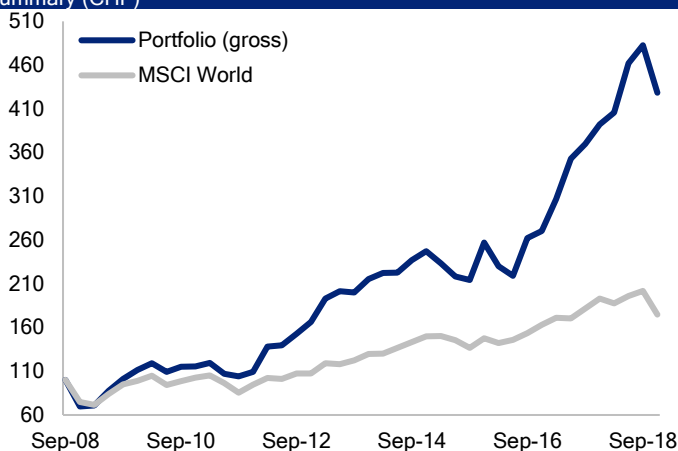


Investment strategy and rationale

The goal is to achieve sustainable, market-beating absolute returns by investing into a highly concentrated portfolio of undervalued stocks and bonds. Value investing is a low risk, high return strategy that has proven to work well over time if applied correctly and consistently. I believe iolite benefits from a stable and patient capital base, allowing me to swim against the tide. The small size of the managed fund gives me the liberty to fish in small ponds, where the big funds cannot go. Large funds have their own guidelines for investing in stocks, such as a threshold market capitalization and liquidity, among several other factors. As a result, large funds often miss out on attractive opportunities, such as in special situations and micro caps, where there are a lot of market inefficiencies. With growing assets, I will look to take control of smaller businesses.

Summary (CHF)


Management fee 0%
 Performance fee 25% over a 4% annual hurdle
 High watermark yes

Min. investment CHF 100,000
 Front load 0% (a 1% stamp duty applies)
 Back load 1%

Investment strategy value / total return
 Reference currency Swiss franc (CHF)
 NAV / share CHF 1.05

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Performance

Performance (%)	CHF (gross)				CHF			EUR			USD		
	Q1	Q2	Q3	Q4	Gross	Net	MSCI World	Gross	Net	MSCI World	Gross	Net	MSCI World
2008				(30.3)	(30.3)	(30.3)	(25.0)	(26.2)	(26.2)	(21.9)	(26.3)	(26.3)	(22.7)
2009	1.8	23.7	15.3	9.9	59.6	57.8	32.3	60.6	57.0	32.3	64.5	60.2	36.6
2010	6.9	(8.1)	5.3	0.1	3.6	3.6	3.5	22.9	18.2	22.5	14.7	12.1	14.5
2011	3.5	(10.4)	(2.6)	4.7	(5.4)	(5.4)	(7.7)	(2.7)	(2.7)	(4.9)	(5.8)	(5.8)	(8.0)
2012	26.6	1.1	9.4	8.8	52.3	42.3	13.5	53.4	42.1	14.6	56.3	45.5	16.4
2013	16.1	4.5	(0.7)	7.6	29.6	23.2	20.6	27.6	21.7	18.3	32.9	25.6	23.6
2014	3.2	0.2	6.3	4.3	14.7	12.0	15.6	17.0	13.8	18.2	3.0	3.0	3.8
2015	(5.5)	(6.5)	(1.8)	20.0	4.1	4.1	(1.4)	15.0	12.3	9.0	3.2	3.2	(2.2)
2016	(10.5)	(4.8)	19.6	3.1	5.1	4.8	10.2	6.7	6.0	11.6	3.4	3.4	8.4
2017	13.5	15.0	4.7	6.0	45.0	34.8	18.6	32.8	25.6	8.9	51.5	39.6	24.0
2018	3.5	13.8	4.5	(11.2)	9.3	8.0	(9.5)	13.7	11.3	(5.6)	8.6	7.4	(10.2)
Since inception (annualized)					15.2	12.6	5.6	19.1	15.4	9.0	16.8	13.8	6.8
Since inception (total)					4.3x	3.4x	1.7x	6.0x	4.4x	2.4x	4.9x	3.8x	2.0x

Portfolio

1	Jumbo Interactive Australia public	% of portfolio EV Adj FCF	24% <\$400m c.15x	A growing and cash-gushing niche company. Owner-run and no debt. A compounder with platform benefits and strategic value to larger industry players.
2	Bakkafrost Europe public	% of portfolio Market cap Adj FCF	17% <\$3bn c.10x	A growing and vertically integrated company in an attractive sector that benefits from strong demand growth and supply constraints. Unique assets and best-in-class management with a long-term view.
3	Outdoor advertising China (HK) public	% of portfolio EV Adj EBITDA Adj capex	14% <\$500m \$120m \$ 50m	A solid compounder with unusually good corporate governance (for China) given its controlling (but distressed) American shareholder. Over the last 10 years, the company has been growing earnings at 10% p.a. despite high cash dividends (no full reinvestment of capital). The company is sitting on hidden cash in the form of upfront payments/capex for future cash flows. An ideal target for any LBO fund.
4	Coal mining USA public	% of portfolio Market cap EV/FCF Dividend yield	12% <\$3bn 5x c.15%	One of the largest and lowest-cost miners in the U.S. Reserve life >50 years, underleveraged, run by a self-made billionaire who keeps re-investing his dividends. Recently completed a restructuring to facilitate buybacks and increase float. Improving momentum due to overseas demand growth.
5	Branded distributor Australia public	% of portfolio Adj. FCF	8% 5x	A fast growing, branded distributor of various utility services. Benefits from scaling effects.

Manager

I am Robert Leitz, the sole investment professional at iolite. Before iolite, I held positions at Glencore and various financial institutions, including TPG Credit (a hedge fund), Goldman Sachs' European Special Situations Group, and 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.