PROFETA
INVESTMENTS

Profeta Global Investments Fund

March 2021

Introduction

01

Independently owned Global Asset boutique

02

Strong alignment with clients

- Majority ownership with employees and directors.
- Directors and employees are heavily invested in our funds.

03

Experienced investment team and board

- Garry Laurence has a long track record of investing in global markets.
- The advisory board has a wealth of experience in global markets.

04

We aim to build partnership relationships

- Understand our partners' needs and provide support and solutions.

Experience and track record

Garry Laurence set up the Perpetual Global Share Fund, which he managed since inception for a decade. The fund outperformed its benchmark, compounding returns at 14% p.a.

Garry grew the global funds to circa $1 billion FUM.

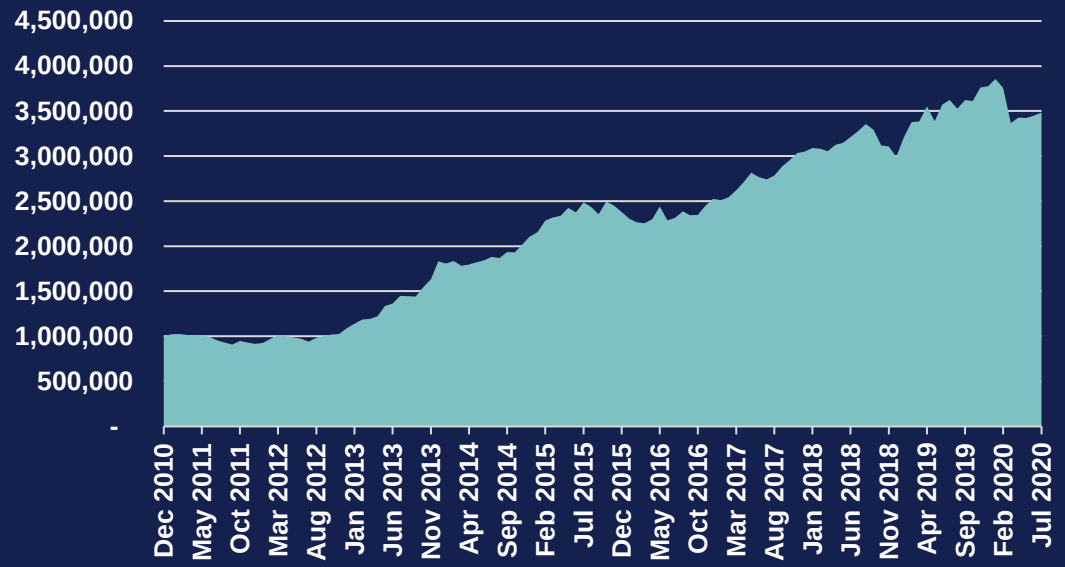
For the first three years, Garry managed the fund alone compounding returns at 32% p.a.

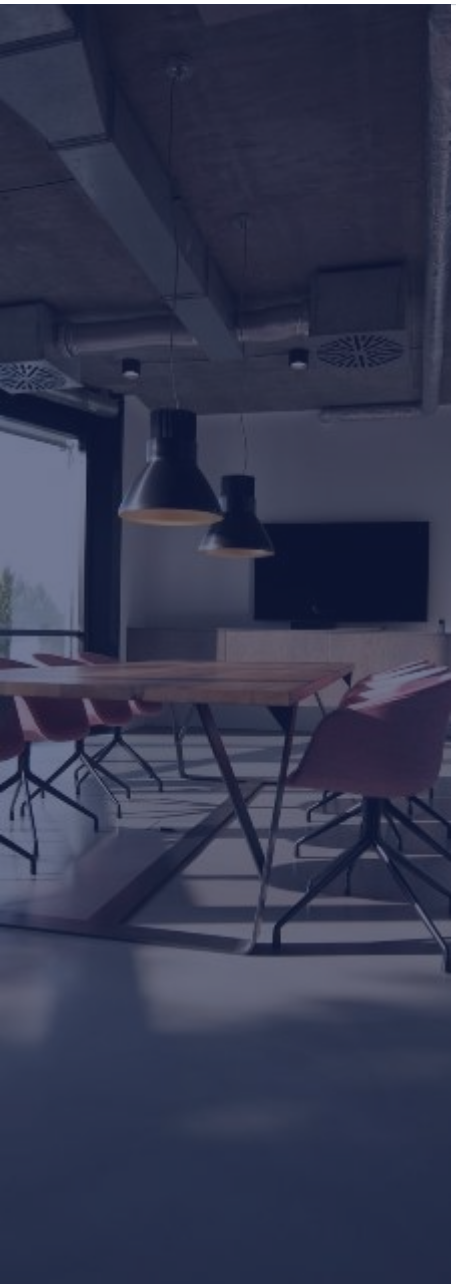
.

Focus on Downside Protection

The fund outperformed falling markets over 70% of the time. Higher cash levels, derivatives and index shorts used to protect the portfolio.

Growth of $1m since inception





How we differentiate

1. Absolute return focused, concentrated portfolio

- We aim to find one or two new mispriced businesses each year and allocate capital accordingly.
- We are focused on absolute returns.
- Active currency management to hedge out risk.

2. We have global relationships developed over decades

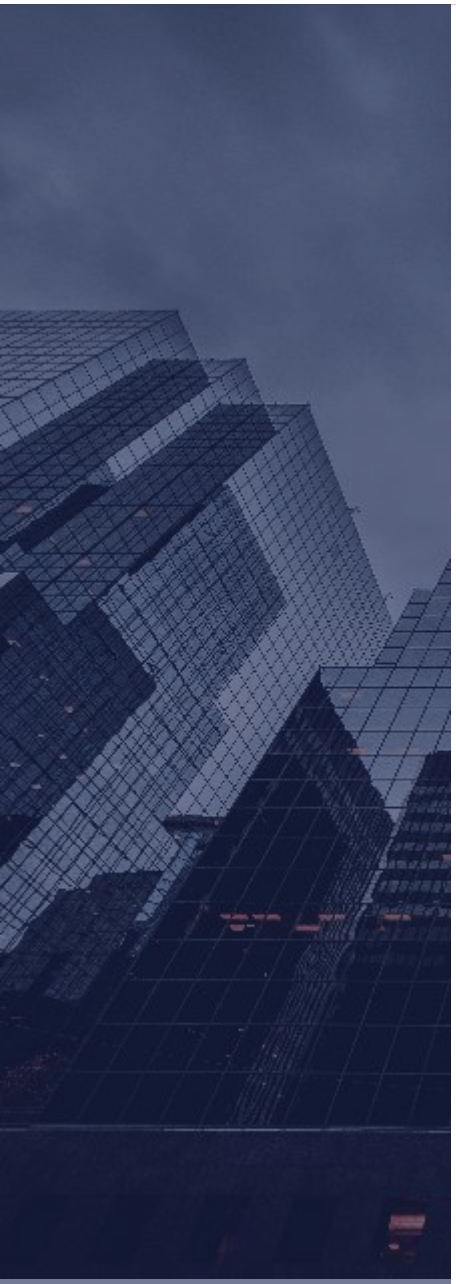
- The staff and board have longstanding relationships in different industries, established around the world.

3. Long term focus on quality assets

- We focus on founder-led businesses, where management are aligned with shareholders.
- Our portfolio is biased to strong franchises and asset light businesses.
- Businesses with high free cashflow and strong pricing power, with low leverage.

4. Valuations are an important part of our process

- This is important currently as bubbles are forming in certain markets.



Types of companies we invest in

Investments will focus on 3 main categories

1. LEADERS OR EMERGING LEADERS THAT ARE FOUNDER DRIVEN

Nomad Foods
Findus
Birds Eye
vivendi
BetMakers

2. MONOPOLY / OLIGOPOLY ASSETS

ZURICH AIRPORT
Nasdaq

3. MISPRICED QUALITY BUSINESSES

FAIRFAX
FINANCIAL HOLDINGS LIMITED
citigroup

Global trends we like investing in

Healthier eating:
Nomad Foods
(fish, vegetables)

Exchanges:
Nasdaq

US legalizing online gambling:
Betmakers

Electronic payments:
PagSeguro

Music streaming:
Vivendi (Universal Music)

E-commerce:
Alibaba (leading online
platform in China)

Consumer – Valuations are more attractive in Europe and Asia

Consumer	Market Capitalisation (USD $m)	P/E	P/B
Coca-Cola Company	220,000	24	11.8
Pinnacle Foods, Inc.	7,847	22.7	3.3
Nomad Foods Ltd.	4500	14	1.8
Hengan International	8278	11.6	3.2

Source: FactSet

Nomad Foods

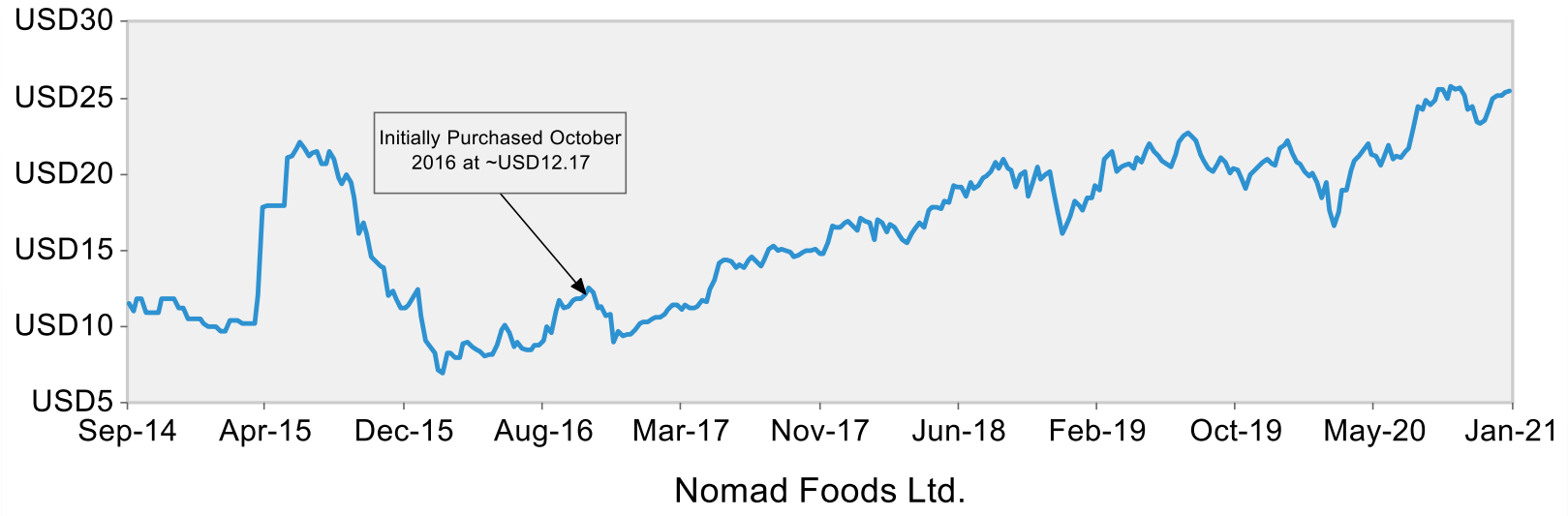
CORE BUSINESS:
Nomad Foods is a European frozen foods producer, headquartered in the UK.

SECTOR: Consumer Staples

INITIAL ENTRY PRICE: USD12.17

WHY WE LIKE IT

- Leading brands with strong market shares in frozen foods in the UK, central Europe and Scandinavia.
- Owner managed business with the Chairman and executive team owning over 10% of the company.
- Trading at a steep discount to consumer staples companies despite growing at a quicker rate to peers.



Nomad Foods Ltd.

Technology – Valuations are attractive in Asia

	Handset manufacturers		E-commerce		Search Engines	
	Apple	Samsung	Amazon	Alibaba	Alphabet	Baidu
Market capitalization (USD bn)	2262	485	1649	627	1258	82
P/E	33	16	71	19	29	23
P/B	34	2.2	19	5	5.7	3.2

Source: FactSet

Technology

Online advertising and e-commerce companies have been long term holdings.

- Alphabet was held from 2011 to 2020. Facebook and Ebay have also been holdings.
- Alibaba is a position we have held indirectly prior to its IPO, via Yahoo and then since its IPO.

Alibaba

- Current concerns about regulation and Jack Ma are creating an attractive entry into China's leading e-commerce and payments company.
- Having seen Jack Ma present on a number of occasions and attending the Alibaba investor day in Hangzhou over a number of days, and having researched the company for a decade, we know that Alibaba is much bigger than one person.

Software

- Constellation Software – Mark Leonard, founder, is a once in a generation capital allocator, compounding capital at >20%.
- Oracle – quality owner managed business, run by Larry Ellison. Earnings are expected to grow at double digit rates this year while only trading on a PE of 15x.

Listed to unlisted situations:

- Zhaopin and Telepizza were companies Garry Laurence accumulated substantial positions in. Private equity bid for them and de-listed them. Zhaopin now represents the majority of Seek's enterprise value.

Nasdaq – long term holding , high quality compounder

CORE BUSINESS:
Delivers trading, clearing, securities listing and public company services across 6 continents.

SECTOR: Financials

INITIAL ENTRY PRICE: ~US$23.9

WHY WE LIKE IT

- High quality global exchange
- Strong free cash flow
- Diverse, predictable income stream. Over 75% of revenue recurring.
- Adena Friedman (CEO) has a proven track record at Nasdaq for over 20 years.

Source: FactSet

Betmakers – emerging leader acquired at attractive valuation

CORE BUSINESS:
Online gaming technology and content with a focus on racing software and hardware.

SECTOR: Consumer Discretionary

INITIAL ENTRY PRICE: 9c

WHY WE LIKE IT

- Leading SAAS software provider for bookmakers and racetracks globally.
- Leveraged to legalisation and growth of fixed odds betting and online betting in the US.
- Owner managed business led by Todd Buckingham. The board and executive team own 20% of the company.

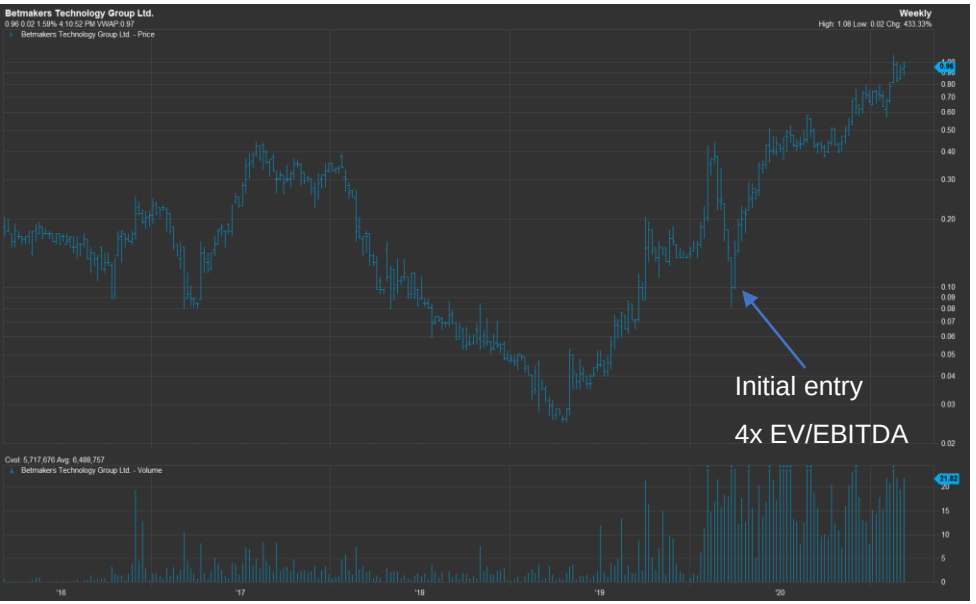
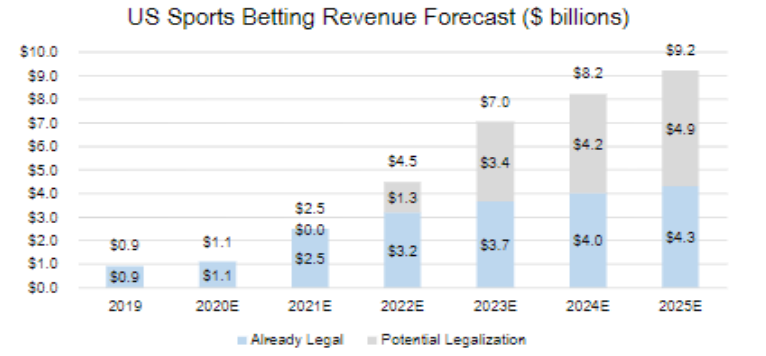


Figure 5: JPME US Sports Betting Industry Revenue Forecast



Source: Various state gaming commissions, J.P. Morgan estimates.

PROFETA
INVESTMENTS