GLOBAL PLATINUM SECURITIES™

2017 Annual Report

"Educating the next generation of investors"

CONTENTS

GPS CREED

We believe that ethics should take absolute precedence
and profit at the price of integrity is no profit at all.
We believe that those we have been blessed with prosperity should help those in need
and that donating time and knowledge
is more important than simply writing a check.

We believe that learning through experience is just as important as learning the theory and that the process of learning
should be interesting and intellectually engaging.

We believe that through friendship,
we can learn from each other,
and through mentorship
wisdom can be passed down so youth can learn from history.

We believe that people should be active investors having input in their investments
learning about the companies they invest in
learning about the industries they invest in
purchasing the underlying business rather than the stock.

We believe that by doing what we love
by being well-informed
by being well-educated
By doing due diligence we can profit.

MISSION STATEMENT

Global Platinum Securities will strive to provide a comprehensive investment education to the future generation of passionate and intellectually curious business leaders in an ethical and socially responsible fashion.

INVESTMENT APPROACH

Global Platinum Securities follows a long-term-oriented, value-based investment strategy, seeking to identify securities that trade at a substantial discount to their intrinsic value. Members are divided into eight industry sectors, based on their interest. They focus on performing fundamental equity research by analyzing the underlying business model and financial strength of global companies.

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Georgetown University

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Founding Partner
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Harvard University

SELINA WANG
Chief Executive Officer
Georgetown University

NICOLAS TRAUSCH
Chief Operating Officer
London School of Economics

RITA CUI
Chief Strategy Officer
Harvard University

UPPER MANAGEMENT

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Chief Executive Officer
Georgetown University ’19

NICOLAS TRAUSCH
Chief Operating Officer
London School of Economics ’20

RITA CUI
Chief Strategy Officer
Harvard University ’20

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VP of Education
University of Colorado ’20

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Harvard University ‘20

SOHAM SHAH
VP of Technology
University of Colorado ’18

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Portfolio Manager
Harvard University ’19

WAYNE TEY
Portfolio Manager
London School of Economics ’20

ANUSHA CHINTALAPATI
VP of Internal Relations
New York University ’20

CAMILA QUINTANA
VP of Internal Relations
New York University ’20

MAKENZIE GEORGE
VP of External Affairs
University of Dayton ’20

JP SALCI
VP of External Affairs
Georgetown University ’20

MEMBERSHIP

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Angel Onuoha ’20
Lukas Schwarzmann ’20
Rita Cui ’20
Zachary Mohamed ’20
George Hu ’19
Michael Tylko ’19
Michael Shao ’19

London School of Economics

Isaac Paradise ’20
Darryl Wang ’19
Nicolas Trausch ’19
Wayne Tey Wang ’19
Alessandro Luciano ’19
Sean Lim ’18

Georgetown University

JP Salci ’20
Pat Haubert ’20
Liam Fleming ’19
Selina Wang ’19
Jay Bhandari ’18
Luc Woodard ’18
Matt Zehr ’18

Massachusetts Institute of Technology

Joe Vasile ’20
Noah Shields ’19
Kris Auyeung ’19
Will Popik ’19
Michael Nimerfroh ’19
Stephenie Zhang ’18
Mitchel Myers ’18

New York University

Anusha Chintalapati ’20
Cami Quintana ’20
Matt Jackson ’19
David Friedman ’19
Edward Salamone ’19
Kevin Yang ’18
Jessica Ma ’18
Glenda Chan ’18
Krish Pamani ’18

University of Dayton

Jake Blewitt ’20
Jim McCabe ’20
Makenzie George ’20
Will Allen ’19
Matt Urbik ’19
Russell Woehrmyer ’19
Andrew Hamilton ‘19
Evan Willmann ’18

University of Colorado

Henry Schaefer ’20
Wyatt Guernsey ’20
Lucas Oliveira ’19
Austin Kavanaugh ’18
Soham Shah ’18
Neel Desai ’18

University of Pennsylvania

Alex Agus ’20
Max Bai ’20
Anni Zhang ’20
Frank Geng ’19
Nad Kilani ’19
Dylan Adelman ’18
Aimun Malik ’18
Parth Chopra ’18

LETTER FROM THE 2017 CEO

Dear Members, Alumni, and Fellow Investors,

The marvel of GPS is that, unlike any other undergraduate organization, the group is at once a team, a family, and an experience. We are a team spread across eight universities that consistently performs investment diligence, organizes conferences, and maintains its contact with alumni around the world. We are a family that picks up right where we left off at every conference, whether we are touring Bombardier or swapping stories from the trenches of value investing over drinks. We share the common experiences of completing the analyst program and wondering who runs Shannon Hotdogs, straining to hear through spotty sound quality on our uberconference calls, endlessly rehearsing our fall conference pitches, and wondering what STROTW stands for (I eventually figured it out).

In GPS we speak frequently about our duty to “pay it forward”: whether it entails helping a new analyst research a company, offering career advice to younger members, attending fall conference as an alumnus to provide pitch feedback, or buying a drink for an analyst at summer conference, I’ve seen countless examples of that mind-set being alive and well in GPS. I viewed serving as CEO to be one small way to pay it forward, by furthering our educational and investing mission while also attempting to fix the weaknesses that I had seen from the ground floor as a member over the prior two years.

At the start of 2017, I outlined three main goals for UM: standardizing research, boosting alumni engagement, and updating our external branding. While we have certainly made progress on each of these initiatives over the past year, I believe that the most evident and long-lasting impact will be on the research standardization. We sought to institutionalize the process of generating pitches so that our research could be done in greater quantity, with greater quality, and turned around quickly from an initial pitch to a final vote. Much credit belongs to our portfolio managers, Sean and Nad, for spearheading this effort via standardization of sector and GM calendars, as well as the required diligence and the DA process, which greatly improved accountability while creating visibility in the pipeline.

In 2017, we had 28 ideas pitched for the portfolio. A concern expressed by some alumni was that this dramatic increase in pitches might cause inadequate diligence, with the risk that most ideas would enter the portfolio unexamined by our members.

I agree with this sentiment and believe that we have substantial progress to make on our Devil's Advocate process, but the fact that members voted for only 25% of these ideas (with 7 investments made in 2017), does help to counter some of those concerns. Our investments continue to center primarily around consumers-type businesses because of our members' preferences and our multiple consumers sectors, but this year did benefit from a far greater variety of pitches from each of our seven industry sectors.

Our portfolio performance continues to be steady, but our ability to outperform the index in the last year was hampered by both Pollyannaish market performance in the tech sector and our still-significant cash balance at approximately 50% of the portfolio. In the twelve months ending January 31st, we returned approximately 6.69%. Ex-cash (a favorite metric for GPS), and adjusting for the cash balance quarterly (approximately 65% on average), we would have returned just north of 19%. Our performed was driven principally by our large positions in eBay and Jackpotjoy, both of which returned nearly 70% over the period. But even with the optical illusion of pro forma ex-cash returns, GPS would have still underperformed the S&P 500, which returned 23.85% during the same period.

While our members and alumni experience GPS through the lens of our conferences and investments, much of our organizational progress, and hard work from our UM members, happens behind the scenes. In 2017, we improved the division of labor between our CEO, COO, and CSO, allowing for more delegation to other UM members. Our collaboration with the Board of Managers also improved throughout the year, which helped to involve alumni in the process, provide us members with a longer-term vision, and create greater continuity of know-how that will allow each new UM team to hit the ground running.

I would be remiss without also mentioning the superb conferences organized by our VPs of Internal Relations, Russell and Michael. Our spring conference in Montreal brought us adventures ranging from a private tour of the Bombardier facilities to a Canadiens hockey game, as well as ample poutine and some immersion in the Québécois nightlife. Summer conference found us enjoying corporate speakers at Goldman Sachs, along with several lively panels from our alumni on everything from distressed credit to startups. Our grand finale with the fall conference included presentations from heads of the investment funds Hound Partners and Aravt Global, an impromptu trip to the Met, and the culmination of the education program with our first-ever analyst pitch contest (entirely swept by LSE!).

I am confident that GPS will continue to succeed by staying focused on its mission of educating the next generation of investors. Every year we further build upon our analyst education program, we send new alumni out into the world, we create more unforgettable experiences for our members, and we grow our portfolio (knock on wood). I joined GPS as a freshman eager to learn about investing and join a community of people who shared that passion, and I am certain that GPS will stay true to that noble mission.

The sentiment that I expressed last year still rings true: the continued growth of GPS affords each of us with new opportunities to create memories, build friendships, and develop our investing acumen. No matter the market, time invested in GPS is always the best investment.

Yours truly,
Dylan Adelman | 2017 CEO
University of Pennsylvania ’18

LETTER FROM THE 2018 CEO

Dear Team,

It is my privilege and honor to serve as your CEO for 2018. Time and time again, my experience with the organization has always reflected the intellectual fortitude of its members and alumni. But beyond the brains, our common fellowship, cultivated through shared experiences, is what binds the group together. It is this enduring quality that brings GPS to new heights each year, far beyond just an undergraduate investing club.

This year, I have the great fortune of working with a highly talented Upper Management team. We aim to increase engagement on multiple levels across the organization through implementing a set of new initiatives. At the investment level, we will update the Devil's Advocate (DA) process in order to bring more rigor to how we think about downside risk. In this record-breaking bull market environment, we plan to continue to make calibrated investments. While we are not in a position to call economic cycles, we can gage market sentiments through talking to investors. As interest rates continue to rise, we must take this into account with increasing discount rates. And if truth be the daughter of time, then our DA evaluation must serve as a force that ensures our investments will stand the test of time.

At the Sector level, we will increase research and feedback by implementing new evaluation measurements that reflect quality rather than merely attendance. We plan to give Sector Leaders more control over monitoring sector quality and ultimately Sector represents the heart of our research pipeline. Ensuring fruitful dialogue here will inevitably lead to more sophisticated investments in our portfolio.

At conferences, we saw great structural improvements in 2017, and plan to build on these in the new year. We aim to create an environment that better facilitates intergenerational conversations between alumni and members. This entails programming that attracts alumni to conferences such as breakout groups and programming that pushes engagement with undergraduates.

With the outside world, we strive to bring GPS more recognition through news sources, campus marketing, our own website, and other media outlets. This will ultimately help attract our next generation of analysts, the world's next generation of investors, and GPS's next generation of leaders.

I feel most excited about bringing new analysts into the organization. The analyst experience not only equips college students with the skills to become smart investors, but also sets the foundations for them to become valuable members and esteemed alumni. Members and alumni, if you think back onto your time as an analyst in GPS, it becomes very clear how much you grew from the experience. Therefore, I urge everyone to find ways to connect with analysts. If you are a member, offer to grab lunch with them or review their homework. If you are an alumnus, come to one of our conferences or talk to them on the phone.

Find a way to engage, so that we can continue to push the organization forward, by paying it forward. I still remember the inundation of calls and messages I received from alumni when I first joined the organization. That made a lasting impact on my GPS experience and I know it would do the same for our new analysts.

Best,
Selina Wang | 2018 CEO
Georgetown University '19

GIVING BACK PROGRAM

Since inception, GPS has taken an active and hands-on approach to philanthropy. In line with our creed, we believe that giving back entails engaging with the community around us, which can take many different shapes. Through these activities, the pods have demonstrated GPS's commitment to philanthropy and to giving back to society. Some of the selected highlights from the different pods' giving back activities have been included below.

COLORADO

This year, the Colorado pod has maintained its trend of working with local schools. The pod organized a Financial Literacy Program where the CU members gave a personal finance seminar to the local middle school, Summit Middle School. Members also taught the students the basics of how to analyze a company qualitatively. Furthermore, the pod also had an engaging Q&A where our members shared life lessons for the benefit of the students.

GEORGETOWN

Similar to the other school, the Georgetown pod has continued to support the local community by volunteering at the Dog Tag Bakery. Dog Tag Bakery employs veterans who cannot find work otherwise. The pod ran a finance class for the veterans and has continued to support the organization. Overall, both parties have been able to take a great deal from the relationship.

DAYTON

The Dayton pod has volunteered at a local soup kitchen called House of Bread where together the pod served breakfast and lunch to the homeless of Dayton. This experience allowed pod members to give back to the city and also gave them the opportunity to interact with people of the local community.

HARVARD

Similar to Dayton, Harvard spends time giving back to the community. The pods conducted a short teaching session on investing at a local middle school. The young students were given an engaging introduction to the world of investing and finance. Harvard has also continued to support the Experimenters' Science Day at the Harvard Science Center.

MIT

MIT, has leveraged the learning opportunities GPS has given them to give back to Boston. Partnering with an event called Splash, the pod thoroughly enjoyed sharing the knowledge they have gotten from GPS. Additionally, the pod has continued to support the charity walks at Chestnut Hill Reservoir.

NYU

The NYU pod has focused on contributing to the environment by partnering with Trees NY. This citywide program preserves and protects NYC's streets through education and community participation.

PENN

Keeping up the green streak, the Penn pod has focused on environmental efforts. The pod helped revive a local botany center, helping them reorganize and display their entire inventory of plants. It was a fun bonding experience, a good study break, a great workout, and a creative way to give back.

LONDON SCHOOL OF ECONOMICS

Across the pond, the LSE pod is volunteering for The Entrepreneurial Refugee Network (TERN), a social enterprise that helps refugees start their own businesses. The pod will be doing product testing on the MVPs of the refugees' businesses and providing feedback.

Across the range of activities organized this year, the GPS members continue to give back to their communities. These events help to cement the importance of giving back in the culture of the pods whilst hopefully inspiring members to keep giving back way beyond their university lives.

2017 IN REVIEW AND LOOKING FORWARD TO 2018

As we look back and reflect on the past year, we note an unprecedented level of uncertainty amidst record high market performance. Political spats, natural disasters, rising international tensions, and the impact of reversing expansionary monetary policies have all exacerbated the climate of risk. However, we still have reason to believe that in the short-to-mid term businesses should expect healthy gains in their earnings power. We stand poised to enter one of the longest market recoveries on record with 104 months of economic expansion. U.S. unemployment has reached near record lows of 4.1%, implying that continued GDP growth should trickle down to wage growth, ultimately increasing demand. Global interest rate growth can be expected to be gradual given the worldwide climate of low inflation rates. In stark contrast to the Obama administration, the Trump administration has been committed to deregulation and pro-business policies, spurring capital investment from American businesses. With respect to tax reform, we believe that as our estimate for future cash flows increases precipitously so too does our assessment of the asset's fundamental value. The decrease in the corporate tax rate from 35% to 21%, combined with the decreased repatriation tax, should be beneficial for corporate cash flows and the American shareholder.

While we are, for the most part, optimistic on these macro-economic conditions, we also recognize that investors are paying a high premium for this optimism. Nearly every valuation parameter points to one of the most expensive markets on record. With this frame, we will be redoubling our focus on investment opportunities where we observe a significant discrepancy between the market price and our assessment of the intrinsic value. With the aim of long-term capital preservation, Global Platinum Securities will continue to cautiously deploy our funds into reasonable investments that have the opportunity for continued earnings growth and are in the hands of faithful operators.

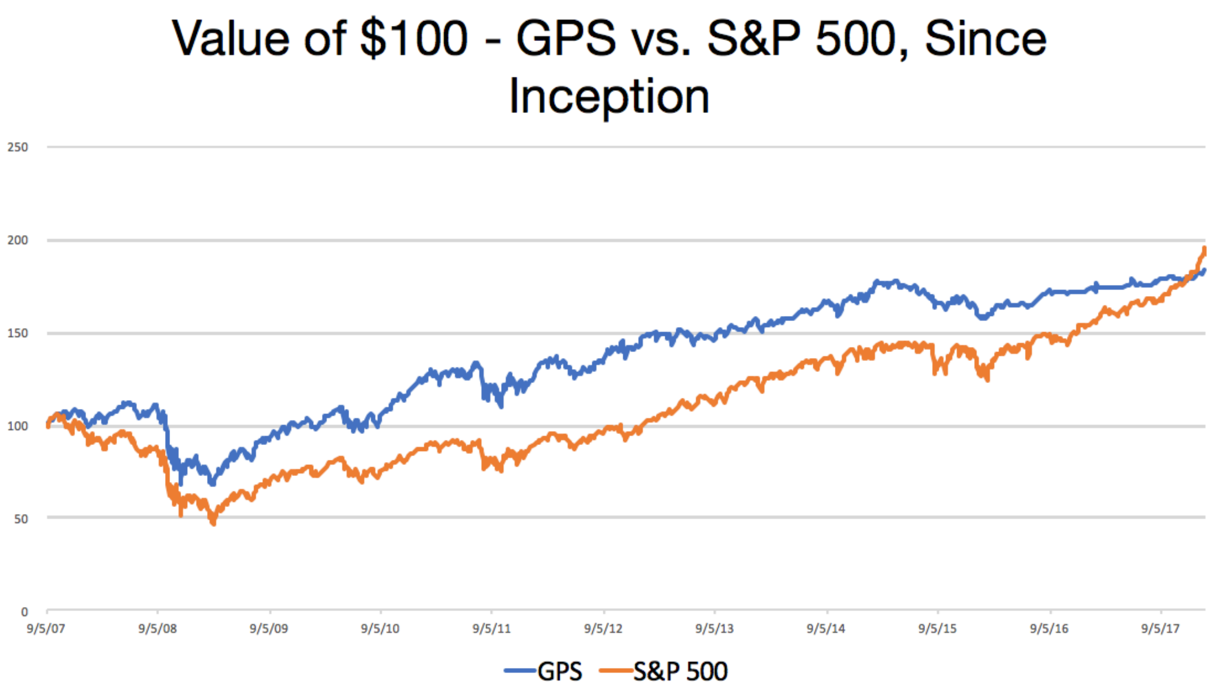
In 2017, while the S&P 500 returned 21.8%, GPS returned 19.1% on an ex-cash basis, or 9.0% with cash. The main reasons for underperformance were our large cash position and the lack of tech exposure. Despite a year where equity valuations have hit historical highs, we have continued to deploy cash, finding opportunities across the spectrum where price and value have diverged to purchase companies trading below our assessment of their intrinsic value. We entered 7 positions and exited 3 this year, reducing our cash position from 76% in end 2016 to 49% in end 2017. Looking back over the past years, there has always been debate about whether GPS's focus should lie in the small or large cap opportunity set. This is justifiable, given that possessing an edge is essential to finding outsized returns. However, we believe an edge can take different forms. Besides the informational advantage presented by looking at small, under-followed companies, an advantage can also come about through possessing an analytical edge or arbitraging the market's varying time-horizons. Ultimately, mispriced businesses can occur across the spectrum, as seen from the returns we have reaped on ebay and Jackpotjoy, such that this distinction is less important than our continued emphasis on conducting deep fundamental research to support a differentiated view on the business.

Having inherited a portfolio with numerous positions, one of our priorities is to work towards formalizing the maintenance process, which will allow us to continuously evaluate our current holdings and also improve portfolio transparency for the member and alumni base. Going forward, given our substantial cash balance, we seek to maintain a robust research pipeline and at the same time encourage greater member collaboration for GM pitches in order to raise research engagement and create more opportunities for members to build stronger relationships. Increasing the flexibility of our position sizing to reflect our conviction levels is also an initiative we will look into over the course of the year. We plan on giving our members more autonomy over position sizing by allowing them to initiate an allocation which reflects their degree of confidence in the investment. At the same time, in the wise words of Buffett, we remain cognizant of the importance of waiting to swing at the right pitch. For GPS, the Devil's Advocate is our main yardstick to evaluate the merits and risks of our potential investments. Our aim is to standardize this process, and we have taken the first step with the introduction of DA guidelines.

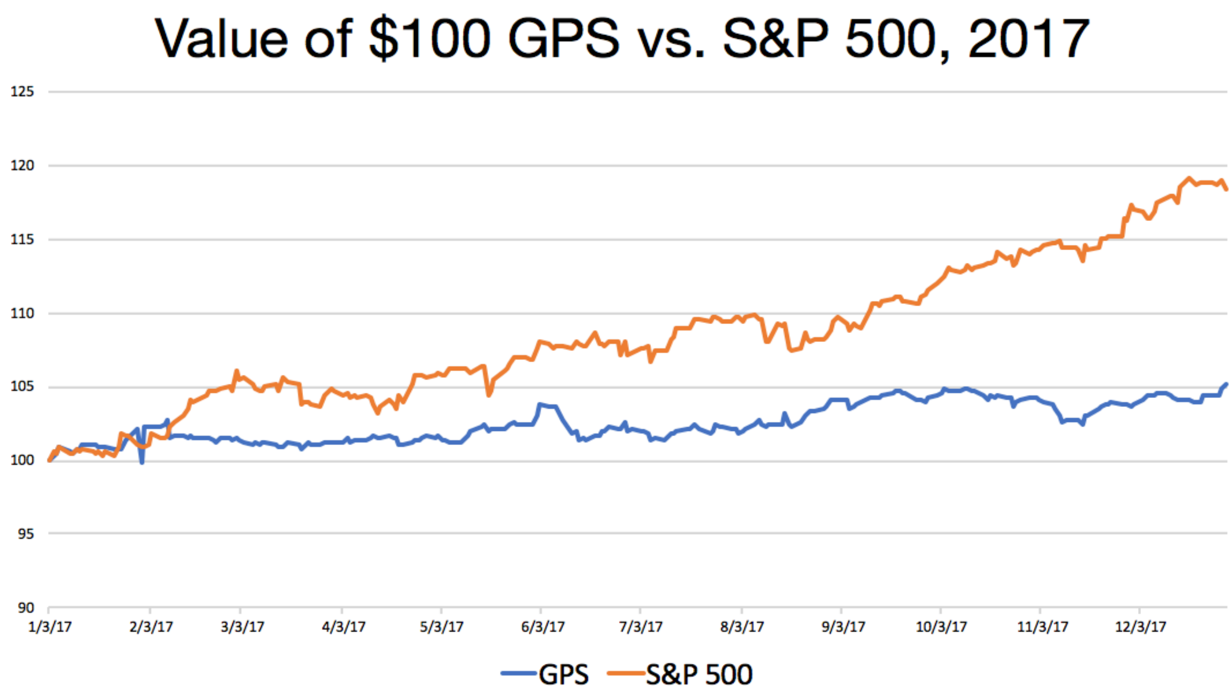
Even as the opportunity set of bargain stocks has shrunk, we remain patient and focused on risk minimization by sticking to our emphasis on intrinsic value and fundamental business analysis. Operating in today's markets is no doubt challenging and will require an added layer of caution in evaluating investments, but learning to invest through different stages of the business cycle is a crucial aspect of our education as future investors. We appreciate your continued support and look forward to a successful year ahead!

Sincerely,
Michael Tylko & Wayne Tey Wayne
2018 Portfolio Managers
Harvard '19 & LSE '19

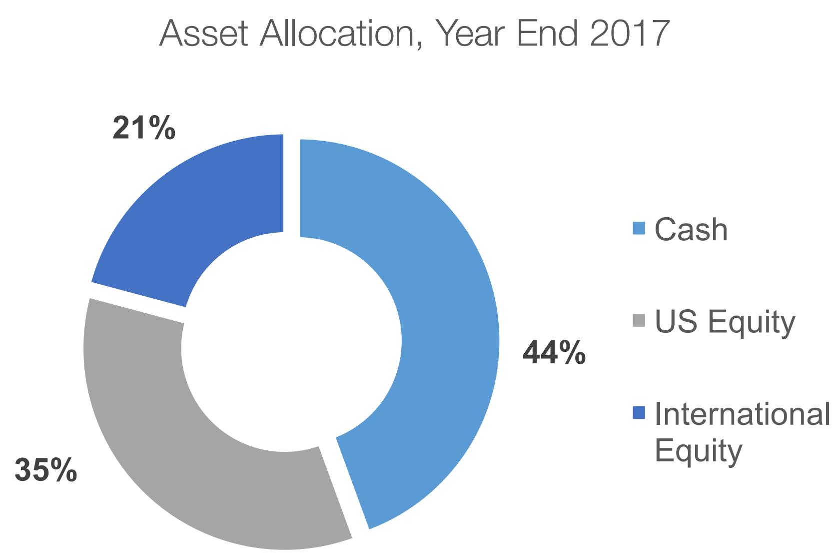
PORTFOLIO PERFORMANCE

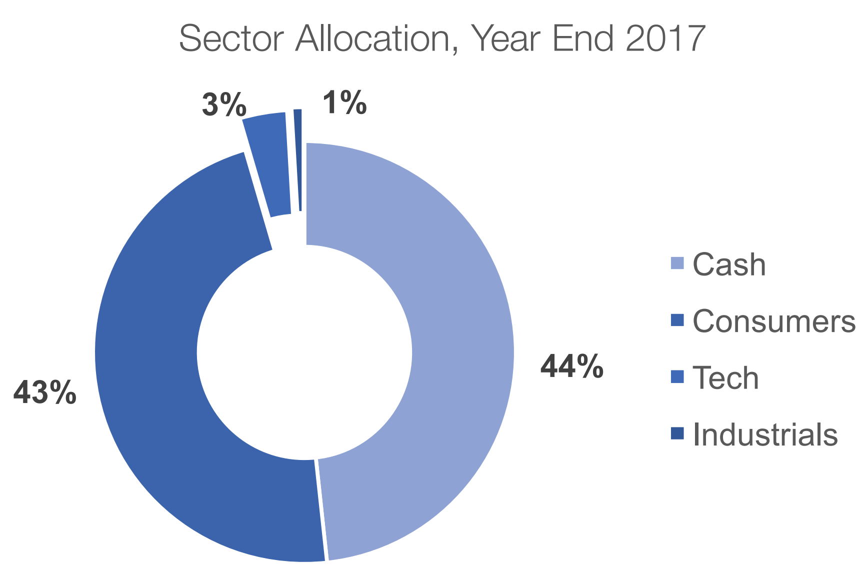


2017 PORTFOLIO PERFORMANCE



PORTFOLIO ALLOCATION





PORTFOLIO HOLDINGS

CURRENT HOLDINGS (12/31/17)

eBay (EBAY) is a global e-commerce business operating marketplaces, ticketing, and classifieds platforms. GPS initially invested in eBay because it is a high margin cash generator with a clear value proposition driven by an under-appreciated core business and rapidly growing secondary segments. Its third-party model and strong network effects secure its position producing a highly cash-generative core business. Additionally, eBay Classifieds has high growth, high margins, and monopolistic market positions in 17 countries, and yet is not valued by the market. Its true earnings power is hidden by low monetization, which has been increasing.

A key component of our investment thesis was confirmed when eBay announced that they intended to transition away from PayPal to become their own merchant of record by the end of 2020 verifying our primary differentiating opinion relative to the market. We continue to hold as it is estimated that this will produce an incremental increase of 20% in revenues and 25% increase in EBIT.

Intertain (IT:CN) now **JackpotJoy (JPJ)** operates online gaming websites, mainly in the UK. It is the owner of JackpotJoy, an online bingo website in the UK, Vera and Joh, a B2C online casino in Europe and Mandalay, another UK bingo site. GPS originally entered a position in Intertain because the company was priced as a poor gaming rollup despite having the best in class model. The company's market leading position allows it to capture a fast-growing online bingo industry, set to grow at double digits and deliver a superior customer proposition through a larger network of players. Strong player volume translates into higher frequency of games, lower waiting time and bigger jackpots. Additionally, Intertain benefits from attractive unit economics with high customer stickiness and a low payback period on customer acquisition costs.

Although GPS has already achieved a 60%+ return since entering the position in late 2016, we believe there is still room for further upside. Based on our 2018 estimates, JPJ is currently trading at ~16% FY18 free cash flow yield, which is incredibly cheap for a high quality business that is about to reach its FCF inflection point.

TURNING POINT™ BRANDS

Turning Point Brands (TPB) is a small operator in a niche segment of the overall tobacco industry. Having IPO'd in May 2016, the company was spun off from a larger conglomerate. Despite an overall struggling tobacco industry, GPS entered a position believing that OTP space is a bright spot in the tobacco industry. We believe that the organic EBITDA growth from the global E-Cigarettes & vaporizer market expected to grow at a 21-25% CAGR combined with inorganic growth fueled by accretive acquisitions will contribute materially to the company's real earning power. Moreover, management has been continuously reducing leverage to allow for growth. Continued reductions will cause share price appreciation and displays management's competence.

Our expectations of the smokeless category did better than expected with 45% market growth from the time TPB was pitched to the end of 2017 (nine months). The impact of the tax reform accounted for the majority of our upside but we continue to hold as net sales and gross profit continue to hit record highs showing good momentum in the industry.

Liberty Sirius XM (LSXMK) is a growing, highly cash-generative satellite radio provider which operates as a monopoly within the US. The company owns and operates five satellites, from which they broadcast 150+ channels, accessible at a superior quality to terrestrial radio across the US. Liberty Media Corporation purchased a 40% stake in SIRI in 2009 and in 2016 split itself up into three trading stocks with LSXMK being the largest. GPS's thesis revolves around how overblown concerns about music streaming have distracted the street from Sirius's unshaken value proposition and entrenched monopoly. In addition, its core business also commands an advantageous cost profile and has been resilient to industry-wide pressures. Essentially, its growth runway in an underpenetrated used vehicle market and above-potential churn rates are obscured by new vehicle market fears and skewed contributions from involuntary churn.

We continue to hold believing that along with SIRI's strong core business growth profile, there is an opportunity to invest in LSXM.K, a pure tracking stock for SIRI that trades at an additional 18.5% discount, which presents and asymmetric risk/reward upside of ~46%.

Limbach Holdings (LMB) installs and services non-residential HVAC systems, heating, plumbing, and electrical controls primarily for hospitals, educational institutions, and entertainment venues. GPS originally invested due to the fact that the market was missing the importance of maintenance base and pull-through revenue growth. Investors are caught up on current numbers, not thinking enough about true growth potential over the next 10+ years. Not only are they a niche in the healthcare, sports arena, and higher education space, they have multiple avenues for top line growth and margin expansion the market is not pricing in. In addition, their solid management team aligned to drive shareholder value has led to strategic acquisition possibilities to add value.

LMB continues to showcase its ability to grow with industry tailwinds as they switch cost-free from building hockey arenas in 2017 to data centers in 2018 as 5G and cloud-base computing growth begins to take off. We continue to hold as maintenance base growth rate has far surpassed expectations, accelerating compounding potential and magnitude.

Howden Joinery (HWDN) is a kitchen supplier in the UK which sells its kitchens through local tradesmen as opposed to the retail channel adopted by most of its competitors. With over 650 depots, they have approximately 26% of the UK market share. The multiple on the company has contracted about 25% over the last 2 years to a mid-cycle multiple, reflecting the risk of declining kitchen volumes due to rising inflation cause by Brexit as well as sell-side worries about depot saturation in the UK. GPS entered the position in 2017 with the thesis that it was an opportunity to purchase a high-quality company in an industry that was closer to its cyclical troughs. HWDN provides a superior customer proposition to the tradesmen it services, making it an entrenched player in an industry which has seen no change in competitive pressure. It possesses very attractive unit economics, rolling out depots at an IRR of ~40%.

Based on our analysis of the current depot density and speaking to the company, we are comfortable that there is more room for expansion in the UK than what the market believes. Together with the optionality offered from European expansion, which we should expect to hear more room for expansion, which we should expect to hear more details on in 2018, there is potentially a large runway for HWDN to reinvest its cash flows at an average return on invested capital of 28%.

AerCap Holdings (AER) is a market leader that leases and sells aircrafts and engines to commercial airlines worldwide. GPS chose to invest in AerCap because it was trading at a discount to book value, and our valuation model implies an undervaluation when deriving intrinsic value. Management's share buyback program and significant insider ownership provided us with conviction that management is trying to maximize shareholder value. In addition, we believe AER has large barriers to entry due to their capital intensive business, economies of scale in aircraft purchases, and strong client relationships. This competitive advantage along with their long-term leases hedge against an economic downturn, providing stable cash flows and robust revenue visibility.

Despite the fact that AER has traded about flat since investing, we are very optimistic in the long term value. They continue to report very positive quarter results, beating EPS and continuing to repurchase even more shares.

Lindblad Expeditions

Lindblad Expeditions (LIND) provides adventure cruises on all seven continents by operating six owned vessels and four seasonally chartered vessels. GPS initially chose to invest because of the niche industry LIND operates in, which has many attractive attributes and exploit the market's short-sided view. The company has a strategic alliance with National Geographic to co-brand, co-market, and co-sell trips on LIND's vessels that make it an attractive platform, leading to high occupancy levels with very high incremental margins. In addition, industry tailwinds will continue to bolster revenue growth and EBITDA margins with the target demographic (65 years old +) growing at a high rate relative to total population. This target demographic provides greater downside protection due to more stable revenue than other cruise lines.

Shortly after GPS entered a position in LIND, several short-term challenges were faced causing the equity to trade down. We continue to hold a position despite these challenges as we are confident that this short-term uncertainty is still clouding markets ability to see long-term value.

EXITED POSITIONS

CONSOLIDATED TOMOKA

Consolidated-Tomoka Land Company (CTO) was the only holding GPS sold in 2017. The original investment thesis for CTO argued that CTO traded at the value of just its land portfolio and that a well aligned management team alongside near-term catalysts would unlock shareholder value. The company's initial asset conversion program was a success, selling 113 acres of Daytona Beach land for $22.5m. The average price of ~$200k/acre exceeded our estimates. However, the pipeline of land sales has slowed considerably. Management have also been lackluster to deliver on unlocking value. Whilst management continuously claim that the shares are undervalued, it has taken more than four years to repurchase what amounts to less than 3% of outstanding stock. We took this to be a signal that we placed too much trust in management and they are not shareholder friendly. We had a good understanding of the business and the valuation but misunderstood the timing therefore, we exited our position on January with a return of ~22%.

For more information, please contact:

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