

ANNUAL REPORT

2009



GLOBAL PLATINUM SECURITIES

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



GPS alumni, members, and the Analyst Class of 2009 enjoy the annual dinner cruise at the 2009 Summer Conference.

“ 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. ”

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The Dayton Pod enjoys brunch over a weekly pod meeting.

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BOARD OF MANAGERS



Alumni and members reunite in Myrtle Beach for the 2010 Spring Conference.

MICHAEL TANZER '10

*New York University
Chief Executive Officer*

COLE MAGRATH '10

*Georgetown University
Chief Operating Officer*

TONG LAP HIM '10

*London School of Economics
Chief Financial Officer*

ROB RICHMOND '11

*University of Colorado
Portfolio Manager*

DAVID ESCAMILLA '10

*Harvard University
Portfolio Manager*

TIM SHANNON '07

*Georgetown University
Zweig-DiMenna Associates*

KEN TALANIAN '06

*Georgetown University
J.P. Morgan Asset Management*

RUFINO MENDOZA '07

*Georgetown University
J.P. Morgan Asset Management*

ROB GREEN '09

*University of Dayton
BlackRock Private Equity Partners*

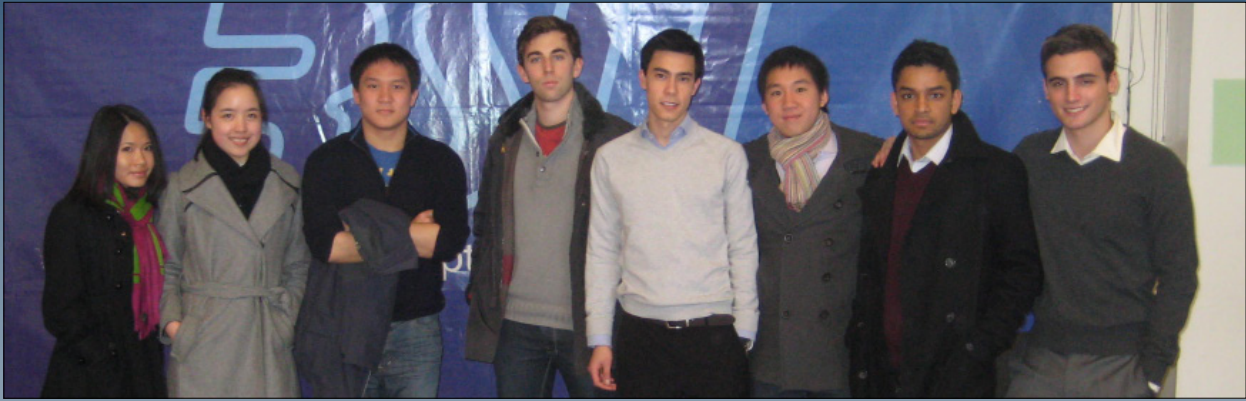
HOSHRAV PATEL '09

*New York University
J.P. Morgan Asset Management*

ROMAN SMUKLER '09

*Georgetown University
Goldman Sachs*

UPPER MANAGEMENT



The LSE pod went to South West London to volunteer with Young Enterprise for its annual Giving Back Event.

2009

MICHAEL TANZER
New York University

COLE MAGRATH
Georgetown University

TONG LAP HIM
London School of Economics

DAVID ESCAMILLA
Harvard University

ROB RICHMOND
University of Colorado

MICAELA DROLSHAGEN
University of Dayton

AARON WOODWARD
University of Colorado

CHRIS RAMESH
Georgetown University

MAULIK SHAH
University of Pennsylvania

ALICE CHUNG
Harvard University

AKEEL RANGWALA
Harvard University

LAMBERT WANG
Georgetown University

Chief Executive Officer

Chief Operating Officer

Chief Financial Officer

Portfolio Managers

Chief Marketing Officer

VP of Philanthropy

VPs of Education

VPs of Internal Relations

VP of Personnel

VP of Technology

2010

CHRIS RAMESH
Georgetown University

ALICE CHUNG
Harvard University

LAMBERT WANG
Georgetown University

SAURABH BIKRAM
London School of Economics

AKEEL RANGWALA
Harvard University

JAYMAL NATHWANI
London School of Economics

KEVIN ABELS
University of Dayton

WESLEY BAYER
Georgetown University

TONG CHEN
Massachusetts Inst. of Technology

JHANAVI PATHAK
Massachusetts Inst. of Technology

JAIME STEINHARDT
Georgetown University

ELLEN YANG
New York University

NEERAL GANDHI
Harvard University

BENJAMIN WIGODER
London School of Economics

MEMBERSHIP

MISHA LEVENTAL '10
UNIVERSITY OF COLORADO

CHARLES ROBERTSON '10
UNIVERSITY OF COLORADO

AARON WOODWARD '10
UNIVERSITY OF COLORADO

ROBERT RICHMOND '11
UNIVERSITY OF COLORADO

JAMES TRAMONTANA '11
UNIVERSITY OF COLORADO

BRAD STACHURSKI '12
UNIVERSITY OF COLORADO

MICAELA DROLSHAGEN '10
UNIVERSITY OF DAYTON

JIM ORTMAN '10
UNIVERSITY OF DAYTON

KEVIN ABELS '11
UNIVERSITY OF DAYTON

MATTHEW VERYSER '11
UNIVERSITY OF DAYTON

KATE MORGAN '12
UNIVERSITY OF DAYTON

DAVID ESCAMILLA '10
HARVARD UNIVERSITY

ALICE CHUNG '11
HARVARD UNIVERSITY

AKEEL RANGWALA '11
HARVARD UNIVERSITY

NEERAL GANDHI '12
HARVARD UNIVERSITY

HORACE LAM '10
GEORGETOWN UNIVERSITY

COLE MAGRATH '10
GEORGETOWN UNIVERSITY

HEATHER GARTIN '11
GEORGETOWN UNIVERSITY

CHRIS RAMESH '11
GEORGETOWN UNIVERSITY

AMAN SARUP '11
GEORGETOWN UNIVERSITY

LAMBERT WANG '11
GEORGETOWN UNIVERSITY

WESLEY BAYER '12
GEORGETOWN UNIVERSITY

JAIME STEINHARDT '12
GEORGETOWN UNIVERSITY

WARREN CHAN '10
MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

KEVIN PAN '10
MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

JHANAVI PATHAK '11
MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

ANDREW YOON '11
MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

TONG CHEN '12
MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

MEMBERSHIP



The Analyst Class of 2009 poses in front of J.P. Morgan at the 2009 Summer Conference.

NIKHIL MARATHE '10
UNIVERSITY OF PENNSYLVANIA

ASHWIN PUSHPALA '10
UNIVERSITY OF PENNSYLVANIA

MICHAEL SHEN '10
UNIVERSITY OF PENNSYLVANIA

BLAKE WU '10
UNIVERSITY OF PENNSYLVANIA

ERIC FISCHER '11
UNIVERSITY OF PENNSYLVANIA

MAULIK SHAH '11
UNIVERSITY OF PENNSYLVANIA

GIDEON SPITZER '11
UNIVERSITY OF PENNSYLVANIA

ERIC SU '11
UNIVERSITY OF PENNSYLVANIA

MICHELLE CHAN '10
LONDON SCHOOL OF ECONOMICS

JOSEPH CHENG '10
LONDON SCHOOL OF ECONOMICS

HONG MIN LIN '10
LONDON SCHOOL OF ECONOMICS

LAP HIM TONG '10
LONDON SCHOOL OF ECONOMICS

SAURABH BIKRAM '11
LONDON SCHOOL OF ECONOMICS

JAYMAL NATHWANI '11
LONDON SCHOOL OF ECONOMICS

BENJAMIN WIGODER '11
LONDON SCHOOL OF ECONOMICS

VEENA BONTU '10
NEW YORK UNIVERSITY

MATTAN GRIFFEL '10
NEW YORK UNIVERSITY

DAVID HOMONOFF '10
NEW YORK UNIVERSITY

ROHAN SRINIVASAN '10
NEW YORK UNIVERSITY

MICHAEL TANZER '10
NEW YORK UNIVERSITY

NEIL SHERIDAN '11
NEW YORK UNIVERSITY

ELLEN YANG '12
NEW YORK UNIVERSITY

LETTER FROM THE CEO

Dear Investors and Mentors,

“We may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

The financial crisis and the current political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or elected officials. Press coverage and other public statements that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, often results in some type of investigation by regulators, legislators and law enforcement officials or in lawsuits[...] Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation and on the morale and performance of our employees, which could adversely affect our businesses and results of operations...”

—The Goldman Sachs Group Inc., Form
10-K Annual Report Filed with the SEC,
March 1st, 2010

Let’s face it: The world is a mess. The cancellation of credit cards, both literal and figurative, led to the Great Recession and a reversal of over two decades of trade policies and unchecked free market philosophy. To avoid financial Armageddon, the visible fist of government stepped in to replace the invisible hand of Adam Smith. Short-term interest rates around the globe headed to 0% and monetary policies of central banks mandated the writing of trillions of dollars of checks to replace the trillions of dollars of credit that disappeared ex-Lehman. Double-digit deficits as a percentage of GDP in many countries, a condition unheard of since the Great Depression, are now prolific as Dubai, Ireland, Iceland and Greece have most recently shown.

It really makes me wonder, at a time when the US unemployment rate for 20-24 year-olds is north of 16% and finding a job in financial services is like finding a needle in a haystack, how a group of forty-five students in an investment club can just keep it together. But far more than just getting by, Global Platinum Securities has excelled and grown to new heights in a time of great misfortune and uncertainty for so many. For the past year I have had the privilege of leading this group of incredible people — an experience unparalleled in terms of personal reward and education. Contrary to the risk disclosure above, the morale and performance of GPS members has continued along with undying enthusiasm, making my experience as CEO a most pleasurable one.

The fund’s performance under the guidance of David Escamilla and Rob Richmond has been stellar, returning 27.56% with an average cash position of 27.5%, reduced over the course of the year to 16%. Rob and David led a hard working team, putting our cash to work with an acute sense of risk/reward and always investing with a margin of safety. The GPS research machine reached new standards while resisting the temptation to start “chasing beta.”

Kudos as well to Rob Green, who has been, without a doubt, instrumental in establishing the Alumni Association as an operationally sustainable organization. I am happy to see the board increase in number, age, and brainpower. It is truly a credit to the strong bonds of the organization to see such consistent interest and involvement from alumni.

Additionally, with the great effort of Lambert Wang, we have instituted 360-degree member reviews as well as peer reviews for the Upper Management, Sector Leaders and Pod Leaders. This tool has enabled us to improve the professionalism of the organization and increase each member’s accountability to one another.

As always, our two conferences in New York were opportunities for members to solidify friendships, both new and old. We did a fantastic job bringing in a diverse set of speakers, providing everyone with tokens of advice that will last a lifetime. Great mentors have always given us inspiration as each member tries to find his or her place in the professional world. We continue striving to better understand our internal financial needs as the operating fund continues to ramp up with the growth of the alumni base. As always, we thank our mentors for giving us the financial support to host such rewarding conferences, and for giving us the tools to operate on a weekly basis.

It is with a great sense of humility that I give the leadership baton to Chris Ramesh. After three years of full membership I have reaped so many rewards as an undergraduate — I wish I could give more. Chris is an incredibly talented colleague who, I am sure, will continue to bring GPS to new heights in 2010. The accomplishments of 2009 have been outstanding, but I am sure the best is yet to come for a group that continues to attract and develop the best and brightest minds from around the world.

Sincerely,

Michael Tanzer
New York University ‘10
CEO 2009

LETTER FROM THE FOUNDERS



The Founders enjoy the annual dinner cruise at the 2010 Summer Conference.

Dear Investors and Mentors,

What started in 2004 as a few intellectually curious freshmen eager for hands on investment experience now consists of a tight-knit team of 64 alumni, 28 members, and 20 analysts from eight universities: Georgetown University, the University of Pennsylvania, the University of Colorado, Harvard University, the Massachusetts Institute of Technology, New York University, the London School of Economics, and the University of Dayton.

We collectively speak over 15 languages and hail from 13 countries. We have had the privilege to host 17 conferences with over 50 speakers including Warren Buffett, Governor Arnold Schwarzenegger, former Merck CEO Raymond Gilmartin, as well as a range of mutual fund, hedge fund, and private equity managers; S&P 500 executives; and entrepreneurs.

As of December 31, 2009, \$1 invested at inception in 2005 would be worth \$1.27 vs. \$1.01 in the S&P 500. While pleased that our rigorous research process resulted in financial outperformance, we are most proud of our giving back initiatives, education programs, and the lifelong friendships formed with members across the globe.

As written in our creed, 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. The Colorado Pod's financial education session for the homeless and volunteering for Meals On Wheels bright and early on the Saturday of our latest summer conference stand out as recent highlights. We aspire to host even more events this upcoming year.

Our chapters continue to raise the bar with their recruitment efforts. This year's analyst class demonstrates an indefatigable spirit and thirst for knowledge as witnessed by eager

engagement of alumni and voracious reading of the summer education program materials fine-tuned over the years and executed by our Vice Presidents of Education. Conference calls with mentors, alumni, and other professionals add real world color to the program.

As for friendships, stories of alumni coaching analysts through financial models over Skype from the Middle East and mentors gathering for tea with the London School of Economics Chapter fit beautifully into the vision originally set out by our founding group.

2010 marks an important year in the establishment of our Alumni Association spearheaded by University of Dayton founder Rob Green. We remain committed to supporting each other both personally and professionally beyond the undergraduate experience and this provides a great infrastructure to keep these efforts alive for decades to come.

Many thanks to Michael Tanzer, Cole Magrath, and the rest of the 2009 undergraduate leadership team for their intense focus on improving our organization each and every day. We look forward to supporting Chris Ramesh and Alice Chung as they take our group to greater heights this upcoming year.

Sincerely,
Tim Shannon
Georgetown '07
Zweig-DiMenna Associates

Rufino Mendoza
Georgetown '07
J.P. Morgan Asset Management

Ken Talanian
Georgetown '06
J.P. Morgan Asset Management

LETTER FROM INTERNAL RELATIONS



The MIT pod, the Harvard pod, and special guest Rufino enjoy dinner and dessert over a joint pod meeting.

Dear Investors and Mentors,

It seems like only yesterday when we assumed the roles of Vice Presidents of Internal Relations from Robert Green (Dayton '09) and Aaron Woodward (CU '10). Already, it is time for us to pass the torch to Jaime Steinhardt (Georgetown '12) and Jhanavi Pathak (MIT '11). In the past year, our student organization has not only grown but also thrived professionally and socially.

GPS began the new year with its Spring Conference at the sunny Disney World. There, each administrative group shared its vision for the year, and outgoing leaders imparted wise words to the members. In July, the group reunited again for the Summer Conference in NYC, this time with the new analysts. With grill sessions, presentations, speakers, and posh social gatherings, the organization stayed true to its mission statement of education and camaraderie. GPS returned to NYC for its Fall Conference, which included analyst presentations and inductions. The group will reunite again for its 2010 Spring Conference at Myrtle Beach in mid-April. Of course, these conferences could not have been possible without the support of our generous mentors.

Last fall, GPS inducted 14 new analysts, who were eager to learn and contribute to the organization. During the conference, the analysts presented an impressive array of investment pitches for their final projects, many of which were added to our portfolio. The caliber of excellence they showed at the Fall Conference was astounding and encouraging for the future of GPS. Of course, the vigor the organization experienced in the fall persisted. Upon returning to our respective pods, we continued with our research, implementing a new Bull and Bear

Case approach to investing. This system increased the members' sense of ownership for investment pitches and allowed us to examine our research more critically.

In addition to these three conferences, GPS enjoyed a great number of mentor conference calls throughout the year. In addition to our traditional mentor calls, we also had several alumni panels, in which the organization's graduates offered a look into their respective industries, including asset management and investment banking. These presentations and Q&A sessions allowed students to gain an exclusive look into prospective career opportunities.

Newsletters throughout the year also supplemented physical conferences, conference calls, and presentations. The newsletters were filled with interviews with mentors and alumni, performance updates, and student spotlights. These interviews allowed students to have the opportunity to talk with mentors and alumni who have been successful in their respective areas of work.

As we finish our term in Internal Relations, we look forward to collaborating with the GPS Alumni Association to build a stronger network between members and alumni. On behalf of our organization, thank you for a wonderful year, and we cannot wait to see the greater success ahead for GPS with your much appreciated support.

Sincerely,

Alice Chung
Harvard '11

Akeel Rangwala
Harvard '11

Vice Presidents of Internal Relations 2009

GPS ALUMNI ASSOCIATION

Dear Investors and Mentors,

When Global Platinum Securities (“GPS”) was founded five years ago it was unclear how the organization would actually develop according to its plan. However, one of the most important goals set out by our Founding Partners was to build a tight-knit culture across all of the chapter schools and importantly among the different generations of classes. This sought out to be a tough task as members are only active participants for two or three years during their undergraduate career, people come from different backgrounds and personalities, and everyone has different long-term life goals. Valuable connections are made between the members, and it would be a shame if people’s experience were limited to their short time as a student. What would happen to members’ involvement after they graduated school and how would they stay connected?

Officially launched in January 2010, the GPS Alumni Association (“GPSAA”) was created to facilitate interaction between a growing base of alumni and the undergraduate membership, with an emphasis on mentorship, education, and camaraderie. Although GPS itself remains in its infancy, it should come as no surprise that this wildly ambitious group was anxious to form the GPSAA to strengthen and foster relationships and continue the experience of learning from one another through intellectual development. Every alumnus of the organization contributed ideas and opinions during the brainstorming process prior to launch, collectively assessing the best way to build the foundation of the GPSAA. Today, there are 64 alumni spanning around the globe, extending from all coasts and regions within the United States to Europe, Asia, and the Middle East. Although GPS is primarily a finance-oriented program with many alumni now involved in investment management, trading, and banking, many other alumni are found in a diverse set of industries, such as Silicon Valley start-up ventures, consulting, advertising and marketing, law, gaming, and a handful at the forefront of the music and media industry. With all of the alumni experience, knowledge, and network combined, it is a powerful group that will serve as a valuable resource to other alumni and students within the organization going forward.

Although the GPSAA maintains close ties with the GPS student members, it operates as an independent organization. The three officers of the Directing Committee – President, Vice President, and Treasurer – are responsible for the coordination of the GPSAA and meet regularly through conference calls to discuss plans for developing the association. Also, the President sits on the GPS Board of Management to maintain the connection between the students and alumni. In order to establish the foundation, these three positions are initially being held for two years, thereafter transforming into annual rotations. The other officer positions include a captain for each graduating class, a pod ambassador for each undergraduate school chapter, and a regional captain for each densely populated area of alumni. The Regional Captains are responsible for planning events and gathering alumni together for social and philanthropic activities, while the Class Captains

help keep the broader association up to date with any alum career changes, achievements, or noteworthy experiences. Also, the Pod Ambassadors are serving as visible and active mentors to the students of each chapter school. Each position serves as an important role to ensure that alumni continue maintain the cohesive bond that is core to the lifelong GPS experience.

Most recently, the GPSAA has launched its newest program, a set of alumni discussion groups, collectively called Industry Councils. These groups are a powerful way for alumni with similar interests to connect and share knowledge and resources while remaining “intellectually curious.” An Industry Council has been created for the following areas: Private Equity, Tech/Venture Capital, Media, Healthcare, Macro, Hedge Funds, Real Estate, and Credit. Essentially, alumni that are interested in a particular area can sign up to join an Industry Council’s email distribution list. Alumni actively communicate through these email lists by sharing articles, thoughts, and opinions on recent events or headlines as well as general education of an industry. Each Industry Council also meets over the phone one per quarter for a roundtable discussion on the current state of the industry and hot topics. As this program develops down the road, the GPSAA plans to eventually host an annual forum where all of the alumni will meet together and conduct panels of these Industry Councils.

Since its inception, distinct alumni and our professional mentors have generously supported GPS financially. Now that the GPSAA is running on full cylinders and as our alumni base continues to expand, we are working toward assisting GPS’s evolution into a self-funded entity through annual dues. With input and feedback from all alumni, we are currently in the process of finalizing this long-term dues structure to fully support the undergraduate operations of GPS.

Another main goal for the GPSAA is to increase the level of alumni mentorship and interaction with the students. Over the past six-months, several alumni have joined the students’ General Meeting conference calls to participate on career panels and present on specialized topics. This type of constant mentoring is unique to GPS, and the alumni are passionate about furthering their interaction with the students to better their educational and professional development.

Many thanks to all of the alumni for their help and support in forming this new association. Special thanks to all of the officers and program leaders who have stepped up to the plate with enthusiasm to making the association operate. It’s exciting to imagine breadth and depth of the GPSAA as more alumni join the group after undergraduate schooling and continue to remain active in connection and through educational development – powerful, yet extremely unique.

Sincerely,

Rob Green
Dayton '09
President of GPSAA 2010

GIVING BACK

Dear Investors & Mentors,

Following its inaugural year, the GPS Giving Back Program, which was created out of our mission statement to give back to the community by donating our time and knowledge, continues to be a cornerstone of our organization. Throughout the 2009-2010 school year, GPS pods have interacted and will interact with a variety of underprivileged groups within our respective communities by utilizing our knowledge and skills of finance, education, and commerce. Our goal is simply to give back some tangible information that will better the lives of those in a lower socioeconomic class who lack the advantages we are lucky enough to enjoy. We have worked with college-bound high school seniors and adults who seek help in financial literacy and education, high school students who are pursuing higher education, and elementary school children curious about the importance of creativity and teamwork in business and commerce. GPS chapters will continue to reach out to these underprivileged groups in the spring semester of the 2010 school year.

Below are the Giving Back Events that have taken place over the year:

GPS UPenn gave a financial aid presentation to twelve high school seniors and juniors along with their teachers/mentors from two Inner-City West Philadelphia High Schools. One of these schools, UCHS, was voted the most dangerous high school in the United States a couple of years ago, so it was moving to see these students attend, with high aspirations for college degrees and beyond. The goal was to give a realistic and practical approach to paying for college. GPS UPenn collaborated with another group on UPenn's campus whose goal is to provide mentors throughout the entire college application process and financial aid. The audience included the UPenn's Chair of Financial Aid, who was impressed by the presentation and commended the group for its diligent work.

GPS CU re-visited the homeless shelter, New Genesis, in Denver, the only homeless program for employed individuals in the area. New Genesis's mission is to help the temporarily homeless lead a more productive and independent life by recapturing accountability for their actions. The organization does this by providing housing and other resources for those trying to get their lives back on track. CU gave a personal finance presentation, followed by a Q&A session. The presentation looked at topics ranging from opening a bank account to understanding one's rights with regards to liens and debt obligations. The CU pod built upon the presentation that it had given last year and members found that they were far better equipped to properly respond to the audience's questions and concerns.



Top and middle: The Penn pod gave a financial aid presentation to high school seniors and juniors. Bottom: Lap Him Tong of LSE volunteers with Youth Enterprise.

GIVING BACK



Left: Georgetown worked with the University's Meyers Institute for College Preparation.

Right: Harvard and MIT in a joint Giving Back Event hosted a women's stock pitch competition.

GPS LSE made its way to South West London to volunteer with Young Enterprise (<http://www.young-enterprise.org.uk/pub/>) at Roehampton University on Junior Enterprise Day. The purpose of the day was to educate year 7 (ten-eleven year old) pupils from three different local schools about the value of teamwork, creativity, and communication in business. The LSE pod played business games, discussed entrepreneurship, and helped the children understand how businesses operate in the real world. It was GPS LSE's second year working with Young Enterprise; by the end of the school day it is fair to say that all members of the LSE pod were exhausted, yet truly inspired by the creativity and enthusiasm shown by the pupils and staff. GPS LSE hopes to continue working with Young Enterprise next year and for many years to come.

GPS Georgetown worked with Georgetown University's Meyers Institute for College Preparation (MICP). MICP is an organization devoted to promote student interest and motivation toward the pursuit of a college education and to provide intensive academic, psychosocial, and family mentoring support in order to help students accomplish their academic goals. Working with students from elementary school through high school, the organization provides weekend and summer enrichment programs to the students that expose them to advanced coursework as well as practical information about exploring potential career interests. GPS Georgetown discussed various aspects of personal finance, money management, credit access, and investing with juniors from a local high school. The high school students' display of

knowledge was astounding as some already manage their own finances while others even demonstrated investing experience. (One student had invested in Under Armor after his sports team switched their jerseys to their clothes.) Student feedback to MICP was so overwhelmingly positive that GPS Georgetown has been invited back to continue its education seminar this semester.

GPS Harvard hosted a women's stock pitch competition for 20+ students in conjunction with two other student organizations, Women in Business & Smart Women Securities. The Harvard pod introduced students to the basic principles of investing before having them debate the qualitative and quantitative merits of Tiffany. The tournament followed a round-robin elimination format where the eliminated teams (competing in pairs) attended a lecture by Akeel Rangwala '11 about the broader applications of prudent investing. Before the championship round, Karen Firestone, the first female fund manager at Fidelity and Peter Lynch's top research analyst, gave a fantastic presentation.

We are proud of the initiative our members took in 2009 to give back to their communities, and we look forward to what 2010 will bring.

Sincerely,

Aaron Woodward
Colorado '10
Vice President of Philanthropy 2009

2009 IN REVIEW

Dear Investors and Mentors,

We are proud to report that the group's productivity and engagement with holdings improved during 2009. GPS returned 27.56% while the S&P 500 returned 26.50%. Fortunately, we achieved this return despite holding an average cash allocation of 27.5%, which we reduced over the course of the year to 16%. Excluding the cash allocation, our holdings yielded a return of 36.98%. We did not make significant purchases during February/March 2009, due in part to the management transition period. We have worked to expedite the transition so that the 2010 Portfolio Managers, Akeel Rangwala and Saurabh Bikram, can act decisively. As Portfolio Managers, we have tried to ensure that the research process achieves our goals of learning and making profitable investments. During the year, team members produced over 35 pieces of new research and 72 maintenance reports. We voted on over 25 proposals, acting on eight of them, three purchases and five sales. We bought Gilead Sciences (GILD) because of Eric Fisher's conviction that the well-run company can continue its HIV drug dominance. Jaymal Nathwani's analysis of Dresser-Rand's (DRC) pricing power and relatively low capital requirements led us to purchase the company. The purchase of Flowserve (FLS) also occurred in the fall due to Andrew Yoon's faith in the company's end market growth and strategic changes. Out of our five divestments, two occurred because the thesis did not play out as anticipated. We suffered an 80% loss on Xinhua Sports & Entertainment (XSEL) after the Chinese company lost significant distribution rights after the 2008 Olympics, which we had viewed as a catalyst for future sales. We sold Aflac (AFL) at a 1% loss due to Warren Chan's concern about the company's hybrid security portfolio. The remaining divestments consisted of cashing out of our remaining stake in Alpha Natural Resources (ANR) for a 98% gain and 500% gain on the overall position, trimming the IBM position for a 58% gain, and selling Genentech (DNA) for a 14% gain due to its acquisition. Kudos goes to Roman Smukler and David Escamilla for their coverage of ANR and to Ben Wigoder for his coverage of IBM.

Our management strategy for this year consisted of thoroughly evaluating our holdings and creating an ownership mentality within all eight sector teams. By June 2009, team members had developed models for all holdings and were prepared to act if a security deviated significantly from our estimate of its intrinsic value. The sector leaders injected accountability and enthusiasm into their members while helping us achieve our strategic

vision. We greatly enjoyed our discussions about the portfolio at the conferences and during the biweekly sector leader calls. This year's sector leaders went above and beyond the call of duty, playing a crucial role in our late-year implementation of the bull/bear investment proposal format and investment discussions at the pod level. We thank Aman Sarup (Financials), David Homonoff (Basic Materials), Chris Ramesh (Energy), Alice Chung (Consumer Staples), Jim Ortman (Healthcare), J.P. Tramontana (Consumer Discretionary), Rob Richmond (Technology) and Lambert Wang (Industrials) for their efforts. Given the extreme shifts in economic conditions this year, the sector teams played an important role in deciding whether or not to continue to hold each company in our portfolio. Our top performers this year were Freeport McMoran (FCX up 228.5%) covered by David Homonoff, Apple (AAPL up 146.9%) covered by Joseph Cheng, and Tiffany's (TIF up 81.9%) covered by Gideon Spitzer. The worst performers this year were Toll Brothers (TOL down 12.2%), Berkshire Hathaway (BRK.B up 2.7%), and Thermadyne Holdings (THMD up 5.8%). Cole Magrath, Aman Sarup, and David Escamilla provided convincing evidence about these companies' future prospects. The events of the past year forced many team members to adjust their expectations about the future cash flows of our businesses. We are grateful for the enthusiasm displayed in this exercise during General Meetings, Conferences, email discussions, and phone calls. We have enjoyed our tenure and hope that Akeel and Saurabh can enjoy the process as much as we did.

On a final note, we recall that one hundred years ago marked the founding of America's first junior high school, but also the construction of a ship named Titanic and the establishment of a naval base named Pearl Harbor. All three of these events generated great enthusiasm during their time, but only one of them remains today. Likewise, the American Recovery & Reinvestment Act, Supervisory Capital Assistance Program, and Iranian protests generated great enthusiasm this year, enabling refinancing and capital raises that restored confidence to the financial system and pushed the stock market (and our portfolio) higher in the short term. However, the previous three events, along with the swine flu, debt crisis in Dubai, and yet another disruptive technology (Twitter), may be remembered as the seeds of a lost decade, a serious pandemic, and greater instability in the Middle East. The events of the past year forced us to repeatedly revise our projections about the enduring strength of various companies' economic moats. Given the common saying that investors are paid "to worry all day," both

2009 IN REVIEW



GPS members enjoy a mini-golfing at the 2010 Spring Conference held in Myrtle Beach, SC.

Rob and I are thankful for the opportunity to worry about so many different scenarios this past year. We are appreciative of the attention the sector teams and coverage analysts paid to our holdings/prospective investment opportunities during this interesting year. In one hundred years we hope that the 2109 Portfolio Managers can recall that in 2009 we avoided the Titanic companies and invested in the enduring ones. Finally, we do keep in mind that although America appears in decline, the country's unique attributes (democracy, ideal geography for a single currency, 17 of the world's top 20 research universities, equal

treatment for all racial/religious/cultural minorities, established property rights, and decades of experience with capital and information-intensive goods) will ensure that it remains the place where dreams come true. For us, it was a dream to hold this position, so the saying still rings true.

Sincerely,

David Escamilla
Harvard '10
Portfolio Managers 2009

Rob Richmond
Colorado '11

LOOKING FORWARD



Left: Brad Stachurski, Tim Shannon, and Jhanavi Pathak enjoy a boat ride at the 2010 Spring Conference.
Right: The LSE pod holds its weekly pod meeting while enjoying a meal and the company of each other.



Dear Investors and Mentors,

When our predecessors first assumed the roles of Portfolio Managers, the economy, still in a tailspin, presented an immense challenge to investors. However, over the course of the year, the US experienced a remarkable turnaround in both the financial markets and in the economy. From the depths of the crisis in March, the S&P 500 returned a surprising 67% and in the fourth quarter, GDP experienced exceptional growth not seen since the third quarter of 2003. Much to our relief, these numbers suggest that the prospect of slipping into yet another Great Depression seems to be over.

However, these positive developments have not mitigated market uncertainty. In the US, economic fundamentals remain weak as the housing market slowly recovers and consumers continue deleveraging to arrive at a more sustainable savings rate. Moreover, the economic crisis, precipitated by the near collapse of the financial system, has spread into sovereign debt. Countries that started the global downturn with high debt levels or assumed debt to stabilize their rapidly deteriorating economies now must swallow the bitter pill of fiscal austerity. Finally, the oil spill from the British Petroleum rig has created immeasurable environmental damage and amplified volatility in the markets as the outlook on the plugging of the leak and the financial health of BP remain unclear. These conditions draw into question the sustainability of the rally of 2009 in stock markets. For further evidence, we need only to look back to the Great Depression and the eerily coincidental 67% gain in the Dow in 1933 before the market stumbled into another free fall.

The murky economic outlook and the arguably rich valuation of equities have affirmed our conviction to maintain GPS's philosophy of long term value based investing. In the words of Seth Klarman, "The effective

implementation of investment requires a disciplined, often contrary, and long-term-oriented investment approach. It requires a resolute focus on risk aversion rather than maximizing immediate returns, as well as at times, extraordinary patience." As proponents of this mantra, we will view the past year's appreciation of stock prices with caution and focus on thoroughly researching companies with strong economic moats and attractive valuations. With a 16% cash position in our portfolio, we have the opportunity to be patient, but we are ready to act on any lucrative prospects.

To pursue this strategy, we plan on continuing to build upon the high standards of investment research established by our predecessors. We hope to fully utilize the research capabilities of our new Factset platform and more persistently monitor companies that at one point were considered "too pricey." We will be monitoring our current holdings to capitalize on intense market volatility, helping to minimize portfolio risk and maximize returns for divestments.

As portfolio managers, we are blessed to have this opportunity to preside over a fund with 50 members, intent on diligent investment research, and mentors and alumni that continuously provide invaluable advice. We thank you in advance for any success we may achieve, which will largely be attributable to your support. We are grateful to be part of such a unique platform, in which we can not only achieve our goals of outperforming the market and fostering investment education, but also witness the development of the bright and responsible investors and business leaders of the future.

Sincerely,

Saurabh Bikram
LSE '11
Portfolio Managers 2010

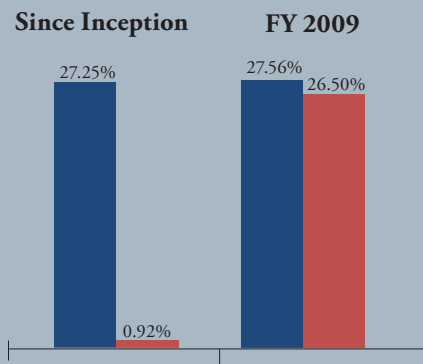
Akeel Rangwala
Harvard '11

PORTFOLIO PERFORMANCE

Value of \$100 GPS vs SPX, Since Inception



GPS vs Market Returns

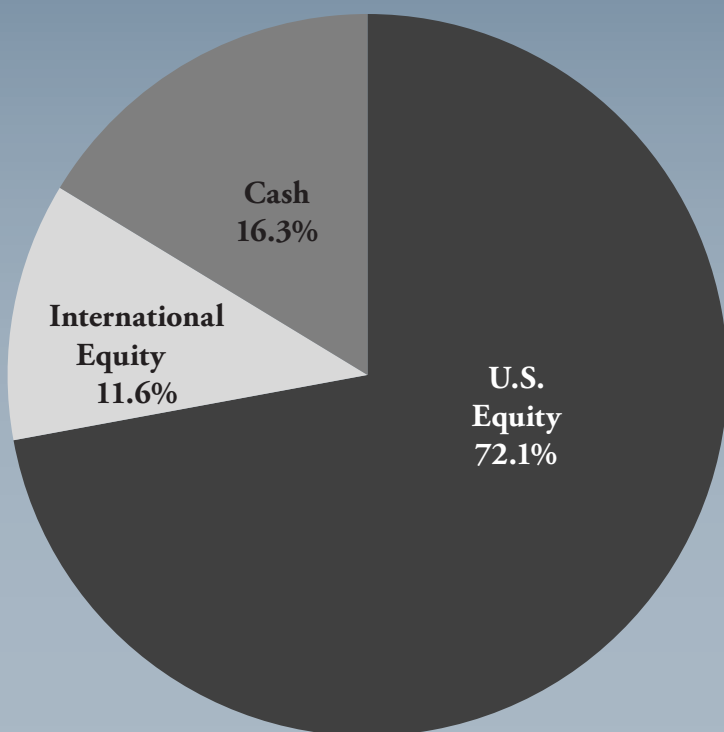


	Since Inception	FY 2009
Alpha	28.06%	(0.79%)

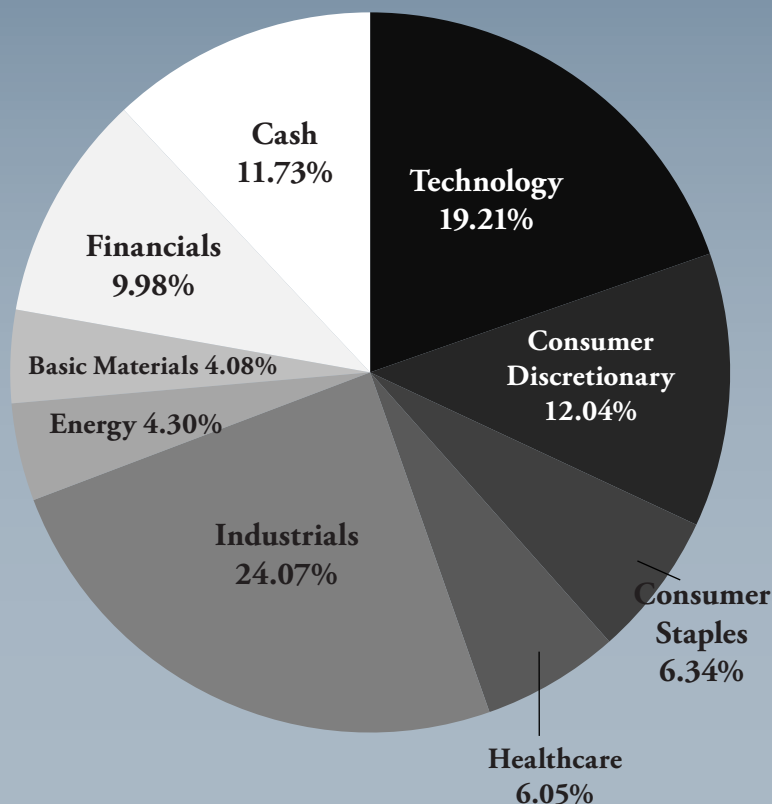
PORTFOLIO ALLOCATION

As at December 31, 2009

Asset Allocation

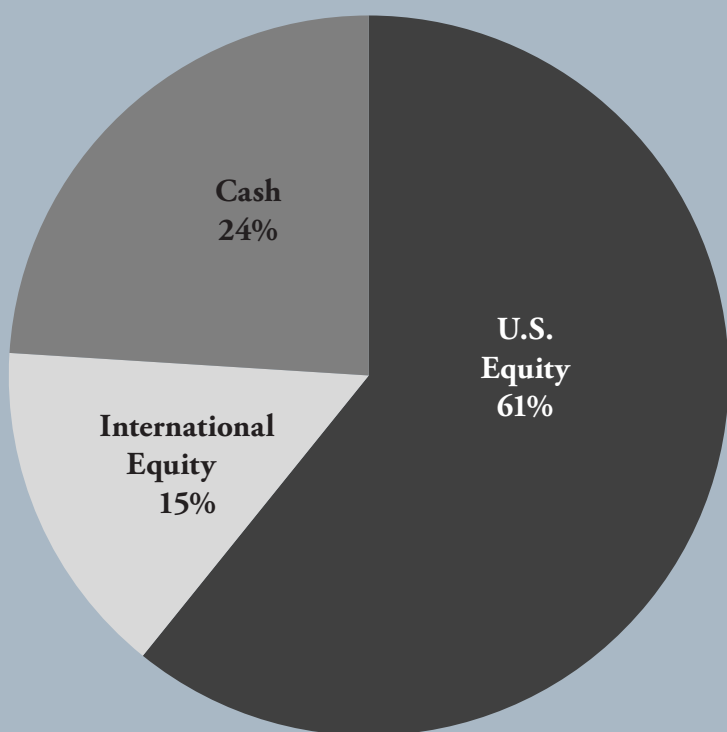


Sector Allocation

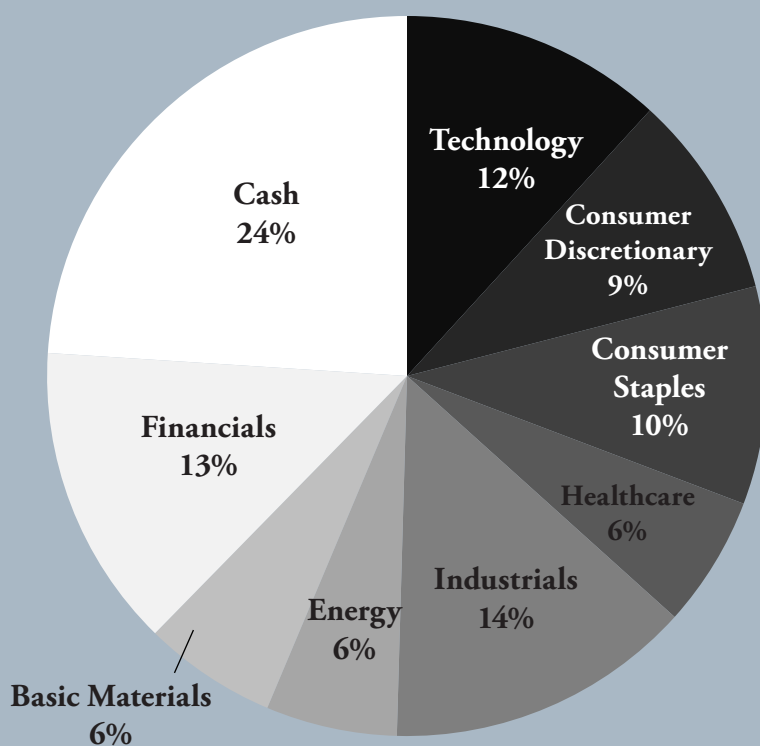


As at December 31, 2008

Asset Allocation



Sector Allocation





GPS alumni, members, and Analyst Class of 2010 enjoy the annual dinner cruise at the 2010 Summer Conference.



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