



GLOBAL
TRADE UNION

2015



Global Trade Union
annual report **2015**

Chairwoman's Statement

Following the successful exit from our larger non-controlling investments early in the year, at the General Meeting in February 2015 over 99% of our shareholders endorsed the Board's proposal to adopt a strategy to optimise value through the managed diversification of our portfolio through IPO investments.

The main directions of our work will be:

- search for well-established companies with good indicators that are planning to make an IPO.
- analysis of financial performance of companies.
- selection of the most promising companies for further investment in the framework of IPO applications.

We are well placed to deliver value creation and realisation within our targeted time frame and look forward to delivery through continued focus on execution.



Michelle M. Simonson
President
10 February 2016

Strategic Report

The Strategic Report provides a review of the Company's business, the operating performance during the year to 31 December 2015 and its strategy going forward. It also considers the principal risks and uncertainties facing the Company.

Investment Objective and Policy

Global Trade Union objective is to follow a realisation strategy, which aims to crystallise value for shareholders, through balancing the timing of returning cash to shareholders with maximisation of value.

Strategy Implementation Risk

The Company is subject to the risk that implementation of its strategy and its level of performance fail to meet the expectations of its shareholders. The Board has undertaken a thorough review of the Company's investment strategy and policy and its structure, with the objective of maximising shareholder value. The Directors consider that clear alignment between executive incentives and shareholder value optimisation, with ongoing close oversight from the Non-Executive Board, is the optimal way to manage this.

Macroeconomic Risk

The performance of the Company's investment portfolio can be materially influenced by economic conditions. These may affect demand for products or services supplied by investee companies, foreign exchange rates, the price of commodities or other input costs, interest rates, debt and equity capital markets, and the number of active trade and financial buyers. All of these factors may have an impact on the Company's ability to realise a return from its investment portfolio and cannot be directly controlled by the Company. This risk has not materially changed in impact from the previous year, and the Board of Directors does not believe there will be a significant impact on the valuations or operations of its portfolio companies.

Valuation Risk

The valuation of investments in accordance with IFRS 13 and International Private Equity and Venture Capital Valuation ("IPEV") guidelines requires considerable judgement and is explained in the Notes. This risk has not materially changed in impact from the prior year.

Gearing Risk

Gearing is used across the Company's investment portfolio. One of the principal risks of gearing is that it can cause both gains and losses in the asset value of portfolio investments to be magnified. Another significant risk associated with gearing is the potentially severe impact on portfolio investments of any breaches of the lenders' banking covenants. Secondary risks relate to whether the cost of gearing is too high and whether the contracted terms of the gearing, including those relating to the terms of borrowings, are appropriate.

Performance report

During the 2015 reporting year, 8 investments were made in various companies conducting IPOs.

Ticker	Company	IPO date	Offering price	Current price	Price change	Share in portfolio
Financial result for existing positions					0%	0%
GDDY	GoDaddy	March 31	\$20	\$32.1	+60.3%	10.3%
SHOP	Shopify	May 21	\$17	\$25.8	+51.8%	15.2%
ETSY	Etsy	April 16	\$16	\$8.3	-48.4%	9.6%
FIT	Fitbit	June 17	\$20	\$29.6	+48.0%	14.7%
SQ	Square	November 19	\$9	\$13.1	+45.4%	19.5%
TEAM	Atlassian	December 10	\$21	\$30.1	+43.2%	20.3%
ACRS	Aclaris Therapeutics	October 7	\$11	\$26.9	+144.9%	5.0%
COLL	Collegium Pharmaceutical	May 7	\$12	\$27.5	+129.2%	5.4%
Financial result					+48.4%	100%

GoDaddy (GDDY)

+60.3%

GoDaddy Inc. is an American publicly traded Internet domain registrar and web hosting company.

GoDaddy was founded in 1997 in Baltimore, Maryland by entrepreneur Bob Parsons. Parsons sold his financial software services company Parsons Technology to Intuit for \$65 million in 1994. He came out of his retirement in 1997 to launch Jomax Technologies which became GoDaddy Group Inc. GoDaddy received a strategic investment from private equity funds, KKR, Silver Lake, and Technology Crossover Ventures.

IPO date	March 31
Offering price	\$20
Current price	\$32.1

Shopify (SHOP)

+51.8%

Shopify is a Canadian multinational e-commerce company headquartered in Ottawa, Ontario. It is also the name of its proprietary e-commerce platform for online stores and retail point-of-sale systems. Shopify offers online retailers a suite of services including payments, marketing, shipping and customer engagement tools. On April 14, 2015, Shopify filed for an initial public offering (IPO) on the New York Stock Exchange and Toronto Stock Exchange under the symbols "SHOP" and "SH" respectively and went public on May 21, 2015.

IPO date	May 21
Offering price	\$17
Current price	\$25.8

Etsy (ETSY)

-48.4%

Etsy is an American e-commerce website focused on handmade or vintage items and craft supplies. These items fall under a wide range of categories, including jewelry, bags, clothing, home décor and furniture, toys, art, as well as craft supplies and tools. All vintage items must be at least 20 years old. The site follows in the tradition of open craft fairs, giving sellers personal storefronts where they list their goods for a fee of US\$0.20 per item.

IPO date	April 16
Offering price	\$16
Current price	\$8.3

Fitbit (FIT)

+48.0%

Fitbit, Inc. is an American consumer electronics and fitness company headquartered in San Francisco, California. Its products are activity trackers, smartwatches, wireless-enabled wearable technology devices that measure data such as the number of steps walked, heart rate, quality of sleep, steps climbed, and other personal metrics involved in fitness.

Headquartered in San Francisco, California, Fitbit was founded on March 26, 2007 by James Park (CEO) and Eric Friedman (CTO).

Before October 2007, the company was previously named Healthy Metrics Research, Inc.

IPO date	June 16
Offering price	\$20
Current price	\$29.6

Square (SQ)

+45.4%

Square, Inc. is an American financial services, merchant services aggregator, and mobile payment company based in San Francisco, California. The company markets software and hardware payments products and has expanded into small business services. The company was founded in 2009 by Jack Dorsey and Jim McKelvey and launched its first app and service in 2010.

It is traded as a public company on the New York Stock Exchange since November 2015 with the ticker symbol SQ.

IPO date	November 19
Offering price	\$9
Current price	\$13.1

Atlassian (TEAM)

+43.2%

Mike Cannon-Brookes and Scott Farquhar founded Atlassian in 2002. The pair met while studying at the University of New South Wales in Sydney. They bootstrapped the company for several years, financing the startup with a \$10,000 credit card debt.

Atlassian released its flagship product, Jira – a project and issue tracker, in 2002. In 2004, it released Confluence, a team collaboration platform that lets users work together on projects, co-create content, and share documents and other media assets.

IPO date	December 10
Offering price	\$21
Current price	\$30.1

Aclaris Therapeutics, Inc. (ACRS)

+144.9%

Aclaris Therapeutics, Inc. is a clinical-stage biopharmaceutical company developing a pipeline of novel drug candidates to address the needs of patients with immuno-inflammatory diseases who lack satisfactory treatment options.

The company has a multi-stage portfolio of drug candidates powered by a robust R&D engine exploring protein kinase regulation.

IPO date	October 07
Offering price	\$11
Current price	\$26.9

Collegium Pharmaceutical Inc. (COLL)

+129.2%

Collegium Pharmaceutical is a specialty pharmaceutical company committed to being the leader in responsible pain management. For nearly two decades, Collegium has been focused on developing and commercializing new medicines for pain management.

The result of those efforts is a portfolio of meaningfully differentiated medications to treat moderate to severe pain.

IPO date	May 07
Offering price	\$12
Current price	\$27.5

Summary on GTU performance in 2015

In 2015, the profit of Global Trade Union was **48.4%**. IPO investment proved to be an efficient way to boost funds in terms of revenue and exposure. A fully transparent and regulated legal environment allows getting complete information about the financial status of a company undertaking an IPO. Using the economic and legal expertise and accumulated investment experience, Global Trade Union chooses the most undervalued companies that possess the highest potential and can get a growth accrual effect from going public.

Companies reviewed in the previous section were accurately picked and analyzed using patented software. It helps to identify hidden growth factors, such as the innovative activity of the company, customer satisfaction rate, corporate culture quality, etc. It allows picking and taking part in the most successful IPOs on the market, as well as assessing the company's further growth potential based on the results of their offering. Besides participating in new offerings, Global Trade Union aims for long-term results and increases revenue by keeping its position and trading activity in assets of companies that have already received investment.