Dear Investor,

Thank you for your interest in iolite Partners.

iolite is a boutique investment firm I founded in 2008 to manage concentrated portfolios of global value investments with the aim to generate sustainable market-beating absolute returns. The sole focus is on generating the best possible performance over a long period of time.

As a value investor, I actively seek and invest in mispriced securities with high return, low risk characteristics. I do not believe in timing the market as this would be speculation. Neither do I believe in overweighting certain countries or industries simply to beat a certain index. I avoid leverage and try to minimize complexity in order to provide better protection from permanent capital loss.

**iolite's Unique Advantage**

Very few fund managers beat the market. Even fewer beat it by a significant margin. You probably wonder what makes me different. Ultimately, only time will tell, but I believe that my setup has a number of advantages that benefit you, the investor.

- My client accounts are modelled after my own account (the Core Portfolio) and nearly all of my wealth is invested in the Core Portfolio. If my investors lose money, so do I.
- The Core Portfolio is focused on my best investment ideas.
- I am free from the institutional pressures that bog down many fund managers working in large organizations. The truly great investment opportunity calls for swimming against the tide. I am not afraid to be contrarian. A fund manager trying to manage his career risk may take a different view.
- I have a very loyal investor base with a patient and long-term view. The majority of fund managers do not have this luxury. They are measured on quarterly or even monthly results.
- iolite’s smaller size allows me to fish in small ponds where the big fishermen can’t go. Shops that are larger than iolite are restricted by several factors and often miss out on exploiting attractive opportunities, such as smaller micro caps, where there are a lot of inefficiencies.
Is This For You?

In the interests of saving your time and mine, I would like to point out some aspects of my investment process, which may lead some investors to rule out an investment.

▪ I am a one-man show. I have organized myself this way as it avoids conflict and frees me to focus all my energy on capital allocation rather than managing staff.
▪ My portfolio is highly concentrated. I am a believer in Mark Twain’s dictum: “Put all your eggs in one basket, and watch that basket!” Most business schools teach that diversification is the highest goal. If that is your view, iolite is not for you.
▪ The accounts have quarterly liquidity. I often hear that investors would prefer monthly or even daily liquidity. If three months is too long a time horizon for you, we are probably not a good fit.

About Me

I am iolite’s sole managing partner. Before iolite, I held positions at various financial institutions. These include investment professional and founding member at TPG Credit (a multi-billion credit opportunities hedge fund launched in partnership with private equity firm TPG), investment analyst at Goldman Sachs’ European Special Situations Group (a proprietary trading desk with extensive experience in new issue senior bank debt, mezzanine loans and high-yield bonds as well as secondary investing in turnarounds, distressed debt, disfavored equities and capital structure arbitrage), and management consultant at KPMG Corporate Restructuring. I graduated from the University of St. Gallen (HSG), Switzerland, with a Master of Science in Business Administration and Economics, and wrote my master’s thesis under the guidance of Prof. Eli Noam at Columbia University, New York.

To learn more about how I invest, please feel free to give me a call on +41 79 227 29 08 or email me at robert.leitz [at] iolitepartners.com.

Yours sincerely,

Robert Leitz