



GLOBAL
TRADE UNION

2018



Global Trade Union
annual report **2018**

Chairwoman's Statement

In 2018, the stock market went through hard times. Markets' macroeconomic factors became worse, therefore main stock indices dropped in the report period. Despite this, the Global Trade Union team successfully selected public offerings of companies with potential and maintained a high earning yield from IPO investment.

The main points of growth in the report period:

- Analysis and identification of macroeconomic factors and risk in the main economic sectors.
- Participation in IPOs of companies that are least exposed to risk.
- Optimization of the company shareholding pattern and trading activity with stocks.

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
5 February 2019

Strategic Report

The Strategic Report provides a review of the Company's business, the operating performance during the year to 31 December 2018 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 2018 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					+138.3%	16.4%
ZS	Zscaler	March 16	\$16	\$39.2	+145.1%	19.8%
PLAN	Anaplan	October 12	\$17	\$26.5	+56.1%	7.8%
ESTC	Elastic	September 5	\$36	\$71.5	+98.6%	13.5%
CDAY	Ceridian HCM	April 12	\$22	\$34.5	+56.8%	4.9%
SMAR	Smartsheet	April 26	\$15	\$24.9	+65.7%	5.5%
SPOT	Spotify Technology	April 3	\$132	\$113.5	-14.0%	5.1%
IIIV	i3 Verticals	June 21	\$13	\$24.1	+85.4%	19.3%
PS	Pluralsight	May 17	\$15	\$23.6	+57.0%	7.7%
Financial result					+95.6%	100%

Zscaler (ZS)

+145.1%

Zscaler is an American cloud-based information security company headquartered in San Jose, California. Zscaler was founded in 2007 by Jay Chaudhry and K. Kailash. It had an initial public offering in March 2018, where it raised \$192 million.

The company has more than 100 data centers with customers in 185 countries. A majority of the customers are located in the United States, with most customers having greater than 10,000 employees.

IPO date	March 16
Offering price	\$16
Current price	\$39.2

Anaplan (PLAN)

+56.1%

Anaplan is a global cloud-based planning software company headquartered in San Francisco, California. Anaplan was founded in 2006 by Guy Haddleton, Sue Haddleton, and Michael Gould in Yorkshire, England.

Anaplan sells subscriptions for cloud-based business-planning software and provides data for decision-making purposes in areas ranging from finance, supply chain, sales performance to human resources.

IPO date	October 12
Offering price	\$17
Current price	\$26.5

Elastic (ESTC)

+98.6%

Elastic BV is an American-Dutch company that was founded in 2012 in Amsterdam, the Netherlands, and was previously known as Elasticsearch.

Elastic BV is a search company that builds self-managed and SaaS offerings for search, logging, security, and analytics use cases. Elastic open source search technology is used by eBay, Wikipedia, Yelp, Uber, Lyft, Tinder, and Netflix.

IPO date	September 5
Offering price	\$36
Current price	\$71.5

Ceridian HCM (CDAY)

+56.8%

Ceridian HCM, Inc. is an American provider of human resources software and services with employees in the USA, Canada, Europe, Australia and Mauritius. It is a publicly traded company on the New York Stock Exchange as of April 2018.

Ceridian is a descendant of Control Data Corporation (CDC). In 1992, Ceridian was founded as an information services company from the restructuring of CDC, a computer services and manufacturing company founded in 1957.

IPO date	April 12
Offering price	\$22
Current price	\$34.5

Smartsheet (SMAR)

+65.7%

Smartsheet Inc. is a publicly-listed company that develops and markets the Smartsheet application. The company was founded in the summer of 2006, shortly after co-founder Brent Frei sold his prior company, Onyx Software.

Smartsheet is a software as a service (SaaS) offering for collaboration and work management. It is used to assign tasks, track project progress, manage calendars, share documents, and manage other work, using a tabular user interface.

IPO date	April 26
Offering price	\$15
Current price	\$24.9

Spotify Technology (SPOT)

-14.0%

Spotify Technology S.A. is a holding company based in Luxembourg owns Spotify. Spotify is a Swedish audio streaming and media services provider, launched in October 2008. It offers digital copyright restricted recorded music and podcasts, including more than 70 million songs, from record labels and media companies.

Spotify was founded in 2006 in Stockholm, Sweden, by Daniel Ek, former CTO of Stardoll, and Martin Lorentzon, co-founder of Tradedoubler.

IPO date	April 3
Offering price	\$132
Current price	\$113.5

i3 Verticals (IIIV)

+85.4%

i3 Verticals, LLC is a technology and integrated payments provider for a range of industry verticals throughout the United States. The company was founded in 2012 by Greg Daily, the former CEO of iPayment.

i3 Verticals intends to make additional acquisitions and become a leader in distinct, growing verticals by helping customers improve their operating efficiencies, enhance revenues, and streamline their payment processing functions.

IPO date	June 21
Offering price	\$13
Current price	\$24.1

Pluralsight (PS)

+57.0%

Pluralsight, Inc. is an American publicly held online education company that offers a variety of video training courses for software developers, IT administrators, and creative professionals through its website. As of July 2018, it uses more than 1,400 subject-matter experts as authors, and offers more than 7,000 courses in its catalog.

Founded in 2004 by Aaron Skonnard, Keith Brown, Fritz Onion, and Bill Williams, the company has its headquarters in Farmington, Utah.

IPO date	May 17
Offering price	\$15
Current price	\$23.6

Summary on GTU performance in 2018

In 2018, the profit of Global Trade Union was **95.6%**. 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.