

QUALITIUM FUND

OVERVIEW 2013

EXPLOITING NEW OPPORTUNITIES

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

- limited liability company, established 2001
- entirely owned by its management
- team of 9 people
- advisor to 2 Fund of Hedge Funds and 2 Single Manager Hedge Funds
- AUM approx. USD 750m
- registrations:
 - VQF – Financial Services Standards Association
 - AIMA – Alternative Investment Association

SMALL IS BEAUTIFUL

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

Board of Directors

Daniel von Allmen / Theo Schmid / André Pabst (non executive BM)

Executive Management

Daniel von Allmen / Theo Schmid / Ivo Winistörfer

Investment Management

Daniel von Allmen
Ivo Winistörfer
David Windisch

Product Management
Manager Selection
Due Diligence
Portfolio Construction

Operations / Risk Management

Theo Schmid

Reporting
Analysis
Infrastructure Development

Investor Relations

Christoph Beck
Ernest Kaiser

Business Development
Corporate & Product
Documentation
Marketing

Legal & Compliance / Reporting / Administration

Anne Krammer-Vaughan / Sandra Weibel / Elena Rast

INVESTMENT PHILOSOPHY

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

- concentrated portfolio of single strategies
- generate returns >10% p.a. over a cycle of typically three to five years
- opportunistic asset allocation
- efficient risk/reward combinations

CONSIDERABLE OUTPERFORMANCE...

company facts

organisation

philosophy

results

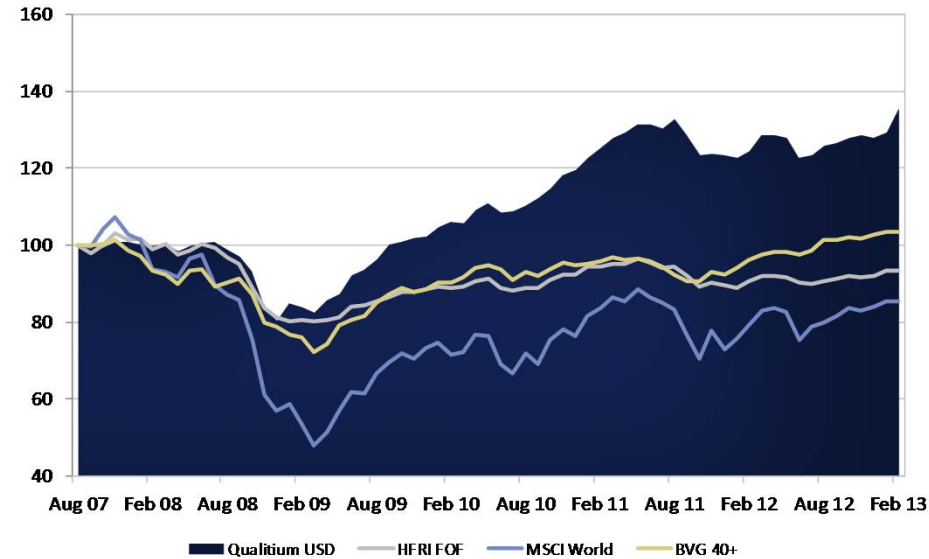
construction

return drivers

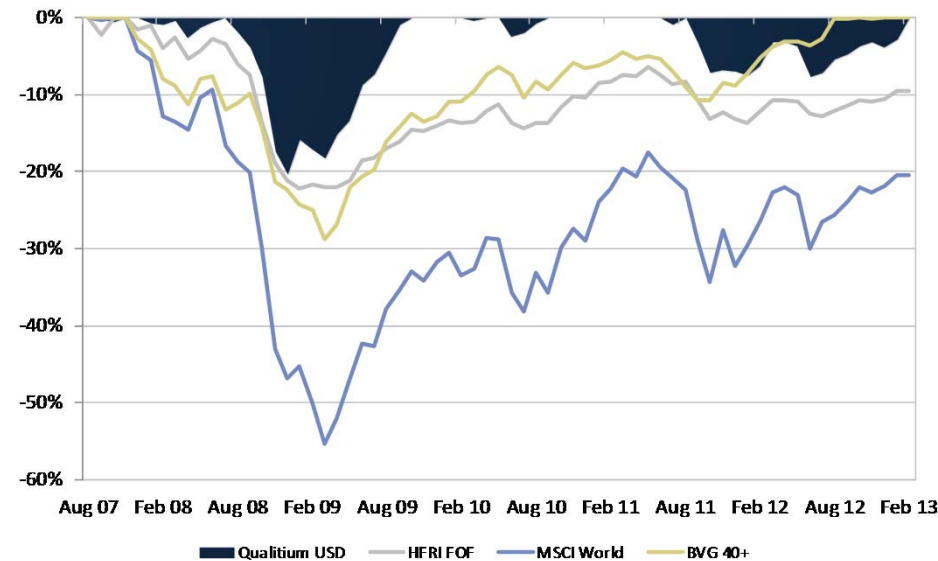
transactions

closing

disclaimer



cut draw downs and participate in the recovery makes the difference!



Underwater - Chart

Source: Bloomberg, all figures in USD

... ESPECIALLY IN RISK / RETURN FIGURES

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

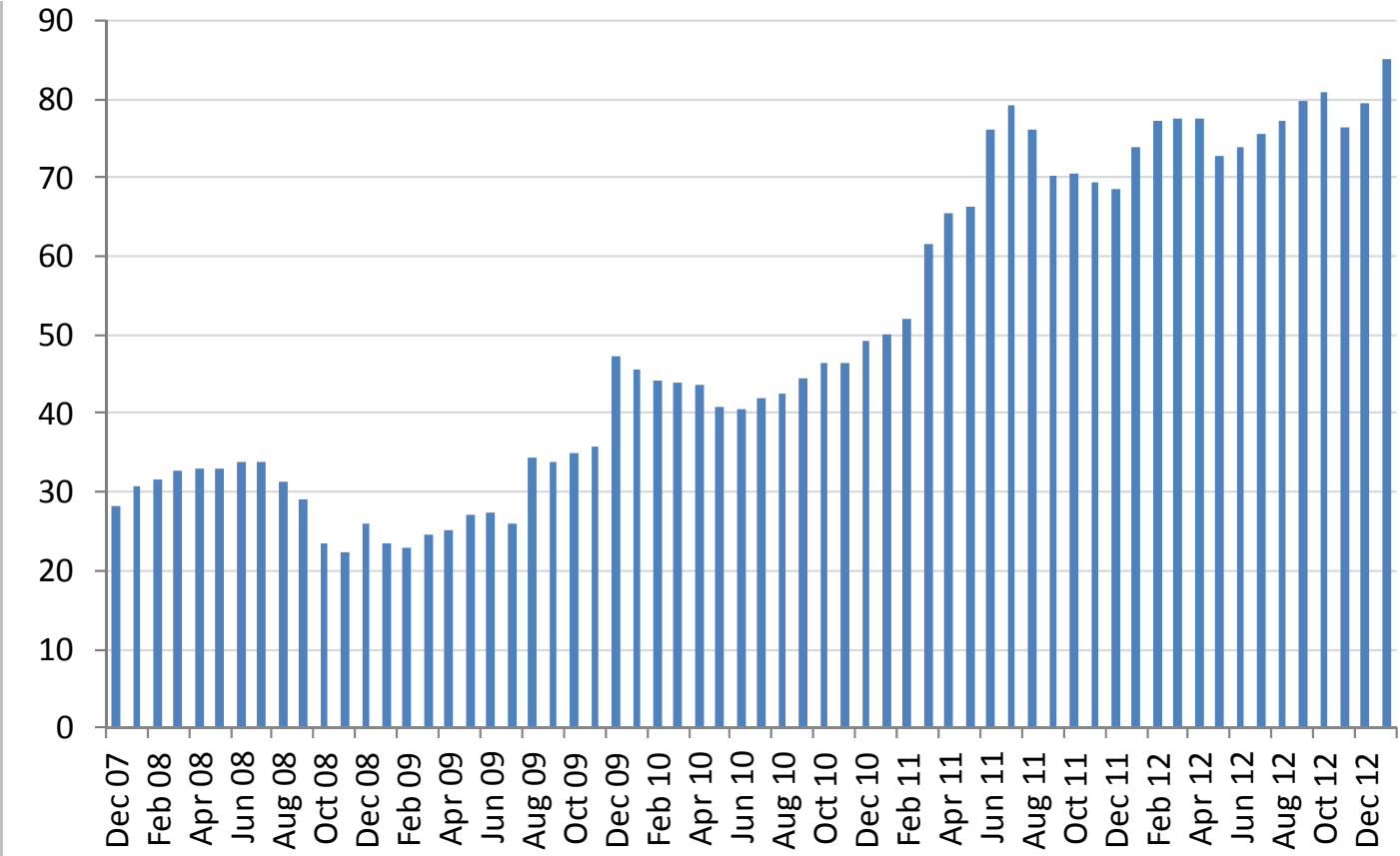
	Qualitium USD	HERI FOF	MSCI World	BVG 40+
year 2013	4.9%	1.7%	5.0%	1.8%
year 2012	5.2%	4.8%	13.2%	9.8%
year 2011	0.0%	(5.7%)	(7.6%)	(1.1%)
year 2010	17.4%	5.7%	9.6%	5.3%
year 2009	23.4%	11.5%	27.0%	17.6%
year 2008	(15.2%)	(21.4%)	(42.1%)	(21.0%)
annualized return	5.7%	(1.0%)	(1.9%)	0.9%
largest monthly return	5.6%	3.3%	10.9%	6.7%
largest monthly loss	(10.5%)	(6.5%)	(19.0%)	(8.4%)
maximum drawdown	(20.3%)	(22.2%)	(55.4%)	(28.8%)
maximum drawdown (no. of months)	13	14	16	16
standard deviation	8.7%	6.5%	20.4%	8.3%
sortino ratio (0%)	0.90	-0.18	-0.13	0.15
calmar ratio	0.28	-0.04	-0.04	0.03
correlation		0.76	0.76	0.58
beta-factor		1.02	0.32	0.61
1 year returns	8.8%	4.8%	13.4%	9.4%
3 years returns	27.7%	6.7%	25.5%	16.4%
since inception	35.5%	(5.1%)	(10.2%)	5.3%

Source: Bloomberg
Data since inception of the fund (August 2007)

as of end January 2013

AUM TARGET OF USD ~200 Mio.

- company facts
- organisation
- philosophy
- results
- construction
- return drivers
- transactions
- closing
- disclaimer



as of end January 2013 in USD

ACTIVE ALLOCATION

company facts

organisation

philosophy

results

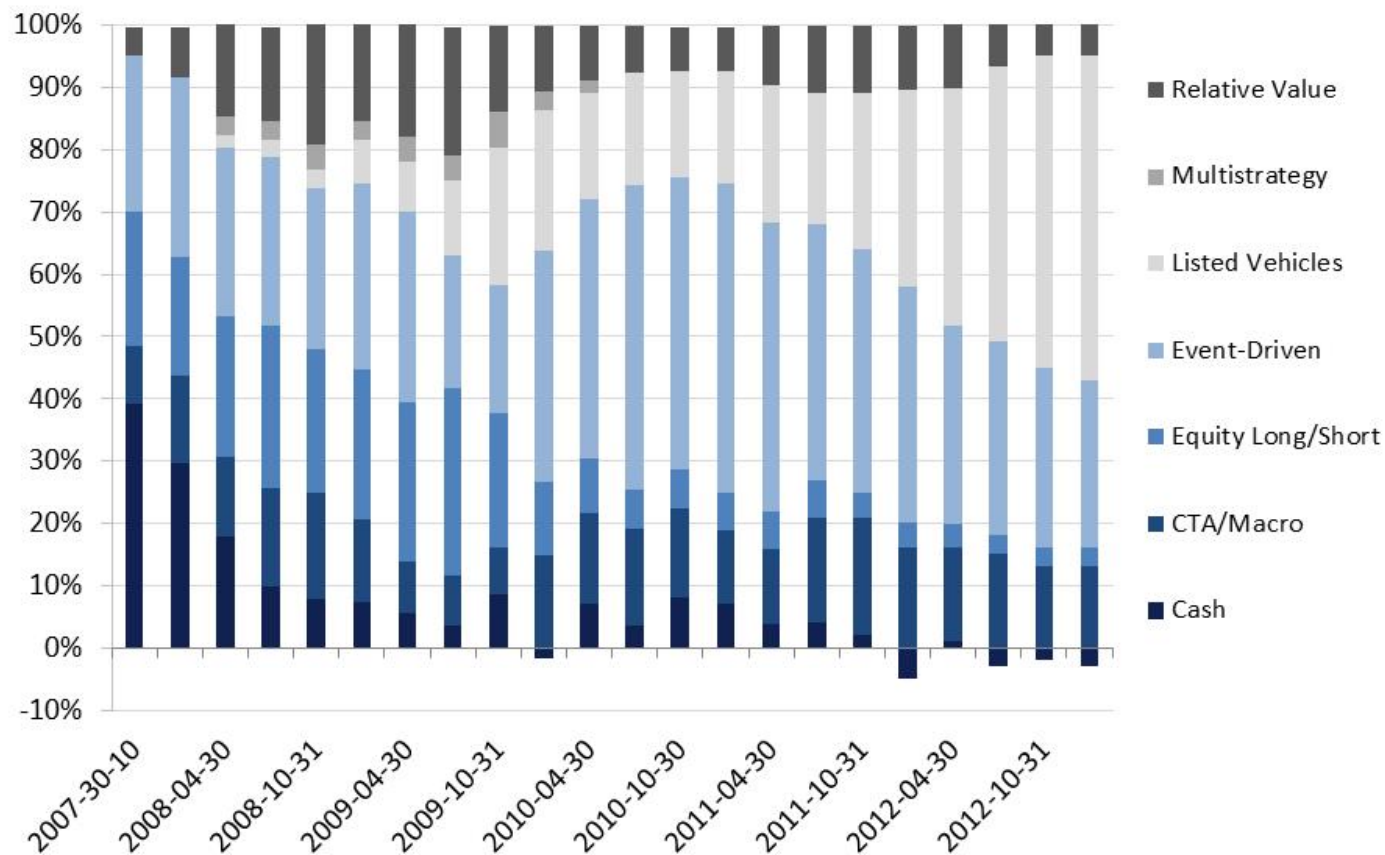
construction

return drivers

transactions

closing

disclaimer



THE MAIN TOPICS IN LISTED VEHICLES

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

- **Misunderstanding listed Private Equity (2008 vs. 2012/13)**
 - leveraged vs. cash positive balance sheets, declining vs. rising exit opportunities, 60-80% vs. 10-30% over commitment, highly leveraged deals vs. reduced leverage through cash flows
 - positive development is reflected in NAV with substantial time lag
- **Asia (ex Japan) outperformance vs. Europe**
 - GDP growth vs. stagnation, healthy banks vs. «zombie» banks, positive vs. negative real interest rates, increasing vs. decreasing sovereign debt quality
 - holdings in Macao and Vietnam should benefit from China without investing in China
- **Value / Contrarian (lower risk profile)**
 - FoHFs trade at substantial discounts to NAV like in 2008
 - because of gates and illiquid assets with valuations like in «boom times», there were a lot of question marks in 2008
 - today's portfolios are cleaned up and NAVs are true and fair
 - UK listed FoHFs trade with 10-15% discount, Swiss FoHFs trade with 30% discount on average!

OPPORTUNISTIC TRADING IDEAS

company facts

organisation

philosophy

results

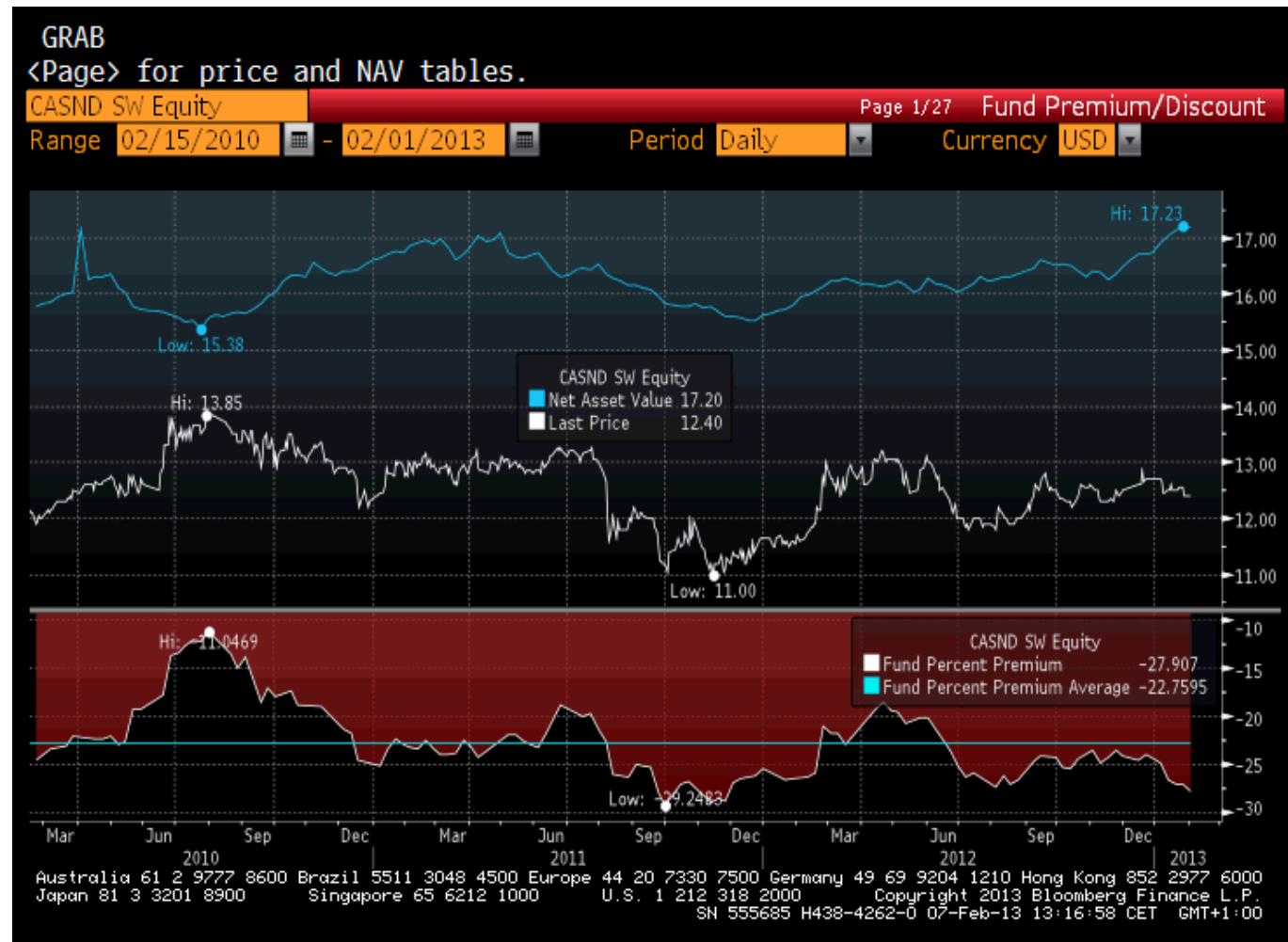
construction

return drivers

transactions

closing

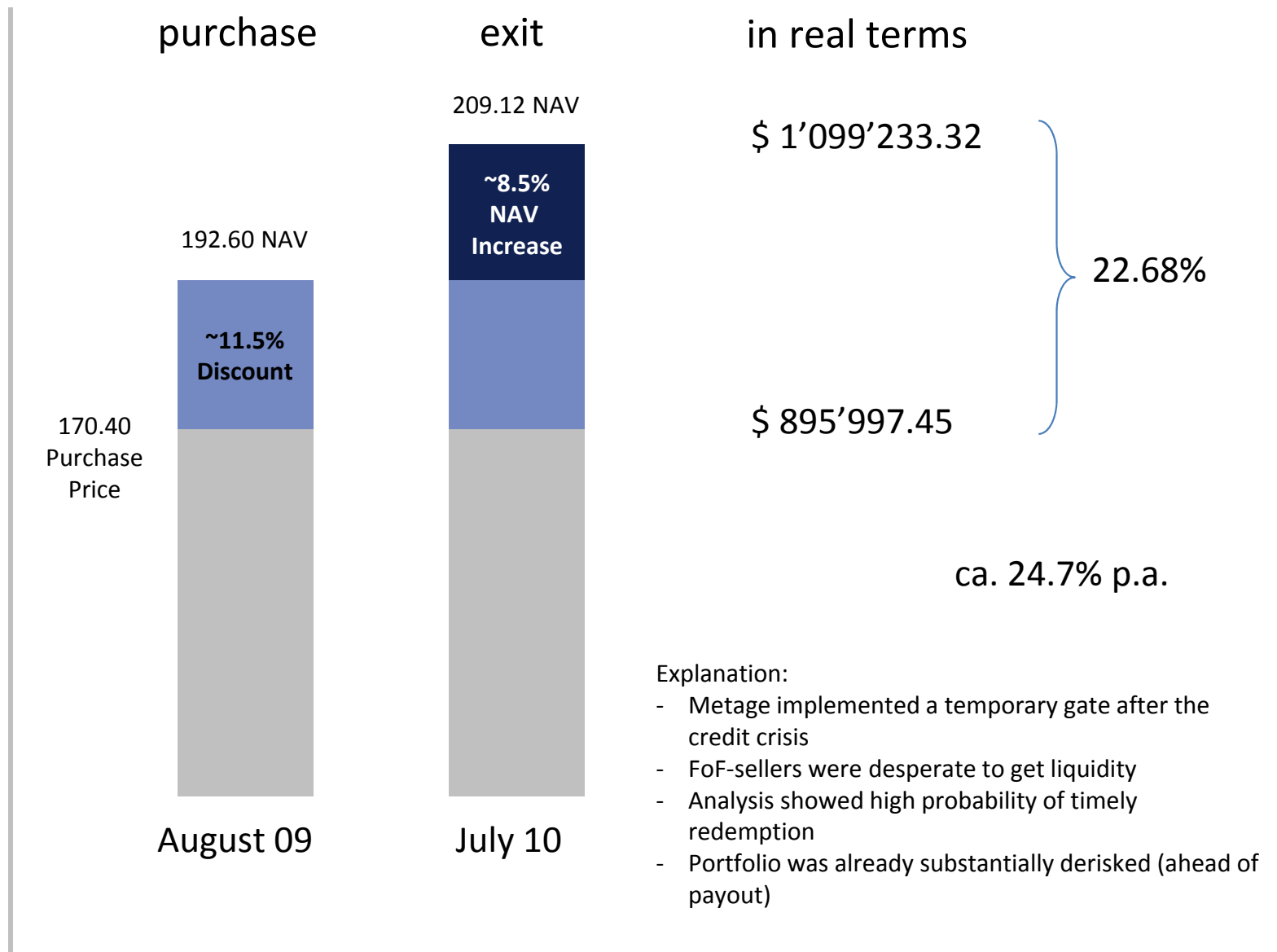
disclaimer



Source: Bloomberg

SECONDARY TRADE / METAGE GLOBAL STRATEGY FUND

- company facts
- organisation
- philosophy
- results
- construction
- return drivers
- transactions
- closing
- disclaimer



HISTORICAL PREMIUMS / DISCOUNTS

company facts

organisation

philosophy

results

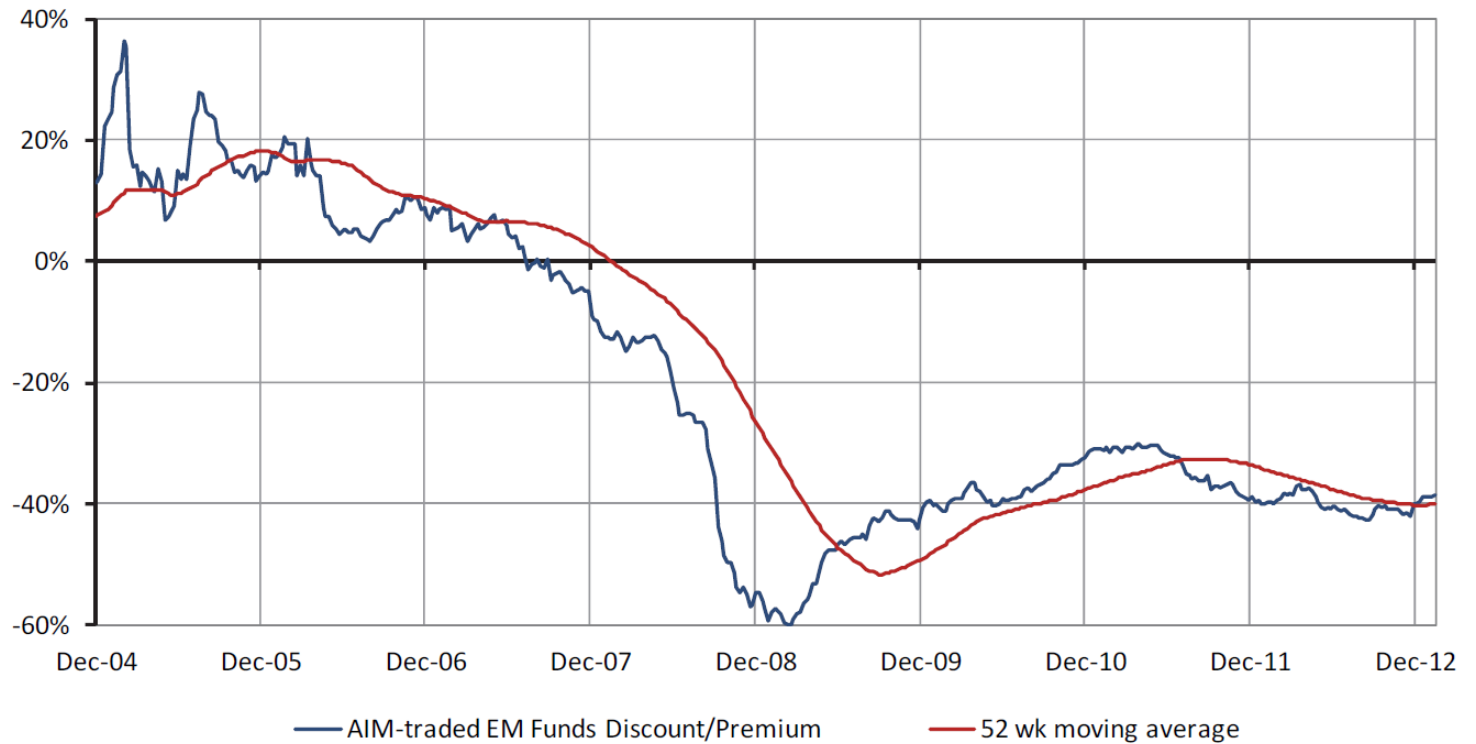
construction

return drivers

transactions

closing

disclaimer



Source: Edmond de Rothschild

TRADING SUMMARY Q4 2012

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

- **key events**

- strong rally in Credit and Equity markets; listed vehicles experienced the usual time lag, but in the last couple of weeks started to move up and are slightly narrowing the discount
- huge performance bifurcation year to date in listed vehicles, even within asset classes
- current portfolio of listed vehicles (50% allocation) priced at roughly 45% discount = very attractive

- **investments**

- listed vehicles: small adjustments to improve risk/return characteristics

- **redemptions**

- end of Nov. USD 975'000 Steelhead Pathfinder (CB Arb)

- **planned/possible transactions**

- 2nd and final redemptions in Pathfinder
- investments in a concentrated US L/S manager and an ILS manager

LAST BUT NOT LEAST

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

- award 2011
 - Banco Swiss Hedge Fund Award – Best Multi Strategy Global FoHF over 1 year
- award 2012
 - Banco Swiss Hedge Fund Award – Best Multi Strategy no biased FoHF over 3 years
- rating
 - Hedgegate Performance Rating “A”
 - peer group comparison available on regular basis (Wednesdays in the “Neue Zürcher Zeitung”)



DISCLAIMER & CONTACT INFORMATION

company facts

organisation

philosophy

results

construction

return drivers

transactions

closing

disclaimer

THE VALUE OF YOUR INVESTMENT MAY FLUCTUATE.
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RETURNS.

Products contained herein are not registered for public distribution and marketing in any jurisdiction. In particular they are not registered under any Federal or State Law of the United States of America and may therefore not be offered, sold or delivered to US residents or US citizens. Therefore, this document is not targeted at US persons and/or US residents and it is not permitted to be distributed or made accessible to US persons and/or US residents.

The products are HIGH RISK investment products, consequently, the purchase of shares in this fund is only suitable for investors who can understand and evaluate associated risks as outlined in the fund's Offering Memoranda. The information contained herein are for educational purposes only and are not intended to and shall not in any way constitute an invitation or recommendation to buy or sell any investment(s). This document has been furnished to you upon your request and for information purposes only and must be treated with utmost confidentiality. Any publication, dissemination, distribution, reproduction or copying of this document is strictly prohibited.

Information contained herein has been obtained from sources believed to be reliable but Progressive Capital Partners Ltd does not guarantee its accuracy or completeness. Data might partially reflect unaudited and provisional estimates. Historic returns of any indices used are sourced from the respective index providers. Any distribution (even partially) and/or use of information and/or charts included in this document without written permission is strictly prohibited.

Progressive Capital Partners Ltd | Haldenstrasse 3 | CH-6340 Baar-Zug | Switzerland | phone +41 41 561 40 80