



April 13, 2018

To Our Partners:

RE: Juniper Peak Capital Partners LP Update for the First Quarter of 2018

Investment Results

For the three months ended March 31, 2018 the Partnership's gross performance was a gain of 1.0% (before fees) versus a loss of 0.8% and 0.1% for the S&P 500 and Russell 2000, respectively.

If you have recently read the news or looked at any of the major stock market indices you, no doubt, recognized increased volatility in the market over the past few months. To put this into perspective, from the inception of Juniper Peak Capital Partners LP (the "Partnership") in April 2017 through December 2017 the average of the volatility index (VIX), which is a measure of the market's expected volatility, was 11 with no significant deviations from that average during the period noted. This is nearly the lowest the VIX has been over the past 11 years. Contrast this with an average VIX for February and March 2018 of 21, and an average VIX of 33 during 2008.

Why is this worthwhile to note? The answer is simple. The Partnership is still relatively new, with this quarter being the first exposure it has had to a heightened level of market volatility. There may be questions about how we intend to react. In response to these potential questions, we believe it is important to both make a note on correlation and to reiterate some of what we have mentioned in previous letters.

As to market correlation, we seek to construct a portfolio that is largely un-correlated with the U.S. equity markets; meaning a portfolio which will generally zig when the U.S. stock market zags, and vice-versa. If we are successful in this objective, the Fund will zig and zag differently, at different times, or at least for different reasons than the U.S. stock market, hopefully in accordance with our investment theses.

## Q1 2018 Partnership Letter

Peter Lynch once wrote:

*I don't believe in predicting markets. I believe in buying great companies, especially companies that are undervalued, and/or under appreciated.*

We prescribe to this way of thinking. We wrote in our 2017 annual letter that, "When it comes to near-term market predictions we subscribe to the theory that *no* market view is the *best* market view."

We do not attempt to time our investments with the ups and downs of the overall stock market. We invest in what we believe are great companies that are undervalued and/or under appreciated. While the Partnership's investment results are not immune to the short-term effects of volatility or market corrections, we choose to ignore the short-term fluctuations as our focus is on long-term performance.

We have previously stated, and continue to believe, that there are bound to be periods of declining stock prices, which may result in a drag on performance. This is not only acceptable to us, but we believe it provides us with added opportunities to increase our investments, at lower average costs, in the great companies that make up the Partnership's investment portfolio.

The annual, quarterly, and cumulative partnership returns are reproduced and tracked each quarter, and subsequently, each year, in Appendix A. Please note the presentation of Limited Partner Results represents returns *assuming the management fee and incentive allocation were charged as laid out in the Limited Partnership Agreement*, which we believe is a better metric to be used by our limited partners for comparison with their individual statements as well as a better metric for prospective investors when reviewing our results. We invite you to review your individual quarterly statement, for results specific to your individual account.

### Portfolio Commentary

During the three months ended March 31, 2018 we took advantage of the market correction by investing additional capital, at lower costs, into companies we were already holding. We also identified and invested in new companies that we believe are undervalued and have a sufficient margin of safety to allow for protection from permanent impairment of capital in the event of further market corrections or downturns.

Current market conditions have provided opportunities to find undervalued companies that have not been available since the formation of the Partnership. We continue to focus our research on seeking out the best companies in which to deploy the Partnership's capital.

Additionally, we continue to refine our internal risk controls related to the investment philosophy and strategy. This will enable us to acquire meaningful positions with available current and future capital, all while maintaining a relatively low risk portfolio. Our objective is to provide above average returns on capital with minimum risk of permanent loss. Our enhanced risk controls will help us to better achieve these objectives.

## Q1 2018 Partnership Letter

### Administrative Notes

We mentioned previously, and it is worth mentioning again for new partners, Juniper Peak Capital LLC (the "General Partner") has engaged Yulish & Associates ("Yulish") as the Partnership's fund administrator. Each Limited Partner will receive an annual and quarterly statement of their partnership interests under separate cover. We encourage our partners to watch for their individualized statements and let us know of any questions that may arise.

Additionally, the General Partner is required to provide a summary of any material changes to Item 2 of our ADV following the close of our business' fiscal year. Item 2 is the brochure which provides information about the qualifications and business practices of Juniper Peak Capital LLC. This document has been provided to you in the same email as this Q1 2018 Juniper Peak Capital Partners LP Partnership letter.

### Assets Under Management

Again, we restate some of what we wrote previously for the benefit of new Limited Partners. One of the benefits of running a small and relatively concentrated fund is that from time to time we may have access to more bargains than we have capital to deploy into them. This is due to our ability to implement positions that represent larger proportions of our overall portfolio than what is available to larger funds which must take far longer to initiate positions which would be material enough to "move the needle" given their larger assets under management.

We remind our Limited Partners that the Partnership accepts additional capital contributions on a monthly basis. Initial and additional contributions must be received by the third day of each month for inclusion in one's account for said month.

### Conclusion

We wish to welcome the new Limited Partners who have chosen to participate with us and express our sincere appreciation to both new and existing Limited Partners. We recognize the significance and importance of our responsibility to manage a portion of your overall investment portfolios. We strive to remain worthy of your trust and we will continue to work diligently so that all may be successful.

If anything in this letter is unclear, or if you have any questions or concerns not specifically addressed in either this letter or in your annual partnership statement or the annual report and financial statements, please do not hesitate to contact either Robert Stewart (435-720-7943 and [rstewart@juniperpeak.com](mailto:rstewart@juniperpeak.com)) or Mike Seeley (801-674-8696 and [mseeley@juniperpeak.com](mailto:mseeley@juniperpeak.com)) at your convenience.

Best Regards,



Juniper Peak Capital LLC  
General Partner



## APPENDIX A

Juniper Peak Capital LLC has chosen to use as relative benchmarks the S&P 500 and Russell 2000 Indices; not because either index reflects the investment strategy nor approximates the types of securities held in Juniper Peak Capital Partners LP, but because these two indices have demonstrated the ability to outperform the majority of asset managers, net of fees, and as such, they serve as stable, long-term alternatives for the capital which our Limited Partners have chosen to deploy in the Partnership. Actual returns are reproduced below both on a periodic and on a cumulative basis.

### PERIODIC RETURNS (YEAR-TO-DATE)

#### INVESTMENT RETURNS FOR JUNIPER PEAK CAPITAL PARTNERS LP FROM 01/1/2018 THROUGH 03/31/2018

Period	S&P 500	Russell 2000	Partnership Results (1)	Limited Partner Results (2)
2018 (3mo)	-0.8%	-0.1%	1.0%	0.1%

- (1) Consists of gross fund level results for the period noted before allocations to the General Partner.
- (2) Computed on basis of preceding column of partnership results after expenses and allowing for any allocations to the General Partner based upon terms of the Limited Partnership Agreement.

### PERIODIC RETURNS (QUARTERLY)

#### INVESTMENT RETURNS FOR JUNIPER PEAK CAPITAL PARTNERS LP FROM 04/01/2017 THROUGH 03/31/2018

Period	S&P 500	Russell 2000	Partnership Results (1)	Limited Partner Results (2)
Q2 2017	3.1%	2.5%	9.2%	6.7%
Q3 2017	4.5%	5.7%	11.7%	8.7%
Q4 2017	6.6%	3.3%	3.4%	2.1%
Q1 2018	-0.8%	-0.1%	1.0%	0.1%

- (1) Consists of gross fund level results for the periods noted before allocations to the General Partner.
- (2) Computed on basis of preceding column of partnership results after expenses and allowing for any allocations to the General Partner based upon terms of the Limited Partnership Agreement.

**DISCLAIMER:** Periodic and Cumulative Returns is an historical measure of past performance and is not intended to indicate future performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more, or less, than their original cost.