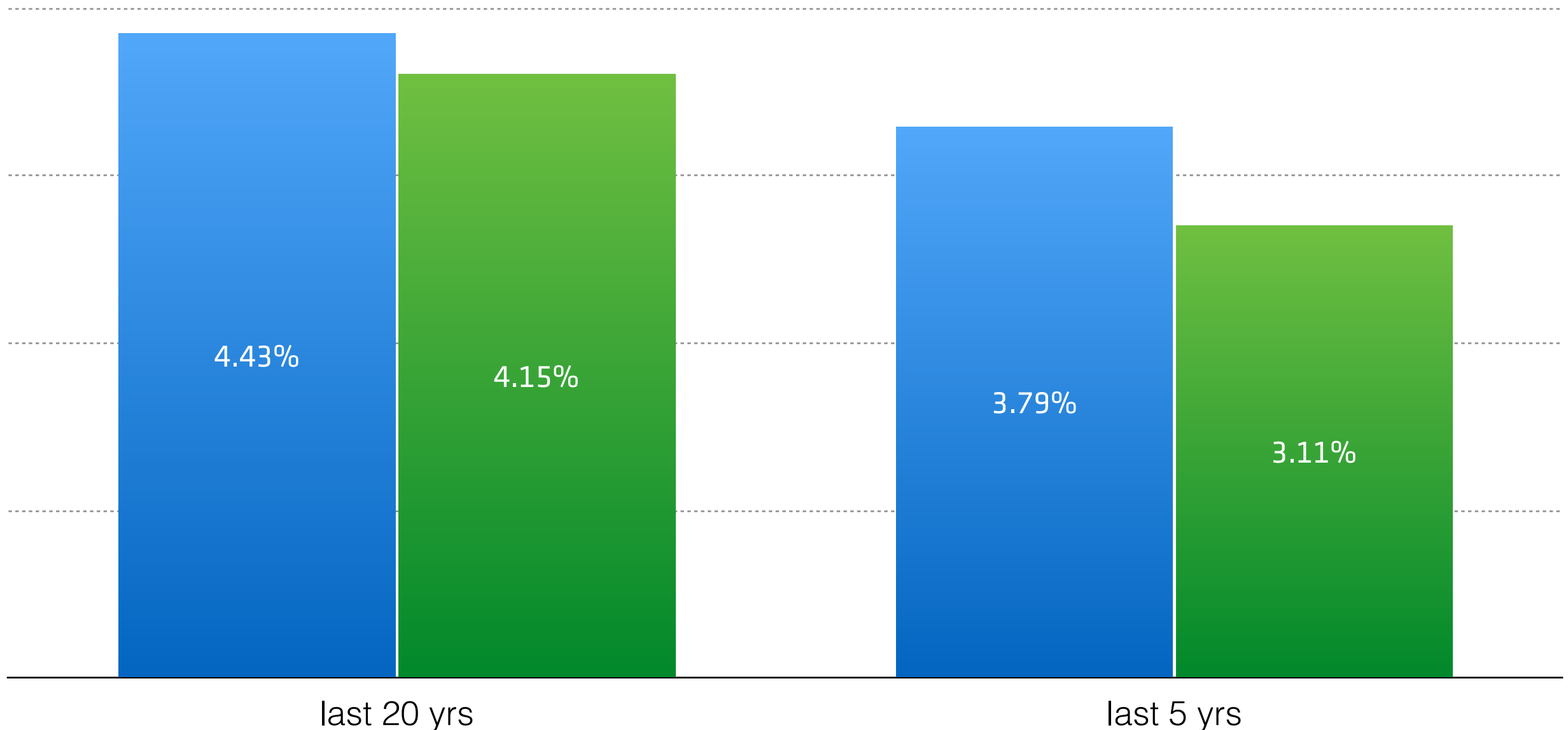


Reference: U.S. Bureau of Economic Analysis

ECONOMIC GROWTH, *per annum*

U.S. Nominal GDP (not inflation adjusted) grew faster than other OECD Countries, despite its gigantic economic size

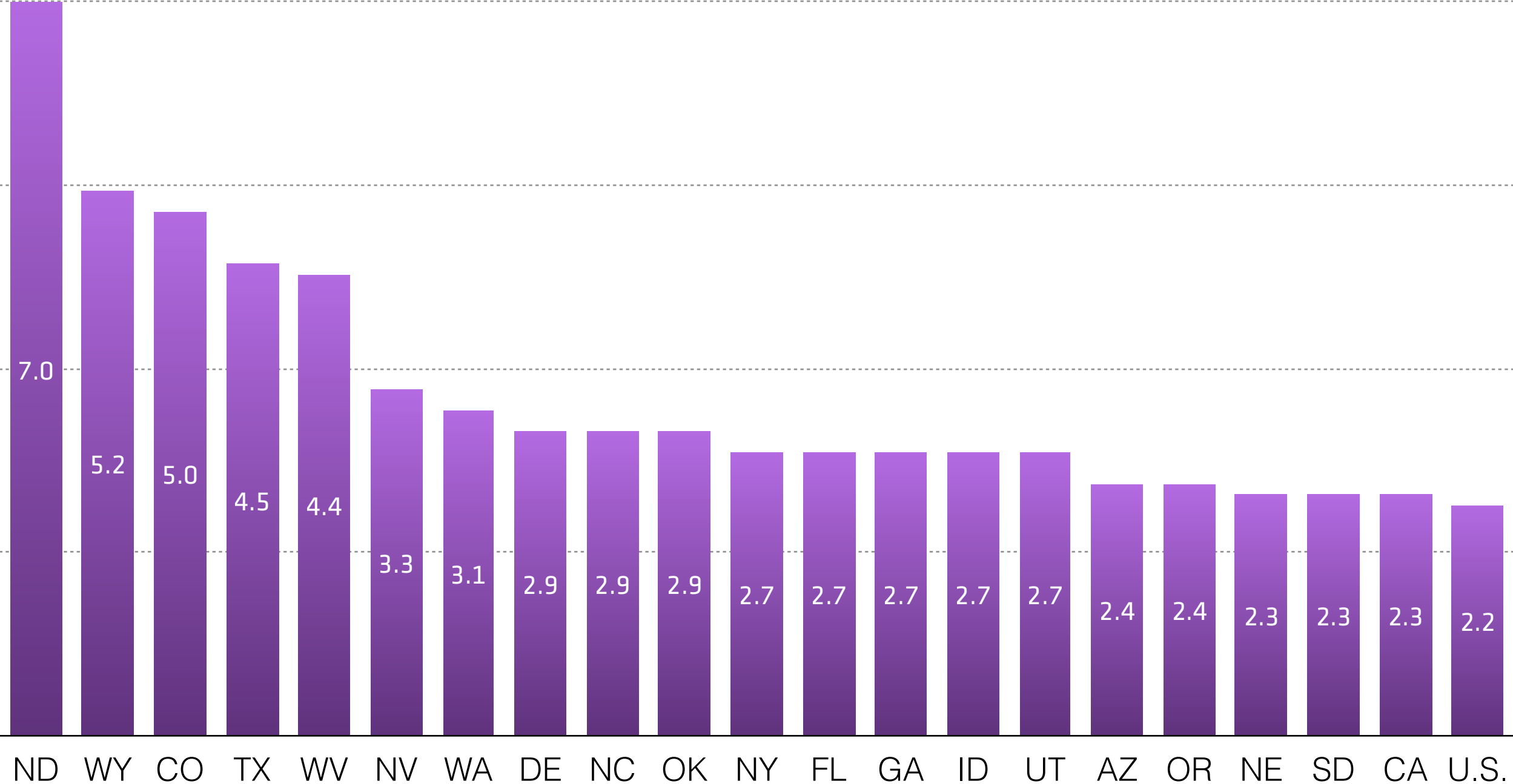
■ U.S. ■ OECD without U.S.



Reference: OECD, World Bank

REAL GDP GROWTH BY STATE, %

States in the U.S. that grew faster than country's overall, 2014



Reference: U.S. Bureau of Economic Analysis, 2014

WEALTH, *trillions USD*

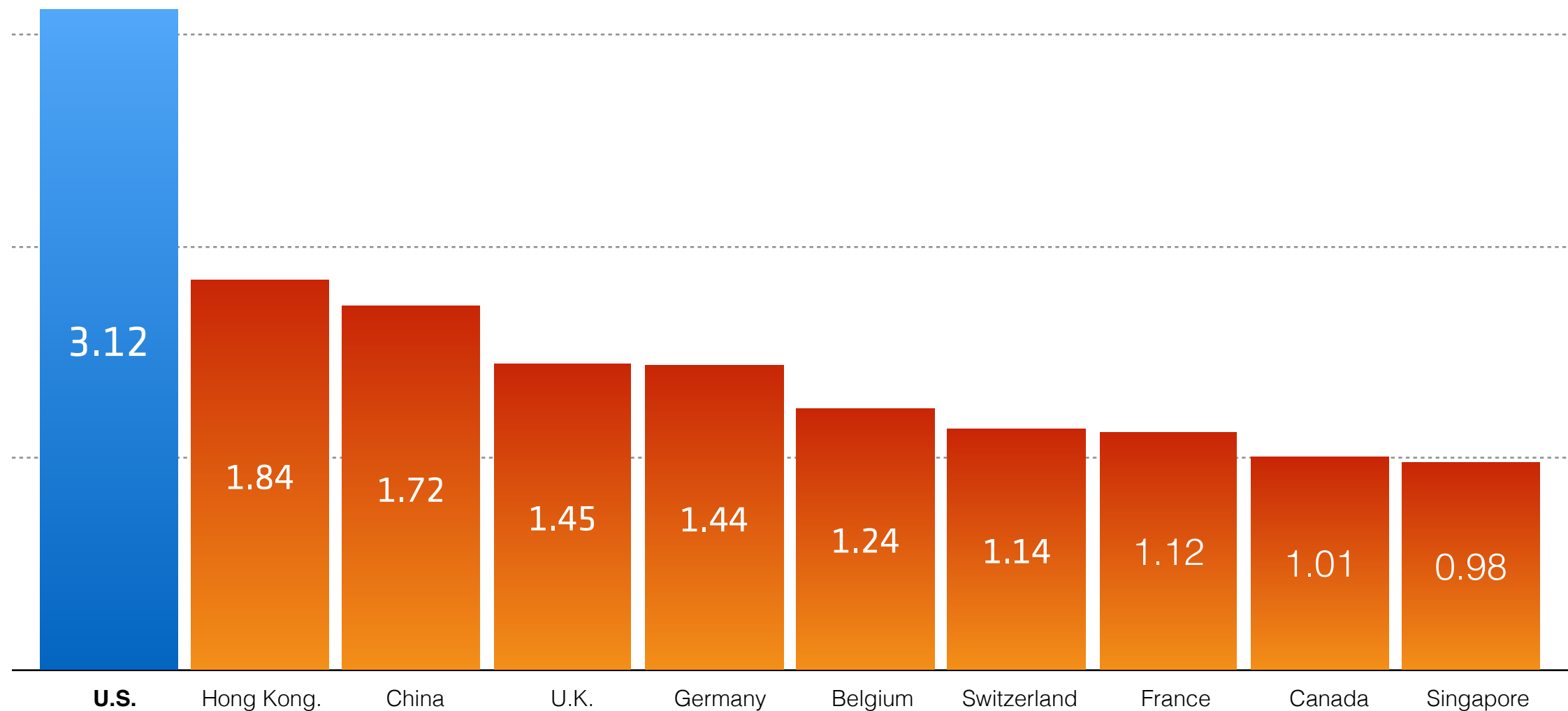
Federal Government's net worth is negative, but all components combined are rich

Component	Assets	Debts	Net Worth
Household & Nonprofit	95.55	13.78	81.77
Non-financial Corporate Business	34.94	15.90	19.04
Foreign	22.97	11.05	11.92
Non-financial Non-corporate Business	13.88	5.10	8.78
State & Local Governments	12.63	5.01	7.62
Financial Business	83.79	77.60	6.19
Federal Government	4.92	16.41	(11.49)
TOTAL NET WORTH			123.83
Non-Foreign			111.91

Reference: Federal Reserve

FDI IN 2015, *trillions USD*

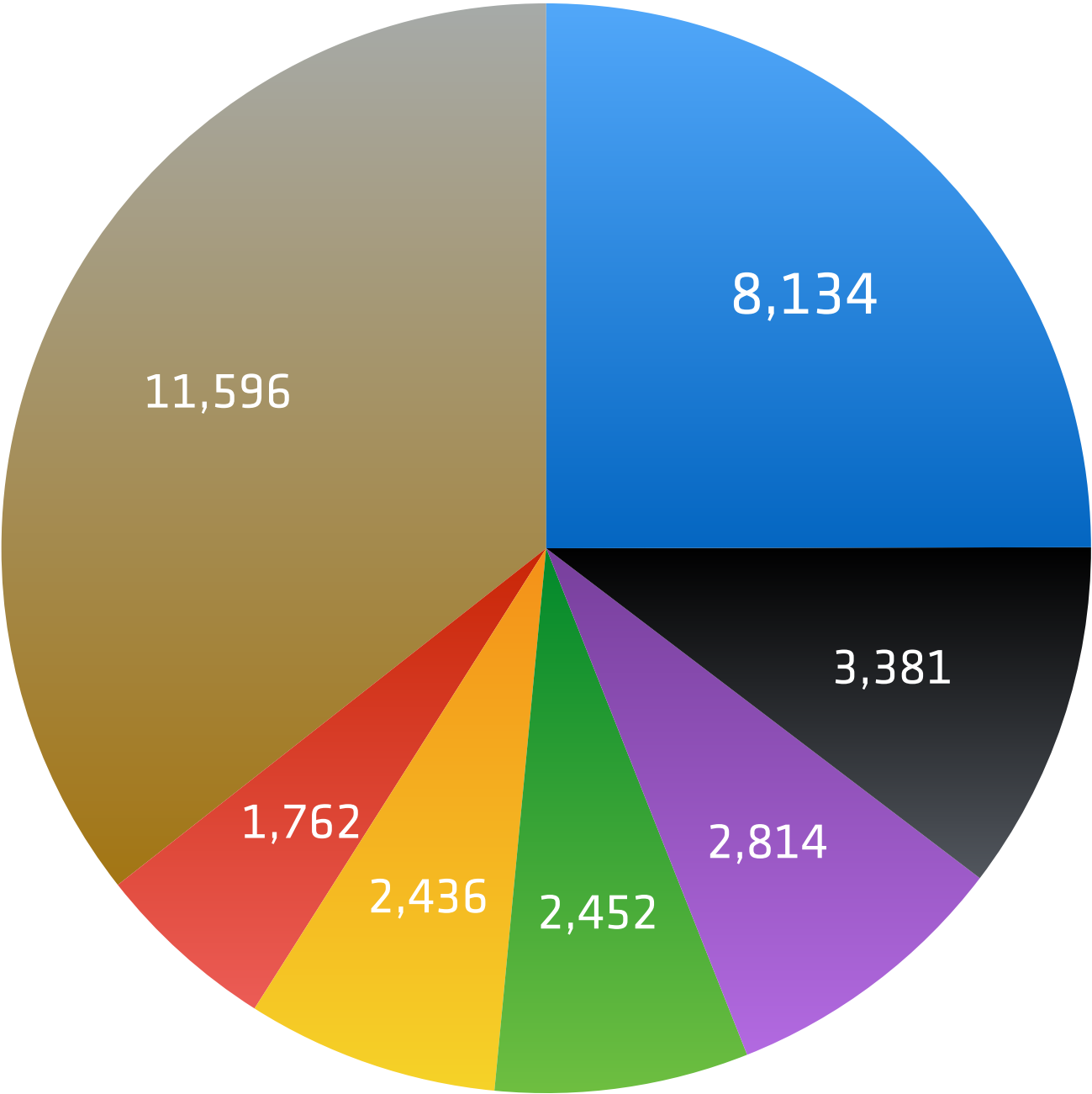
U.S. is still the biggest foreign direct investment recipient



Reference: CIA

GOLD RESERVES, tonnes

U.S. is the biggest gold-holder



Top 100 as of 2015

	HOLDER	VALUE*, billions USD
	United States	319.67
	Germany	132.87
	IMF	110.59
	Italy	96.36
	France	95.73
	China	69.25
	The Rest 94	455.72

*assuming \$39.3 price per gram

Reference: World Gold Council

THE TREND OF RE-SHORING



China's overwhelming manufacturing cost advantage over the U.S. is shrinking fast. For many products sold in North America, the U.S. will become a more attractive manufacturing option.

Manufacturing of some goods will shift from China to nations with lower labor costs, such as Vietnam, Indonesia, and Mexico. But these nations' ability to absorb the higher-end manufacturing that would otherwise go to China will be limited by inadequate infrastructure, skilled workers, scale, and domestic supply networks, as well as by political and intellectual property risks. Low worker productivity, corruption, and the risk to personal safety are added concerns in some countries.

The Boston Consulting Group, 2011

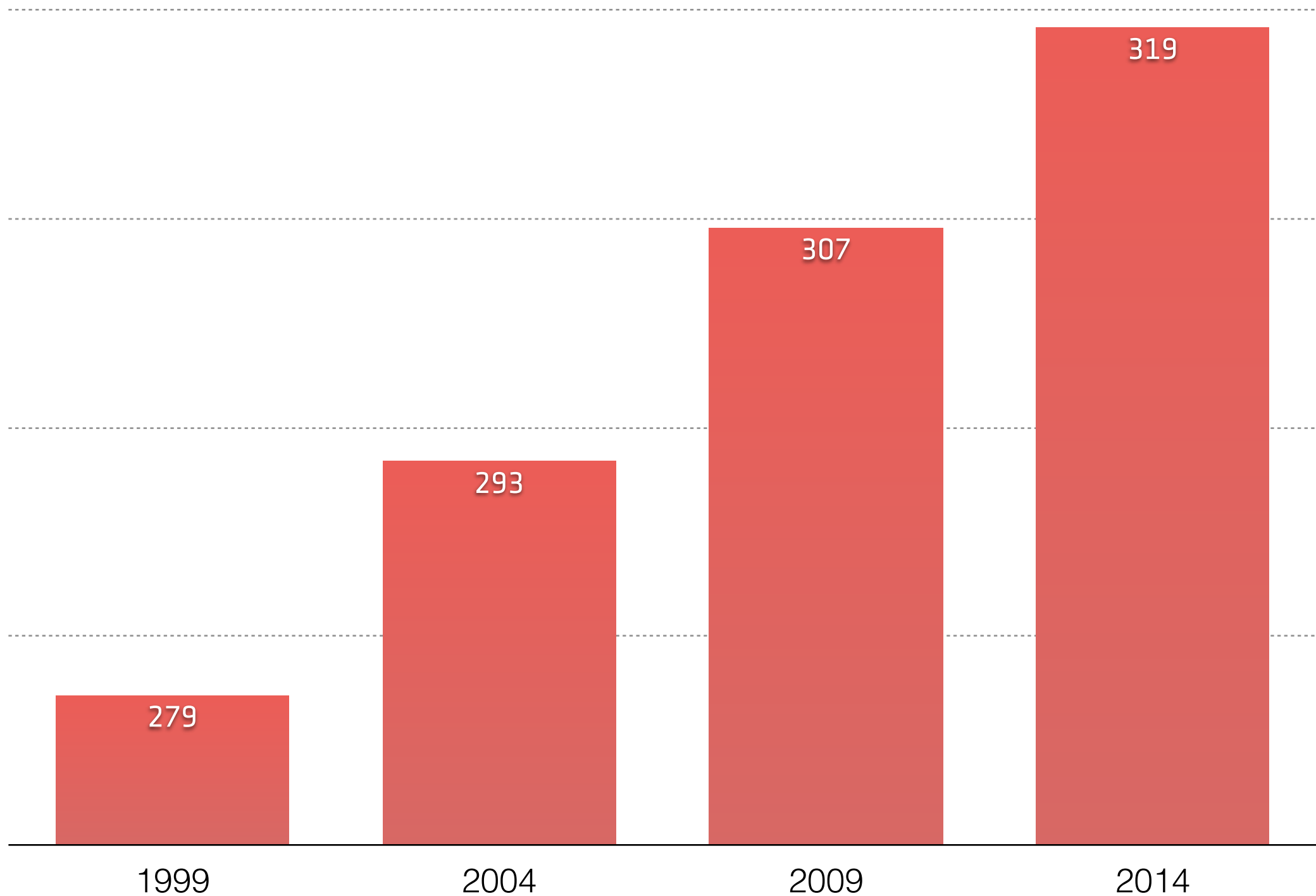


2

POPULATION

Immigration overcomes
ageing problem

U.S. POPULATION, *millions*

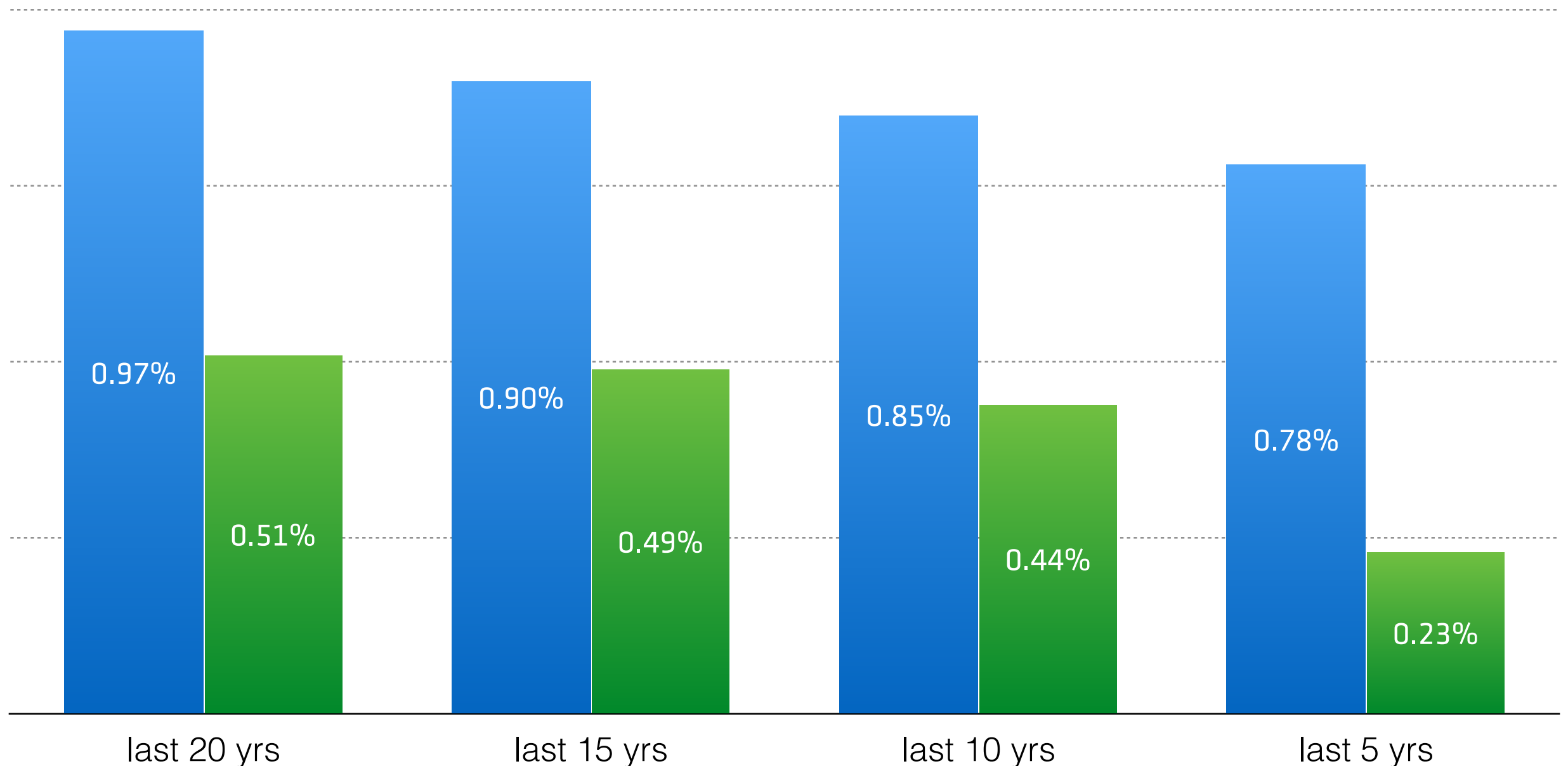


Reference: OECD

POPULATION GROWTH, *per annum*

U.S. population grew faster than other OECD Countries

■ U.S. ■ OECD without U.S.

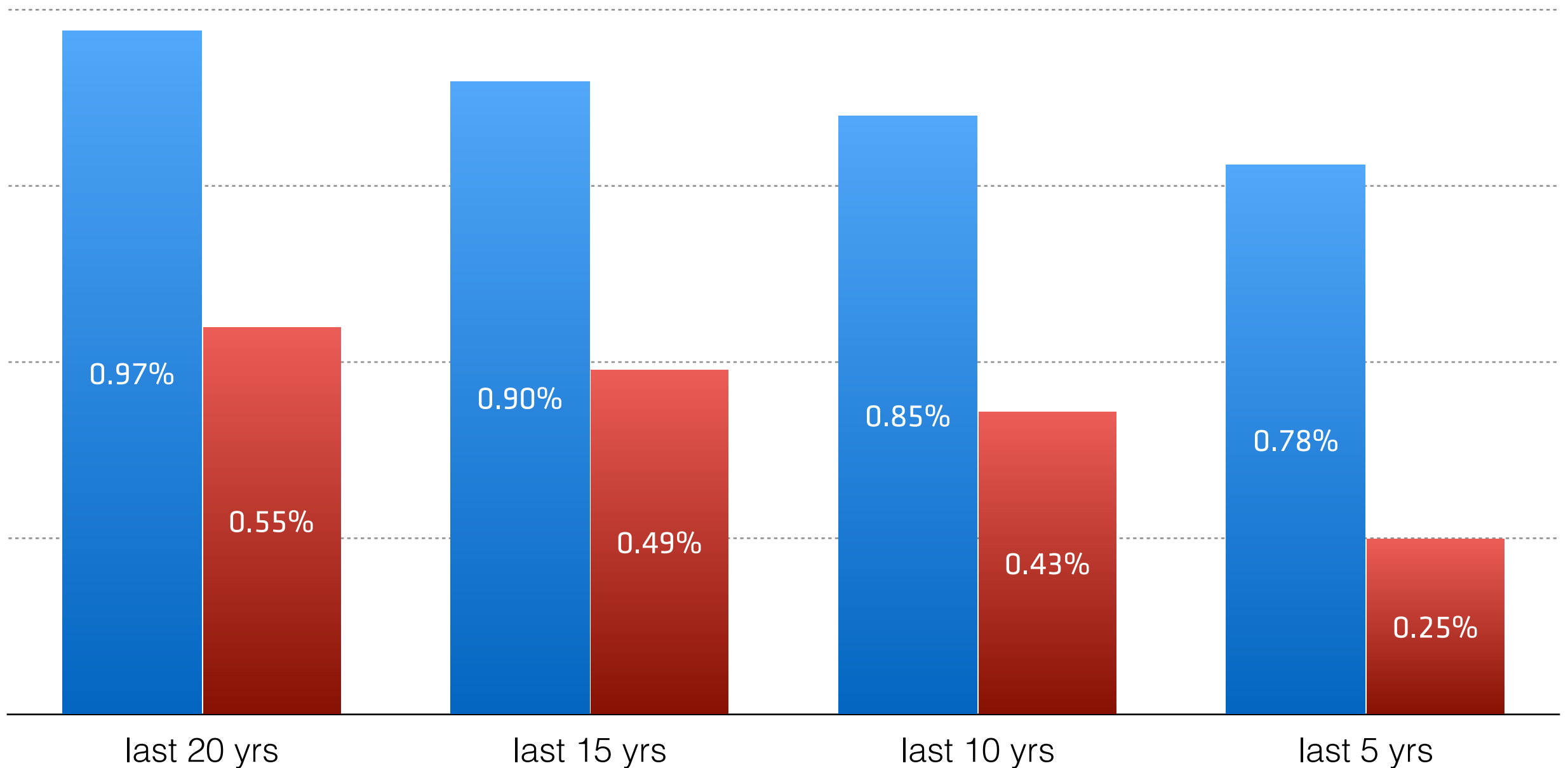


Reference: OECD

POPULATION GROWTH, *per annum*

... and vs China

■ U.S. ■ China



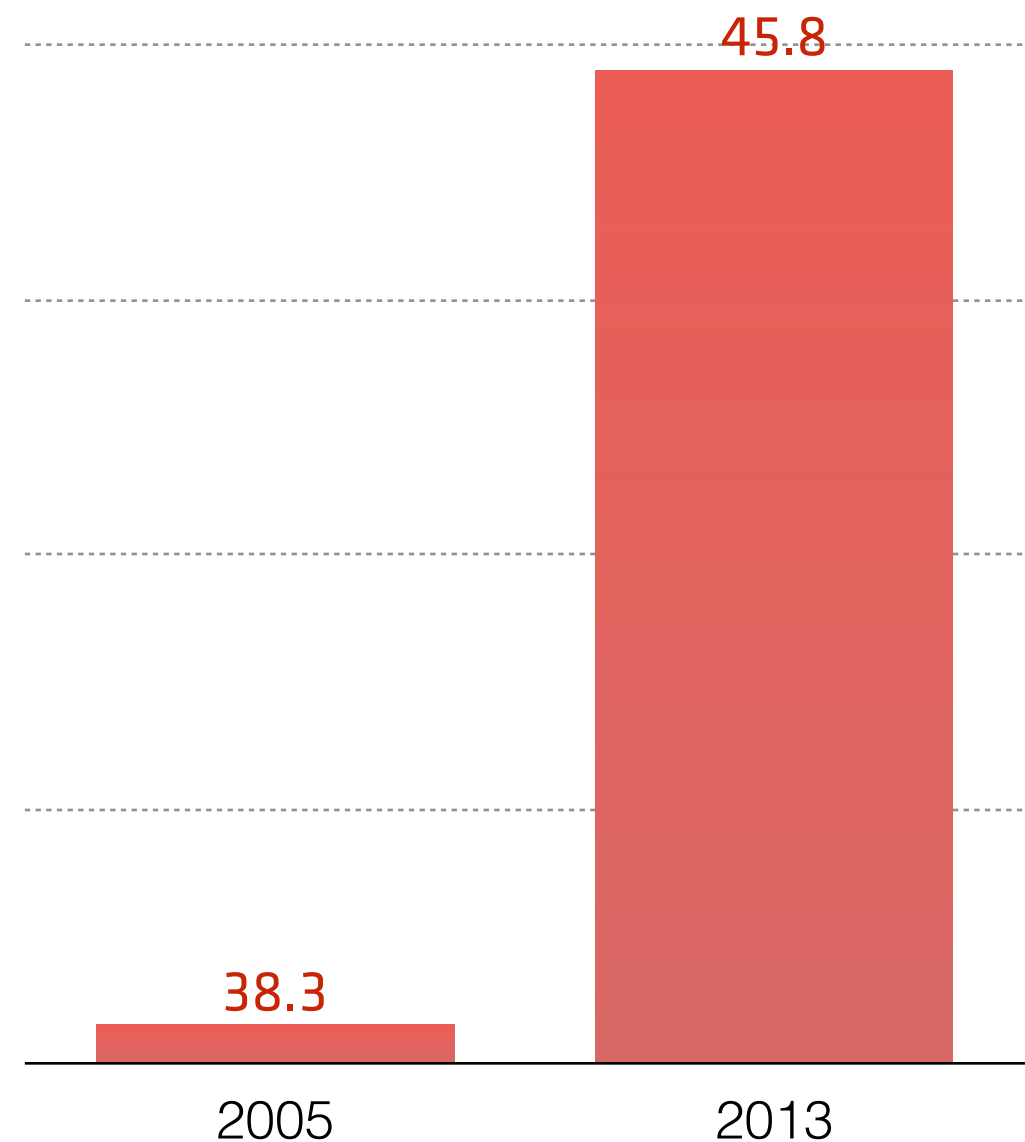
Reference: OECD

IMMIGRATION

Top 10 Countries

COUNTRY	IMMIGRANTS
United States	45,785,090
Russia	11,048,064
Germany	9,845,244
Saudi Arabia	9,060,433
UAE	7,826,981
United Kingdom	7,824,131
France	7,439,086
Canada	7,284,069
Australia	6,468,640
Spain	6,466,605

U.S. Immigrant Population, *millions*





3

INNOVATION

“Creative Destruction”
is in the blood

EDUCATION QUALITY

10 out of the world's top 20 universities are in the U.S.



Caltech



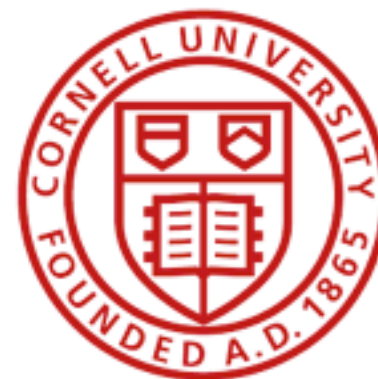
**THE UNIVERSITY OF
CHICAGO**



**PRINCETON
UNIVERSITY**



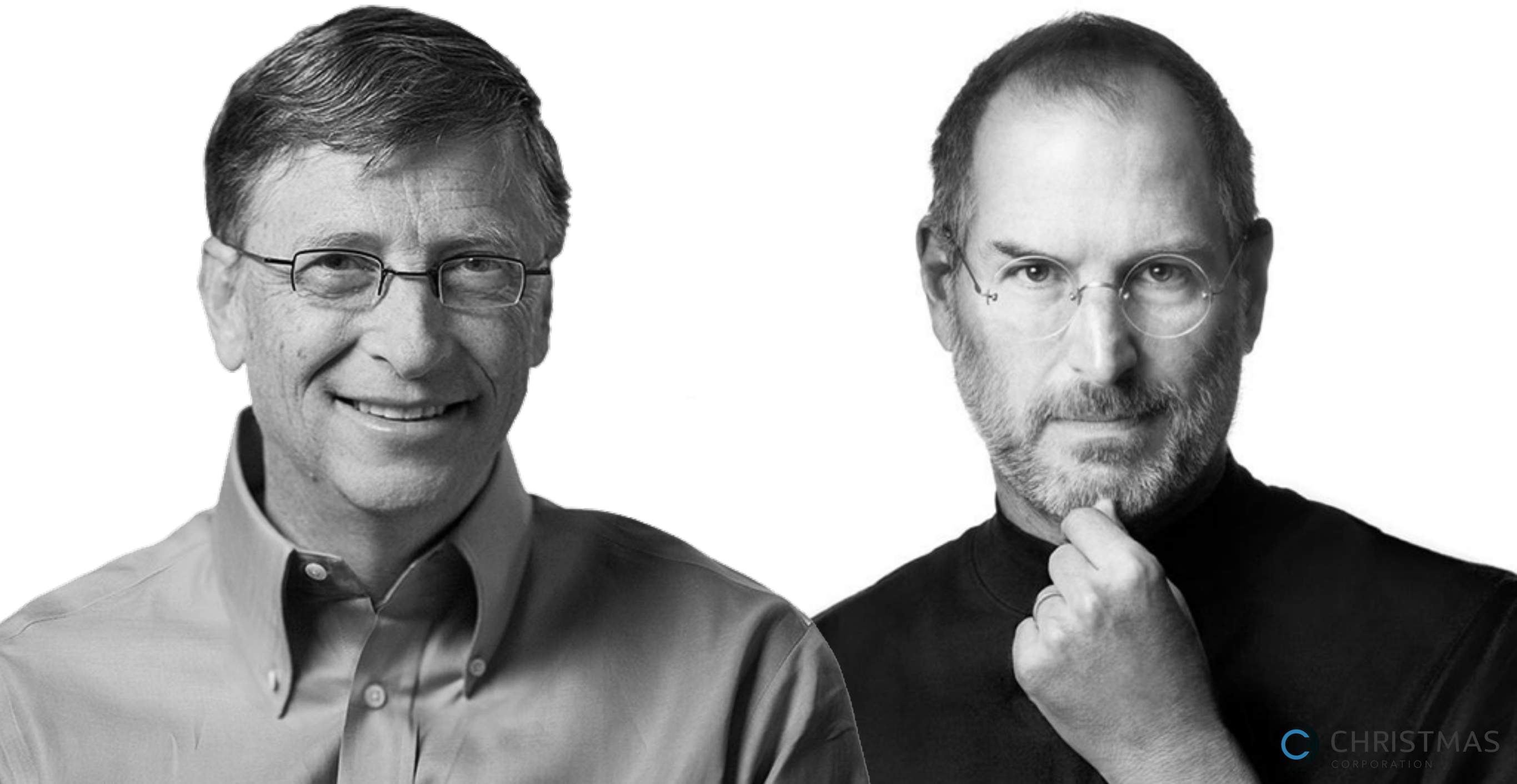
**JOHNS HOPKINS
UNIVERSITY**



Penn
UNIVERSITY of PENNSYLVANIA

INNOVATION AND BILLIONAIRES

U.S. maybe not the number 1 innovative country, but “American Dreams” are still there for innovative entrepreneurs



TOP INNOVATIVE COUNTRIES

U.S. ranked 3rd in overall, but 1st in high-tech density

Overall

RANK	COUNTRY
1	South Korea
2	Sweden
3	United States
4	Japan
5	Germany
6	Denmark
7	Singapore
8	Switzerland
9	Finland
10	Taiwan

High-Tech Density

RANK	COUNTRY
1	United States
2	Taiwan
3	South Korea
4	China
5	Sweden
6	Germany
7	Russia
8	Japan
9	Switzerland
10	Israel



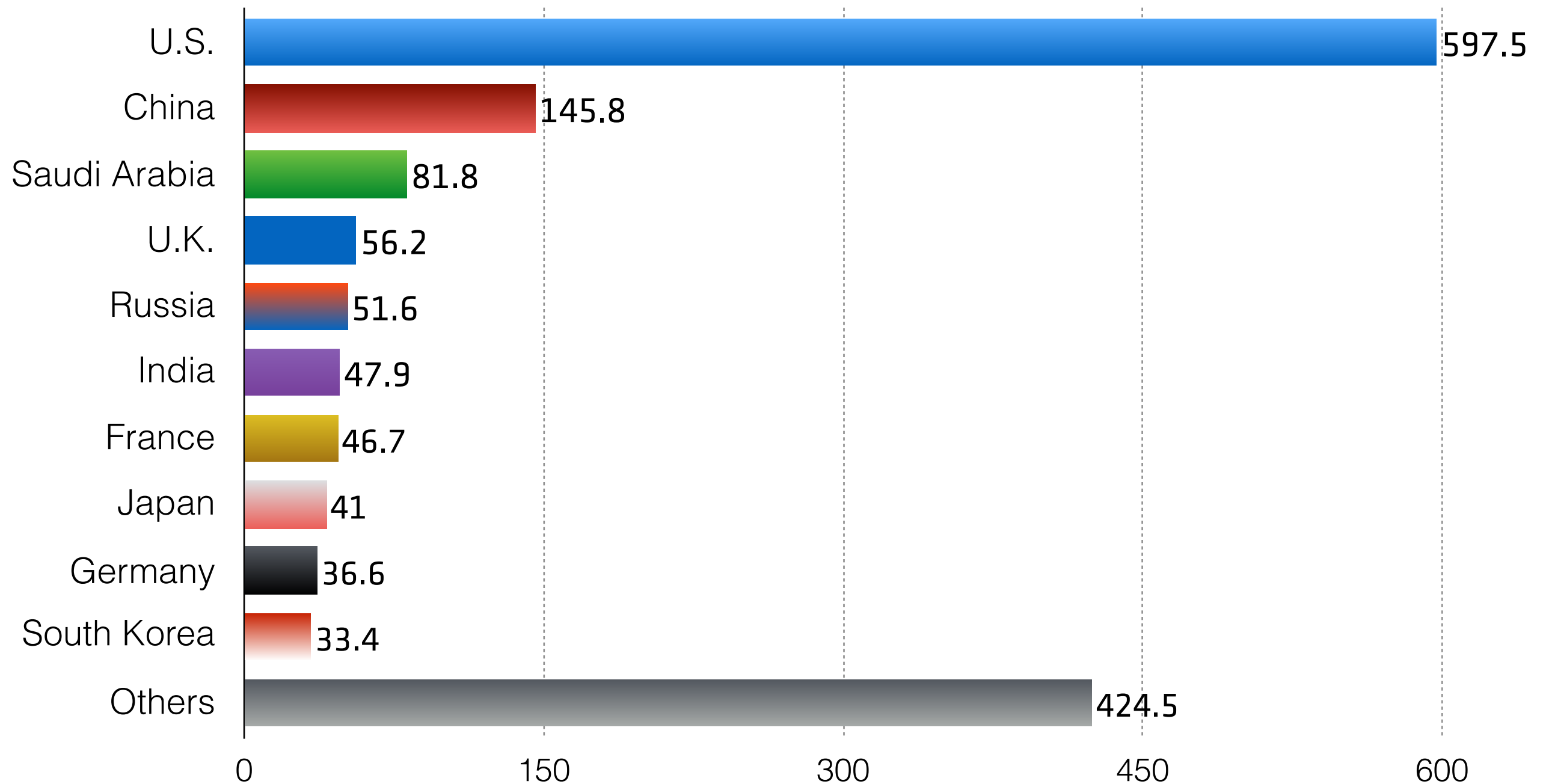
4

POLITICS

Trust in government and
political stability matter

ANNUAL MILITARY SPENDING, *billions USD*

U.S. government ensures its supremacy over the world

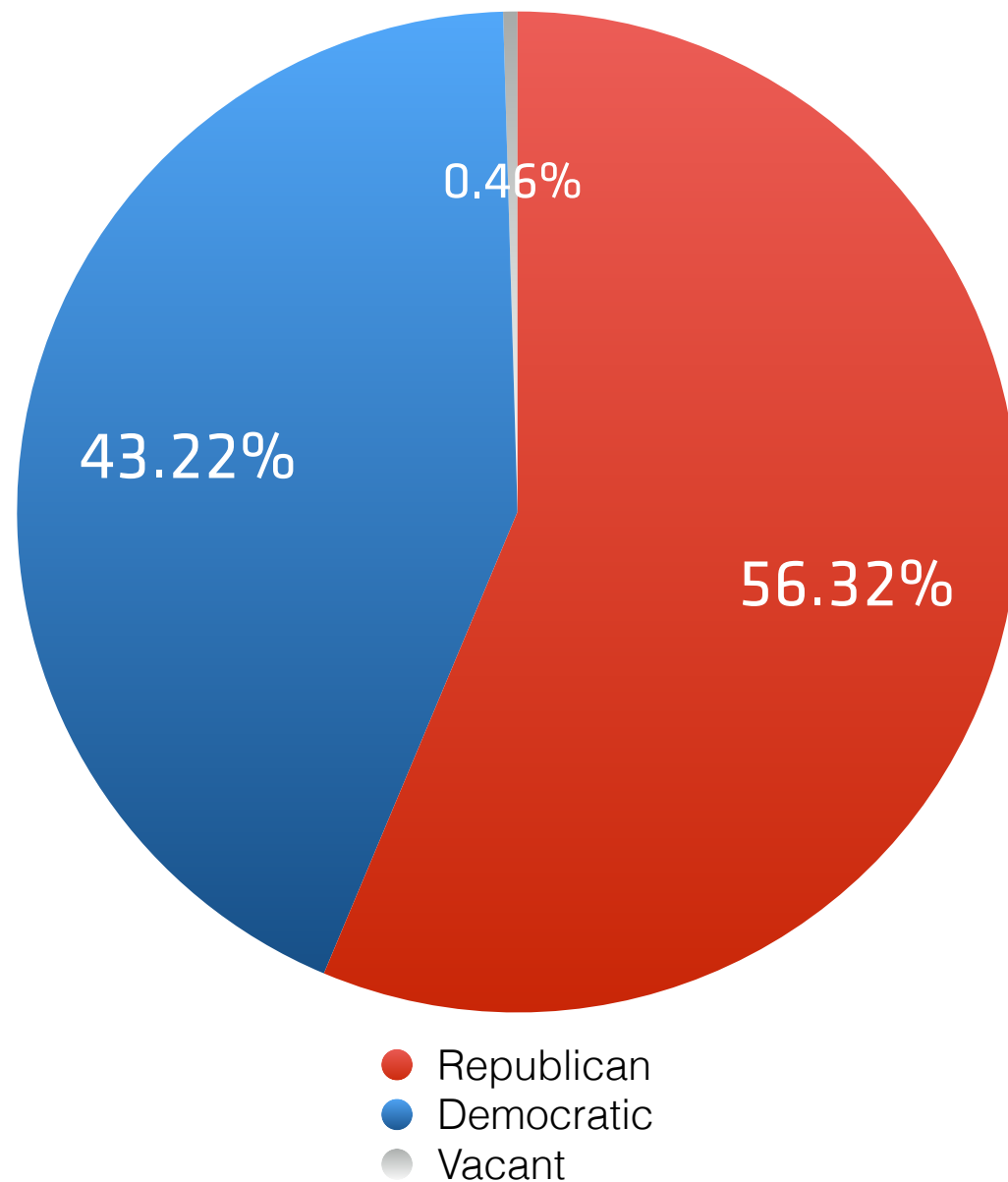


Reference: IISS, 2015

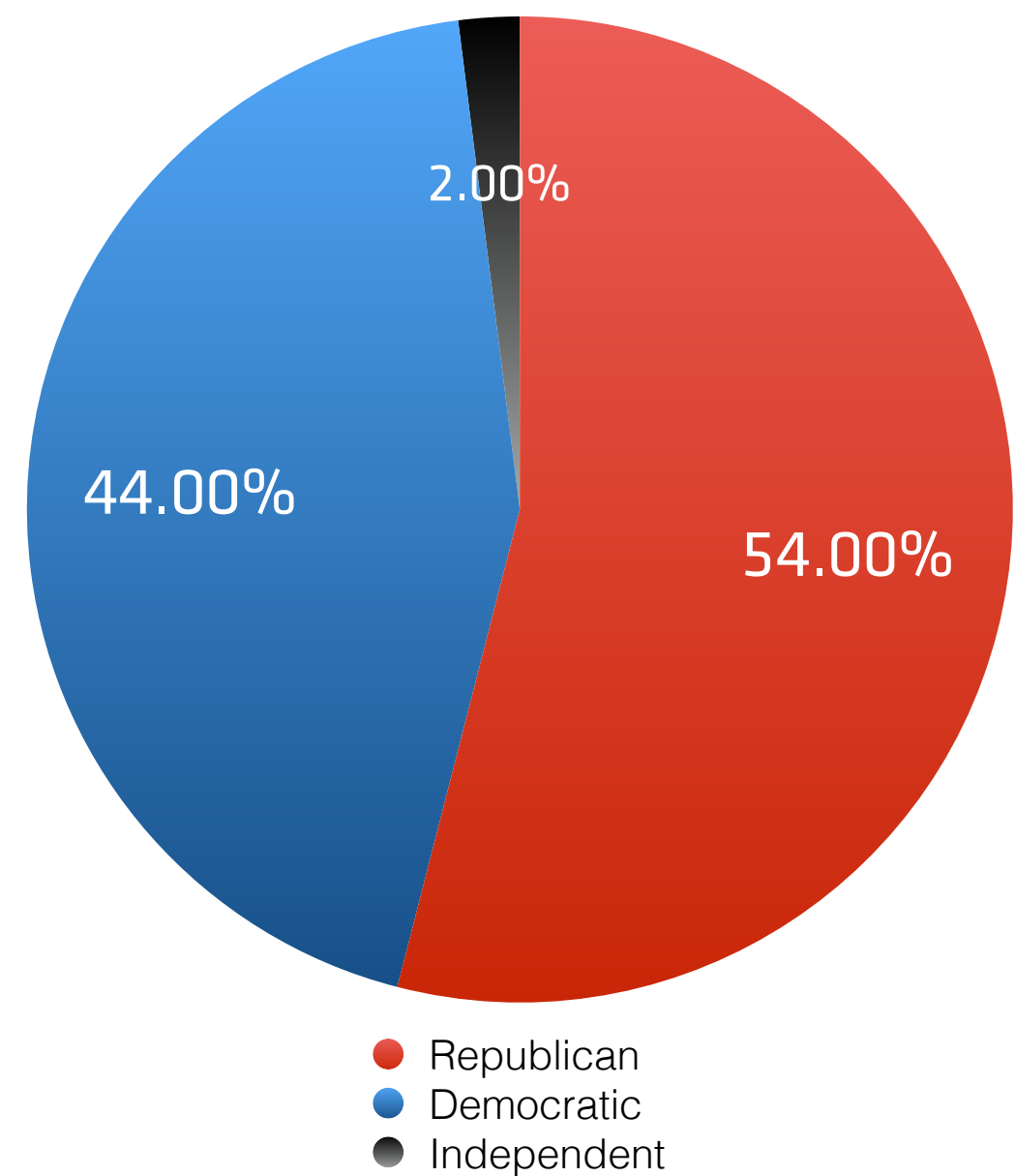
ONLY 2 MAJOR PARTIES

Democracy with stability

House of Representative



Senate



Reference: U.S. Congress, 2015

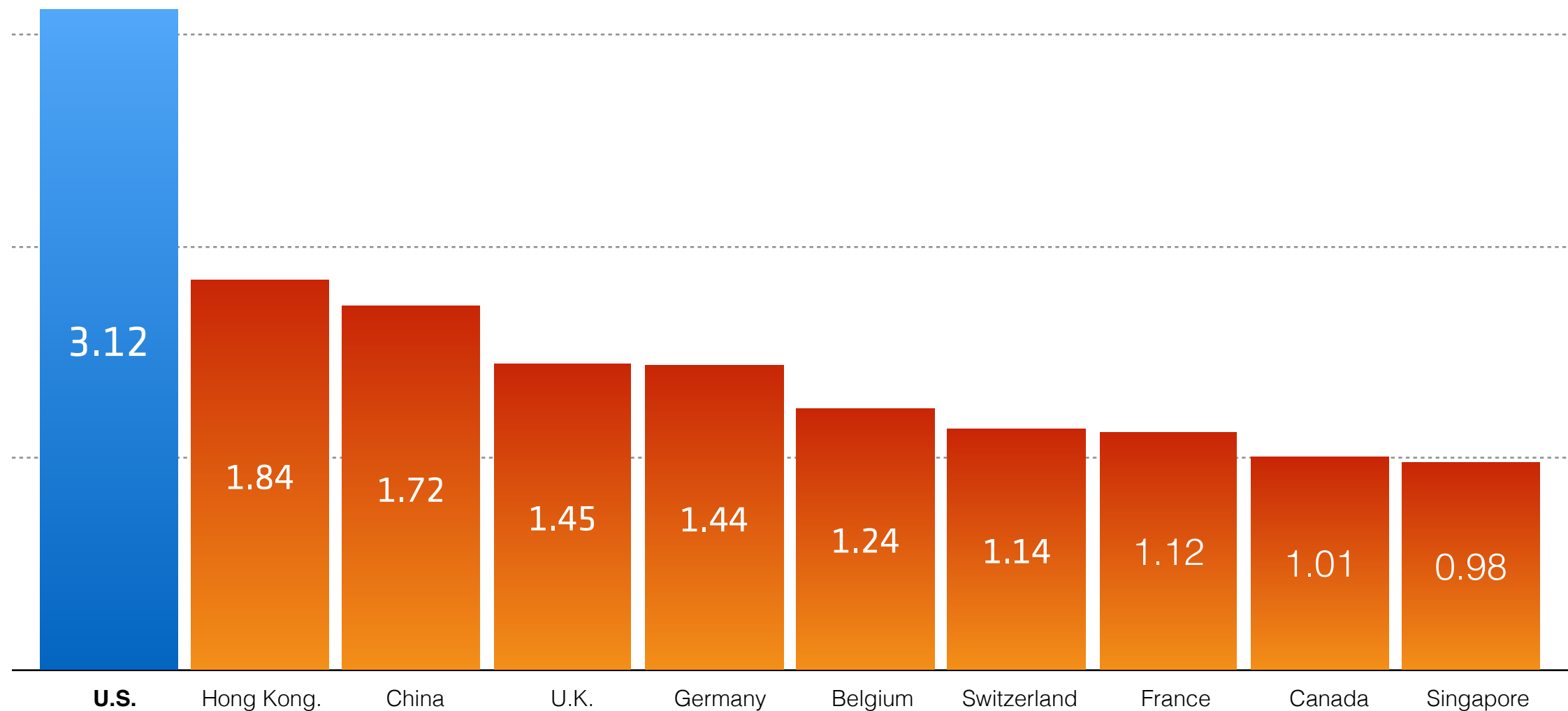
A high-angle, wide shot of the Golden Gate Bridge in San Francisco. The bridge's iconic orange-red towers and suspension cables are prominent, stretching across the frame from the left towards the right. The bridge spans a deep blue-green bay, with the city of San Francisco visible in the distance under a hazy, overcast sky. The overall tone is slightly muted, giving it a cinematic feel.

5 BUSINESS

It's easy for foreigners
to build a company

COUNTRIES BY FDI, *trillions USD*

Biggest foreign direct investment recipients, 2015




Reference: CIA

STARTUP AND MAINTENANCE, *USD*

Regardless of Federal income tax rate, U.S. is the cheapest place to start a business

	One-time	Annual	One-time	Annual	One-time	Annual
Company Formation	275		70		370	
Nominee Director				2,000		
Registered Agent / Office		100		1,000		1,000
State Franchise Tax		300				
	275	400	70	3,000	370	1,000

 U.S. (State of Delaware)

 Singapore

 Cayman Island

STARTING A BUSINESS

3 common ways to start a business



Build

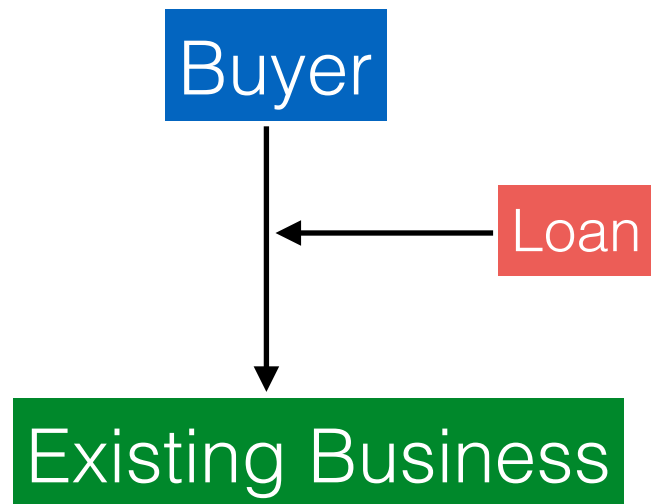


Acquisition



Joint Venture

LESS CASH FOR ACQUISITION



A company can be purchased by using 20-30% own money (equity) and 70-80% loan.

SBA loans (guaranteed by government) are available to foreign-owned companies that have incorporated in the United States.

6% to 8% p.a.

SBA loan interest rate,
7-10 years period

CHINESE ARE BUYING U.S. COMPANIES

Chinese companies have been buying up foreign businesses — including American ones.

“With the slowdown of the economy, Chinese corporates are increasingly looking to inorganic avenues to supplement their growth,” Vikas Seth, head of emerging markets in the investment-banking and capital-markets department at Credit Suisse.

The law firm O’Melveny & Myers recently surveyed their mainly China-based clients and found that the economic growth potential in the US was the main factor making it an attractive investment destination.

Business Insider
February 22, 2016

A row of beer glasses filled with different styles of beer, ranging from light to dark, with varying amounts of foam. The glasses are arranged in a perspective line, receding into the background. The background is a warm, out-of-focus indoor setting, possibly a brewery or bar.

6

UNIQUE SECTORS

Some are yielding higher
than emerging economies

EXAMPLE [1]: CRAFT BEER & HARD CIDER



Craft Beers
18% growth



Hard Cider
31% growth

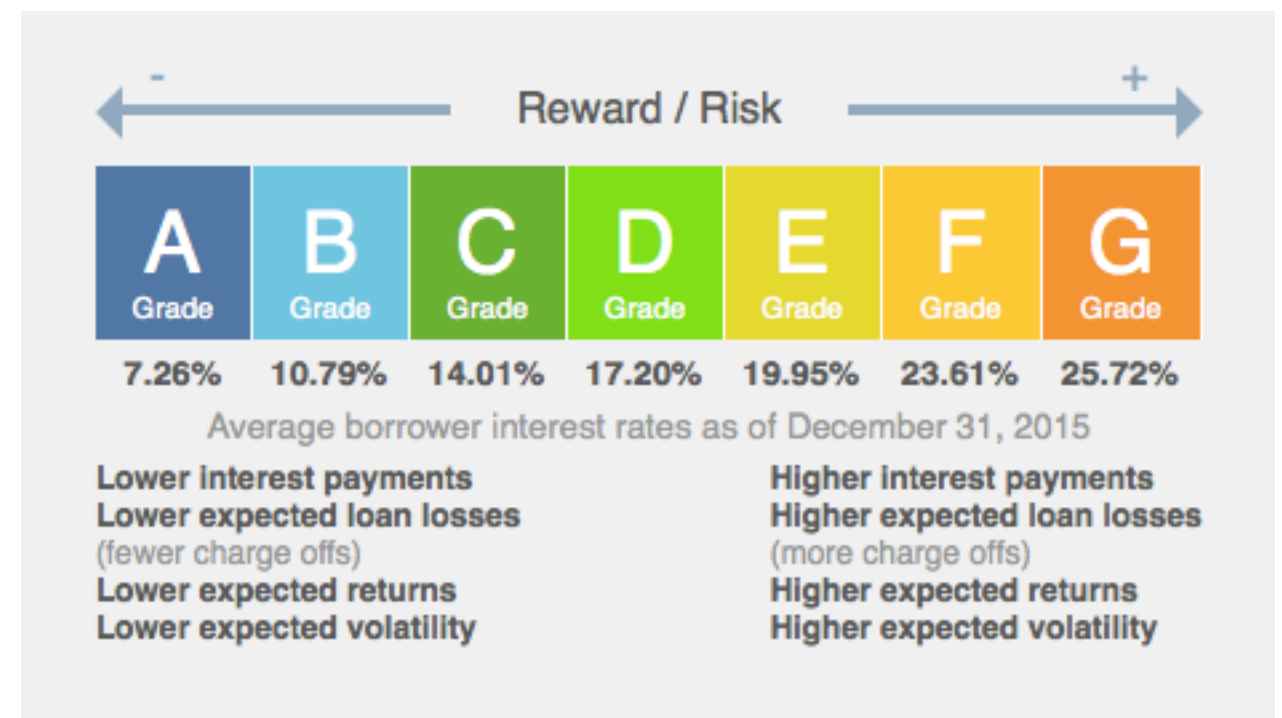
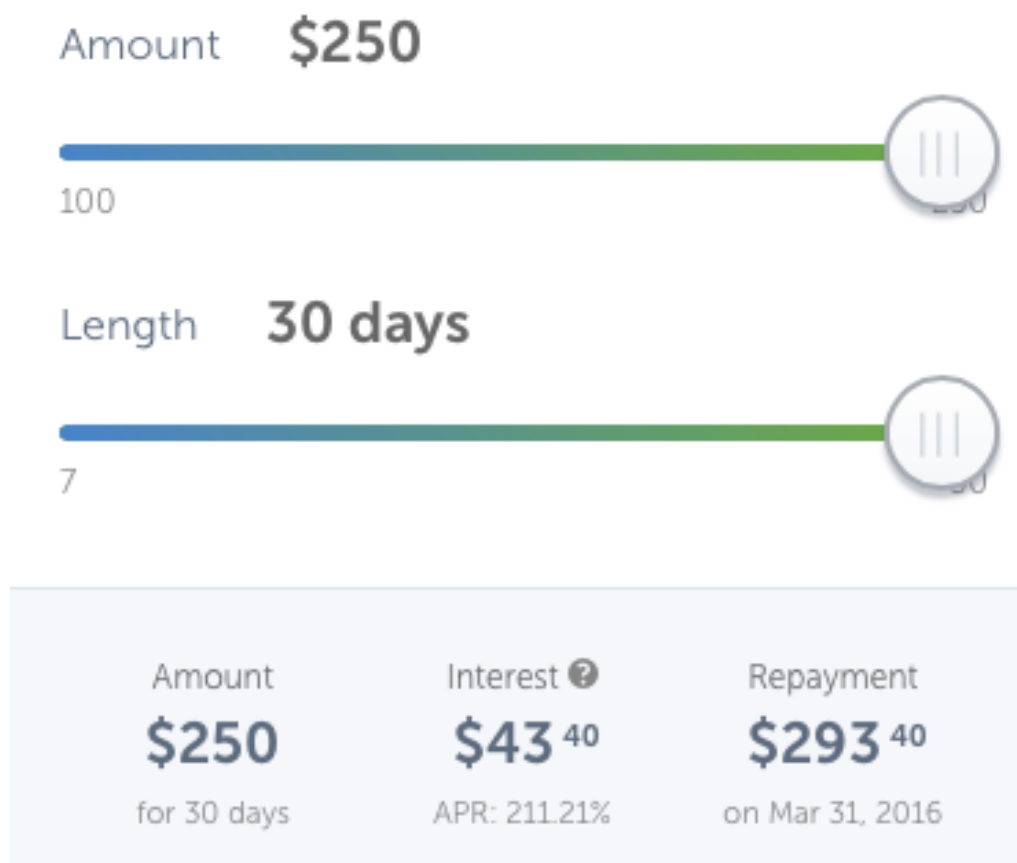
EXAMPLE [2]: RENTAL PROPERTY

Counties with highest gross rental yield

State, County	Metro	Median Sales Price	Average Fair Market Rent	Annual Gross Yield PCT
Wayne County, Michigan	Detroit-Warren-Livonia, MI	\$44,900	\$1,124	30%
Clayton County, Georgia	Atlanta-Sandy Springs-Mariett..	\$50,750	\$1,187	28%
Washington County, Mississippi	Greenville, MS	\$42,000	\$862	25%
Bibb County, Georgia	Macon, GA	\$50,880	\$1,008	24%
Baltimore City County, Maryland	Baltimore-Towson, MD	\$85,000	\$1,599	23%
Wyandotte County, Kansas	Kansas City, MO-KS	\$62,850	\$1,168	22%
Putnam County, Florida	Palatka, FL	\$47,500	\$811	20%
Fayette County, Pennsylvania	Pittsburgh, PA	\$60,000	\$991	20%
Hernando County, Florida	Tampa-St. Petersburg-Clearw..	\$78,000	\$1,269	20%
Pasco County, Florida	Tampa-St. Petersburg-Clearw..	\$78,000	\$1,269	20%
Richmond County, Georgia	Augusta-Richmond County, G..	\$62,950	\$993	19%
Mobile County, Alabama	Mobile, AL	\$65,500	\$1,032	19%
Highlands County, Florida	Sebring, FL	\$65,900	\$1,027	19%
Tompkins County, New York	Ithaca, NY	\$100,735	\$1,565	19%
Winnebago County, Illinois	Rockford, IL	\$68,125	\$1,029	18%
Sumter County, South Carolina	Sumter, SC	\$64,820	\$958	18%
Saginaw County, Michigan	Saginaw-Saginaw Township ..	\$63,900	\$944	18%
Oneida County, New York	Utica-Rome, NY	\$69,900	\$1,032	18%
Onondaga County, New York	Syracuse, NY	\$71,500	\$1,051	18%

EXAMPLE [3]: LENDING

Low interest rate in the U.S. doesn't mean low interest income potential:
The business of payday loan and peer-to-peer lending



EXAMPLE [4]: PRIVATE PRISON



Revenue in 2014
\$ 5 billion



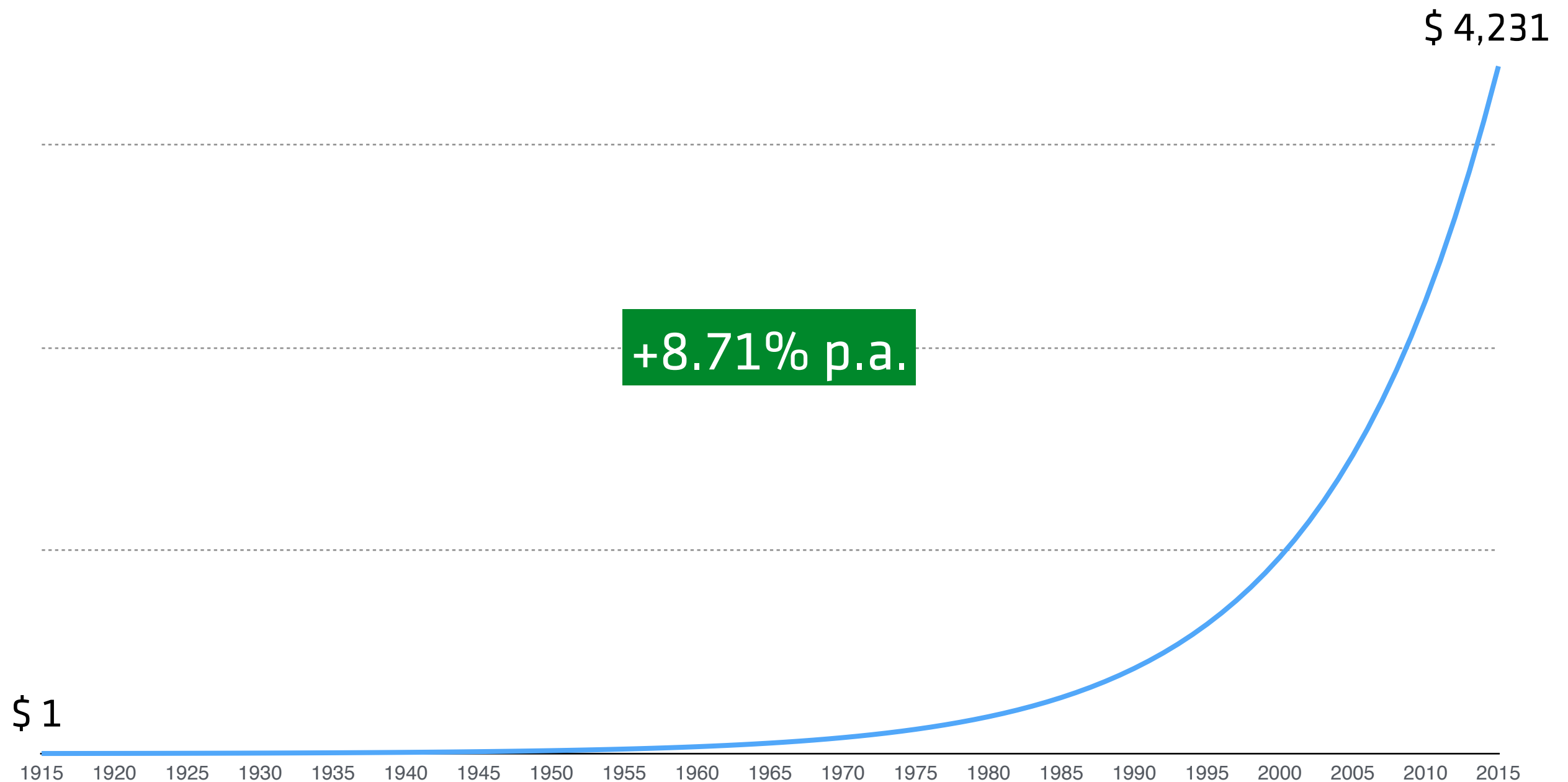
7

STOCK MARKET

Long-run story and
comparison to Indonesia

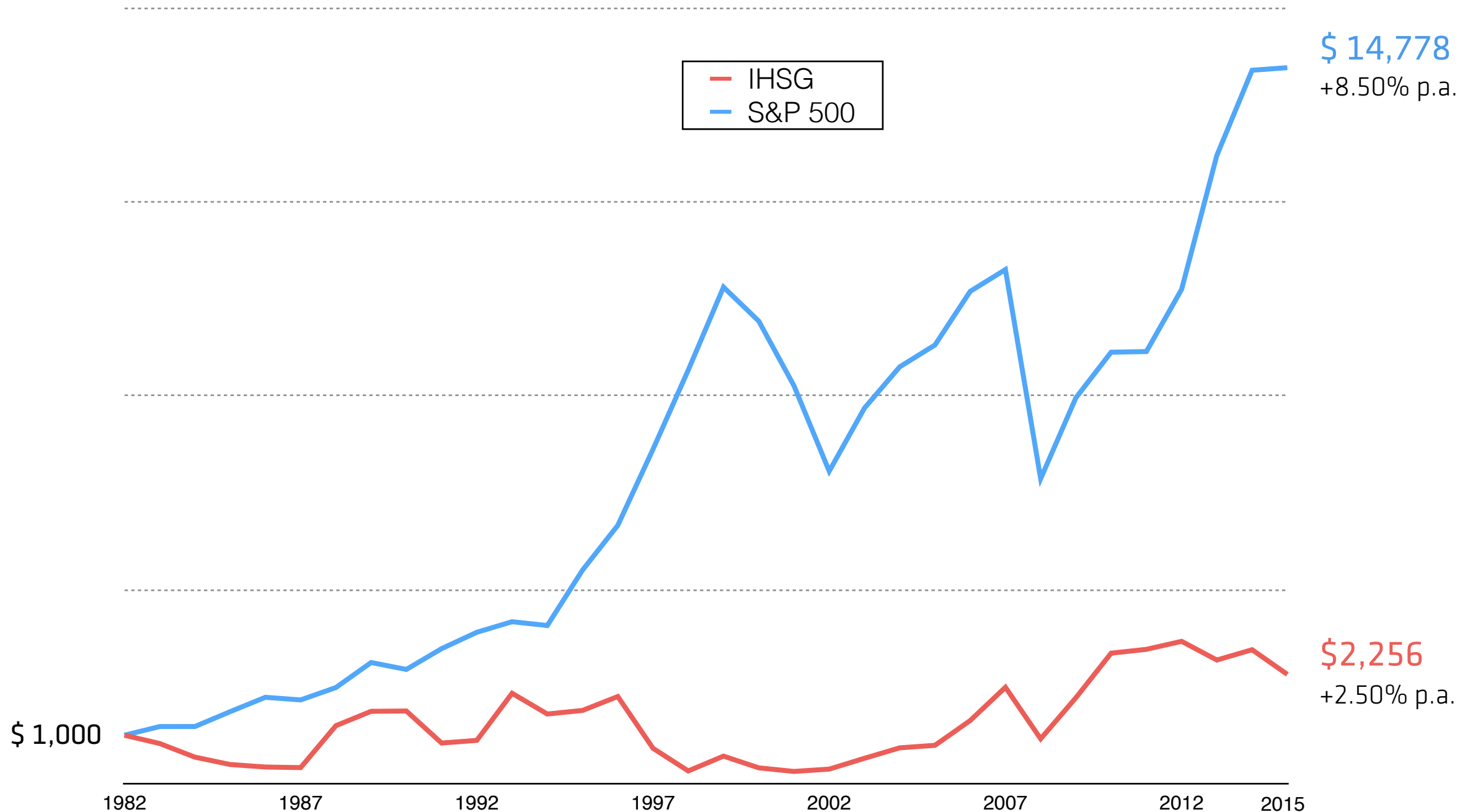
S&P 500, 100 YEARS

Value of \$1 including dividend reinvestments



COMPARISON TO INDONESIA'S IHSG [1]

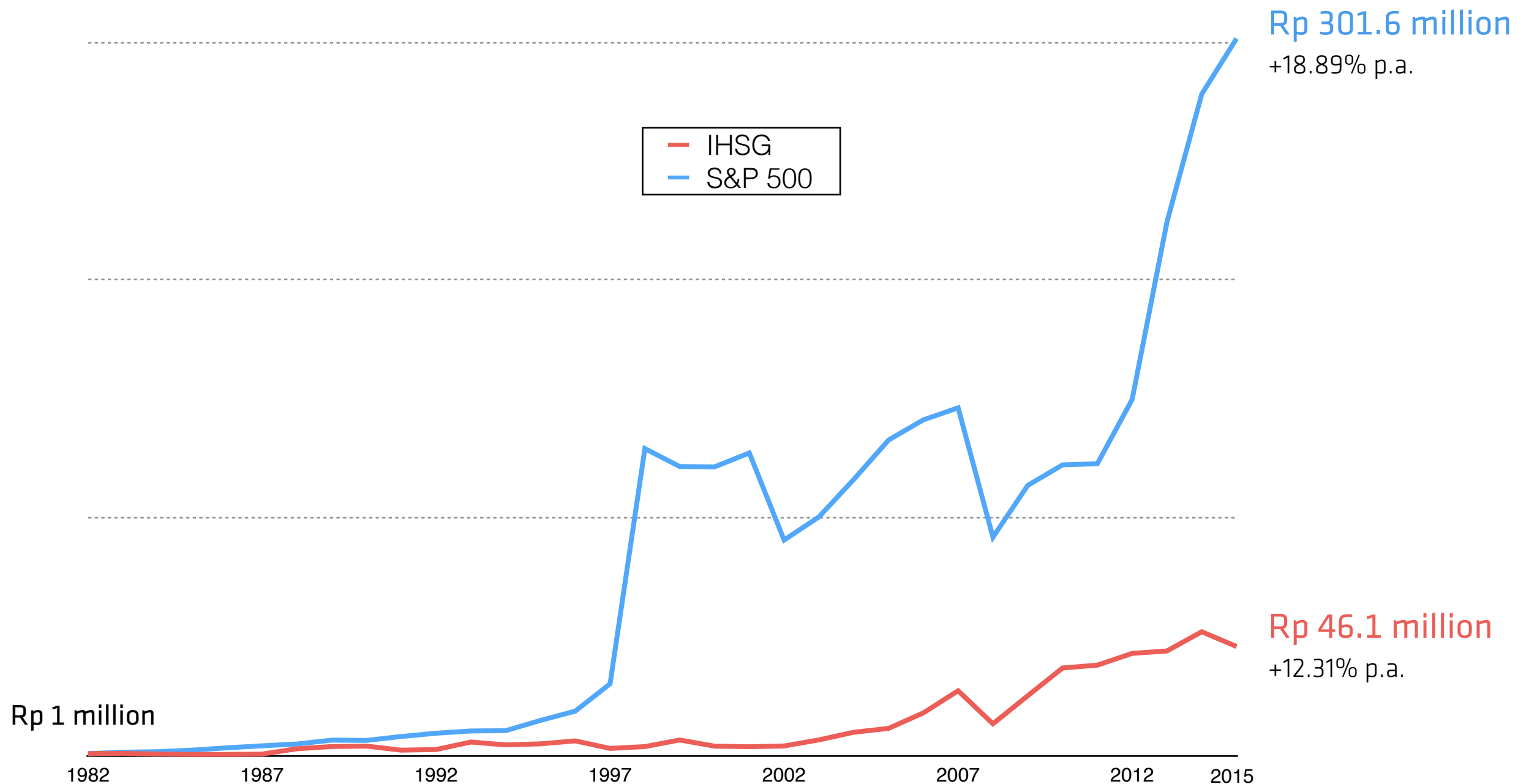
Value of \$ 1,000 invested since end of 1982 excluding dividends



A U.S. person gained **2.5%** per annum by investing in Indonesia stock market, compared to **8.5%** per annum by investing in U.S. stock market.

COMPARISON TO INDONESIA'S IHSG [2]

Value of Rp1,000,000 invested since end of 1982 excluding dividends



An Indonesian person gained **18.89%** per annum by investing in U.S. stock market, compared to **12.31%** per annum by investing in Indonesia stock market.



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