2022 Annual Report

GLOBAL PLATINUM SECURITIES

"Educating the next generation of investors"

TABLE OF 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 & 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 six industry sectors, based on their interests. 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

Justin Ang
Alumni Board Member
University of Pennsylvania

Rufino Mendoza
Founding Partner
Georgetown University

Deependra Mookim
Alumni Board Member
New York University

Ken Talanian
Founding Partner
Georgetown University

Selina Wang
Alumni Board Member
Georgetown University

Lap Him Tong
Alumni Board Member
London School of Economics

Maxim Mounier
Chief Executive Officer
Georgetown University

David Escamilla
Alumni Board Member
Harvard University

UPPER MANAGEMENT

Maxim Mounier
Chief Executive Officer
Georgetown University

Jonathan Liu
Chief Investment Officer
Harvard University

Catherine Liang
Chief Strategy Officer
Harvard University

Claire Zhong
Chief Operating Officer
University of Pennsylvania

Edward Wang
Chief Financial Officer
New York University

Thiago Della Libera
Portfolio Manager
Georgetown University

Jay Liu
Portfolio Manager
London School of Economics

Xuechen Yin
Vice President of Education
University of Pennsylvania

Sevilla Jin
Vice President of Education
Georgetown University

Daniel Wang
Vice President of External Relations
Harvard University

Amanda Woo
Vice President of Internal Relations
London School of Economics

Anika Pachu
Vice President of Alumni Relations
London School of Economics

Leah Teichholtz
Vice President of Technology
Harvard University

MEMBERSHIP

Georgetown University

Shirley Hu ‘23
Aidan Higgins ‘23
Maxim Mounier ‘24
Maria Guzmán ‘24
Hugh McKelvy ‘24
Brandon Beck ’24
Thiago Della Libera ‘25
Yingqi Liu ‘25
Sevilla Jin ’25

Harvard University

Kylie Simms ‘23
Simon Lam ‘23
Jonathan Liu ‘24
Leah Teichholtz ‘24
Catherine Liang ’24
Abel Fetahi ‘24
Jessica Chen ‘25
Daniel Wang ‘25

Massachusetts Institute of Technology

Matthew Leonard ‘23
Anjalie Kini ‘23
Emily Wang ‘23
Dev Patele ‘23
Daniel Kim ‘24
Gloria Huang ‘25
Alonso Garcia ‘25

London School of Economics

Max Schachermayer ‘23
Zuhair Kazanji ‘23
Adideb Misra ‘23
Adam Hearnden ’23
Benjamin Oh ‘23
Jay Liu ‘24
Filippo Abbattistia ‘24
Anika Pachu ’24
Amanda Woo ‘24

MEMBERSHIP

New York University

Vedant Iyer ‘23
Jaro van Diepen ‘23
Rohan Rao ’24
Edward Wang ‘24
Daniel Shabab-Diaz ‘24
Connor Liu ’24
Daniel Abraham ‘25
Archana Sivanandarajah ‘25
Agustya Matheth ‘25

University of Dayton

Ryan McKenna ‘23
Megan Ward ‘24
Jack Deeley ‘24
Cameron Beachler ’24
Tommy Letke ‘25
Patrick Burns ‘25
Anthony DiPaolo ‘25

University of Colorado

John Statkevicus ‘23
Emma McCartney ‘23
Sydney Zirbel ’23
Cooper Steputis ‘23
Acadia Enriquez ’23
David Hopkins ‘25
Mitali Desai ‘25
Dante Dino ‘25

University of Pennsylvania

Alan Chang ‘23
William Walsh ’23
Dhruva Nistane ‘23
Ken Zhang ’24
Claire Zhong ‘24
Antony Yang ‘24
Jason Hu ’25
Fernando Vallarino ‘25
James Schnoebelen ‘25
Xuechen Yin ‘25

Letter from the 2023 CEO

Dear Team,

It is an honor to serve as your CEO for 2023 and a privilege to prepare GPS for its upcoming 20th birthday. Few undergraduate student-run organizations manage to represent eight universities across the US and remain engaged over such a long stretch of time - especially with members meeting up three times a year in various cities, organizing and participating in highly productive conferences.

Beyond the dynamics of investing, we are bound together by cumulative GPS knowledge and a culture of collaboration, which also fosters gratitude. Knowledge is a resource that multiplies when it is shared, and thanks to the unique ecosystem that formed over the past 19 years, it has been instrumental in this organization's achievements.

As we transition from an undergraduate student investment fund to a thriving community of investors, our new UM team is excited to introduce key initiatives.

1. Revamped Idea Generation: We are adopting a new top-down approach to generate high-quality investment ideas consistently, mutually inclusive with the current approach
2. Transparency in Portfolio Management: We are committed to a more transparent portfolio management approach, alongside shorter devil's advocate pitch turnover, expedited voting processes, expanded portfolio coverage, and increased pitch competition submissions
3. Introducing the VP of Alumni Relations: We are proud to introduce the new position of VP of Alumni Relations. This role aims to bring structure and creativity to the alumni experience by organizing city captains, idea brunches, and exclusive alumni events
4. Expand the Education Program: We are expanding our education program to cover auxiliary investing styles, leveraging the vast knowledge within our alumni community

We encourage everyone to be active community members and give back in various forms. Whether it's an analyst burning the midnight oil on Bloomberg, a member embarking on interviews with a promising hedge

Letter from the 2023 CEO

fund, or an alum in search of a new pickleball partner (hopefully not), it's the additional effort we extend to support each individual that truly sets our organization apart.

Needless to say, we are most grateful to our sponsors, without whom we could not operate. From soon-to-be-launched hedge funds, to leading investment research platforms, all the way to titans of the industry – we thank each and every one of our sponsors for their confidence in us and the opportunity to educate the next generation of investors.

We will stay true to our bottom-up fundamental approach in a market driven by macro- headlines. We believe there is an opportunity to reposition the GPS portfolio for the years to come by deploying our cash wisely. Growing a fund is a collective effort, and it is thanks to all the analysts, members, as well as alumni that we feel confident in continuing to do what we do best: identifying, analyzing, and investing in undervalued businesses for the long-term. I joined GPS as a freshman eager to learn about investing and meet people with the same focus and passion – little did I know I ended up joining a lifelong learning opportunity. As one of my mentors once said: “No matter what happens in the market, time invested in GPS is always the best investment.”

Best,
Maxim Mounier
2023 CEO

Letter from the 2023 CIO

Dear Team,

2022 was a volatile year for equities. Russia's invasion of Ukraine, rising inflation, and a tightening Fed drove sell-offs in all major international equity indices, with the Dow Jones Industrial Average down 6.86%, S&P 500 index down 18.11%, and Nasdaq down 32.54%. Rising risk-free rates and dissipating COVID tailwinds catalyzed a significant sell-off of many 2020 and 2021 tech darlings while rising geopolitical tensions proved a boon for many natural resource and commodity investors. In 2022, GPS did not make any material changes to the book beyond entering a position in GOOGL at ~$90.

The relative normalization of multiples coming out of 2022 leaves us as fundamental value investors excited in a market we think is filled with opportunities and dislocations on a go forward basis. As macro dominated the price tape in 2022, many structurally strong businesses in out-of-favor sectors have been cast out by professional investors keen on cutting net exposure. We see intriguing entry opportunities in beaten down growth names that can continue to compound at 15+% IRR once they have lapped short term COVID comps and top-line re-accelerates. However, we are also macro-aware and do not want to be pressing positions into a falling knife market. As such, understanding risk/reward skews as a fundamental investor becomes critically important in fulcrum years like 2023. While multiples in some industries like tech have troughed, we are still cautious with buying names in other verticals at extended multiples on mid-cycle earnings expectations. We anticipate that 2023 will offer GPS ample opportunity to re-gross the book at attractive price points.

Best,
Jonathan Liu
2023 CIO

GIVING BACK PROGRAM

Since inception, GPS has held true to the belief that giving back entails engaging with the community around us. Through these activities, the pods have demonstrated GPS's commitment to philanthropy and to giving back to society. Some highlights from the different pods' Giving Back activities have been included below.

Harvard University

The Harvard Pod has a long and sustained tradition of giving back. In early 2022, the Harvard Pod volunteered with First Generation Investors (FGI), a nonprofit organization, to teach underserved high school students basic finance and investing principles. During the eight-week program, GPS members taught lessons on types of investments, diversification, and compound interest. The Harvard Pod looks to continue contributing to various causes both within and outside of the greater Cambridge area.

Georgetown University

The Georgetown Pod has been involved in various activities over 2022. They have continued their partnership with the Georgetown Chapter of First Generation Investors by working together to provide financial literacy and education to students across diverse socio-economic backgrounds. Multiple members of the Pod have also run in marathons to support various charity organizations: Yingqi Liu ('25) ran in the NYC Marathon for MOCA, a museum that preserves Asian American culture and provides free educational programs for children in need, and Shirley Hu ('23) ran the Boston Marathon in honor of suicide prevention for Samaritans.

GIVING BACK PROGRAM

University of Colorado

This year, the Colorado Pod partnered with Leeds Student Government for the annual clothing drive. This annual clothing drive is a community-wide event that helps gather lightly-used second-hand clothing and repurposes to the low-income and unhoused populations. Given the harsh conditions of the Colorado climate, this is an important cause that the Colorado Pod has been fortunate to be a part of.

London School of Economics

Many members of the London School of Economics Pod were able to help out with serving food at a homeless shelter in New York during Fall Conference weekend. However, they look to direct our focus and attention to our more immediate community in 2023. They are excited to pursue our service projects this year, where they plan to provide mentorship to high school students in underprivileged areas of London to help bridge the socioeconomic gap in the finance industry.

New York University

Although the NYU Pod was unable to participate in volunteer work in 2022, they have several organizations they are excited to work with in the upcoming year. They will continue to support our local NYC community by volunteering at the Bowery Mission. They also have plans to participate in the mission of High Water Women and First Generation Investors to spread financial literacy and investing knowledge to NYC's underserved communities.

GIVING BACK PROGRAM

University of Pennsylvania

The Penn Pod has a long-standing relationship with the Sunday Breakfast Rescue Mission, and they have always been committed to supporting their efforts to provide vital assistance to those in need. The Pod has continued to work with them to provide support and resources. The volunteer experience is both rewarding and impactful, and the Pod relishes fostering meaningful connections with members of the community. They look forward to continuing our volunteer work with them in the future.

Massachusetts Institute of Technology

This year, several of the MIT pod members participated in SPARK and SPLASH, MIT-run mentorship programs for local middle schoolers and high schools. Members taught hour-long Intro to Business sessions covering topics like Porter's Five Forces, SWOT Analysis, and economic moats to groups of 30-50 students. This is the fifth consecutive year members of the MIT GPS Pod have participated in these programs!

University of Dayton

The Dayton Pod helped local high school students in the Dayton area by teaching them about finance and in particular investing. The Dayton Pod looks forward to planning more in-person philanthropy events this upcoming year, they look to primarily be focused on using our expertise to help other students who aren't in any finance organizations learn more about investing and high finance.

SUMMER CONFERENCE RECAP

Summer Conference is an opportunity for the organization to bring analysts, members, and alumni back together. We are thankful for PJT for hosting us this past year. And we were able to bring back even more alumni across several career panels that members found incredibly valuable.

Alumni panels discussing various career paths and general life advice

Alumni Dinner

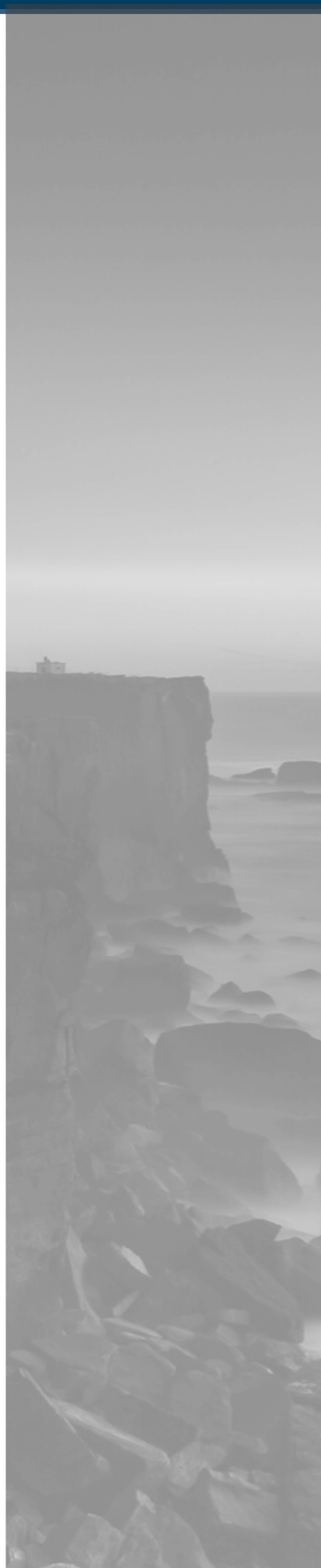
FALL CONFERENCE RECAP

Fall Conference is a unique opportunity for analysts to gain membership to our organization. In addition to social and tourist events, analysts present pitches to alumni, members, and guest judges. GPS also invites external speakers to present to the organization.

This year, Fall Conference was held in New York City. Our speakers included William Danoff, PM at Fidelity Contrafund; Sacha Samotin, Co-Founder and Co-CEO of Applecart; and Michael Tanzer, PM at Callaway Capital Management.

Pre-Conference Volunteering

2022 IN REVIEW & LOOKING FORWARD TO 2023



Dear Team,

The largest driver of markets last year was the historically large and rapid rise in interest rates. The US, and to a certain extent some European economies, roared into 2022 with impressive momentum. Post-covid policies had successfully transitioned economies from collapse to liftoff with extremely high nominal growth rates, high nominal spending, and income growth that was outpacing supply and producing inflation. The policies had also produced a layer of excess liquidity that drove asset prices higher.

Central Banks were then faced with the decision to either tighten at a much faster pace than the market was discounting or risk the increasingly cumbersome consequences of unchecked inflation. The effects of Russia's invasion of Ukraine worsened the already dire picture for inflation, and the Fed - the most important central bank - chose to tighten at a rapid rate, the speed and magnitude of which is among the most aggressive in history.

All in all, in 2022, inflation reached its highest level since the 1980s, interest rates increased significantly, economic growth slowed (increasing the risk of a recession), and geopolitical tensions were high as the Russia-Ukraine war entered its second year and China applied pressure over Taiwan. This was a difficult market backdrop for any stock picker, but smaller, misunderstood companies were an especially painful place to be during the risk-off multiple compression in 2022.

This was a bitter-sweet year for us. The GPS portfolio returned -14.78% in 2022, compared to an -18.11% return for the S&P 500 index. While we are disappointed by our short-term results, we are relieved that we have continued to outperform our benchmark, which we believe reflects the value of our comprehensive investment process and strong investment team. However, it is crucial to note that we are by no means celebrating a year of poor returns, and are very cognizant of our areas of improvement. We found this year to be an incredibly humbling experience, and we have taken away valuable lessons from this rollercoaster of a year to sharpen our investing intuition for future periods. As long-term oriented investors, we give little weight to short-term fluctuations as we believe that they are more representative of unpredictable animal spirits rather than a reflection of the fundamental reasons as to why we invested in the business in the first place. In fact, we welcome short-term price fluctuations in the businesses that we have developed strong conviction in as we believe that

2022 IN REVIEW & LOOKING FORWARD TO 2023

it presents a prime opportunity for us to increase our holdings at an attractive discount. We have made and will continue to make decisions that may appear to be counterintuitive at first glance if we are confident that they can drive our prospective long-term returns. After all, as at GPS, we believe that only taking contrarian stances can yield outsized returns: "*Be fearful when others are greedy and be greedy when others are fearful*" - Warren Buffett. Ultimately, we abhor lazy money and believe in the constant refinement and comprehensive analysis of our portfolio composition and investing process. With all this in mind, we reached the conclusion that our outperformance in 2022 was sinewed upon our strict adherence to the value investing philosophy leading to our large cash position.

In 2022, we evaluated a high number of businesses across a wide range of industries. After careful consideration and countless hours of discussion, we decided to enter a sizable position into Alphabet Inc. (NASDAQ: GOOGL) during the later half of the year at a very attractive valuation following a broader tech sell-off which we believe was unreflective of Alphabet's intrinsic value. We found that Alphabet was way too cheap for what it was: A near monopoly on the online search space with a highly impenetrable moat, multiple levers of growth in their advertising business, and a favorable risk to reward ratio. At the date of writing, Alphabet has returned a very impressive 18.0% to our portfolio. This is an investment that we are particularly proud of because we believe it perfectly encapsulates our investment philosophy of purchasing great businesses at bargain valuations.

We also decided to exit our position on Societal CDMO (NASDAQ: SCTL) as we believe holding this stock banking on the original thesis did not make sense anymore. It is now a turnaround story. Our interpretation of the stickiness of revenue was misguided and we now go into a long transformation process muddied by execution risk and heightened competitive forces. From that point forward, it did not fit our criteria for an asymmetric investment, and we exited the position.

To end the year, we hold ~53% of our portfolio in cash which helped protect us from some of the downside. Despite having significant dry powder to purchase securities, we are in no rush to deploy this capital as we take a very prudent approach to evaluating businesses and will only

2022 IN REVIEW & LOOKING FORWARD TO 2023

invest in them if we find that they meet the selective investment criteria we have set up at GPS. In fact, we find this to be a strength of our organization as it will give us the ability to double down on select investments that we have strong conviction in and ensure that we stay true to our decades old investment philosophy.

Looking forward to 2023, we will continue our assiduous devotion to the value investment ideology. Not only do we believe that is the only viable strategy for the long-term compounding of capital, but the proliferation of passive investment vehicles and the depreciation of sell-side research offer a tailwind to the savvy value investor. For the past several years, we have seen massive inflows to passive strategies (and consequently outflows from value funds = lower competition), and it is now quite common to see the five largest holders of a company include Vanguard and BlackRock, both of which algorithmically buy or sell stocks with no regard for fundamentals. In addition, “sell-side” research firms have responded to declining revenues by increasing the number of companies covered by each analyst, likely leading to gaps in expertise and/or attention. A good example of this phenomenon occurred with one of our holdings: PAR Technologies. We can consider the analysis by a 163-year-old bulge bracket sell-side research firm as a proxy for how the company is analyzed broadly.

After ignoring PAR for several years, the firm in question was effectively obligated to initiate coverage after underwriting a convertible bond offering. PAR has three revenue streams: government contracting, hardware, and enterprise software (the crown jewel). PAR was assigned to the Payments and Digital Assets analyst who covers approximately 25 companies, including Mastercard, Visa, and Charles Schwab. Payments represented 0% of PAR’s revenue when he initiated coverage. To make matters even more questionable, the standardized research formats inhibited any kind of granularity, and important developments for the enterprise software segment were not properly broached in the reports.

We are also excited about the multiple improvements we are planning to make to our investment strategy that we believe will help us to better tap into the creative juices and investing intuition of each and every one of our talented members, thus helping us to achieve both a higher quantity and better quality of ideas being brought forth for discussion. We have also

2022 IN REVIEW & LOOKING FORWARD TO 2023

"*Efficient markets exist only in textbooks*" - Warren Buffett

In conclusion, we at GPS pride ourselves on the number of stones we turn over, and we will work to continuously improve as a fund. We will stay true to our investment approach grounded in deep, bottoms-up, company-specific fundamental research focused on finding and owning undervalued businesses for the long term.

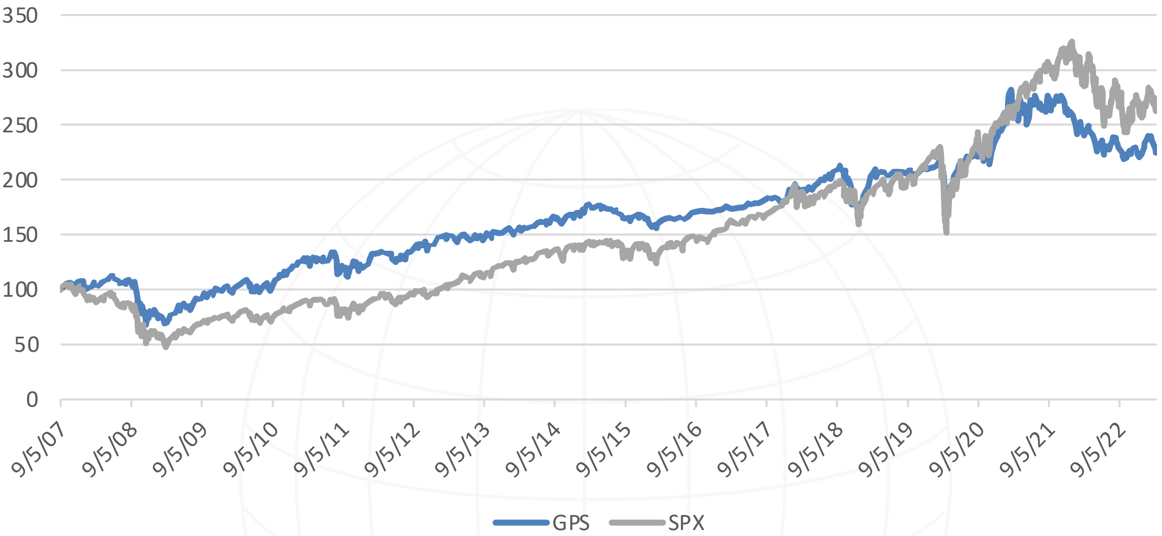
Sincerely,
Thiago Libera and Jay Liu
2023 Portfolio Managers

PORTFOLIO PERFORMANCE

Value of $100 GPS vs S&P

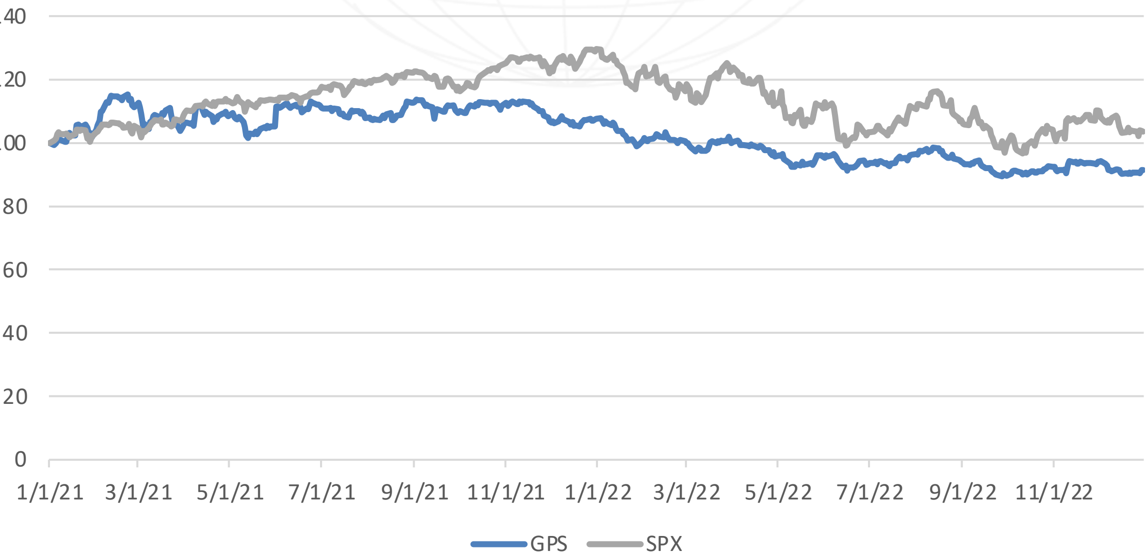
Since Inception

Value of $100 GPS Vs. SPX Since Inception



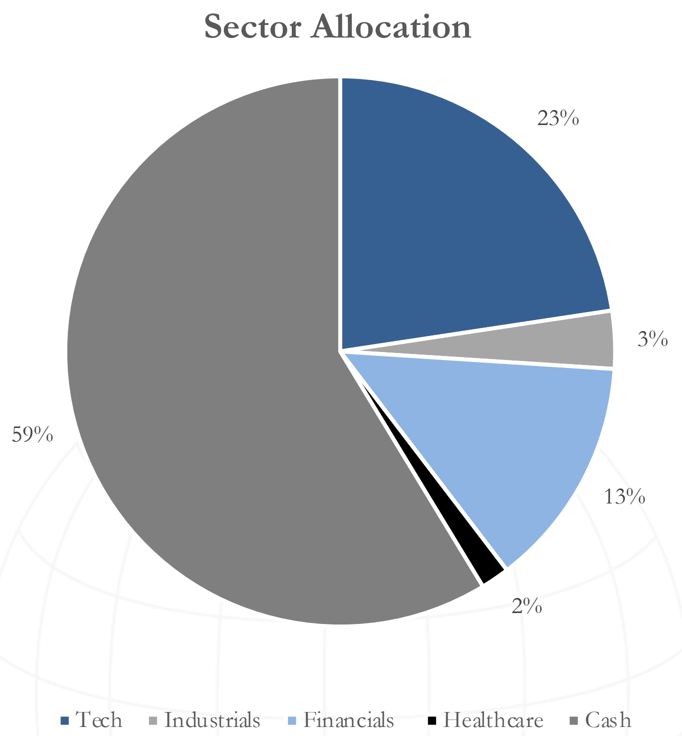
In 2022

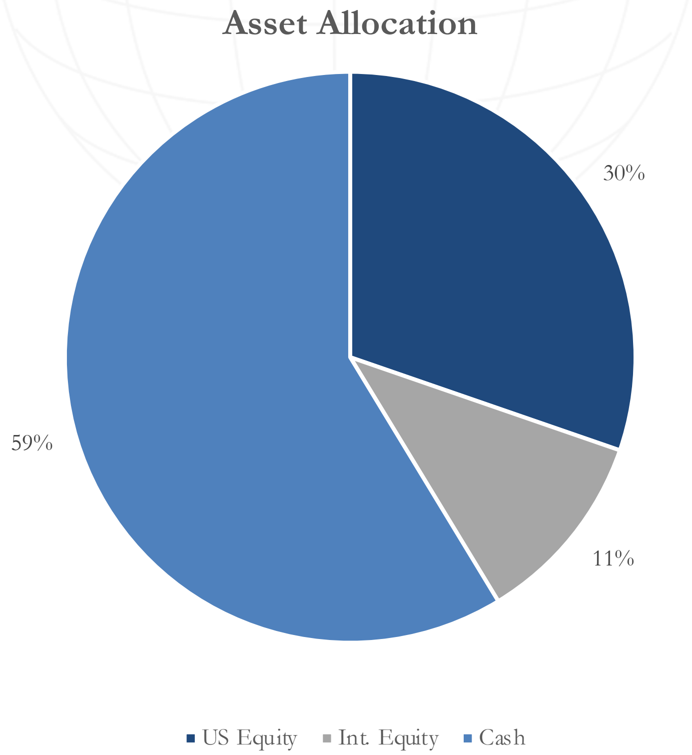
Value of $100 GPS VS. SPX, Year 2022



2022 PORTFOLIO ALLOCATION

Year End 2022





PORTFOLIO HOLDINGS

eBay

eBay (EBAY) is a global e-commerce business operating marketplace that connect millions of buyers and sellers in more than 190 markets around the world. 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 continue to secure its position as a globally recognised name.

Over 2022, eBay seems to be going through a transitional phase. The strategy over the next few years is to operate mainly within industries that have a large TAM. There have been several new initiatives including the provision of authenticity and money-back guarantees on high-value items which is boosting trust between buyers and sellers. Management has highlighted that the fastest growing segments are motor parts & accessories, collectibles, luxury goods, and refurbished products which are growing at a CAGR of ~20%. As a result, it has introduced an authenticity guarantee for watches over $2000 and for jewellery above $500 in the US, and it plans to expand this offering into additional categories.

Our worries are that there has been very little growth and no major changes with the business, and so they could continue to underperform their full potential over the coming years. Moreover, the business model hasn't adapted – there isn't the same sort of recurring revenue and resilience that can be built on it in the same way that other marketplaces like Amazon has. The fear is that its moat isn't widening and is potentially even shrinking with the lack of innovation on its part.

We continue to think that it will hold up well in a recessionary environment. This is twofold. (i) People do not have the funds to buy everything brand new from the store so may resort to second hand or brand new but not directly from the retailer. (ii) People will want to raise cash by selling some of the items that they do not want at home. Furthermore, management says it will continue to return cash to shareholders through the form of buybacks. The dividend has been increased in addition to the announcement of a stock repurchase plan worth several billions of dollars.

While most of GPS's original thesis has been realized, eBay remains an attractive risk reward opportunity for the portfolio, and we believe that it provides good safety from any macro-economic state. As a capital light business, it will benefit from increasing inflation as it takes a fixed percentage of the transaction cost so it will receive it in proportion to the wider marketplace. The Great Recession in the U.S. saw eBay grow revenue 11% in 2008 and 2% in 2009 despite the pullback in overall consumer spending.

AerCap Holdings

AerCap (AER) borrows money, purchases airplanes, and leases them to airlines. AerCap makes money by capturing a leasing spread: leasing planes at a higher price (as a percent of the plane's purchase price) than the plane's annual depreciation plus AerCap's financing and operating costs. Airlines finance roughly 60% of their fleet through leases, thanks to the attractiveness of the leasing model for poorly capitalized airlines seeking access to new fuel-efficient airframes they are incapable of purchasing themselves and large majors and flag carriers seeking fleet flexibility and less residual value risk.

GPS's original investment thesis included AerCap generating higher net leasing spreads reliant on AerCap's scale and a secular tailwind of a mix-shift favoring leasing over ownership. While the industry has grown as airlines move planes off their balance sheet, a large influx of capital into aircraft leasing and finance has helped compress leasing spreads. Furthermore, the most credit-worthy airlines have opted for sale-leaseback agreements, allowing these airlines to capture scaled purchase discounts for themselves. As a result, AerCap's net spread has declined ~10% since GPS's 2017 investment.

Par Technology

Par Technology (PAR) is a North American conglomerate that has two main subsidiaries: restaurant management solutions and defense. GPS initiated a position in PAR in 2019 because the defense business obscured a high-quality Saas-compounder on financial screens, and the fund was confident in a future re-rating in line with Saas peers. As restaurant management has grown to 74% of revenues this re-rating has occurred. Accordingly, GPS trimmed the position by 25% in early 2021 representing a 195% ROI on the initial investment. Though the multiple has since compressed, we continue to own Par because of our belief that it will be able to compound earnings through organic growth into an under-penetrated market and through further accretive acquisitions that will also enable cross-selling across its suite of restaurant software services.

Restaurant Management revenue grew 25% in 2022 due to these tailwinds and we are confident that Par can continue to grow at a rate that makes its current valuation attractive. Par's acquisitions of Punchh, a loyalty management service, and MENU, an omnichannel ordering solution have been successfully integrated into the sales funnel and product suite by management and we believe that Par can continue to execute shrewd M&A activity to create shareholder value and bolster its competitive positioning. We have long admired the vision and temperament of Par's CEO Savneet Singh, who spoke at Fall Conference 2021. As the market has shifted to reward technology companies for profitability and efficiency, Mr. Singh has undertaken major strategic initiatives to streamline Par's salesforce across its many products and re-focus R&D efforts away from tech debt and towards product development. We are confident in Par's ability to accomplish its goal of being cash flow positive by the end of 2023. Par Technology continues to be an attractive investment for GPS because of how much we appreciate the underlying business, industry, and management team.

EZCorp

EZCorp (EZPW) is the second-largest owner and operator of pawn shops in the U.S. (519 stores) and Latin America (644 stores). Under the pawn lending business model, customers take out non-recourse loans using personal property as collateral (e.g. jewelry, electronics, power tools). Revenue is generated through interest on loans and resale of forfeited collateral.

GPS initially invested in EZPW as it was an attractive counter-cyclical business. When disposable income is low, demand for pawn loans (quick access to cash with no credit score required) and second-hand goods increases; EZPW's revenue and share price reached all-time highs during the 2008 recession. We also believed that as EZPW divested from its non-pawn consumer lending business, it would be able to close a long-standing discount to their key competitor, FirstCash, as the gaps between their business models were minimized.

The turbulent macroeconomic conditions in 2022 has enabled EZPW to emerge as a key beneficiary as consumers exhibited trading down behavior, switching away from big retailers towards cheaper, second-hand alternatives. EZPW was able to enjoy robust sales and strong margins, as EZPW's revenue of $233.9M (+21.6%) YoY in Q4 22' exceeded consensus estimates by over $25m, while Pawn Loans Outstanding (PLO) increased by

19% YoY to $210m, which is the highest level it has ever reached on a same-store basis. As a result, in 2022, EZCorp returned a whopping 52.6%, and remains one of GPS's most profitable investments since inception.

Looking forward, we expect EZPW to continue to be an integral part of our portfolio as it serves as a great hedge against broader macroeconomic shocks and remains discounted to FirstCash and NAV, providing a margin of safety. We also believe that there remains further upside to be realized as EZPW continues executing on its LATAM expansion strategy, with store count up by over 20% in the past 3 years.

Inventiva Pharma

Inventiva (IVA) is a clinical-stage biopharma company focused on the development of oral small molecule drugs for treating fibrosis, lysosomal storage disorders, and oncology.

Original theses points for mispricing included geographical international location contributing to less stock attention (i.e., low liquidity combined with small size limits institutional ownership), artificially depressed valuations due to trial failures by PPAR mechanism of action (MOA) assets in the nonalcoholic steatohepatitis (NASH) space, and finally the underappreciated size/PoS for the NASH market altogether.

The majority of the value to be realized is contained in IVA's lead Phase 3 candidate, lanifibranor, for treating NASH. Overall, largely due to the biotech's industry downturn and minimally idiosyncratic, IVA was down ~67%. In Sep 2022, Inventiva and Sino Biopharm announced a licensing agreement for Sino to commercialize lanifibranor in China in exchange for $12mm upfront and up to $295mm in milestones (in addition to future royalties). In Oct 2022, development of IVA's Abbvie-partnered asset, Cedirogant, was stopped due to toxicity.

As competitors have promising NASH data readouts and skyrocketing stocks (i.e., MDGL's P3, VKTX, and AKRO's P2), IVA's share price remains fairly flat due to its PPAR MOA being a cemetery for past treatments. MDGL and VKTX leverage TRβ agonists, while AKRO leverages a FGF21 agonist. Investors have more conviction in these new MOAs (backed up by strong clinical data) and are mainly awaiting IVA's data rather than putting any trust prior to lanifibranor's P3 readouts in 2024.

GPS will continue to hold IVA until significant P3 clinical readouts occur for lanifibranor in the next 1-2 years. With promising data, IVA has potential for skyrocketing as investors have more trust in the NASH treatment space (as seen with MDGL, where it +329% overnight as investors flocked to a disregarded space). Until then, the big question is whether IVA can secure enough cash for sufficient cash runway until such a readout, creating a chicken and the egg issue (i.e., need cash for data, but investors will only invest cash with data). However, with NASH being a potential $35bn market with more convincing data, compounded by IVA's secured credit facility, IVA will likely be able to sustain until the readout.

Burford

Burford

Buford (BUR) is a litigation finance company, specialising in pure-play litigation finance, asset recovery and a range of other legal advisory services. Burford funds the legal expenses of a plaintiff's lawsuit and the plaintiff pays Buford a share of the winnings if the case is won. The original thesis emphasised Burford's scale and capital, making it a durable winner in a largely consolidated space - able to access deals that smaller players cannot. Concerns about Burford's ability hold its position within such a high ROI industry were voiced in the DA, however we have seen that 'the industry has been growing up for about a decade at this point, and IRRs haven't fallen.

This gives us confidence in the stability of the competitive environment. The Petersen Case was central to the thesis. As Burford's largest asset, it has a stake in a high-profile claim against Argentina's expropriation of YPF (an Argentinian O&G company that IPO-ed in 1993). The Argentinian government guaranteed that if they took control of YPF they would make a tender offer to YPF shareholders using average 4Y P/E multiple, but this did not happen when YPF was nationalized in 2012. Burford has a stake in a high-profile claim against Argentina's expropriation of YPF with a carrying value of $773m and over $734m of unrealised gains.

Alphyn Capital Management interviewed an Argentinian legal expert and concluded that 'based on what we know, the case should be a home run for Burford'. Should Burford win, it could receive net proceeds between $1.1bn and $5.6bn, compared to its EV of $2.15bn in June 2022. We expect a trial court judgment either later this year or next year. We view the company as a solid business with significant optionality upside - we seek to exit the position when gains from the YPF case have been realised.

PORTFOLIO HOLDINGS

LianBio

LianBio (LIAN) is a biopharmaceutical company that develops and commercializes therapeutics in Greater China and several other Asian countries. They use an in-licensing model, where they develop and commercialize drugs that other companies created and own.

GPS originally invested in April 2022 due to Chinese market tailwinds, a portfolio of attractive late-stage assets, and a de-risked business model. Our view was that China aimed to move up in the biotechnology value chain and improve their capabilities, and biotechnology was an sector that they would refrain from targeting. Additionally, LianBio in-licenses several late-stage assets, most notably Mavacamten, which was approved by the US FDA in April 2022. We are expecting top-line results from their Phase III Chinese clinical trials in mid-2023. Lastly, LianBio was founded by Perceptive Advisors, a biopharmaceutical fund, forming a relationship where LIAN can leverage Perceptive's prior diligence to choose the drugs and therapies more selectively they want to in-license.

Since inception, LianBio has been impacted by a variety of market headwinds. US-Chinese relations became increasingly strained and Chinese ADRs such as LIAN were most disproportionately impacted with the most negative average cumulative return of all Chinese shares. Further, biotechnology stocks experienced a large selloff amid interest rate hikes, with pre-profitability biopharmaceutical equities such as LIAN more heavily impacted due to a higher cost of capital. However, we are actively monitoring Mavacamten's Phase III Chinese clinical trials and are encouraged by past trial results and US FDA approval. Due to this hard catalyst, we see potential for upside as early as mid-2023.

Google

Google (GOOGL) is the unmatched leader in search with a market share of ~90% worldwide. For advertisers, Google provides compelling multi-channel offerings between Google Search, Google Network and YouTube ads. Of all advertising mediums, advertisers cut spending on Google last during downturns. GPS initiated a position in Google in December of 2022. We want to emphasize that we don't believe we have a drastically differentiated view, and our modeling wasn't significantly far off from the street's view. Some of the best investments in the GPS portfolio over the last few years have been those that are leaders and strong cash generators which we can hold onto for a while - we think Google is one of those.

Overall, we believe that the TAM of ads is still growing and that the digital penetration of transactions still has a long way to run. Currently, only 16% of retail spending occurs online and under 10% of car sales occur online. This is meaningful as Google's core business, Google Search, still has a significant room to expand its share of ad revenues, especially in the auto, retail and even healthcare verticals. Further upside will be provided as Google focuses on replacing blue links with monetization tools similar to Google Travel in these verticals.

Additionally, Google is currently trading at its lowest EV/EBITDA ratio in 5 years (11.3x TTM). Recently, fears stemming from a minor error in the launch of Google's Bard, its conversational AI service, and Microsoft "going on the offensive" with AI incorporation into Bing have led to a sell-off in Google's share price. We view this as an overreaction considering how much Google has invested in industry-leading AI initiatives like DeepMind. We look forward to Google continuing to incorporate AI features in its own search engine and other businesses like YouTube.

Moving forward, we are optimistic that Sundar Pichai will hold steady with Google's continued focus on share repurchases and newer efforts to become more cost efficient, in part through reducing headcount.

EXITED POSITIONS

Societal CDMO

Societal CDMO (SCTL) is a micro-cap small molecule contract drug manufacturing organization (CDMO). CDMO's are a good business because of (i) secular tailwinds from pharma's outsourcing manufacturing as they focus on R&D and cutting costs (ii) high switching costs as CDMO's are written into pharmas' drug applications, so companies must resubmit applications to FDA if they change CDMO's (iii) sticky revenue streams from long dated contracts (IV) high margin due to reasons above and specific expertise required. When we initiated the investment, the company had just spun-off its cash-draining biotech segment, transitioning to a pure CDMO, and we were essentially betting on a multiple rerate to close the valuation gap between Societal and CDMO peers.

We underestimated the effects of the COVID pandemic, which impacted the operating ability of SCTL's customers and suppliers. The long-dated contracts did not offer the protection we expected: revenue fell from $99m in 2019 to $66m in 2020, when COGS grew not only as a % of sales but also – somehow – on absolute terms from ~$51m to ~$54m.

Holding this stock banking on the original thesis did not make sense anymore. It is now a turnaround story. Our interpretation of the stickiness of revenue was misguided and we now go into a long transformation process muddied by execution risk and heightened competitive forces. From that point forward, it did not fit our criteria for an asymmetric investment, and we exited the position. alpha opportunities.

CURRENT SPONSORS

SANDS CAPITAL

D E Shaw & Co

ASIA PACIFIC LAND

CURRENT SPONSORS

Warburg Pincus

WEISS ASSET MANAGEMENT

For more information, please contact:

Global Platinum Securities
www.gps100.com
info@gps100.com

"Educating the next generation of investors"