2018 Annual Report

GLOBAL PLATINUM SECURITIES

"Educating the next generation of investors"

Contents Page

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 who 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 & INVESTMENT APPROACH

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 disconnect 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.

BOARD OF MANAGERS

Tim Shannon
Founding Partner
Georgetown University

Rufino Mendoza
Founding Partner
Georgetown University

Ken Talanian
Founding Partner
Georgetown University

Deependra Mookim
Alumni Board Member
New York University

Lap Him Tong
Alumni Board Member
London School of Economics

Justin Ang
Alumni Board Member
University of Pennsylvania

David Escamilla
Alumni Board Member
Harvard University

Patrick Haubert
Co-Chief Executive Officer
Georgetown University

Wyatt Guernsey
Co-Chief Executive Officer
University of Colorado

John Paul Salci
Chief Strategy Officer
Georgetown University

Christopher Fletcher
Chief Financial Officer
University of Pennsylvania

UPPER MANAGEMENT

Patrick Haubert
Co-Chief Executive Officer
Georgetown University

Wyatt Guernsey
Co-Chief Executive Officer
University of Colorado

John Paul Salci
Chief Strategy Officer
Georgetown University

Christopher Fletcher
Chief Financial Officer
University of Pennsylvania

Varun Bhardwaj
Portfolio Manager
New York University

Prithvi Boggavaram
Portfolio Manager
London School of Economics

Ryan Beaudet
Vice President of Education
Georgetown University

Paulina Ruta
Vice President of Education
University of Pennsylvania

Alyssa Ling
Vice President of External Affairs
London School of Economics

Avni Patel
Vice President of Internal Relations
New York University

Jennifer Lu
Vice President of Internal Relations
Georgetown University

MEMBERSHIP

Massachusetts Institute of Technology

Nyle Sykes '21
Justen Holl '21
Hunter Fields '20
Joe Vasile ’20
Noah Shields ’19
Kris Auyeung ’19
Will Popik ’19
Michael Nimerfroh ’19

London School of Economics

Alyssa Ling '20
Prithvi Boggavaram '20
Isaac Paradise ’20
Darryl Wang ’19
Nicolas Trausch ’19
Wayne Tey Wang ’19
Alessandro Luciano ’19

Georgetown University

Andrew Pomposelli '21
Ryan Beaudet '21
Jennifer Lu '21
Jonathan Prangley '20
Angela Gladkikh '20
John Paul Salci ’20
Pat Haubert ’20
Liam Fleming ’19
Selina Wang ’19

Harvard University

Harsha Paladugu '21
Ahan Malhotra '21
Lukas Schwarzmann ’20
Rita Cui ’20
Zachary Mohamed ’20
George Hu ’19
Michael Tylko ’19
Michael Shao ’19

MEMBERSHIP

New York University

Varun Bhardwaj '21

Howie Shen '21

Avni Patel '21

Nelson Urdaneta '20

Anusha Chintalapati ’20

Cami Quintana ’20

Edward Salamone ’19

University of Dayton

Jack Phelps '21

Michael Benevento '20

Jake Blewitt ’20

Jim McCabe ’20

Makenzie George ’20

Will Allen ’19

Matt Urbik ’19

Russell Woehrmyer ’19

University of Colorado

James Donahue '21

Garrett Obermeyer '20

Nick Shelton '20

Henry Schaefer ’20

Wyatt Guernsey ’20

Lucas Oliveira ’19

Neel Desai '19

University of Pennsylvania

James Rao '21

Paulina Ruta '21

Christopher Fletcher '21

Alex Agus ’20

Max Bai ’20

Anni Zhang ’20

Frank Geng ’19

Nad Kilani ’19

Letter from the 2017 CEO

Dear Team,

In 2018, our portfolio performed below expectations. The US public markets saw an end to the longest bull market in its history and significant volatility towards the end of the year, with the S&P 500 closing the year out at -6.1% return. This environment created significant spread in the range of returns seen across hedge funds, with many value investors falling towards the tail end. David Einhorn's Greenlight Capital ended the year down ~34%, its biggest loss ever. And for the first time in years, it is now open to new investors. At GPS, we missed our benchmark by about 100 basis points with a year end return of -7.1%. Our biggest winner was Lindblad Expedition (LIND) with 39.5% annualized return and the biggest loser was Limbach Holdings (LMB) with -73.5% annualized return. Although disappointed, we knew that our portfolio concentration creates greater swings in return relative to the market, and sometimes, that occurs on the downside. It is still my belief that as a student fund, we can and should be more patient than other funds living quarter by quarter. Heading into 2019, I urge the new Upper Management team to think about our cash position. I view holding cash as similar to having free time - if you are so encumbered with responsibilities now, you will not have the flexibility to take on more interesting opportunities in the future. And depending on one's view on market cycles, now might be a good time to think about positioning to benefit from future buying opportunities.

Although our portfolio trended down, the organization's operations saw positive gains and meaningful changes due to key initiatives related to member contracts and dues collection. Over the years, GPS has built up a meaningful stash of proprietary information including education program content, pitch material, and more. However, there were no policies outlining the intellectual property rights surrounding this information, leaving our material at risk of misappropriation. Therefore, in the spirit of erring on the side of caution, we have instituted a holistic analyst and member contract system. These contracts detail our policy on intellectual property rights, analyst and member participation expectations, dues policy, and more.

Letter from the 2017 CEO

Essentially, it is meant to capture what being a part of GPS means and the responsibilities that come with it. We recognized that these responsibilities had never been officially laid out to members in the past and wanted to use this contract as a way to increase transparency between the organization and its undergraduate members so that people understand exactly what they are signing up for. Additionally, we understand that the needs of an organization evolve over time. In order to make this contract adaptive and flexible, we established a committee that draws upon the wide range of our members' experiences to update and improve the contracts on a regular basis. Through this new measure, we hope to foster an environment where all members feel comfortable with sharing ideas and information, knowing that the organization is making an effort to protect content.

The second major operational change that took place in 2018 is a transition to a new dues structure. The former structure based on alumni due payments saw increasingly diminishing collection rates, putting the organization at risk of illiquidity. The "pay it forward" expectation, though lovely when it is met, leaves the organization at greater risk on the downside. If it were not for loans from some alumni, we would not have been able to hold the conferences we did in 2018. In response to this issue, we have instituted a new dues structure that shifts the dues payment timeline forward onto current undergraduates. In parity with this measure, we also expanded UM to include a Chief Financial Officer position. This individual is responsible for managing the new dues collection system and budgeting for conferences. These measures aim to set GPS up for a more sustainable future and greater financial independence. On a brighter note related to operational finances, 2018 was the first year that GPS had sponsors. We were able to lock in two sponsors that significantly helped alleviate the budgeting issues previously mentioned. We are incredibly grateful for the members and alumni who have helped us reach out to various sponsors and we hope that our efforts in 2019 will prove even more fruitful.

Letter from the 2017 CEO

Of course, the progress of GPS in 2018 was only possible with the contribution of others. Rita Cui as CSO spearheaded our efforts in transferring to a new dues collection platform and really stepped up to the plate in solidifying conference plans. Our COO Nic Trausch took the initiative of drafting member contracts and analyzing our dues collection situation. When our hosting provider had a serious meltdown and lost all of our mailing list, VP of Tech Soham Shah came to the rescue (no one else even knew what a hosting site is). The VPs of IR Cami Quintana and Anusha Chintalapati elevated our conference itineraries to new heights. Additionally, thanks to our well connected Board members, we were able to have fantastic speakers for Fall Conference. I am grateful for all of your contributions.

Above all, I wish to express my thanks for the rest of the team. As a washed up senior wrapping up college, it's hard not to get cheesy about GPS, arguably the most transformative experience of my last four years. The members, past and present, of this organization are its most valuable asset and we should not take each other for granted. GPS would not be GPS if it were not for people like you. I fully understand that I stand as a beneficiary of the work put in by those before me. To quote one of Warren Buffet's lesser known adages: "Someone's sitting in the shade today because someone planted a tree a long time ago." It was an incredible honor to be your 2018 CEO and I look forward to seeing the progression of this organization for years to come.

Sincerely,
Selina Wang
2017 CEO

Letter from the 2018 Co-CEOs

Friends,

We are truly honored to serve as leaders of GPS for 2019. Our time in GPS has been transformational to say the least, and we intend to do all we can to continue to improve the GPS experience for future generations. We are very fortunate to have a capable, motivated, trusted team joining us on UM this year, and we look forward to working with them and everyone else affiliated with the organization in the coming year.

For 2019, we have developed several initiatives which we believe can strengthen GPS. First, we intend to revamp the process and frequency of existing position reviews. While identifying attractive investment targets is certainly an important task, it is merely the first step in the grander scheme of investment management. By standardizing and emphasizing the importance of portfolio management, GPS's performance stands to benefit.

Additionally, we seek to improve pod cohesion. We plan on establishing guidelines for pod-based events to ensure that engagement remains strong at the pod level. Pod-level engagement serves as a critical avenue through which members develop deep, lasting connections with GPS. Through regular check-ins with Pod Leaders, the member base of GPS can further strengthen relationships with their peers. We hope for this initiative to ultimately lead to deeper engagement as members and alumni.

One last initiative we seek to develop is a more structured alumni experience. GPS has become a tenured group with an alumni base exceeding 250 program graduates. This organizational maturity requires attention from current GPS leadership to ensure that all alumni continue to enjoy their GPS experience beyond graduation. In a recent trip to New York, we sat down with the Board and 20 alumni to discuss new ways for alumni to interact with the organization. We look forward to working with the board and dedicated alumni to enhance the GPS experience beyond graduation.

Letter from the 2018 Co-CEOs

We encourage all members and alumni to think back to the early days of their involvement with GPS, and to consider how GPS has impacted their lives. Whether it led to the discovery of a new passion or the development of lifelong friendships, it's hard to prevent GPS from having a sizeable impact on everyone that joins the group.

With this in mind, we encourage everyone to continue to consider giving back. This means members spending a few extra late-night hours in the library to help an analyst through one of their first pitches or working hard to contribute high quality research to the group on a regular basis. This also means alumni coming to conferences and giving analysts guidance, or even simply reconnecting with the organization. No contribution is too little to make an impact.

While GPS is certainly an exceptional organization, mere inertia is insufficient to preserve our program's stature. As has been the case since the organization's inception, all GPS members and alumni must continue to do all they can to support the group in order to educate the next generation of investors.

Yours Truly,
Wyatt Guernsey & Patrick Haubert
2019 Co-CEOs

GIVING BACK PROGRAMME

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.

Massachusetts Institute of Technology

MIT has leveraged the learning opportunities GPS has given them to give back to Boston. Partnering with an event called Splash, the MIT pod gave introductory classroom lessons in finance fundamentals to high school students. The pod was excited to get high school students interested in finance and thoroughly enjoyed sharing the knowledge they have gained from GPS.

New York University

This year, the NYU Pod headed out to Brooklyn to help plant trees for Trees NYC. Trees NYC is a community outreach program which beautifies the city through various environmental projects. The Pod worked with other members of the New York Community to plant fully grown trees along the side of a highway. As a Pod, we hope to continue to give back to the community in whatever way we can.

London School of Economics

The LSE Pod focused volunteer efforts on the pressing homelessness issue in London. Firstly, the LSE Pod officially partnered with St Mungos' Charity to conduct weekly job-application and career workshops for the homeless. The Pod helped to write Curriculum Vitaes and cover letters, apply for jobs and practice interviews with the homeless to equip them with necessary skills and resources to acquire jobs. Additionally, the pod volunteered with Friends Outside, an organisation that seeks to alleviate the plight of the homeless and alter the public's negative biased perceptions towards them. Through conducting street-walks, the pod distributed food and offered assistance to address urgent needs of the homeless.

University of Pennsylvania

Our mission this year was focused around educating and improving the lives of talented young members of society. Some pod members worked with local organizations such as ACTION, "Across Cultural Tutoring in Our Neighborhoods," where they visited underfunded schools in West Philadelphia weekly and worked with the students on their homework, fun activities, and Spanish. In addition, members of the pod worked very closely with the Kol HaNearim organization which focuses on providing summer camps and year-long programs for the most vulnerable members of society: orphans and children at-risk. Here the pod was involved in helping with the financial and operations side of the organization.

GIVING BACK PROGRAMME

Georgetown University

The Georgetown pod continues to volunteer at the Dog Tag Bakery (DTB), an organization at the heart of the Georgetown neighborhood. Unlike other bakeries, DTB donates all proceeds to support its veterans' programs that aim to enable the service-disabled veterans discover positive fulfillment in the civilian world. The pod was able to contribute to the cause by hosting a financial literacy course at the bakery.

Harvard University

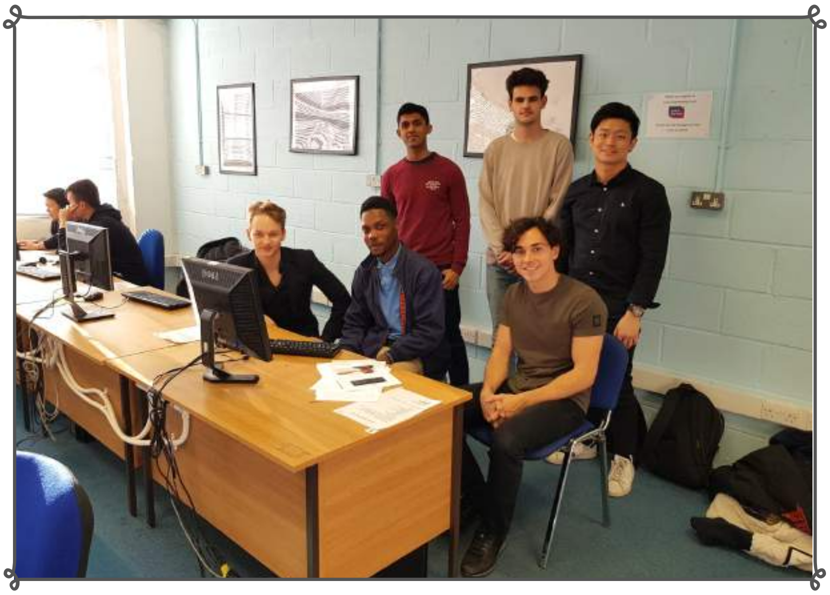
The Harvard spends time giving back to the community. In the past, the pod has conducted a short teaching session on investing at a local middle school. The young students were given an engaging introduction to the world of investing and finance. In addition, Harvard has also continued to support the Experimenters' Science Day at the Harvard Science Center. This coming year, we plan to engage with a local shelter and donate our time and resources to helping the local homeless community.

University of Colorado

The Colorado Pod visited Summit Middle School to educate the eighth graders on financial literacy. Summit is a local charter school with multiple blue-ribbon awards to their name; The Colorado Pod originally sought out to spread GPS's principles to groups who may not have access to education on financial literacy. Moving into 2019, the Colorado Pod looks to expand to other local middle and high schools with a similar curriculum.

University of Dayton

The Dayton pod partnered with local high schools to educate students on the basics of analyzing a company and administered a portfolio competition through MarketWatch. Our members went into classrooms periodically for lessons and monitored the portfolios' performance. The competition culminated with the top teams presenting their strategies to a panel of Dayton member judges who selected a winner as well as offered constructive feedback and advice to the students.



2017 IN REVIEW & LOOKING FORWARD TO 2018

As we look back at 2018, we see a decade long bull run starting to show signs of slowing down. Through the first three quarters, global equity markets pushed higher owing to corporate earnings expansion, fiscal stimulus and federal tax cuts, only to abruptly plunge in the fourth quarter due to trade war fears and hawkish sentiment from the fed. Last year also saw the sharp return of volatility with its traditional measure, the VIX index, doubling during February and remaining markedly higher than preceding years for the rest of 2018.

The degree of leverage has steadily increased in the last decade, with current levels of total corporate debt representing an 86% increase from the levels seen after the 2008 financial crisis. More importantly, the quality of leverage has deteriorated as persistent low interest rates have spurred investors to look for riskier assets to gain attractive returns - high-yield plus BBB-rated bonds currently comprise 68% of the total U.S corporate bond universe. These factors appear to have become of greater concern to market participants as tightening interest rates in the fourth quarter of last year sparked fears of corporate financial stability and resulted in a sharp sell-off.

In our investment process, we do not engage in macroeconomic speculation and do not believe that we can accurately time the market. However, with respected investors such as Howard Marks and Warren Buffett sitting on increasing amounts of dry powder and the current economic expansion being the largest ever recorded, it is clear that a downturn is becoming increasingly likely and we should invest cautiously in the coming year.

In 2018, the S&P returned -6.2% while the GPS portfolio returned -7.1%. The main reason for our underperformance can be attributed to the poor performance of three of our positions. Our biggest detractor, Limbach holdings, fell by 66% through the year due to execution issues in their mid-Atlantic business. The experience of watching our positions suffer large declines is always painful but prompts us to reflect on and improve our investment process with every mistake.

2017 IN REVIEW & LOOKING FORWARD TO 2018

In our reflection process, however, we always aim to be cognizant of the fact that investing in a company yields a probability distribution of outcomes. Hence, judging the process solely by the outcome is never fruitful.

For Limbach, in particular, we believe that there was sufficient reason to conclude that the company was undervalued and represented an attractive opportunity when initiating our position. However, we failed to realize the catastrophic impact that unforeseen execution failures can have for a company with low margins and high leverage. We still currently hold Limbach as we believe the extent of the sell-off was unjustified but we will continue to monitor the position carefully.

Limbach's impact on our annual performance highlights the risk of running a concentrated portfolio. We often have long discussions with our members as well as alumni on the right size of the portfolio. We believe that, given the size of our organisation, holding 10 to 15 positions is prudent as it allows us to achieve sufficient diversification while still maintaining our ability to effectively monitor the companies. However, this inherently implies that significant under- or overperformance of any individual position can have a marked impact on our portfolio. With this fact in mind, we intend to improve the coverage of our existing positions through enhancing the frequency of updates and streamlining the tracking process. We also intend to roll out various administrative initiatives this year to improve member participation and quality of research produced.

We entered into 6 positions in 2018, reducing our cash position from 49% to 12%. There has always been a lively debate in GPS about how much cash we should hold. Looking back over the past years, the consensus has slowly shifted away from holding more cash in order to deploy it opportunistically to being fully invested in companies that offer attractive risk-reward opportunities regardless of the market environment. Due to this fundamental shift, GPS' current cash portfolio is much lower than it has historically been.

2017 IN REVIEW & LOOKING FORWARD TO 2018

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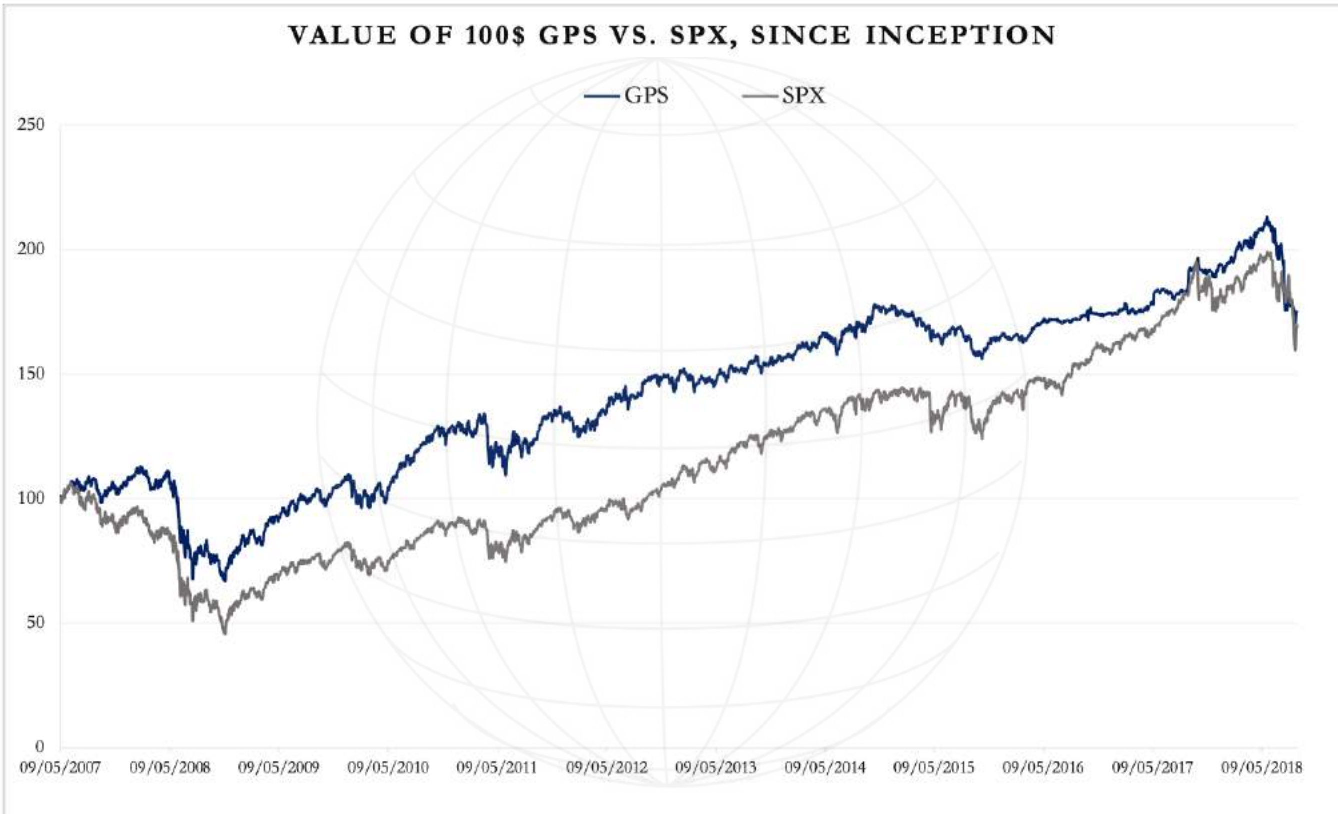
Moving into 2019, the recovery of equity markets in the first couple of months has once again pushed valuations above historical norms. Despite the challenging market environment, we remain confident in our ability to find investments that offer attractive risk-reward opportunities through fundamental, bottom-up research supported by rigorous due diligence. As always, we will stick to the core, value-oriented philosophy on which our organization was built upon and aim to preserve our capital through diligent risk minimization. We appreciate your continued support and trust in GPS and look forward to a successful year ahead!

Sincerely,
Prthvi Boggavaram & Varun Bhardwaj
2019 Portfolio Managers

PORTFOLIO PERFORMANCE

Value of $100 GPS vs S&P

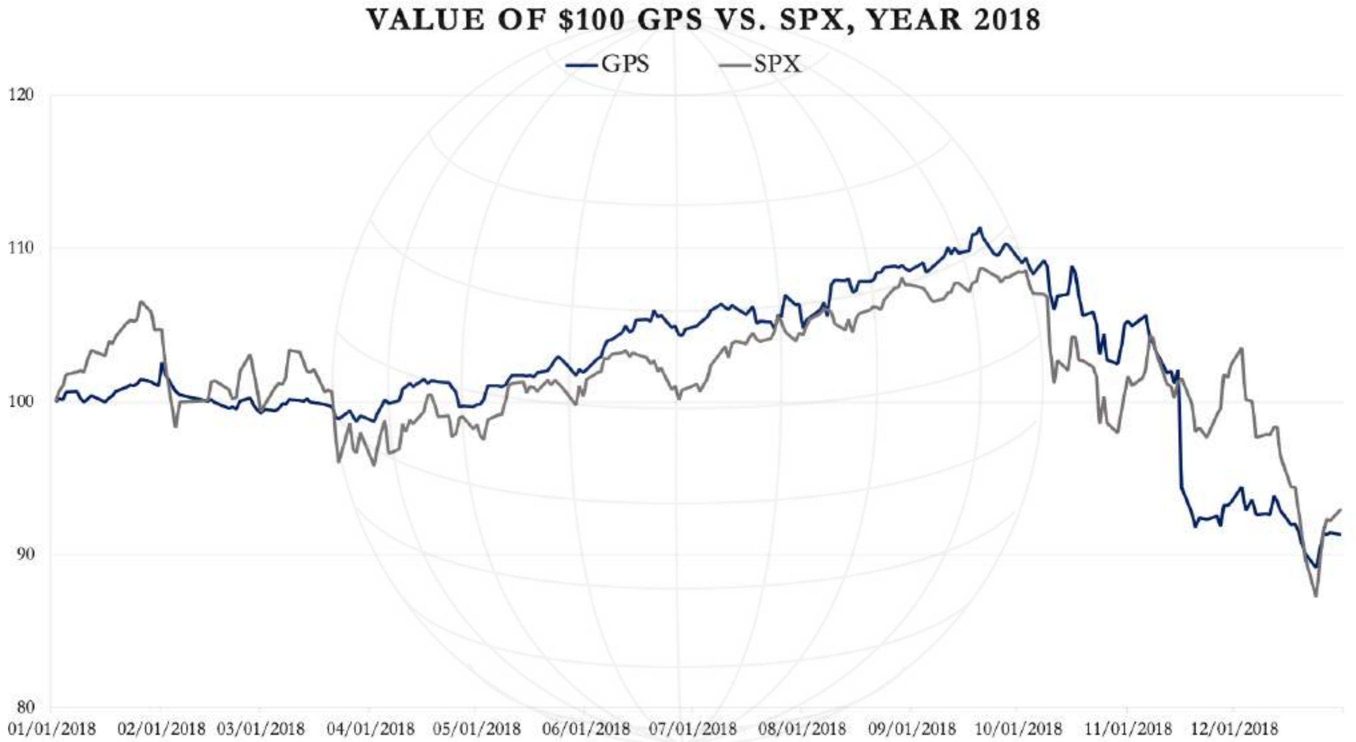
Since Inception



2018 PORTFOLIO PERFORMANCE

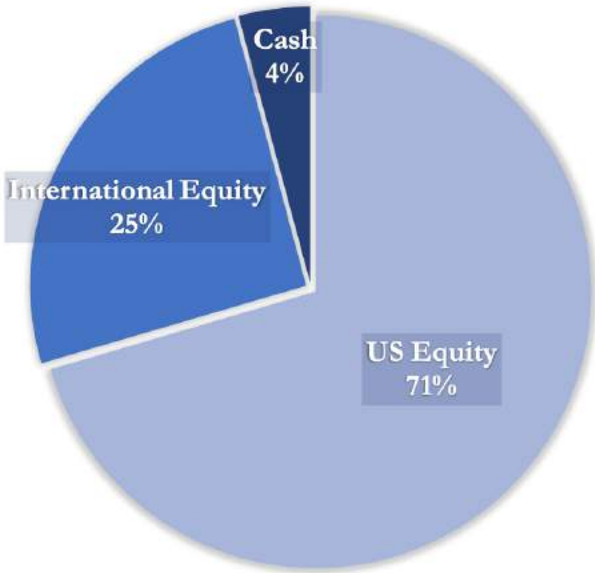
Value of $100 GPS vs S&P

Year 2018

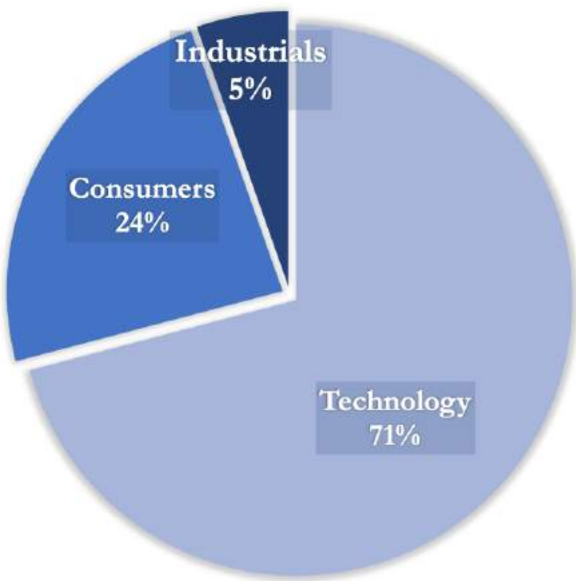


2018 PORTFOLIO ALLOCATION

Asset Allocation
Year End 2018



Sector Allocation
Year End 2018



PORTFOLIO HOLDINGS

Current Holdings

AerCap Holdings (AER)

AerCap Holdings (AER) is the market leader in leasing commercial aircraft to airlines across the globe. Its fleet consists of 1,421 owned, managed, or on-order aircraft, spanning from Boeing 737s to Airbus A320neos. During 2018, AER was down 25%; however, during the beginning of 2019, AER is up 14%. GPS invested in AER for three fundamental reasons.

First, its long-term leases, attractive order book, effective hedging techniques, and low historical average credit costs provides long-term revenue and cash flow visibility. AER's fleet has an average lease term of 7.4 years, meaning, exclusive of further aircraft deliveries, the business can expect cash flows from its customer base for the next 7.4 years. Although airline leases may appear relatively risky, AER has historically muted its credit costs, averaging only 1 percent of lease revenue. Furthermore, AER has 363 aircraft on order, with 95 percent of lease rents through 2021 already contracted.

Second, AER has considerable scale, providing it with bargaining power against OEMs, such as Boeing and Airbus. AER's large order book creates the opportunity to purchase aircraft at a hefty discount to retail price, reducing cash outflows and lowering the cost basis in the asset. Moreover, AER is able to leverage its order book by gaining access to coveted delivery slots, which airlines value highly, creating further demand for its aircraft.

Third, GPS, as well as management, considers AerCap undervalued by the market. AER's current price per share (as of 3/1/19) is $45.07, a 28% discount from its book value per share of $62.95. If the gap were to close today, we would experience 40% upside. We believe that the strong resale market, accelerated depreciation method deployed by management, and fleet of in-demand aircraft owned by AER warrants a price closer to, if not exceeding, book value. Management is trying to close the discount between price per share and book value per share by initiating another $200M share buyback program. Since June 2015, the management team has repurchased 37% of the outstanding equity. GPS continues to look forward to the long-term prospects of AerCap Holdings, and we hope the market begins to agree with us.

PORTFOLIO HOLDINGS

Criteo (CRTO)

Criteo (CRTO) is a French technology company that operates an advertising platform for commerce companies and consumer brands. Criteo's platform predominantly serves personalized online display advertisements to consumers who have previously interacted with a company or brand. We entered a position in Criteo in March 2018 because we saw a buying opportunity following an extremely negative reaction to news of Apple's ITP software update. Our original thesis was that the company's scale advantage, value proposition and unique client relationships, that allow for uncapped spending budgets, would not be eroded by the update. Specifically, we saw Criteo as a means for online retails to combat Amazon's strong data advantages and we liked the company's focus on delivering high targeted return on investment to clients. In March, the valuation looked compelling at ~4x EBITDA given that Criteo is a 88% gross margin business with double digit topline growth prospects.

Over 2018, Criteo rallied and waned as the company built a business model that was more resilient to external shocks. The company now has a much stronger multi-product offering with substantial tailwinds from app and open internet applications. We continue to hold Criteo because we still believe the valuation is compelling for a business with a such a strong economic moat. Moreover, we believe there should be a series of catalysts in 2019 as revenue growth hits an inflection point.

eBay (EBAY)

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.

In the last year, we have received further confirmation that eBay's intermediated payments will produce a one-time EBIT increase of at least 25%. Moreover, eBay's development of promoted listings, which allows sellers to advertise on eBay's site, has the potential to generate an additional 30% boost to the EBIT by 2023. Our primary differentiation from the market is on the value of payments and promoted listings, and when combined with the growth of the core business, StubHub, and Classified, we expect eBay to nearly double EBIT in the next five years while also repurchasing > 10% of shares outstanding per year.

PORTFOLIO HOLDINGS

Howden Joinery (HWDN)

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 675 depots, they have approximately 22% of the UK market share. GPS entered the position in 2017 with the thesis that it was an opportunity to purchase a high-quality company whose multiple had contracted over the last few years due to inflationary pressures and uncertainty caused by Brexit. HWDN provides a superior customer proposition to the tradesmen it services, operates a unique decentralized model for depot managers and 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 also believe that sell-side worries about depot saturation are overblown and, with the optionality offered from its expansion into France, there is potentially a large runway for HWDN to reinvest its cash flows at an average ROIC of 28%.

In 2018, HWDN outperformed our revenue expectations as it continued to gain market share in a weak but recovering UK kitchen market. However, further short-term inflationary pressures and the removal of a depot gross margin floor negatively impacted gross margins and the company ended 2018 with its stock price trading down 6%. We continue to hold HWDN as we believe that it is a quality business with a high return on invested capital, significant potential growth and a differentiated business model. In the short-term, we also expect margins to meaningfully revert as management implements price increases to offset these inflationary costs.

IAC/InterActive Corp (IAC)

IAC/InterActive Corp (IAC) is a holding company with three parts – Firstly, Match, a collection of leading online dating platforms, including Match.com and Tinder, secondly, ANGI HomeServices, a fast-growing online marketplace for contractors, and thirdly, a stub, which contains a variety of assets. We view IAC as an opportunity to buy two a-cyclical, asset-light businesses in MTCH and ANGI that are well-positioned for growth at a discount to their current prices, while getting IAC's stub assets for free. Despite being EBITDA and FCF positive, IAC's stub has an implied value of -$2.6b (-16.4%) by the market. The market has also overlooked management's past track record of spinning off businesses as a hard catalyst.

After its 2018 debt matures, specific covenants that would've complicated a spinoff will be eliminated, creating a clear path to value realization through a spinoff. Given the stub discount, we note that we only need to prove that MTCH and ANGI are fair value and that the stub is worth at least nothing (rather than a negative value) to generate moderate returns; however, we believe that the market has not sufficiently recognized the value of all three entities. This is especially since the EBITDA multiples Match and Angi's trade at are optically high; however, both are at transformative inflection points and the market has underestimated the long-term earnings power of both franchises. As operating leverage for these businesses kicks in and their market leadership is realized, there will be a significant opportunity for value realization.

PORTFOLIO HOLDINGS

JackpotJoy (JPJ)

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 an overly levered gaming rollup despite having a high quality gaming platform. Online bingo players are inherently sticky and new customers offer incremental value to the platform by improving the gaming liquidity and creating more opportunities for players to bond with each other.

We expect JPJ's equity value to be unleashed once the company delevers its balance sheet through its strong internal cash flow generation. GPS has already achieved a ~15% IRR on this stock which was mostly driven by the company's earnings growth but we believe there is still room for further returns when JPJ’s multiple re-rates once the balance sheet reaches a normalized level.

Liberty Sirius XM (LSXMK)

Liberty Sirius XM (LSXMK) is a 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. Finally, Sirius can potentially sell its spectrum assets (satellite radio frequency rights) and buy back shares.

While the position fell 8% in 2018 due to the strengthening of Spotify and Apple Music as competitors, we believe that Sirius’ ‘lean in music’ and superior cash generative abilities will prove to provide it a moat against the other platforms. Furthermore, the increase in used car sales through 2018 is expected to convert into a greater number of subscriptions.

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Limbach Holdings (LMB)

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, underestimating its 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 faced a bumpy 2018, as it faced write-downs from cost overruns in the Mid-Atlantic region that caused it to miss 3Q18 earnings and lose the ability to finance the Dunbar Mechanical deal it had won earlier in the year. Ex-mid-Atlantic, LMB continues to deliver maintenance base growth and service growth that had surpassed expectations the rate at which they were projected in the initial pitch.

Lindblad Expedition (LIND)

Lindblad Expedition (LIND) provides adventure cruises on all 7 continents by operating 8 owned vessels and 5 seasonally chartered vessels. The business seeks to provide an intimate experience that brings guests to remote and exotic locations. We invested in Lindblad with the view that it was well positioned to capitalize on demographic tailwinds impacting the experiential travel industry and that fleet expansion initiatives had the potential to grow EBITDA by over $40M.

Over the past year, the position has generated an over 35% return for the GPS portfolio. In 2018, this thesis played out with continued growth in occupancy, net yields, and bookings. With tour revenues rising 16% to $310M and Adj. EBITDA growing 26% to $55M, owner-operator, Sven Lindblad, described it as the healthiest market he has seen in 25 years. In November, Lindblad received delivery of its new costal vessel, the NatGeo Venture, and the first two voyages of its polar-class vessel (set for Q1 2020 delivery) sold out in less than a month. The company also announced the construction of a second polar-class vessel scheduled for delivery in 2021. We were pleased with Lindblad's 2018 operating performance and believe that under the careful guidance of Sven Lindblad the business will continue to create significant shareholder value over the coming years.

PORTFOLIO HOLDINGS

Tencent (TCEHY)

Tencent (TCEHY), best known for its WeChat platform and video game business, has one of the widest moats in the world. Further, its platform is dramatically under-monetized with signs of monetization picking up. On top of this, a temporary delay in video game approvals clearly scared some investors off, who extrapolated this headwind out indefinitely. After a thorough discussion of the Naspers / Tencent situation, we determined that the clearest pathway to value realization was through an investment in Tencent directly.

The obvious question here is whether GPS has an edge in investing in Tencent. Tencent is certainly not underfollowed, leaving limited room for informational or analytical advantages. However, Tencent is also a stock with significant headline risk, and we expect volatility in the security for the near future given the trade dispute and short-term uncertainty surrounding gaming, among other things. Unlike most investors, GPS has permanent capital and can stomach volatility to capture value over the long term. We believe headline risk and short-term concerns have been a meaningful driver of the stock's sell-off throughout 2018, and this is what allowed us to purchase shares of Tencent at prices far below what is reasonable. Since initiating a position in the second half of 2018, the market value of our stake has increased modestly.

Travelport (TVPT)

We entered into **Travelport (TVPT)** in October 2018 at $15.45/share. TVPT is a global distribution service (GDS) provider for airline tickets and other travel inventory management. They sell airline tickets, along with additional travel items such as hotel rooms, perks such as early boarding and in-flight wifi, and transportation through a computerized platform to travel management companies (TMCs) who can query the TVPT database for services. Our thesis revolved around four central points. First — we believed that TVPT had the potential to expand further into high margin areas such as away bookings (intermediating bookings for non-domestic airlines can command a 50-67% higher service fee for TVPT). Second, we believed that TVPT's de-leveraging would de-risk the investment over time and potentially make TVPT an attractive acquisition target. Third, we believed TVPT's payments subsidiary, eNett, had the potential to grow into a $1B+ business, creating the conditions for substantial value creation through an intelligently executed spin-off or sale. We became comfortable with the risk profile on the business by investigating financial statements going back to the 2007-2009 recession, which saw TVPT increase its EBITDA margins despite declining travel volumes worldwide; in addition, we believed that Elliot Management Company's 14% position in the company at time of investment might have led to a profitable sale.

In Q4 2018, Elliot announced that its Evergreen fund, along with Siris Capital, would buy TVPT at $15.75/sh. The transaction was approved and is expected to close in Q2 2019. While we are disappointed that TVPT will not sell for a higher premium, we will not be losing money on this investment. Instead, it serves as an important learning experience for us concerning the incentives of management teams in the face of take-private offers.

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Turning Point Brands (TPB)

Turning Point Brands (TPB) operates in the other tobacco space, selling a range of products including moist snuff tobacco, loose leaf chewing tobacco, cigarette papers, cigar wraps, e-cigs, vaporizers, and herbal wraps. The company does not sell cigarettes. We believe that TPB is executing on an attractive growth strategy, operating within a bright spot of an optically declining industry. Expansion of the company's salesforce have led to significant market share gains for its smokeless products (MST and chewing tobacco). The company has also been able to integrate new product acquisitions into its strong distribution network to capture more share in this category. The company is also pivoting to address new demands from its adult customers in the e-cigarette and vapor market.

TPB generated a roughly 32% return for the GPS 2018 portfolio. In 2018, Turning Point Brands printed strong results throughout the year. With overall net sales up 16%, the business saw growth across each of its three segments as well as Adj. EBITDA growth of 8%. The TPB team, led by CEO Larry Wexler, continued its strategy of acquiring vapor assets at attractive valuations. Early in the year the company purchased Vapor Supply, a B2B e-commerce vapor distribution platform, for $4.8M (0.16x sales and 0.80x gross profit). Additionally, the company acquired international vapor group ($5M EBITDA) for $24M with a contingent $4.5M earn-out. Later in the year the company, faced a tougher regulatory environment with the FDA getting more strict on underage tobacco usage in the vapor space. TPB took efforts to comply with new regulations and increased the headcount of its legal and regulatory compliance team. We still contend that TPB is run by highly skilled operators and capital allocators and has the ingredients to continue expanding its consumer brand across its three segments. As the TPB team continues to execute on their long term plan and create shareholder value, a higher valuation will become apparent to the market.

PORTFOLIO HOLDINGS

Exited Positions

Sage (SGE)

Sage (SGE) is a multinational enterprise software company listed on the London Stock Exchange. We initiated a position in SGE at the end of 2017, on the back of a well thought out and articulated thesis by Sean Lim. Key thesis points included SGE having the opportunity to significantly improve margins after going successfully going through an early stage recovery in the cloud computing race and SGE being well positioned with a long runway for growth in the space. However shortly after our purchase, the key catalysts we were looking out for failed to materialise quarter after quarter. We decided to monitor SGE in 2018 and to observe management's outlook on certain key metrics. We concluded after SGE released its 2018 Annual report that key elements of the initial thesis failed to play out. In February 2019, we announced the sale of SGE at an exit price of $8.34 vs a cost base of $10.83. Whilst losing money is never ideal, we acknowledge that not all our analysis can be correct and sometimes cutting a loss is the best option on the table.

Vostok New Ventures (VNV)

Vostok New Ventures (VNV) is a Swedish holding company with stakes in a few dozen companies. Originally, the basis of this pitch was VNV's 13% stake in Avito, a Russian classifieds company, which we believed to be extremely undervalued due to the way management marks it in their NAV build up. While they used a peer set to determine its value, we utilized a bottom-up approach to value the business, based on Russian internet penetration rates, the rapid monetization of the business and run-rate margins. Our thesis revolved around the quality of the classifieds business and Avito's growth potential. Our catalysts included Nasper's controlling stake in the business and Naspers' management's goal to crystallize the valuation gap, often through the IPO of its subsidiaries or other actions meant to help close the gap. Without differentiated conviction for VNV's remaining businesses, it made sense to exit our position in VNV at this time, given that GPS currently holds a position in Naspers.

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