



**Connor Stark**  
Chief Investment Officer

Some key macroeconomic events that occurred this week:

- The Federal Reserve ended its monthly bond purchasing and committed to not raise interest rates until the second half of 2015
- Third-quarter gross-domestic product (GDP) rose 3.5%, while consumption and fixed investment rose 2.8%
- Japanese household spending fell 5.6%, prompting the economics minister, Akira Amari, to say the government was prepared to support the economy

Some key portfolio moves that GIMG recently executed:

- Purchased shares of Roche Holdings (RHHBY) to better position ourselves in the global pharmaceutical market
- Sold Novavax (NVAX) to capture 20% gains during a mid-day spike
- Purchased Alibaba Group (BABA) to secure our stake in one of the most fascinating stories of the past several years

## Stakeholders of GIMG,

The past several weeks have seen an incredible amount of volatility both in the global capital markets and the GIMG fund. This volatility, combined with one particularly tough week for the portfolio, has humbled the Investment Committee and caused us to reexamine our overall market thesis. We are committed to achieving above-average market returns through high quality investment theses and believe our recent discussions and transactions reflect this dedication.

The Investment Committee is more focused than ever to position the fund to outperform the market for the remainder of 2014, and in the future. On the eve of the Fed's suspension of its bond purchasing plan, we have been discussing adding exposure to Financials in an effort to benefit from the anticipated rise in interest rates and the increase in global M&A activity. In this week's meeting we entertained several pitches in the Financials industry and will update you with any final decisions in the next letter.

This past week our analysts completed their monthly coverage reports on the stocks that we currently own. These coverage reports are intended to provide the Investment Committee with in-depth research and analysis of our current holdings. The reports also provide an analyst recommendation to add to, or sell, our current positions. Over the next week we will be reviewing the coverage reports to determine how we can incorporate their analysis into our overall investment thesis.

While the past several weeks have been a very difficult time for our fund, GIMG remains very dedicated to turning around our performance through high quality investments centered on strong fundamentals and future growth potential. The investment committee has already made several moves to restructure the portfolio and we look forward to seeing how these new investments will perform for the rest of the year.

Connor Stark,  
Chief Investment Officer

## Earnings Corner: Take-Two Interactive Software (TTWO)

- ❖ Take-Two Interactive Software, Inc. (TTWO) develops, publishes, and markets interactive entertainment for consumers around the world through its two labels, Rockstar Games and 2k.
- ❖ Take-Two Interactive posted revenues of \$135.4 million and a loss of 44 cents per share, excluding items, for the period ended September 30. Analysts had projected revenues of \$110.4 million and a loss of 59 cents per share.
- ❖ The company expects its full-year earnings to be between \$1.05 and \$1.30 per share on adjusted revenues of \$1.5 billion. Analysts estimate profit to be \$1.08 per share on revenues of \$1.43 billion.
- ❖ Due to beating analysts' estimates and providing improved full-year guidance, the stock rallied 10.83% during trading on October 29. This brings GIMG's total return on Take-Two Interactive to over 45%.

## Trade of the Week: Facebook (FB)

- ❖ GIMG analyst Andrew Porat pitched Facebook (FB) ahead of the company's earnings.
- ❖ Andrew's bullish thesis remains that Facebook owns a number of companies it will effectively monetize, user metrics including daily active users and monthly active users continue to see strong growth, and the company continues to take market share in the online advertising space.
- ❖ On Tuesday, October 28, Facebook reported earnings that beat analysts' expectations for EPS, revenue, and ad revenue. However, shares traded sharply lower due to increased cost projections and lower guidance.
- ❖ We have initiated a position in Facebook this week to take advantage of the recent sell-off.