



CLINTON
CAPITAL PARTNERS

2018 END OF YEAR COMMUNICATION
FOR INVESTORS AND SUPPORTERS

Clinton Capital Partners – December 2018

Dear investors and supporters,

2018 was an extremely active year for Clinton Capital Partners (CCP).

We saw over 500 new companies, completed 12 deals (first raise, follow-on raise or secondary block trade), expanded our investor following and, despite our first portfolio company going to zero, we saw our overall portfolio performance increase.

We continue to be amazed by the quality of companies and people we meet along the way. Equally, we are excited by the companies we have partnered with over the last year, which have ranged from technology solutions across: tele-health, education, death-care, event management, online food ordering, laser technology, cyber security & robotics.

The re-occurring theme in our business is that nearly 100% of the new companies and new investors we meet are referred to us by our supporters, for which we are deeply grateful.

We found 2018 was a year of 2 halves - the first half could be best defined as "Nirvana", where exuberance was possibly out of whack with reality; whereas the second half, was very much one of "Armageddon", where the level of pessimism lost sight of reality.

2018 illustrated the importance of not following the herd.

We have continued to see increased investor fund flow into the emerging company space. Whether that be because of market volatility, valuation levels surrounding listed equities and/or property, or the quality of opportunities in the unlisted markets; we feel this trend will continue.

This year reminded us once again that the only thing guaranteed in investing is that one will always experience cycles and, it is how one navigates those moves that will define success - particularly in the emerging company space. While applicable to all levels of investing, we continue to reinforce to our founders the importance of **humility on the way up & integrity on the way down**. Fortunately, we have seen many companies embrace this, while only a few choose to ignore.

Our biggest challenge this year was our first portfolio company going to zero. While this reinforces the importance of portfolio diversification, it also reinforces our views that when investing in the emerging company space, the captain of the ship should be 75%+ of ones investment decision.

"The Titanic was the greatest ship in the world but one idiot sank it!"

This loss has emphasised our views that when companies are the custodians of shareholder funds, they should never lose sight of **respect, transparency, and trust**. It also emphasises that while raising capital in the emerging company space is not easy, once one has that capital, how they deploy it is of greater importance.

CCP prides itself on the rigor we apply to our portfolio companies, both before and after investment. We strongly believe that success is achieved **only** when company, investor and advisor are all pulling in the same direction.

While we will never hide from the fact we had a portfolio company fail and we regret that some of our supporters have lost money in this instance, we remain proud of the performance across our whole portfolio.

For every \$1 invested into our companies that have “marked”, you will have returned 103%.

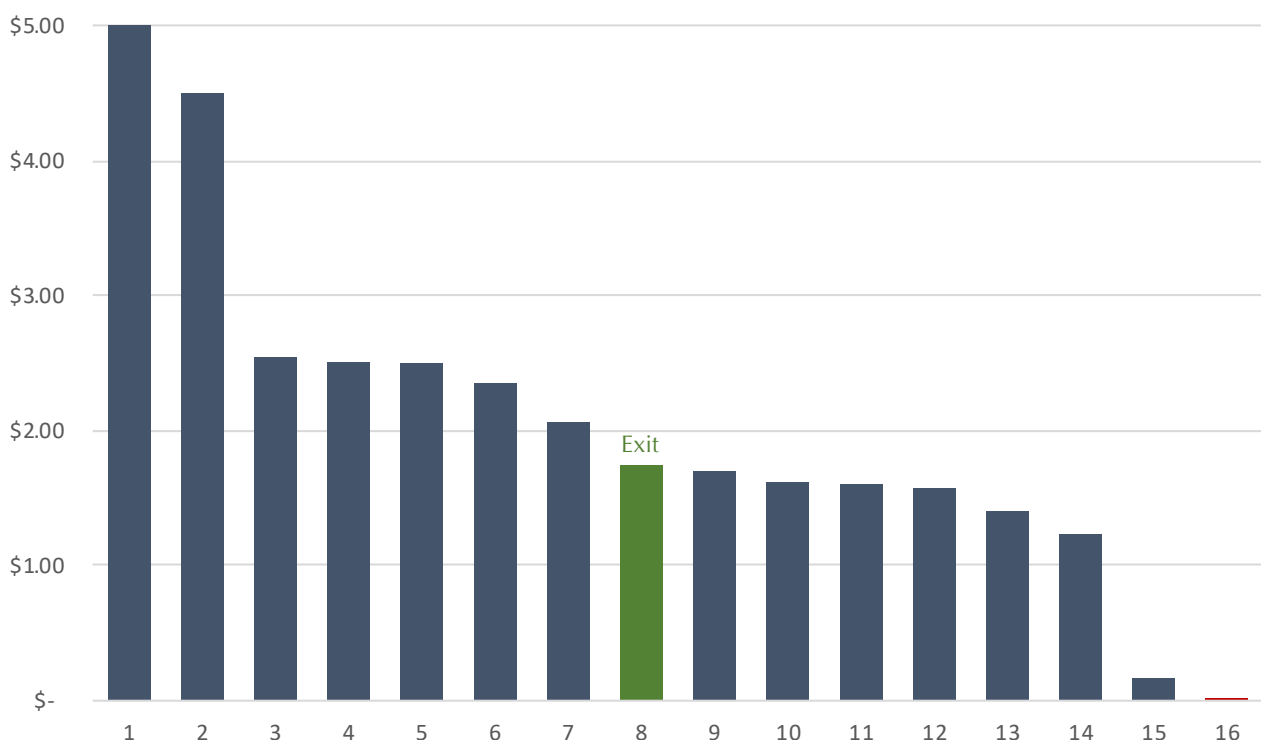
In the unlisted equity market, various methods are used to estimate current value of a portfolio. We will not attempt to accurately do this here, but instead give a partial insight into our returns, using instances where companies have had a follow-on round and has ‘marked’ a new valuation.

If you had invested \$1 in each of the 16 companies that have marked (total outlay \$16), your portfolio would be worth \$32.49 - a 103% return

We believe that our total performance (including the 7 companies that have not marked) will result in a higher return.

While we are proud of our portfolio performance to date, we acknowledge that investing in the emerging company space comes with both higher risks and rewards.

Graph 1: Company Performance – marked returns only (16 out of 23 companies)



The year ahead

We are excited by what 2019 has installed for the emerging company space. We feel the macro environment will result in an increased allocation to the alternative and private markets. This increased allocation will continue to create opportunities for companies, investors and our portfolio, which we believe will see its first major wave of liquidity events.

As a young business operating in a dynamic industry, we welcome input from our supporters. To that, if you feel there are things we could do better and/or differently, we would greatly value your input.

On behalf of the Clinton Capital Partners, we wish to thank those that have been part of our journey to date.

The Clinton Capital Partners wish you and your family season greetings and hope that 2019 will deliver you health, happiness and returns.



OpusXenta™

YEAR13

LUMITRON
TECHNOLOGIES



ORDER UP!

FUSION SD

Definium
Technologies

WITH YOU
WITH ME

HomeCaring
Lifestyle and health solutions

AR
ADVISER
RATINGS

event*hub

SPARKKE *

fulcrum

Edstart

Loc8

Leezair®

TRIBE

CancerAid

AgriWebb

FlexCareers

re:dy

sine

GO CATCH

"This is the second time we have asked CCP to help us with our fund raising and they have gone way beyond our expectations – this is also the second time they have achieved oversubscription for our offer. Their process from start to finish was faultless and the level of guidance they offered along the way is what stands them apart – strategic, structure, legal & investor. Thanks again Clinton Capital Partners for a great result!"

- **Justin Bowra, CEO & Founder - MyEmergencyDr**

"Going into our capital raising I wanted a few things from our partner – mentorship to navigate the process, integrity to keep our interests above all others, ensure that the investors introduced would be a good match and to bring the best deal possible. Well you and your team delivered that in spades and on top of that, we got a tremendous bonus in that your process also helped us challenge our status quo to refine our focus and strategy to build a solid foundation for the business's success into the future. I could not have wished for more. CCP has become an invaluable partner for me personally and for the business. I am excited to be on this journey with you."

- **Tony Lorge, CEO and Founder - OpusXenta**

"I was counselled against using an advisor – how wrong they were! CCP, you were amazing and exceeded all my expectations. I am thrilled you are part of our journey"

- **Jon Saadie, CEO and Founder – OrderUp!**

"I wanted to thank you for all the efforts with the capital raise. After going through the process I can confidently say that it's the support and mentorship that sets you guys apart and I couldn't have asked for a better experience. To be honest the whole process bought more than just money and people, it helped to challenge our thinking, expand our networks and strengthen our business model. So thank you! It's very exciting to see what is on the horizon for Year13 and it's a pleasure to be going on that journey with you"

- **Will Stuble, CEO and Founder – Year13**

"Thanks to CCP for another successful raise. The team offered great support and advice throughout the process, which again led to the raise being oversubscribed. A great partnership which continues to help WithYouWithMe grow."

- **Tom Moore & Luke Rix, Founders - WithYouWithMe**

"Thank CCP for an outstanding result. The level of advice and support you offered us from start to finish of this proves was truly best in class. We would not have achieved the outcomes we did without it. Thank you – CCP will continue to be great partners on Event Hub's journey."

- **Rob McQuade, CEO and Founder - EventHub**

