

# Chrysalis Investments Limited As at 30 September 2021

RICHARD WATTS, PORTFOLIO MANAGER | NICK WILLIAMSON, PORTFOLIO MANAGER

## Investment Opportunity

Aims to provide access to returns available from investing in later stage private companies with long-term growth potential, an investment class that has traditionally been difficult to access for individual investors.

## Key Facts (As at 30 September 2021)

Shares in Issue:	547,273,076
Share Price:	267.00p
NAV per share:	251.96p
Market Cap:	£1,461m
Total Net Assets:	£1,379m
Share Price Premium/(Discount):	6.0%
Listing:	Premium Segment Main Market LSE
Ticker:	CHRY
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

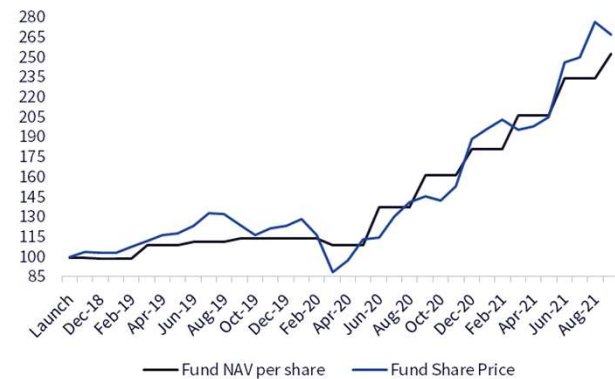
Managed by



**Nick Williamson**  
Portfolio Manager

**Richard Watts**  
Portfolio Manager

## NAV and Share Price



## Cumulative Performance (%)

	3 month	6 month	1 year	SI
Fund NAV	7.7	22.2	56.5	154.9
Fund Share Price	8.5	36.6	84.1	167.0

## Discrete Performance (%)

	12 months to 30/09/2021	12 months to 30/09/2020
Fund NAV	56.5	42.0
Fund Share Price	84.1	16.9

Past performance is not a guide to future performance. The Company NAV per share is calculated on a quarterly basis. The Share Price is available daily, source London Stock Exchange. Since inception (SI) is from 6 Nov 2018.



Utilising permanent capital to invest in crossover opportunities to help de-risk future IPOs. Jupiter Investment Management Limited (JIML) has the scale, expertise and relevance to be a crossover investor.



To generate long-term capital growth through investing in a portfolio consisting primarily of equity or equity related investments in unquoted companies.



The Company is advised by JIML's award-winning UK small- and mid-cap desk.

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## Overview

Chrysalis completed four new investments during the quarter in Deep Instinct, Revolution Beauty, InfoSum and Tactus. These investments increase our exposure to various sectors and themes that we have been recently tracking such as Cybersecurity, SaaS, AI, Gaming, and Data Collaboration. We have now completed 5 new investments and 3 follow-on investments since raising £300m in Q1.

The NAV per ordinary share increased by +7.7% to 251.96p in Q3 and the NAV of the Company now stands at c£1.4bn. The NAV of the company has increased by c£837m on an absolute basis in the 12 months to 30 September 2021 with the NAVPS increasing by c57% over the period (from 160.97p). The trading performance of the portfolio over the period continued to be robust and strong revenue growth and execution has translated into valuation performance in many instances.

## Portfolio Commentary

Following the completion of our recent investments, we now have a portfolio consisting of 17 assets. Our new investments improved the diversification of the portfolio by geography, sector and theme and we are now left with well balanced portfolio. Klarna is our largest single holding (26%) and we remain extremely positive on the potential of the business. We note that in July, Embark announced its sale to Scottish Widows Group Limited (part of Lloyds Banking Group plc) for £390m, subject to regulatory approval. This transaction represents another key milestone for Chrysalis, our first trade sale and full realisation.

As of 24 November 2021, the Company has approximately £24m of cash available. In addition, the Company also has significant further liquidity available, most notably its holdings in listed assets, which currently total £147m, and, subject to regulatory approval being provided, the Company will receive its share of the proceeds from the sale of its shareholding in Embark.

Highlights include:

- In July a \$67m investment in cybersecurity asset, Deep Instinct, was made. Deep Instinct is addressing the cybersecurity market with a deep learning product.
- In July, the Company invested approximately £45m in Revolution Beauty Group plc (“Revolution Beauty”) as part of its IPO. Revolution Beauty’s core offering is colour cosmetics and it operates a “digital first” strategy.
- In July, Embark announced its sale to Scottish Widows Group Limited (a part of Lloyds Banking Group plc) for £390m, subject to regulatory approval;
- In August, a \$65m investment was made in the parent company of InfoSum as part of its Series B scale up round. InfoSum is a data infrastructure company that allows organisations to share data with each other, without putting customer data or personally identifiable information at risk.
- In August, the company made a £40m investment in Tactus Holdings Limited (“Tactus”). Tactus is a consumer technology expert, supplying a range of own and third-party branded IT hardware, predominantly high-end gaming PCs and components, to consumers.
- Klarna continues to perform exceptionally well. The company released a H1 trading update stating that 1H21 GMV growth (in SEK) was 53%, including c285% growth in the US (in SEK, 311% in USD). The company also announced an exclusive partnership with Stripe which we view as extremely material and positive for the investment case

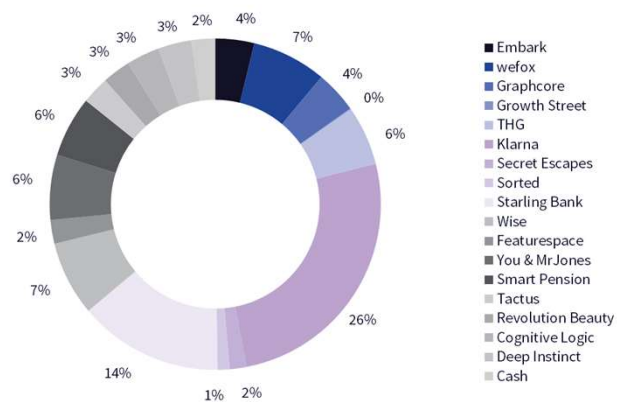
## Outlook

We enter the new fiscal period with a portfolio of high-quality assets that provides investors with exposure to some the world’s most exciting technologies and trends. The portfolio continued to generate strong revenue growth in the quarter, and over the last two years we estimate the portfolio has compounded out its revenue growth at approximately three times that of the NASDAQ, while the FTSE All Share has seen revenues decline by 11% (Source for indices: Peel Hunt). The late-stage, private market continues to grow and develop. Over the nine months to September 2021, fund raising in the Company’s target European markets hit £38 billion (Source: Pitchbook), more than double the year to December 2020. Chrysalis is exceptionally well placed to take advantage of this growing opportunity, given its established track record and strong origination capability and we remain confident in our ability to access exciting opportunities and deliver value for our shareholders.

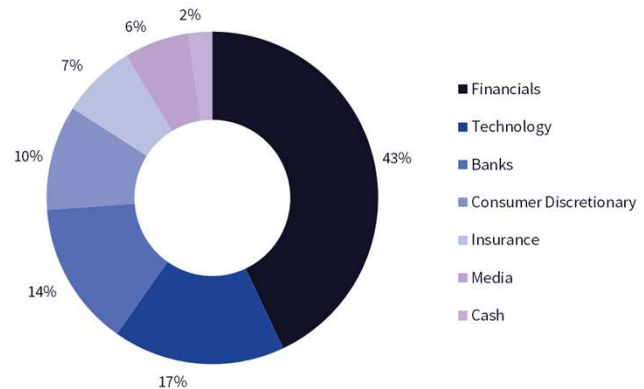
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## Top Holdings



## Sector Exposure



## Holdings Details (As at 30 September 2021)

<b>Wise</b>	Platform payments business that aims to reduce fees associated with FX
<b>Secret Escapes</b>	Travel company that helps hotels minimise unsold inventory
<b>The Hut Group</b>	E-commerce business with proprietary technology platform powering sales of its own and third-party brands online
<b>Graphcore</b>	Leading artificial intelligence processor business, which has developed the Intelligent Processing Unit and the related software toolchain
<b>Growth Street</b>	Innovative P2P lending product targeted at SMEs, replacing overdrafts and invoice factoring
<b>Starling Bank</b>	Digital challenger bank that delivers financial services to retail and SMEs
<b>Embark Group</b>	Full-scale retirement solutions provider, with platform, investment wrap, e-SIPP, SIPP, SSAS, fund research and employee benefits consulting capabilities
<b>Klarna</b>	A leading global payments company that provides direct payments, pay after delivery options and instalment plans for customers online
<b>Sorted Group</b>	A global Software as a Service (SaaS) company that has developed a Delivery Management Platform which allows retailers (both digital and physical) to effectively manage their delivery / returns
<b>wefox</b>	Europe's largest digital insurance platform with significant existing scale in Germany, Austria and Switzerland
<b>Featurespace</b>	Featurespace is a world leader in financial crime risk management. The company utilises real time machine learning software risk scores events in 180 countries to reduce Fraud and AML
<b>You &amp; Mr Jones</b>	A digital advertising and marketing services holding company that enables marketers to build their brands better, faster and cheaper by using technology
<b>Smart Pension</b>	A provider of workplace and automatic enrolment pension schemes for SMEs
<b>Deep Instinct</b>	A US cybersecurity company
<b>Cognitive Logic</b>	Data collaboration platform
<b>Tactus</b>	Leading supplier of custom gaming PCs, components and accessories
<b>Revolution Beauty</b>	UK based beauty company

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## Company and Fund Information

Listing Date	06-Nov-18
AIFM	Jupiter Unit Trust Managers Limited
Administrator & Company Secretary	Maitland Administration (Guernsey) Limited
Registrar	Computershare Investor Services (Guernsey) Limited
Legal Adviser	Travers Smith LLP
Auditor	KPMG Channel Islands Limited
Corporate Brokers	Liberum Capital Limited, Numis Securities Limited
Investment Adviser	Jupiter Investment Management Limited



### Chrysalis Investments Limited

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### For Information

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[www.chrysalisinvestments.co.uk](http://www.chrysalisinvestments.co.uk)

### Directors

Andrew Haining (Chairperson),  
Stephen Coe,  
Simon Holden,  
Anne Ewing,  
Tim Cruttenden

## Important Information

As of 15th February 2021, Merian Global Investors (UK) Limited became Jupiter Investment Management Limited. This communication is issued by Jupiter Investment Management Limited ("Jupiter"), The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ, United Kingdom, authorised and regulated by the Financial Conduct Authority (FRN: 171847). Investors may only subscribe for or purchase any shares in Chrysalis Investments Limited ("CIL") on the basis of the information in the prospectus published by CIL. The prospectus and key information document are available at <http://www.chrysalisinvestments.co.uk/>. Jupiter only acts for the funds to which it provides regulated investment management and transaction services and does not act for or advise potential investors in connection with acquiring shares in CIL and will not be responsible to potential investors for providing them with protections afforded to clients of Jupiter. Prospective investors are strongly advised to take their own legal, investment and tax advice from independent and suitably qualified advisers. The value of investments may go down as well as up and you may not get back the full amount of your investment. Past performance is not a guide to future performance.

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