



GLOBAL  
TRADE UNION

2017



Global Trade Union  
annual report **2017**

# Chairwoman's Statement

The dedication of the whole Global Trade Union team drove steady growth of the investment efficiency and successful completion of the report period. Due to investors' confidence, bold plans, and the amazing dedication of our team, we became one of the best on the market. An incredible fusion of expertise, efficient operation model, and market factors allowed us to increase the return on investment and reach the goals we set in the report year.

The main points of growth in the report period:

- Analysis and identification of macroeconomic factors to determine fast-growing and potentially productive market sectors.
- Participation in IPOs of companies from the internet and technology sectors as the most potentially productive ones on the market.
- Keeping shares and trading activity in stocks of companies that already received investment.

On behalf of the company's President, I would like to thank the team for their successful work and investors—for their confidence in us. Together we will excel!



Michelle M. Simonson  
President  
6 February 2018

# Strategic Report

The Strategic Report provides a review of the Company's business, the operating performance during the year to 31 December 2017 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 2017 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					+115.5%	12.3%
<b>CLXT</b>	Calyxt	July 20	\$8	\$22	<b>+175.4%</b>	10.2%
<b>FNKO</b>	Funko	November 2	\$12	\$6.7	<b>-44.6%</b>	4.8%
<b>RDFN</b>	Redfin	July 28	\$15	\$31.3	<b>+108.8%</b>	17.6%
<b>APPN</b>	Appian	May 25	\$12	\$31.5	<b>+162.3%</b>	15.5%
<b>VERI</b>	Veritone	May 15	\$18.5	\$23.2	<b>+25.4%</b>	6.8%
<b>AYX</b>	Alteryx	March 24	\$14	\$25.3	<b>+80.5%</b>	12.4%
<b>SNAP</b>	Snap	March 2	\$17	\$14.6	<b>-14.1%</b>	7.1%
<b>ROKU</b>	Roku	September 28	\$14	\$51.8	<b>+269.9%</b>	13.3%
<b>Financial result</b>					<b>+120.9%</b>	<b>100%</b>

## Calyxt (CLXT)

**+175.4%**

Calyxt, Inc. is a technology company, which engages in delivering plant-based solutions. Its products include high oleic soybean oil, high fiber wheat, high oleic soybean meal, and low lignin alfalfa. The company was founded by Daniel F. Voytas and André Choulika on January 8, 2010 and is headquartered in Roseville, MN.

Calyxt focuses on combining gene-editing technology and technical expertise with its commercial strategy to deliver healthier food ingredients.

IPO date	<b>July 20</b>
Offering price	<b>\$8</b>
Current price	<b>\$22</b>

## Funko (FNKO)

**-44.6%**

Funko is an American company that manufactures licensed pop culture collectibles, best known for its licensed vinyl figurines and bobbleheads. In addition, the company produces licensed plush, action figures, and electronic items such as USB drives, lamps, and headphones.

Founded in 1998 by Mike and Claudia Becker, Funko was originally conceived as a small project to create various low-tech, nostalgia-themed toys. The company's first manufactured bobblehead was of the well-known restaurant advertising icon, the Big Boy mascot.

IPO date	<b>November 2</b>
Offering price	<b>\$12</b>
Current price	<b>\$6.7</b>

## Redfin (RDFN)

**+108.8%**

Redfin, a discount real estate brokerage, was founded in 2004 by David Eraker, Michael Dougherty, and David Selinger. David Eraker, who had dropped out of the University of Washington's medical school for a career in software design, was inspired by his own real estate misadventures and founded Redfin with hopes of upending the traditional brokerage model. Unlike the other major real estate web portals (Zillow, Trulia and Realtor.com), which get the majority of their earnings from advertising and lead generation, Redfin operates as a discount brokerage and makes money when users buy or sell homes with its real estate agents.

IPO date	<b>July 28</b>
Offering price	<b>\$15</b>
Current price	<b>\$31.3</b>

## Appian (APPN)

**+162.3%**

Appian Corporation is a cloud computing company currently headquartered in Mclean, Virginia, part of the Dulles Technology Corridor.

The company sells a Platform as a Service for building enterprise software applications. It is focused on low-code development, business process management, and case management markets. Its low-code automation platform enables businesses to create apps using little or no code.

IPO date	<b>May 25</b>
Offering price	<b>\$12</b>
Current price	<b>\$31.5</b>

## Veritone (VERI)

**+25.4%**

Veritone Inc. is an artificial intelligence tech company based in Costa Mesa, California, founded in 2014. Veritone's aiWARE technology and solutions are licensed and utilized by such industries as global media conglomerates, professional sports teams, federal government agencies, energy utilities, and state and local police departments. Veritone services more than 1,500 customers around the world.

IPO date	<b>May 15</b>
Offering price	<b>\$18.5</b>
Current price	<b>\$23.2</b>

## Alteryx (AYX)

**+80.5%**

Alteryx is an American computer software company based in Irvine, California, with a development center in Broomfield, Colorado. The company's products are used for data science and analytics. The software is designed to make advanced analytics accessible to any data worker.

SRC LLC, the predecessor to Alteryx, was founded in 1997 by Dean Stoecker, Olivia Duane Adams and Ned Harding.

IPO date	<b>March 24</b>
Offering price	<b>\$14</b>
Current price	<b>\$25.3</b>

## Snap (SNAP)

**-14.1%**

Snap is an American company developed multimedia messaging app Snapchat. Snapchat was created by Evan Spiegel, Bobby Murphy, and Reggie Brown, former students at Stanford University. It has become known for representing a new, mobile-first direction for social media, and places significant emphasis on users interacting with virtual stickers and augmented reality objects.

IPO date	<b>March 2</b>
Offering price	<b>\$17</b>
Current price	<b>\$14.6</b>

## Roku (ROKU)

**+269.9%**

Roku is an American publicly traded company based in San Jose, California, that manufactures a variety of digital media players for video streaming. Roku has an advertising business and also licenses its hardware and software to other companies.

Roku was founded in October 2002 as a limited liability company (LLC), by ReplayTV founder Anthony Wood. Roku (六) means "six" in the Japanese language, to represent the fact that Roku is the sixth company Wood started.

IPO date	<b>September 28</b>
Offering price	<b>\$14</b>
Current price	<b>\$51.8</b>

## Summary on GTU performance in 2017

In 2017, the profit of Global Trade Union was **120.9%**. 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.