

# Chrysalis Investments Limited As at 31 March 2022

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 31 March 2022)

Shares in Issue:	595,150,414
Share Price:	177.00p
NAV per share:	211.76p
Market Cap:	£1,053m
Total Net Assets:	£1,260m
Share Price Premium/(Discount):	-16.4%
Listing:	Premium Segment Main Market LSE
Ticker:	CHRY
LEI:	213800F9SQ753JQHSW24
ISIN:	GG00BGJYPP46
Incorporation:	Guernsey

Managed by

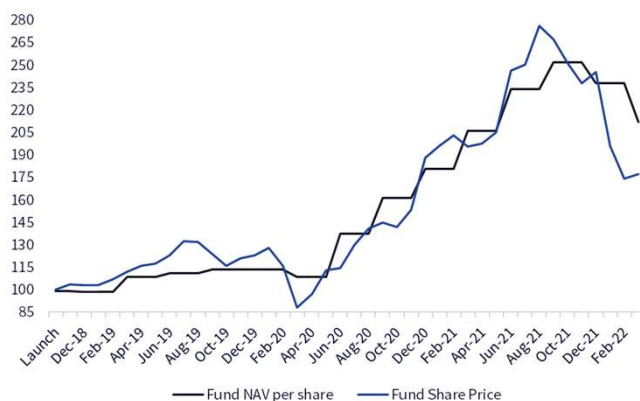


Nick Williamson  
Portfolio Manager

Richard Watts  
Portfolio Manager



## NAV and Share Price



## Cumulative Performance (%)

	3 month	6 month	1 year	SI
Fund NAV	-11.0	-16.0	2.7	114.2
Fund Share Price	-27.8	-33.7	-9.5	77.0

## Discrete Performance (%)

	12 months to 31/03/2022	12 months to 31/03/2021	12 months to 31/03/2020
Fund NAV	2.7	89.7	0.2
Fund Share Price	-9.5	122.2	-21.4

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

The NAV per ordinary share decreased by 11% to 211.76p through Q1 and the NAV of the company is now £1.3bn. The decrease in NAV per ordinary share over the first half of the financial year is therefore 16%. Many, if not all, of our portfolio companies are trading against a very challenging and volatile backdrop but it is highly encouraging that the average rate of revenue growth across the portfolio has remained strong; this is evidence that we have a portfolio of assets disrupting huge addressable markets. We did not complete any new or follow-on investments over the period but had three realisations.

## Portfolio Commentary

Unlike previous quarters, which have focused on investment, the quarter to March 2022 saw no new investment, but three realisations. The most significant related to Embark, and the Company received £57.2 million of net proceeds from the sale of Embark Group Limited (“Embark”) to Lloyds Bank plc in January 2022.

While the Investment Adviser remains optimistic over the prospects for continued growth in Wise plc, and is encouraged by its trading performance, it took the opportunity to sell part of the Company’s stake in March to raise cash. This raised approximately £12.2 million at an average share price of approximately 500p. The company also received a further £496,000 from the liquidation of Growth Street.

Taking the above into account, the quarter to March 2022 saw a net realisation of approximately £70 million. Post period end, an investment of £10 million was made in Starling Bank’s (“Starling”) £130.5 million fundraise at a pre-money valuation of £2.5 billion. As of 19 May 2022, the Company had approximately £62m of cash available. In addition, the Company also has significant further liquidity available, most notably its holdings in listed assets, which currently total approximately £82m.

Wise released a Q3 trading update (calendar Q4) on 19 January which was stronger than expected. Revenues increased +34% over the period to c£150m, which was c8% ahead of market expectations, and we were encouraged by the fact that management increased its full-year revenue guidance to +30% (from mid-to-high twenties at the interim stage).

Another one of our listed assets, Revolution Beauty, also released a positive trading update in January which covered the key Christmas trading period. From 1st November to 31st December 2021, revenues increased +41% which was in line with market expectations. Revolution Beauty’s direct-to-consumer division has also been performing well and revolutionbeauty.com sales grew +50% through December.

Tactus announced the acquisition of online gaming and technology retailer Box, an online retailer of consumer technology and specialist devices, with a customer base across the UK and Europe. Box takes total headcount to over 350 individuals and adds over £100m of revenues to the Group.

Starling Bank released a very positive update covering FY21 and continues to be a stand-out performer within the portfolio. Starling has opened over 2.7 million accounts to date, including 475,000 accounts for small and medium-sized enterprises and the company’s UK SME market share now tops 7%, almost half of Barclays’ share. The deposit base now stands at £8.4 billion, up from £4.8 billion in December 2021, and lending has increased from £1.9 billion to £3.1 billion.

Smart Pension announced the acquisition of Stadion Money Management (“Stadion”) in January, following its series-D funding round. Stadion is based in the US and offers personalised, digital retirement solutions to advisers, employers and customers. The transaction is expected to complement Smart’s existing offering, while increasing its presence in the significant US market. In addition, Stadion will bring additional assets under management, which have grown 2,000% over the last three years.

Deep Instinct participated in the 2022 MITRE’s ATT&CK Evaluations for the first time, following the inclusion of a protection component to the test, rather than just a reactive “assumed breach” test. The test emulated the malicious activities of certain threat groups, against which Deep Instinct demonstrated a 100% prevention score, as announced in March.

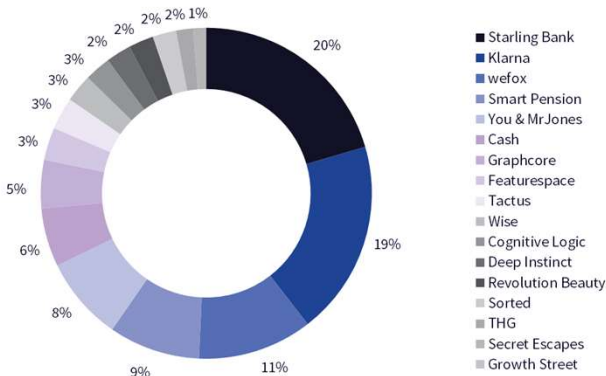
## Outlook

The Investment Adviser notes that growth valuations have already begun their “reset”, as shown by the reduction in the Company’s NAV over the last two quarters, reflecting the independent valuer’s remit to determine fair value. Although growth valuations have continued to decline post period end, the example of Starling, which concluded a funding round in April at nearly twice the valuation of the year before, shows that fast growth is able to counteract valuation compression in certain circumstances. With that in mind, the Investment Adviser views the growth being delivered by the portfolio as important in determining the likely NAV performance over coming periods.

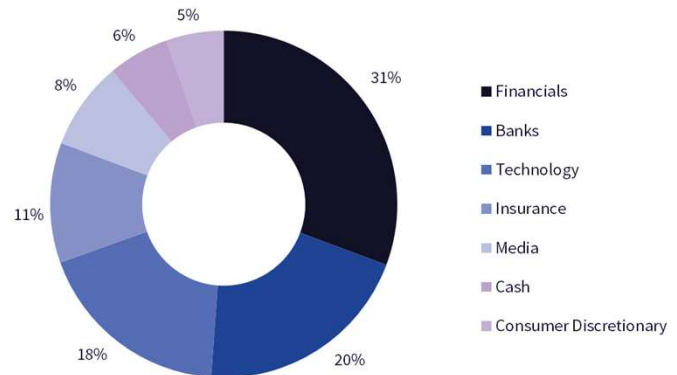
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## Top Holdings



## Sector Exposure



## Holdings Details (As at 31 March 2022)

<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>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,  
Margaret O'Connor

## 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. Awards should not be taken as a recommendation.

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