GLOBAL PLATINUM SECURITIES™

Educating the next generation of investors

2011 ANNUAL REPORT

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 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

> "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."

Board of Managers

The Founders
Tim Shannon
Georgetown University '07

Rufino Mendoza
Georgetown University '07

Ken Talanian
Georgetown University '06

• • •

Hoshrav Patel
New York Univeresity '09

Roman Smukler
New York University '09

Cole Magrath
Georgetown University '10

Wesley Bayer
Georgetown University '12

Jaime Steinhardt
Georgetown University '12

Kevin Tracey
Colorado University '12

Dominic Gerster
London School of Economics '12

Rob Green
University of Dayton '09

Upper Management

Chief Executive Officer
Wesley Bayer
Georgetown University '12

Chief Operating Officer
Jaime Steinhardt
Georgetown University '12

Portfolio Managers
Dominic Gerster
London School of Economics '12

Kevin Tracey
Colorado University '12

Vice President of Marketing
Lawrence Koo
London School of Economics '12

Vice President of Philanthropy
Benjamin Bold
Georgetown University '13

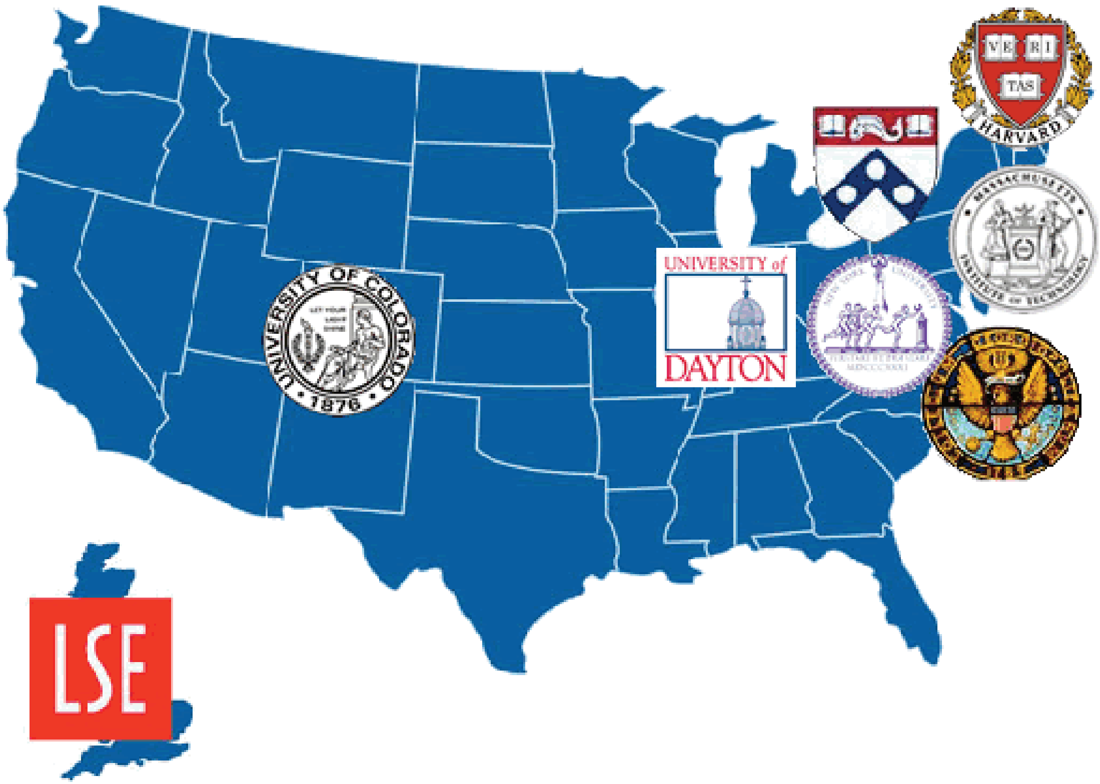
Vice President of Technology
Ben Wigoder
London School of Economics '11

Vice President of Personnel
Brian Weickmann
Colorado University '12

Vice Presidents of Education
Jamie Perse
Colorado University '13

Rexhi Dollaku
Harvard University '13

Membership



University of Colorado

Brad Stachurski '12

Kevin Tracey '12

Brian Weickmann '12

Loren Harman '13

Zach Pendleton '13

Jamie Perse '13

Kevin Allman '14

University of Dayton

Kate Morgan '12

Ryan Hunn '13

Erica Kleinman '13

AJ Ziegler '13

Joe Nitting '14

Georgetown University

Wesley Bayer '12

Jamie Steinhardt '12

Ben Bold '13

Lauren Grzybowski '13

Andrew Provost '13

Matthew Morris '14

Fraser Simpson '14

Membership

Harvard University

Peter Chen '13

Rexhi Dollaku '13

Sebastian Garcia '13

Raina Gandhi '14

Scott Yu '14

London School of Economics

Dominic Gerster '12

Lawrence Koo '12

Grace Lau '12

Samiha Bham '13

Nicolas Dupuis '13

Paul Schmelzing '13

Drummond Clark '14

Massachusetts Institute of Technology

Tong Chen '12

Justin Colt '13

Shelly Jin '13

Jenny Hu '14

Oliver Huang '14

Jhanavi Pathak '14

New York University

Avinash Nagaraja '12

Ellen Yang '12

Jay Bhalodi '13

Jeremiah Leong '13

David Windish '13

Jacob Preston '14

University of Pennsylvania

David Li '12

Zuri Michan '12

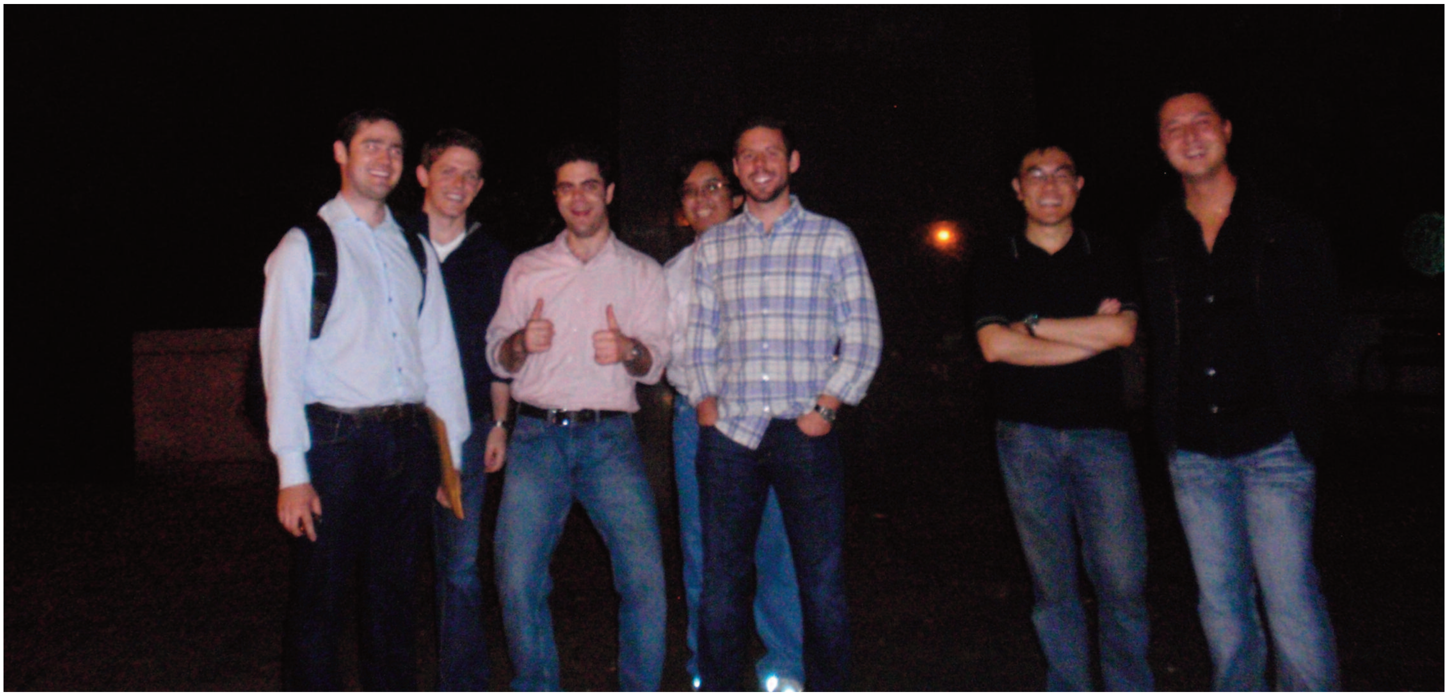
Jessica Ng '13

Ashish Patra '13

Sahil Khetpal '14

Shruti Shah '14

Dominic Waltz '14



Letter from the Founders

Events such as the sovereign crisis in the Eurozone and the downgrade of the United States caused many investment managers to reach for their bottles of Tums®, only to find the market, as a whole, flat after a year of hard work and heartburn. And while we try to isolate ourselves from the noise of Mr. Market, the zeitgeist must have bled over to the organizational development side, as this year has felt like one of retrenchment.

The amount of information that has been added to the education program has felt exponential. Over the years, the collective knowledge of GPS has expanded to include not just countless books, articles, investment letters, but also lessons from the investment successes and mistakes of its members and alumni. While integrating newly acquired knowledge has always been part of the continuous development of the education program, it has also been essential that we not forgo foundational knowledge for the allure of the sophisticated.

The solution was to extend the analyst program to include the spring as well as the summer. This year's largest-ever analyst class of 29 students has actually had one of the highest completion rates on record. We believe much of this can be attributed to the extra time each analyst has had to bond with the members of the group during their spring semester.

For the upcoming year, 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 recruited 24 undergraduates in total. This year's analyst class demonstrates an indefatigable spirit and thirst for knowledge as witnessed by both members and alumni during this year's interviews.

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. Once again, in addition to the philanthropic activities at the pod level at schools and homeless shelters, at the 2011 summer conference, GPS students and alumni from different pods carried out a coordinated giving back initiative together, delivering food for "Meals on Wheels" in New York.

As 2011 comes to a close, we want thank Rob Green for spearheading the establishment of our Alumni Association, with help from Juan Prajogo and Jon Brachle.

The first few classes of alumni have also now rolled off the usual finance or consulting training programs. While many of them continue in those roles, the composition of alumni occupations now spans a diverse set, including social media, OEM, marketing, entrepreneurship, oil and gas, law, and education in addition to traditional finance and consulting. Yet we continue to share the bond of intellectual curiosity and desire to give back to society. One way we have advanced this effort is through the development of industry councils, where alumni discuss a wide range of topics such as Hedge Funds, Macroeconomics, Credit Markets, Healthcare, Media, Private Equity, Venture Capital, and Entrepreneurship. We have also initiated alumni giving back events at the regional level.

While industry councils help alumni stay in contact with each other on a professional level, our camaraderie is best fostered through in-person social events. Much like New York, alumni clusters in London and the San Francisco Bay Area have developed extremely cohesive cultures. As always, alumni look forward to meeting students when revisiting their campuses or attending the three annual GPS conferences.

Central to the vision of the organization has been an enduring connection between members and alumni. By the end of June 2012, 14 of our undergraduates will have graduated, increasing our alumni count to 95. As the gap in age between the oldest and youngest member grows, this will be an increasingly difficult challenge. Our common intellectual curiosity in the fields of business and philanthropy and the excitement of future joint ventures built upon a foundation of friendship is what will tie us together.

The verbally parsimonious Calvin Coolidge once said, "The chief business of the American people is business." And while the cradles of capitalism in the West are currently amid some soul searching, increasingly, the business of peoples such as the Brazilians, Indians, and Chinese is business. The opening up of these new markets, in addition to the creation of new industries in places like Silicon Valley, makes the pursuit of knowledge more challenging. Combining our efforts should make this pursuit a little easier.

Many thanks to Wes Bayer, Jaime Steinhardt, and the rest of the 2011 undergraduate leadership team for continuing the tradition of building the organization through their actions each and every day. We look forward to supporting Rexhi Dollaku and Jamie Perse as they lead the undergraduates in exemplifying the GPS ethos of intellectual curiosity this upcoming year.

Yours sincerely,

Tim Shannon Georgetown University '07	Rufino Mendoza Georgetown University '07	Ken Talanian Georgetown University '06

Letter from the 2011 CEO

For all the momentous developments over the course of 2011, the world appears to be just as disorganized and uncertain as when I first took the position of Chief Executive Officer back in January. Standard & Poor's rating service took an axe to a few "risk-free" securities' credit ratings, yet one of the biggest winners in 2011 was long-dated treasuries. Corporate profits as a percent of GDP are at a 25 year peak, but unemployment remains stubbornly high and investment as a percent of GDP is recovering from a 60 year low. Excess reserves of American depository institutions are hovering near $1.6 trillion after nearly 50 years of zero or near-zero excess reserves. In contrast, bank debt deals and high yield issuances have been flying off the shelves, and while the corporate debt binge waxes, household debt wanes. Greece underwent a major debt restructuring, but will the combination of austerity, high external debt and uncompetitive effective exchange rates perpetuate the crisis? And what in the world does the rest of that macroeconomic data mean in this context? Brave are those who attempt to draw conclusions from such a mess. However, I am thankful that our security analyses never speculate on macroeconomic outcomes. The world may be exceedingly complicated, but our approach certainly is not. Staying focused on a bottom-up, value-oriented strategy is what we have done well in the past and, arguably, did well in 2011.

To that end, I think our two portfolio managers, Kevin Tracey (Colorado '12) and Dominic Gerster (LSE '12), deserve some praise for preserving capital in a year when, according to HFRI Fund Weighted Composite Index, the average hedge fund returned -4.8%. The pair pushed an aggressive overhaul of our portfolio and cut our exposure at critical junctures. This strategy brought our cash position from below 10% to approximately 25% at year end. On average, the fund held a 20% cash position. During the year ended December 31, 2011, Global Platinum Securities, LLC returned 0.12%, compared to the S&P 500 which, adjusted for dividends, returned 2.11%[1]. The fund's alpha, using the S&P 500 as a benchmark, for 2011 was -2.23%. Looking at our track record on a longer time horizon, Global Platinum Securities, LLC has compounded at an annual rate of 6.43%, returning 53.12% cumulatively since inception, while the S&P 500, including dividends, has cumulatively returned 19.80%.

While our actions shielded returns from some of the worst losses in July and August, we were not as aggressive in redeploying capital following that correction. However, I am confident the new management team will continue the fund's discipline of cautious value investing and cap-

[1]includes dividend reinvestment

ital preservation.

On the administrative side, our collaborative efforts in planning the spring, summer and fall conferences proved extremely effective and included our first in-person investment strategy and technology panels in New York, as well as a concert held at Midtown Loft. In addition, the group executed yet another organization-wide giving back program with Meals on Wheels at the summer conference. Alumni participation in these events continue to enrich our younger analysts' and members' experiences with the organization, not only attracting high-profile speakers such as former Lehman Brothers executives, but also providing first-hand career advice, as in the case of Mattan Griffel (NYU '09) and other career panels. Many thanks are due to those who planned these special events, as well as those alumni and mentors who donate their time and financial support to make them possible.

For a second year, Jaime Steinhardt (Georgetown '12) deserves major credit for the organization and planning of our 2011 conferences, as does the rest of our Board of Managers. Embodying the British World War II era slogan "Keep Calm and Carry On," Jaime was uniquely tenacious in the execution of duties outside her realm of responsibility. It is hard to ask for a better Chief Operating Officer.

We also managed to reach new milestones in our education program, led by Rexhep Dollaku (Harvard '13) and Jamie Perse (Colorado '13). With the help of Chris Ramesh (Georgetown '11), we developed Global Platinum Securities' first proprietary discounted cash flow valuation guide. Distilling the insights and experiences of several alumni, the guide approaches investing with the goal of teaching a practical thought process, as opposed to a blunt instrument that generates a precise valuation. In addition, our largest analyst class in the history of the group matriculated into full membership this fall. Thanks to the efforts of our Vice Presidents of Education, the education program continues to be the anchoring experience for new members, as well as the investment fund as a whole.

During conferences and over the course of the year, members continue to make strong connections with alumni. Thanks to the continued efforts of Rob Green (Dayton '09), Jon Brachle (Colorado '07) and Juan Prajogo (MIT '08), the GPSAA has made great strides, not only in terms of participation in industry councils, conferences and idea dinners, but also in sustainability: 2011 marks the first year that Global Platinum Securities is self-sustainable within its operating budget, thanks to an incredibly high alumni participation rate. Outside of their accomplishments, our alumni are also special in their willingness to give their time and advice to those who ask for it. Our students have the privilege of attending industry-specific career panels, listening to special guest speakers from a variety of fields and interacting with an extremely accessible alumni base, something that very few other organizations can boast.

As no annual letter would be complete without mentioning the incredible advancement of our organization's technological capabilities, I must congratulate our perpetual Vice President of Technology, Benjamin Wigoder (LSE '11). During the year, Ben developed and implemented Global Platinum Securities' proprietary social network and database, voting system, document storage system, resume management tools, in addition to a variety of administrative tools and security updates. Not only have the initiatives resulted in significant cost savings, but they also represent massive improvements in our capabilities for coordination as a community.

As my time as an undergraduate draws to a close, I find myself grateful for the adventures and learning experiences this group has given me. As an alumnus, I can only hope to give back more than I have received. However, we can all breathe more easily knowing that I leave the organization in the capable hands of Rexhep Dollaku (Harvard '13). Together with Jamie Perse (Colorado '13), Rexhep showed a great deal of leadership and creativity as a Vice President of Education. While 2011 was full of new accomplishments, I am sure that the best is yet to come as Rexhep and Jamie lead the team as next year's respective Chief Executive and Chief Operating Officers.

Best regards,

Wesley Bayer
Georgetown University '12

Letter from the 2012 CEO

As I looked at the clock, I started to sweat. "Fifteen more minutes," I said to myself, "and ten weeks of work is put to the test." I was next to present my fall pitch, and I was excited to show everyone my work. I had spent months preparing this presentation, analyzing, both qualitatively and quantitatively, my company. I was confident that my investment thesis was strong, and I felt prepared to answer questions about my valuation. When those fifteen minutes passed and I stood up to prepare my presentation, I felt suddenly calm. "I know I can do this," I said to myself, "I am ready." Within moments, I was digging deep into my analysis, fielding questions about my valuation and market research. When I finished my presentation and the Q&A, I was relieved and excited. I had just given my first stock pitch, and it was pretty good. I felt proud – I truly had progressed – but I was motivated by an equally talented group of peers. "This is an amazing organization," I said to one of my friends, "and I am lucky to be a part of it."

I look back upon those foundational moments and realize how much this organization means to all of us. And this year, we have set our goals even higher, building upon the success of past GPS generations. We are making subtle changes to our signature education program, ensuring that it remains interactive and encouraging even more engagement between analysts, members, and alumni. We are creating a more homogenous sector experience for analysts, while simultaneously ensuring that sector leaders maintain their control over their respective sectors. We are also emphasizing outreach further to continue to offer unique and informative experiences to members. I am confident that our team can accomplish all of these goals, and more, in this year. I am excited to work with them, and I am grateful that I am a part of the GPS family.

At each fall conference, one of our founders remarks, "Every year, these pitch presentations become better and better." I absolutely agree. New analysts have a much more thorough education program, share more experiences together, and, in turn, make the organization better when they assume control. I believe that process is what makes this organization special. Every day, we are truly investing in the future – and I am proud, as is the rest of the GPS family, to be a part of that process.

Thank you to the GPS Alumni Association and GPS members for an amazing experience. I hope to continue building upon GPS' strong tradition of leadership, and I know we have a bright future. And to analysts: welcome to our family. We are thrilled to have you!

Yours,

Rexhep Dollaku
Harvard University '13

Letter from the VP of Philanthropy

As the GPS portfolio continues to roll with the headwinds of the global recovery and waves of uncertainty coming out of Europe, Washington, and the world's financial centers, the GPS philanthropic program remains a steady ship. The program was created with the goal to "add value in the capacity of educating students and community individuals" and each Pod's initiatives in 2011 tried to do just that. Throughout the year, each Pod continued the giving back tradition by both building new and reinforcing old relationships with community organizations.

As students endowed with time and united by a passion for and an evolving expertise in investing, we remained focused on educating underprivileged individuals, particularly middle and high school students, within our own local communities about financial literacy and personal finance. In addition, many Pods took part in other community service initiatives that were locally focused at improving the overall environment in each respective community. In this vein, the entire organization, at the summer conference in New York City, again partnered with "Meals on Wheels" to deliver meals to homebound individuals.

What follows is a brief description of each Pod's outreach over the last year:

The Colorado Pod extended a hand to the New Genesis homeless shelter in Denver by delivering a presentation regarding personal finance and partnered with Silver Creek High School outside of Denver to engage students on financial topics. In a discussion format, the Pod sought to inform students in an economics course about the opportunities available in the realm of finance and discuss with them the economic context of the next three years and the merits of a long-term value investment philosophy.

Last spring, the Dayton Pod began to cultivate a relationship with the Dayton Early College Academy (DECA), composed of underprivileged students, and continued to strengthen the connection this past fall. The Pod presented the basics of personal finance to small groups of high school seniors and engaged them in discussions about the practical relevance of various topics. According to the DECA coordinator, the students really enjoyed the session and benefited from the real-world applications of their conversation.

Similar to Dayton, Georgetown continued to cultivate a more than two-year relationship with a supplemental education program for underprivileged inner-city high school students, the Myers Institute for College Preparation (MICP), about the basics of financial literacy. Both in the spring and fall, the Pod worked with a group of students, grades 7-10, about how to astutely manage personal finances. The rudimentary concepts of how to open a bank account, what interest is, and other savings options such as equity investments, struck a chord with students and enabled them to think about what their ambitions for future purchases are and how they might actually be able to attain them.

Over the past year, the Harvard Pod hosted an event for women with no previous experience in investing and partnered with Cradles to Crayons, a local non-profit that provides free winter clothing bundles to needy children in the Boston area, during the holiday season. The former was focused on how to manage money for financial security and success, while the latter enabled the Pod to interact with local difference makers and help out by fulfilling orders during the busiest week of the year.

The LSE Pod remained focused, continuing its relationship with Young Enterprise, an organization that pairs our undergraduates with ambitious 10-14 year-old students for guidance and didactic purposes. The Pod helped educate the students about the values of teamwork, creativity, and communication as they pertain to business and discussed the necessary steps, skills, and discipline that facilitate the fulfillment of specific ambitions. The relationship between LSE and Young Enterprise is in its third year and continues to provide both sides with tangible gains.

The MIT Pod decided to teach an introductory investing class to middle and high school students at the annual Spark at MIT and helped fill orders for underprivileged youth at the Cradles to Crayon's Giving Factory. Spark is a renowned program that gathers hundreds of students from the New England region to learn from MIT students. Our Pod presenting on investing, focusing on the most fundamental and elementary metrics.

The NYU Pod partnered with New York Cares, a group focused on helping New Yorkers young and old, and presented to students at the High School of Economics and Finance about the important of personal finance and the application of financial concepts to the world today. The students were extremely receptive to the ideas discussed. Having received the same reaction at other schools within the city after giving the same presentation, the NYU Pod will possibly look to use this template to expand to even more schools.

In West Philadelphia high schools, the Penn Pod partnered with the Financial Literacy Community Project to help promote financial literacy and awareness. On the horizon of moving into adulthood, the students targeted within the schools had little exposure to finances in their education, thus the Penn Pod was able to help them make informed financial decisions. The Pod will look to continue this experience moving forward.

The past year proved to be a strong year for the philanthropic arm of GPS as each Pod worked to make an impact on the underprivileged in the surrounding communities. Each Pod looked to add as much value as possible by focusing on financial related topics when possible. The philanthropic initiatives continue to generate a positive impact and serve as an opportunity for all of us to give back to those who are not as privileged and to reflect on our own personal pursuits.

Sincerely,

Ben Bold
Georgetown University '13

2011 in Review

We live in period of rapid and tremendous change, and 2011 has been an extremely interesting year, especially with respect to the world's capital markets. Performance of the S&P 500 suggests that nothing happened in the US stock market since the annual change was miniscule. That was definitely not that case. The market moved sharply throughout the year as through April, the S&P 500 was up 9%[1]; over the course of the next five months, it fell 16%[1] and then over the final three months of the year, it rose by 12%[1]. Market volatility peaked during the summer when the stock market behaved like a rollercoaster following the USA's downgrade and the further worsening of the Euro crisis.

To many observers, the year of 2011 seems like the beginning of a new era, with the Arab Spring ending the decade-long rule of dictators such as Mubarak and Gaddafi and the USA losing its AAA rating in August. We agree that these events had and will have further effects on the world. Although US treasury yields seem to imply that investors have shrugged off the US downgrade as insignificant and a European banking crisis has been averted at least temporarily, the underlying problem of too much debt in the system remains. In the Middle East, political unrest continues as different groups struggle for power and protests have spread to new countries such as Syria. We are both proud to have been able to serve as PMs for GPS during these interesting and challenging times as they have provided us with a unique learning opportunity.

As Portfolio Managers, we have tried to ensure that the research process achieves our goal of learning and making profitable investments, while at the same time tried to ensure that each of our holdings fits its original investment thesis. Together with Wesley Bayer (CEO '11) and Jaime Steinhardt (COO '11), as well as the rest of the team, we started a portfolio review process, reviewing our holdings company by company to make sure that the investment thesis still stands and that the fundamentals of the companies have not diverged significantly from our original estimate of intrinsic value.

Throughout the year, GPS held monthly sector leader calls in which the PMs and the sector leaders discussed the progress in our six sectors, updating each other on the research pipelines and upcoming pitches on the GM. In these fruitful discussions, the strength of teamwork, which GPS encourages, became obvious, as we relied heavily on the sector leaders for both industry expertise as well as day-to-day management of the sector groups.

We would hereby like to thank our sector leaders Jamie Perse (Financials), Ryan Hunn (Tech), Ben Bold (Consumers), Dominic Gerster (Energy), Avi Nagaraja (Industrials) and Rexhi Dollaku (Healthcare) for their effort throughout the year.

Both of us are proud to report that the group's productivity and engagement with holdings continued on the level of previous successful years. GPS returned 0.12% while the S&P 500 returned 2.11%[2], resulting in an alpha of -2.23%. These results were achieved while maintaining a significant cash position in the portfolio, which was relatively high due to several divestures over the course of 2011 following the management transition period in February/March. We ended the year with cash making up 25% of the portfolio. While GPS may underperform in rising markets, we believe we are well positioned to take advantage of opportunities that might arise from market turmoil.

Finally, we would like to thank all our members who have devoted so much time to research and discussion in 2011. We are proud to hand over the portfolio to the very capable hands of Fraser Simpson and Loren Harman. Both Fraser and Loren gave excellent pitches at the fall conference and we have been very impressed with their analysis and understanding of the value investing philosophy.

[1]includes dividend reinvestment
[2]return excluding dividends

Yours sincerely,

Dominic Gerster
London School of Economics '12

Kevin Tracey
Colorado University '12

Looking Forward

Two and a half years after economists declared an end to the Great Recession, at least in North America, economic performance in 2011 has left much to be desired. In the United States, despite a decrease in the unemployment rate to 8.5%, roughly 25 million Americans remain unemployed or underemployed. Also discouraging is a workforce participation rate of only 64%, the lowest in the US since the mid-1980s. These and other disparaging prospects prompted many to protest income inequality and other grievances by Occupying Wall Street and other locales around the globe. Countless others voiced their desires for greater political freedom in the Middle East, beginning a movement now known as the Arab Spring. The impact of these demonstrations was such that 'The Protestor' became *Time Magazine*'s Person of the Year. Though no longer dominating the headlines, the root causes of these grievances remain largely unresolved, suggesting continued political instability for 2012.

On the economic front, the Eurozone debacle dominated global headlines. During 2011, problems in Greece and Ireland continued while Portugal became the third country to require a bailout. As numerous Eurozone countries were downgraded, many feared the contagion of the crisis into Italy and Spain. Far-reaching fiscal austerity measures have drastically reduced economic performance and virtually eliminated any chance of a rapid economic recovery in much of the Eurozone. Despite numerous bailouts and other measures, the conclusion of the crisis remains largely unclear.

With such volatility in the markets and the seemingly large potential for adverse economic developments in 2012, our first undertaking as portfolio managers has been to build and spread a resolute understanding of our current holdings throughout the entire organization. We believe the thorough portfolio reviews in January and early February have strengthened the group's understanding of our exposure and allowed the development of a lean and agile portfolio.

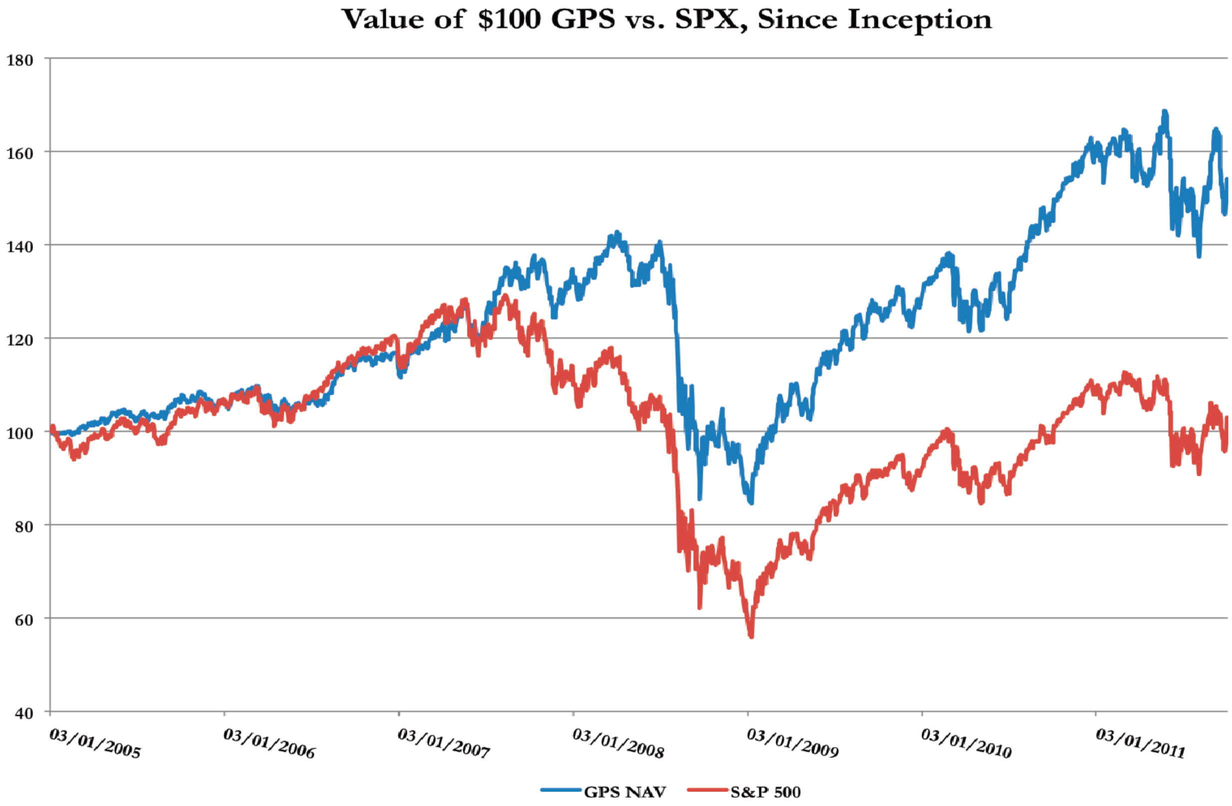
Going forward, we look to take advantage of the uncertainty in global markets by developing an expansive research pipeline as well as reducing our turnaround time in terms of pitching investments. We believe that the current economic climate presents opportunity to find good companies at attractive prices, though finding the best investment opportunities is always a challenge. In accomplishing this, we look to streamline the research process and cultivate relationships with alumni at the sector level with the hope that such relationships will not only develop investment ideas, but drastically increase industry knowledge and alumni interaction. We believe these initiatives will present bountiful investment ideas and enable us to continue outperforming the benchmark indexes.

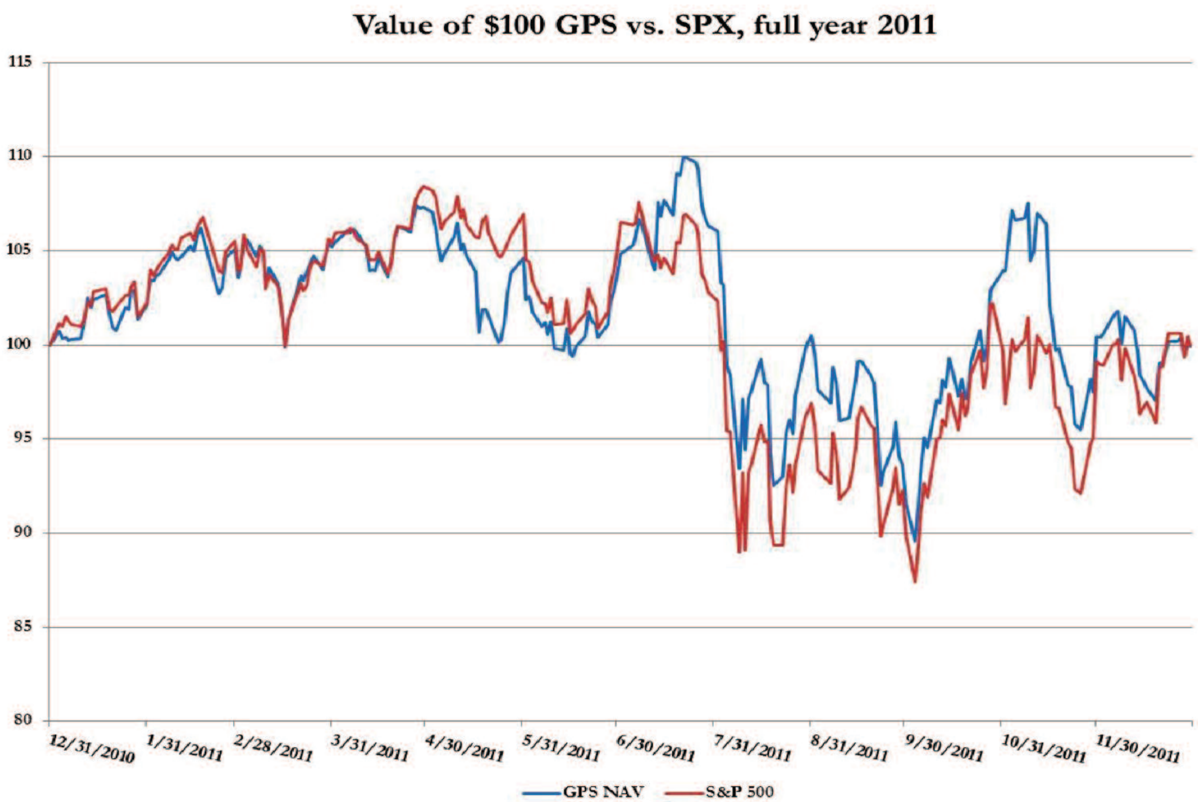
Best,

Loren Harman
Colorado University '14

Fraser Simpson
Georgetown University '14

Portfolio Performance

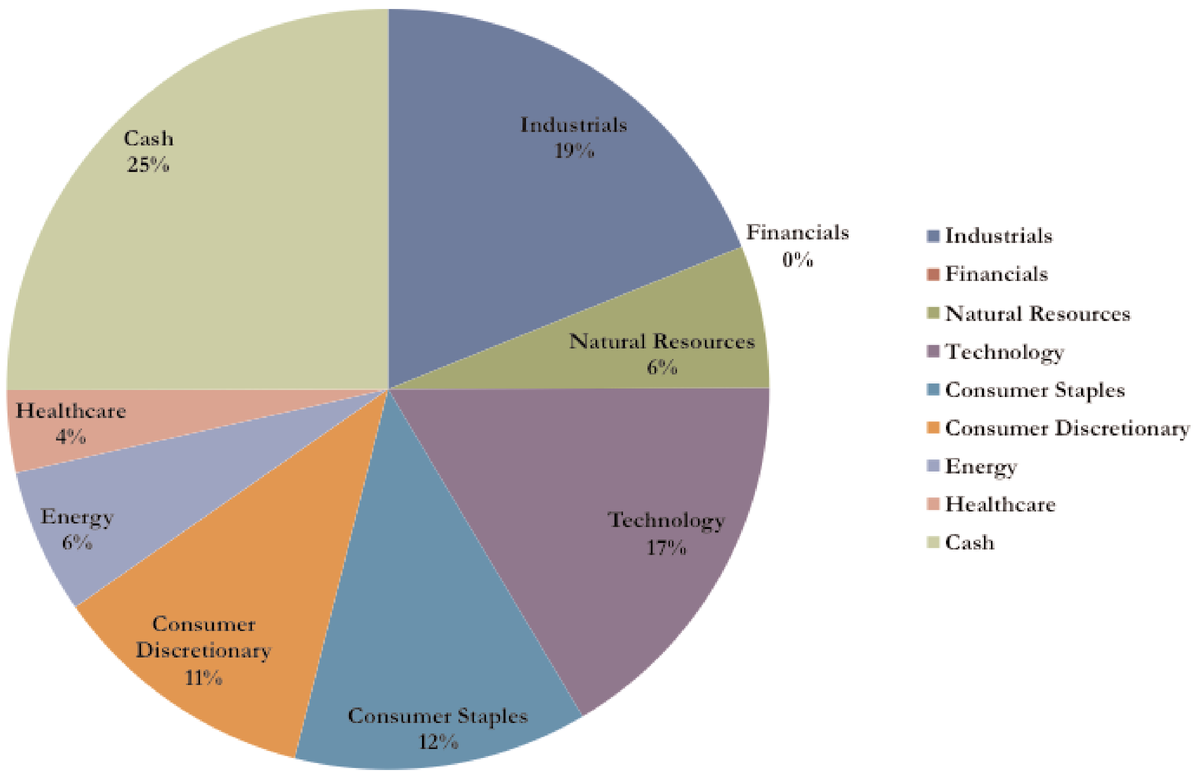




*graphs depict nominal returns excluding dividends

Portfolio Allocation

Sector Allocation, year end 2011



Asset Allocation, year end 2011