

GUTZWILLER TWO

Umbrella fund under Swiss law with special risk of the type
«Other fund for alternative investments»

Prospectus with integrated fund contract

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Switzerland

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English

Important notice: *This prospectus is an english translation of the german version, which was submitted to and approved by FINMA. In cases of discrepancies the german version is prevail.*

GUTZWILLER TWO invests as a fund of funds in various, mostly foreign, collective investment schemes with a wide variety of legal structures (in particular collective investment contracts, investment companies, trusts and limited partnerships, hereinafter referred to as target funds) that pursue alternative investment strategies or make alternative investments and use alternative investment techniques (generally known as hedge funds or non-traditional funds). The risks of these target funds are not comparable to those of securities funds. Most target funds are subject to the laws of countries in which the legal framework and also the supervision do not meet the standards of Switzerland. For this reason, GUTZWILLER TWO belongs to the type "Other funds for alternative investments".

The attention of investors in GUTZWILLER TWO is therefore expressly drawn to the risks explained in the prospectus, and investors must accept these risks. In particular, investors must be willing and able to accept any capital losses - including substantial ones - on the amounts invested.

However, the fund management of GUTZWILLER TWO endeavours to minimise the risks as far as possible through broad diversification in the investment strategy pursued, careful selection of the underlying target funds and their strict monitoring. Nevertheless, it cannot be ruled out that in exceptional cases a total loss may occur for individual underlying target funds.

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Part I Prospectus

This prospectus with integrated fund contract, basic information sheet and the latest annual or semi-annual report (if published after the latest annual report) form the basis for all subscriptions to units of the umbrella fund or its sub-funds.

Only information contained in the prospectus, the basic information sheet or the fund contract is valid.

1 Information on the umbrella fund or its sub-funds

1.1 Establishment of the investment fund in Switzerland; legal form

The fund contract of GUTZWILLER TWO was drawn up by Gutzwiller Fonds Management AG, Basel, as fund management company, and submitted to the Swiss Financial Market Supervisory Authority FINMA with the consent of E. Gutzwiller & Cie, Banquiers, Basel, as custodian bank, and approved by the latter for the first time on 31 January 2002.

GUTZWILLER TWO is a contractual umbrella fund under Swiss law with special risk of the type "Other funds for alternative investments" pursuant to the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), which is divided into the following sub-funds:

- *Gutzwiller TWO (USD)*

The sub-funds are based on a collective investment contract (fund contract) in which the fund management company undertakes to give the investor¹ a share in the corresponding sub-fund in proportion to the fund units acquired by the investor and to manage the sub-fund independently and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank participates in the fund contract in accordance with the tasks assigned to it by law and the fund contract.

The investor is only entitled to the assets and income of the sub-fund in which he holds an interest. Only the sub-fund in question shall be liable for the liabilities attributable to an individual sub-fund.

1.2 Tax regulations relevant to the umbrella fund

The umbrella fund and its sub-funds have no legal personality in Switzerland. They are subject neither to income tax nor to capital tax.

The federal withholding tax deducted on domestic income in the sub-funds may be reclaimed in full by the fund management company for the sub-funds.

Foreign income and capital gains may be subject to the respective withholding tax deductions of the country of investment.

The net income retained and reinvested by the sub-funds is subject to federal anticipatory tax (withholding tax) of 35%.

Investors domiciled in Switzerland can reclaim the withholding tax deducted by declaring it in their tax return or by submitting a separate withholding tax application.

Investors domiciled abroad who benefit from the affidavit procedure are credited with withholding tax upon presentation of the declaration of domicile. For this purpose, a bank must confirm that the units in question are held in its custody account by an investor domiciled abroad and that the income will be credited to his account (declaration of domicile or affidavit). It cannot be guaranteed that at least 80% of the income of the corresponding sub-fund is derived from foreign sources.

Furthermore, both income and capital gains, whether distributed or reinvested, may be subject to a so-called paying agent tax in part or in full, depending on the person holding the units directly or indirectly.

The tax statements are based on the currently known legal situation and practice. We expressly reserve the right to make changes to legislation, case law, decrees and the practice of the tax authorities.

The taxation and other tax consequences for the investor when holding, buying or selling fund units or units in sub-funds are governed by the tax regulations in the investor's country of domicile. Investors should consult their tax advisor for information in this regard.

The umbrella fund or the sub-funds have the following tax status:

International automatic exchange of information in tax matters (automatic exchange of information)

This investment fund qualifies as a non-reporting financial institution for the purposes of the automatic exchange of information within the meaning of the Organisation for Economic Co-operation and Development (OECD) Common Reporting and Due Diligence Standard for Financial Account Information (GMS).

FATCA

The Investment Fund is registered with the US tax authorities as a "Registered Deemed-Compliant Foreign Financial Institution" within the meaning of Sections 1471 - 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related enactments, "FATCA").

1.3 Financial year

The financial year runs from January 1 to December 31.

1.4 Audit company

The auditing company is Ernst & Young AG, Aeschengraben 27, CH-4051 Basel.

1.5 Shares

The units are not securitised, but kept in book-entry form.

In accordance with the fund contract, the fund management has the right to create, cancel or combine different unit classes at any time with the consent of the custodian bank and the approval of the supervisory authority.

The Gutzwiller TWO (USD) sub-fund is divided into the following unit classes:

– USD share class: denominated in the reference currency USD

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

1.6 Conditions for the issue and redemption of fund units ; net asset value

Units of a sub-fund may be acquired on the last bank working day of each calendar quarter. Subscriptions must be received by the custodian bank no later than ten bank working days before this date, otherwise they will be settled on the last bank working day of the following calendar quarter. At the request of the investor and with the consent of the fund management company, units of a sub-fund may also be acquired on the last bank working day of any month, provided that the corresponding subscriptions reach the custodian bank no later than ten bank working days earlier.

Redemptions are possible at any time with written notice of termination of the collective investment contract and with a notice period of five weeks to the last bank working day of each calendar quarter or, exceptionally, against reimbursement of the corresponding costs also to the last bank working day of any month ("extraordinary redemptions"). Redemptions that are not received by this time will be settled on the last bank working day of the following calendar quarter, in the case of extraordinary redemptions on the last bank working day of the following month.

The net asset value of a unit of a sub-fund is calculated from the market value of the assets of this sub-fund, reduced by any liabilities of this sub-fund and divided by the number of units in circulation. It shall be rounded up or down to the nearest 0.10 units of account.

The issue price corresponds to the net asset value plus any issue commission. The redemption price corresponds to the net asset value, less any redemption commission. The amount of the issue and redemption commission can be seen in section 1.9.4 below.

The ancillary costs for the purchase and sale of the investments (brokerage fees in line with the market, commissions, levies, etc.) which accrue to the corresponding *sub-fund* from the investment of the amount paid in or from the sale of a portion of the investments corresponding to the unit terminated shall be charged to the corresponding sub-fund.

1.7 Use of income

No distributions shall be made. The net income and capital gains of the umbrella fund or the sub-funds are added to the fund assets for reinvestment (reinvested).

1.8 Investment objective and investment policy of the umbrella fund or the sub-fund

1.8.1 Investment objective

The investment objective of the Gutzwiller TWO (USD) sub-fund is primarily to seek an attractive and regular risk/return ratio with a low correlation to traditional investments. To this end, the Gutzwiller TWO (USD) sub-fund invests in a diversified portfolio of collective investment schemes (target funds) that are predominantly domiciled abroad, pursue alternative investment strategies or make alternative investments and use alternative investment techniques (commonly known as hedge funds or non-traditional funds).

1.8.2 Investment policy, strategy, due diligence

1. The investment policy of this umbrella fund or sub-fund is as follows:

In accordance with its investment objective, the Gutzwiller TWO (USD) sub-fund invests primarily in non-traditional funds (hedge funds) that specialise in the event-driven investment strategy and are denominated in the USD investment currency. These target funds are generally foreign funds with a wide variety of legal structures, such as collective investment agreements, investment companies, trusts and limited partnerships, for which no authorisation to offer is available in Switzerland pursuant to Art. 120 para. 2 let. b CISA.

To bridge short-term liabilities, the fund management company may take out loans for a maximum of 10% of a sub-fund's assets, but for no more than 10% of the fund's total assets.

a) *Diversification of the event-driven funds*

The implementation of the umbrella fund's or sub-fund's investment policy involves broad diversification into various event-driven funds.

In addition, the fund management company may hold appropriate liquid assets.

In the interests of the investor, the fund management company reserves the right at any time to modify the composition of the portfolio of the Gutzwiller TWO (USD) sub-fund as well as to increase or reduce the number of target funds, whereby no more than 20% of the sub-fund's assets may be invested in a single target fund.

The investment styles listed under b) are broadly diversified, i.e. the Gutzwiller TWO (USD) sub-fund invests in at least three different event-driven investment styles. Depending on the market situation, individual investment styles may be temporarily overweighted or underweighted in the interests of the investors.

The investment policy and its implementation (investment strategy) are subject to the investment restrictions of the fund contract (§ 15) and are set out below under c).

b) *Definition of "event-driven"*

The term "event-driven" encompasses various alternative investment styles:

- Investments in companies undergoing reorganisation/restructuring (special situations);
- investments in companies that are subject to bankruptcy proceedings (distressed securities);
- Investments in companies that are the target of a takeover, merger, leveraged or management buy-out (merger arbitrage);

- Investments in undervalued and/or poorly managed companies that need a catalytic change (proactive investing);
- Arbitrage in convertible bonds (convertible arbitrage).

c) *Investment restrictions*

- At least two thirds of the assets of the Gutzwiller TWO (USD) sub-fund, after deduction of liquid assets, shall be invested in non-traditional funds (hedge funds). These investments are open-ended funds or closed-ended funds, the latter being traded on a stock exchange or on another regulated market open to the public.
- The assets of the Gutzwiller TWO (USD) sub-fund may be invested up to 20% in a single target fund.
- The fund management company may not acquire units in funds of funds.
- Sight and time deposits may be invested up to a maximum of 20% with the same bank.
- The fund management company may not make direct investments.
- The acquisition of target funds managed by the fund management company or persons closely associated with it is not permitted.
- A maximum of two target funds or 30% of the assets of the Gutzwiller TWO (USD) sub-fund may be managed by the same fund manager.
- The fund management company may not issue individual mandates for asset management (so-called managed accounts).
- Investments are only made in financial instruments in the broader sense; the fund management company and the individual target funds may not invest directly in physical goods (commodities, works of art, antiques or similar). However, it cannot be ruled out that individual target funds may have to take temporary positions in commodities.

Note: The target funds acquired by the fund management company are subject exclusively to the investment restrictions imposed in their information memoranda and prospectuses.

2. Audit, selection and control procedures (due diligence)

The fund management company relies on a standardised examination, selection and control procedure (due diligence) for the identification, analysis, selection and monitoring of the individual hedge funds. The aim is to track the qualitative and quantitative criteria of hedge funds worldwide in order to consider the most suitable event-driven target funds for the sub-funds.

Due diligence means that target funds are screened for all aspects relevant to an investment in a defined procedure according to selected criteria. Through the collection of written information and in particular also through personal on-site visits to the individual fund managers, the fund management company is able to acquire an in-depth understanding of each individual event-driven fund being considered for investment.

The fund management company shall monitor the investments of the sub-funds on an ongoing basis in order to keep the data up to date and to take appropriate corrective measures if necessary.

The due diligence process takes particular account of the following qualitative and quantitative criteria:

a) *Qualitative criteria*

- Leverage of the portfolio;
- Transparency of the investment process and portfolio;
- Professional experience of the fund managers;
- Investment strategy and investment objective of the target fund;
- Liquidity of the fund and the portfolio;
- Implementation of investment decisions and decision-making processes;
- Identification and management of risks;
- Transparency, i.e. quality and availability of information such as explanatory memoranda, prospectuses and periodic reports of the target funds;
- Reputation and experience of auditors, custodian, administrator and broker;

- References within and outside the industry.

b) *Quantitative criteria*

- Periodic monitoring of the inventory values of the individual target funds;
- Medium and long-term performance of the individual target funds;
- Analysis of the investment restrictions and the fee structure incl. subscription and redemption conditions of the target funds;
- Impact on proforma performance and volatility based on historical data of target funds.

1.8.3 The use of derivatives

The fund management company does not use derivatives.

1.9 Remuneration and incidental expenses

1.9.1 Remuneration and incidental costs charged to the sub-fund (extract from § 19 of the fund contract)

-Administrative commission of the fund management company, 1.5% p.a.
The commission is used for the management, asset management and, where applicable, distribution activities relating to the sub-fund.

In addition, retrocessions and rebates are paid out of the fund management company's management commission in accordance with section 1.9.3 of the prospectus.

-Custodian bank commission 0.2% p.a.
The commission shall be used for the tasks of the custodian bank such as the safekeeping of the fund assets, the handling of payment transactions and the other tasks listed in § 4 of the fund contract.

In addition, commissions from commissioned third-party and central securities depositories in Switzerland and abroad are paid from the custodian bank's commission.

In addition, the sub-fund may be charged the other fees and incidental costs listed in § 19 of the fund contract.

1.9.2 Total expense ratio

The coefficient of the total expense ratio (TER) charged on an ongoing basis to the sub-fund's assets was as follows:

- 2018 Gutzwiller TWO (USD).....	5.11%
- 2019 Gutzwiller TWO (USD).....	4.54%
- 2020 Gutzwiller TWO (USD).....	4.87%
- 2021 Gutzwiller TWO (USD).....	5.30%
- 2022 Gutzwiller TWO (USD).....	5.05%

1.9.3 Payment of retrocessions and rebates

The fund management company and its agents may pay retrocessions to compensate for the distribution of fund units in Switzerland or from Switzerland. This remuneration may in particular cover financial services and activities aimed at promoting the sale of fund units.

Retrocessions are not considered rebates even if they are ultimately passed on to investors in whole or in part.

The recipients of retrocessions shall ensure transparent disclosure and shall inform the investor of their own accord, free of charge, of the amount of compensation they may receive for distribution.

Upon request, the recipients of the retrocessions shall disclose the amounts actually received for the distribution of the collective investment schemes of these investors.

The fund management company and its agents may pay rebates directly to investors on request in connection with distribution activities in or from Switzerland. Rebates serve to reduce the fees or costs attributable to the investors concerned. Rebates are permissible provided that they

- are paid out of fees charged by the fund management company and thus do not place an additional burden on the assets of the sub-funds;
- are granted on the basis of objective criteria;
- are granted to all investors meeting the objective criteria and requesting rebates, under the same time conditions and to the same extent.

The objective criteria for the granting of rebates by the fund management company are:

- the volume subscribed or the total volume held by the investor in the collective investment scheme or, as the case may be, in the promoter's product range;
- the amount of fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected investment duration);
- the investor's willingness to support the launch phase of a collective investment scheme.

Upon request by the investor, the fund management company shall disclose the corresponding amount of the rebates free of charge.

1.9.4 Remuneration and incidental costs to be borne by the investors (extract from § 18 of the fund contract)

- issuing commission in favour of the fund management company, custodian bank and/or distributors in Switzerland and abroad, currently applicable maximum rate2%
- redemption commission in favour of the fund management company, custodian bank and/or distributors at home and abroad (for returns at the end of the quarter)..... currently none
- commission for a change (exchange) from one sub-fund to another currently none
- commission for extraordinary redemptions (i.e. redemptions not at the end of a quarter) in favour of the corresponding sub-fund currently none

1.9.5 Commission sharing agreements and soft commissions

The fund management company has not concluded any commission sharing agreements or agreements relating to soft commissions.

1.10 Inspection of the reports

The prospectus with integrated fund contract, the key investor information and the annual and semi-annual reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

1.11 The main risks

1.11.1 Distinction between traditional and alternative investment funds

Traditional investment funds comprise investments in traditional investment media (equities, bonds, etc.) as well as an investment policy that uses traditional methods (purchase of possible investment media, reallocations based on changed market assessments, hedging transactions, etc.). In contrast, hedge funds, which belong to the category of alternative investment funds, are investment products that do not primarily aim to achieve exposure to specific markets or investment instruments. Rather, the focus is on the investment strategy as such. Examples of alternative investment strategies are: Arbitrage, Commodity Trading Adviser (CTA), Event-Driven, Opportunistic, Sector, Emerging Markets and Global Macro. Hedge funds generally use derivative financial instruments, such as options, futures, interest rate and currency forward swaps as well as currency forwards. Hedge funds also differ from traditional investment funds in that they seek to achieve leverage through borrowing and the use of derivative financial instruments, and also through the use of short selling of securities (taking short positions).

Due to these characteristics, hedge funds carry additional risk potential in addition to the usual market, credit and liquidity risks of traditional investment funds (see list below).

1.11.2 General risks

An investment in the umbrella fund or the sub-funds contains various risks. The value of a fund unit may be subject to considerable fluctuations. No guarantee can be given that the intended investment objective will be achieved. An investment in non-traditional investments such as GUTZWILLER TWO is only suitable for risk-tolerant investors with a long-term investment horizon and as an addition to broadly diversified portfolios.

1.11.3 Lack of regulatory oversight

The majority of the target funds are domiciled in countries where the legal framework and in particular the supervision are not comparable with those in Switzerland. This means that they are funds for which no authorisation for the offer pursuant to Art. 120 para. 2 let. b CISA can be obtained in Switzerland. To minimise these risks, a comprehensive due diligence process is used to select suitable target funds and then carefully monitor their performance.

1.11.4 Market risks

The sub-funds invest in target funds, which in turn invest worldwide in various capital markets and financial instruments, which can be very volatile. Political uncertainties, fiscal policy measures, foreign exchange restrictions or changes in legislation concerning foreign ownership can also have a negative impact on the value of the investments and their returns.

1.11.5 Lack of liquidity

There may not be a liquid market for units in individual target funds, which may make it difficult to value and buy or sell their units. As a result, purchase and sale prices may differ from the net asset value. Individual target funds also purchase investments that are difficult to value or illiquid.

1.11.6 Currency risks

The target funds invest globally in various capital markets. Their investments are not always denominated in the reference currency and investment income may be subject to exchange rate fluctuations and may be subject to charges on foreign exchange transactions. The units of the target funds are mainly denominated in USD. Those sub-funds that do not have USD as their unit of account and the USD sub-fund for the portion that is not invested in USD denominated target funds are therefore exposed to a currency risk.

1.11.7 Short selling

Target Funds may engage in short selling. Short sales are theoretically exposed to an unlimited risk of loss, as the price of the underlying security can rise indefinitely until the position is closed.

1.11.8 Broker

Various target funds do not have banks but brokers as custodians. These may not offer the creditworthiness of a banking institution and, unlike a swiss custodian bank, are in particular not subject to any statutory supervision. These brokers may have a lien on all assets of the target fund deposited as collateral. In the event of a broker's insolvency, these assets could serve to satisfy the broker's creditors.

1.11.9 Leverage

Hedge funds have the possibility of taking out loans in order to make additional investments (leverage). If these investments generate price gains that are greater than the interest burden of the loans, the fund's performance can be better than without borrowing. Conversely, the fund's assets may decline disproportionately if losses result from the additional investment. In hedge funds, however, leverage can be achieved not only by borrowing but also by using derivative financial instruments.

1.11.10 Compensation of fund managers

Performance-based compensation for fund managers of target funds can create incentives for them to invest in riskier assets than would be the case with fixed compensation.

1.11.11 Human and technological factors

The success of target funds can be partly dependent on individuals and the infrastructure available to them. Fund managers often have a stake in the target funds themselves, which means that conflicts of interest cannot be ruled out.

1.11.12 Transparency

Hedge funds are typically not required to publicly account for their activities and transactions. This can make it difficult for an investor to identify changes in strategy and the associated risks.

The above list does not contain an exhaustive list of all potential investment risks of the umbrella fund or the sub-funds. However, the fund management company shall endeavour to minimise the aforementioned risks in particular through strict monitoring and controls.

The fund management company recommends potential investors to invest only a small percentage of their total financial resources in the umbrella fund or the sub-funds. In addition, investors should be aware that an investment is intended as a long-term commitment that may be subject to greater fluctuations in value.

1.12 Liquidity risk management

The fund management company shall ensure appropriate liquidity management. With regard to the saleability of the individual investments and in relation to the servicing of redemptions, the fund management regularly monitors the liquidity risks and the fund assets. For this purpose, processes have been defined and implemented that ensure the identification, monitoring and reporting as well as the calculation of individual liquidity thresholds.

1.13 The fund of funds structure

As the umbrella fund or the sub-funds invest exclusively in other funds (target funds) and do not make any direct investments, the umbrella fund or the sub-funds are regarded as a fund of funds. This special structure of the umbrella fund or the sub-funds has significant advantages over directly investing, traditional investment funds:

- as alternative investment strategies are often associated with a leverage effect, the risk of loss at the sub-fund level can be limited to the investments in the individual target fund by acquiring units in various hedge funds;
- by considering hedge funds with different investment strategies, a higher degree of diversification, i.e. a broader spread of risk, can be achieved;
- thanks to the comprehensive selection process carried out by the portfolio managers according to qualitative and quantitative criteria, it is possible to identify the best event-driven funds worldwide;
- The ongoing due diligence procedures of the fund management company enable the portfolio to be corrected in good time, thereby minimising risks and increasing income;
- the umbrella fund or the sub-funds also make target funds accessible to investors who would otherwise not have access to them.

Disadvantages of the fund of funds structure are:

- additional indirect costs are incurred at the level of the individual target funds, which are, however, charged directly to those target funds;
- the individual target funds may use leverage, in some cases to a considerable extent, which cannot be influenced by the fund management company;
- Due to the broad risk diversification, this results in a lower performance at best.

2 Information about the fund management company

2.1 General information on the fund management company

The fund management company is Gutzwiller Fonds Management AG. Since its foundation in 2000 as a joint-stock company, the fund management company based in Basel has been active in the fund business.

2.2 Further information on the fund management company

The fund management company manages a total of six collective investment schemes in Switzerland as at 1 January 2023, with total assets under management amounting to CHF 264.1 million as at 1 January 2023.

Furthermore, the fund management company shall provide the following services in particular as of 1 January 2023:

Administrative services for internal investment funds within the meaning of Art. 71 FIDLEG of the custodian bank.

Address of the fund management company: Gutzwiller Fonds Management AG, Kaufhausgasse 5, CH-4051 Basel, Switzerland; Internet address: <http://www.gutzwiller-funds.com>.

2.3 Administrative and governing bodies

Board of Directors

The Board of Directors is composed of:

- Archduke Lorenz von Habsburg-Lothringen, Chairman, at the same time partner of E. Gutzwiller & Cie, Banquiers;
- François Gutzwiller, Vice-Chairman, at the same time partner of E. Gutzwiller & Cie, Banquiers;
- Reto Brillinger, Member, also Managing Director Gutzwiller Fonds Management AG;
- Frederik Sohns, member, at the same time legal advisor and member of the management committee of E. Gutzwiller & Cie, Banquiers.

Executive Board

The Executive Board is composed of:

- Reto Brillinger, Managing Director, responsible for Finance, Accounting and Compliance;
- Michael Schmid, responsible for fund administration;
- Florian Egle, responsible for fund administration;

2.4 Subscribed and paid-in capital

The amount of the fund management company's subscribed share capital is CHF 2.25 million as of 31 December 2022. The share capital is divided into registered shares and is fully paid in.

The entire share capital is held by the custodian bank, E. Gutzwiller & Cie, Banquiers, Basel.

2.5 Transfer of investment decisions and other subtasks

The investment decisions of the investment fund are delegated to the parent company E. Gutzwiller & Cie, Banquiers, Basel. E. Gutzwiller & Cie, Banquiers are a private bank and as such are subject to supervision by FINMA in Switzerland.

E. Gutzwiller & Cie, Banquiers are distinguished by their many years of experience in the field of asset management. The precise execution of the mandate is governed by an asset management agreement concluded between the fund management company and E. Gutzwiller & Cie, Banquiers.

Stéphane Gutzwiller and Suzanne Martel are responsible for the investment decisions of GUTZWILLER TWO as fund managers.

Stéphane Gutzwiller has worked at E. Gutzwiller & Cie, Banquiers since 1986, of which he has been a general partner since 1990. Stéphane Gutzwiller worked from 1982 as an associate, and from 1984 to 1986 as Head of Research in the Merger Arbitrage Department of Prudential Bache Securities in New York under the direction of Guy Wyser Pratte in the field of alternative investments. Through his more than thirty years of involvement in the event-driven field, Stéphane Gutzwiller acquired a deep understanding of this sector.

Suzanne Martel, who graduated in Finance and Accounting from the University of St.Gallen in 2000 (lic. oec. HSG), has been working with Stéphane Gutzwiller in the field of Event Driven

Hedge Funds since 2011. Before joining E. Gutzwiller & Cie, Banquiers in 2010, Suzanne Martel worked for 8 years at Pictet Asset Management and HSBC Private Bank.

The fund management has appointed a supervisory board to monitor the activities of the fund managers. This board is composed of selected persons from the board of directors, the executive board and the person responsible for the risk management of the fund management company who are experienced and particularly qualified in the field of hedge funds.

Members of the Supervisory Board are:

Archduke Lorenz von Habsburg-Lothringen, Chairman of the Board of Directors. Archduke Lorenz von Habsburg-Lothringen studied business administration in St. Gallen and Innsbruck and received his doctorate in 1983. He has been with E. Gutzwiller & Cie, Banquiers since 1983; in 1990 he became its partner with unlimited liability. He has been a limited partner and director of the bank since 2021. He has worked closely with Stéphane Gutzwiller in the field of merger arbitrage since 1986. He is also an advisor to a large French banking group and a major Belgian financial firm specialising in mergers and acquisitions, private placements, leverage buyouts and corporate advisory. Lorenz von Habsburg-Lothringen has many years of experience in merger arbitrage as a practitioner, advisor and investor. He has been a member of the Supervisory Board since 2002.

Reto Brillinger, Member of the Board of Directors and the Executive Board. After completing a banking apprenticeship in 1978, Reto Brillinger worked for a major bank and then for an important auditing company. In 1985 he obtained a diploma as a Swiss certified expert in accounting and controlling. From 1986 to 2000 he was the managing director of Bourcart Treuhand AG, a subsidiary of E. Gutzwiller & Cie, Banquiers. Since the foundation of the fund management company in 2000, Reto Brillinger, as a member of the Board of Directors and the Executive Board, has been exclusively involved with investment funds and is responsible for finance, accounting and compliance. He has been a member of the Supervisory Board since 2002.

Florian Egle, Member of the Executive Board. Florian Egle graduated from the Faculty of Economics at the University of Basel in 2015 with a Bachelor of Arts in Business and Economics. For 7 years he worked as Fund Accountant Alternative Products at UBS Fund Management (Switzerland) AG and Northern Trust Switzerland AG. Florian Egle has been a member of the Executive Board of the Fund Management Company since 2023 and is responsible for fund administration. He has been a member of the Supervisory Board since 2023.

Simon Roth, Risk Management Officer. Simon Roth studied at the University of Applied Sciences Northwestern Switzerland in Basel and Zurich, where he graduated in 2019 with a Master of Advanced Studies in Corporate Finance. Simon Roth joined our company in 2015 and was responsible for risk management as a member of the fund management company's executive board from 2020. Since 2023, he has been the Head of Risk Management of our parent company E. Gutzwiller & Cie, Banquiers and at the same time serves as the mandated risk officer of the fund management company. He has been a member of the Supervisory Board since 2021.

Furthermore, the fund management company has outsourced the risk management functions to E. Gutzwiller & Cie, Banquiers. The execution of the delegated sub-task is governed by a delegation agreement concluded between the fund management company and E. Gutzwiller & Cie, Banquiers governs the execution of the delegated partial task.

2.6 Exercise of membership and creditors' rights

The fund management company shall exercise the membership and creditor rights associated with the investments of the managed funds independently and exclusively in the interests of the investors. Investors may obtain information on the exercise of membership and creditors' rights from the fund management company on request.

In the case of pending routine transactions, the fund management company is free to exercise the membership and creditor rights itself or to delegate the exercise to the custodian bank or third parties, as well as to waive the exercise of the membership and creditor rights.

In the case of all other agenda items that could have a lasting impact on the interests of the investors, such as the exercise of membership and creditors' rights to which the fund management company is entitled as a shareholder or creditor of the custodian bank or other legal entities close to it, the fund management company shall exercise the voting right itself or issue express instructions.

In doing so, it may rely on information that it receives from the custodian bank, the asset manager, the company or from voting advisors and other third parties or learns from the press.

3 Information about the custodian bank

The custodian bank is E. Gutzwiller & Cie, Banquiers. The bank was founded in 1886 as a limited partnership in Basel.

The bank's main activity is asset management.

The custodian bank may entrust third party custodians and central securities depositories in Switzerland and abroad with the safekeeping of the fund's assets, insofar as this is in the interest of proper safekeeping. For financial instruments, the transfer may only be made to supervised third-party custodians or central securities depositories. This does not apply to mandatory safekeeping at a location where transfer to supervised third-party or central securities depositories is not possible, in particular due to mandatory legal provisions or the modalities of the investment product. Third-party and central custody entails that the fund management company no longer has sole ownership of the deposited securities, but only co-ownership. Moreover, if the third-party and central depositories are not supervised, they are unlikely to meet the organisational requirements placed on Swiss banks. If the custody of individual investments of the fund assets is transferred abroad, they may also be subject to a country risk.

The custodian bank shall be liable for any damage caused by the agent unless it can prove that it exercised due care in selecting, instructing and monitoring the agent in accordance with the circumstances.

The custodian is registered with the US tax authorities as a reporting financial institution under a Model 2 IGA pursuant to Sections 1471 - 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related enactments, "FATCA").

4 Information about third parties

4.1 Paying agents

The paying agents are E. Gutzwiller & Cie, Banquiers, Kaufhausgasse 7, CH-4051 Basel.

4.2 Distributor

The distribution activity in relation to the investment fund is mainly entrusted to E. Gutzwiller & Cie, Banquiers, Kaufhausgasse 7, CH-4051 Basel.

5 Further information

5.1 Useful hints

Valor/ISIN numbers Gutzwiller TWO (USD):
 - Share class USD1'313'915 / ISIN CH0013139156
 Listing / Trading none
 Investment currency of Gutzwiller TWO (USD) USD (US Dollar)
 Unit of account USD (US Dollar)
 Reference currency
 - USD Share Class USD (US Dollar)
 Appropriation of income No distributions, but reinvestment
 Minimum investment amount USD 10'000

5.2 Publications of the investment fund

Further information on the investment fund is contained in the latest annual or semi-annual report. In addition, the latest information can be found on the fund management company's website at

www.gutzwiller-funds.com or on the independent FINMA-recognised platform of Swiss Fund Data AG at www.swissfunddata.ch.

In the event of a fund contract amendment, a change of fund management company or custodian bank, or the dissolution of the investment fund, the fund management company shall publish the information on the independent FINMA-recognised internet platform of Swiss Fund Data AG (www.swissfunddata.ch).

Price publications are made for all sub-funds and unit classes for each day on which issues and redemptions of fund units are made, but at least twice a month, on the independent FINMA-recognised internet platform of Swiss Fund Data AG (www.swissfunddata.ch). Further publications shall be made in the following media:

Neue Zürcher Zeitung (NZZ), Zurich; Le Temps, Geneva; Basler Zeitung, Basel; Finanz und Wirtschaft, Zurich; homepage of the fund management company (<http://www.gutzwiller-funds.com>).

5.3 Sales restrictions

When units of this investment fund are issued and redeemed abroad, the provisions applicable there shall apply.

- a) An authorisation for distribution activities has been granted for the following countries:
 - Switzerland
- b) Units of this investment fund may not be offered, sold or delivered within the USA.

The fund management company and the custodian bank may prohibit or restrict the sale, brokerage or transfer of units to natural persons or legal entities in certain countries and territories.

6 Further investment information

6.1 Results to date

Detailed information on the performance of the umbrella fund and the sub-funds to date is provided in the current annual and semi-annual reports.

6.2 Profile of the typical investor

The umbrella fund or the sub-funds are suitable for institutional investors and risk-tolerant private individuals with a long-term investment horizon as a supplement to traditionally managed portfolios and represent an alternative to fixed-interest securities. Investors must be able to accept greater fluctuations and a prolonged decline in the net asset value of the units and be familiar with the main risks of the investments.

Target market definition according to MIFID II

This fund is tailored to private clients who have a sound knowledge of financial markets and who can cope with financial losses. The fund aims at capital appreciation. Redemptions by investors are possible on a monthly basis under normal market conditions. However, under certain market conditions, there is a risk that the fund may not be able to meet redemptions. An investment in this fund is intended to meet long-term investment needs. It is recommended that investors have their knowledge and experience of financial investments assessed before investing. This product has an indefinite term. However, the manufacturer may terminate the product at any time. In such a case, there is a risk that you will receive a smaller amount than you have invested.

6.3 Advantages and disadvantages for the investor

The umbrella fund or the sub-funds are a high-quality fund product composed of various hedge funds with all the advantages of a well-diversified and collective investment instrument (lower risk compared to individual direct investments).

An investment in the sub-funds represents a diversification from traditional investments within a portfolio. Non-traditional funds generally have a low correlation to traditional investments. This makes it possible to improve the risk/return ratio of a traditional portfolio through a higher expected return with the same risk or through the same expected return with lower risk.

The fund management company undertakes market observation, analysis, selection and monitoring of the various target funds as well as risk management in a portfolio of event-driven funds.

Investments in hedge funds are usually characterised by high minimum investments. As a result, these funds are only open to a small circle of investors. Due to their comparatively low minimum investment limits, the umbrella fund or the sub-funds enable a larger, risk-tolerant group of investors to participate in alternative investments.

The disadvantages are the risks mentioned above and the indirect costs resulting from the fund of funds structure.

7 Detailed provisions

All other information on the investment fund, such as the valuation of the fund assets, the listing of all remuneration and ancillary costs charged to the investor and the investment fund, as well as the use of the profit, are set out in detail in the fund contract. For an explanation of technical terms, please refer to the glossary in Part III.

Part II Fund contract

I. Basics

§ 1 *Designation; company name and registered office of the fund management company, custodian bank and asset manager*

1. Under the name GUTZWILLER TWO, there is a contractual umbrella fund with special risk of the type "Other funds for alternative investments" (the "umbrella fund") within the meaning of Art. 25 ff. in conjunction with Art. 71 and Art. 92 f. of the Swiss Federal Act on Collective Investment Schemes (CISA). Art. 71 and Art. 92 f. of the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), which is divided into the following sub-funds ("sub-funds"):
– *Gutzwiller TWO (USD)*
2. The fund management company is Gutzwiller Fonds Management AG, Basel.
3. The custodian bank is E. Gutzwiller & Cie, Banquiers, Basel.
4. The asset managers are E. Gutzwiller & Cie, Banquiers, Basel.

II. Rights and obligations of the contracting parties

§ 2 *The fund contract*

The legal relationships between investors¹ on the one hand and the fund management company and custodian bank on the other are governed by the present fund contract and the relevant provisions of the collective investment scheme legislation.

§ 3 *The fund management company*

1. The fund management company manages the sub-funds independently and in its own name for the account of the investors. In particular, it decides on the issue of units, the investments and their valuation. It calculates the net asset values and sets the issue and redemption prices. It shall assert all rights belonging to the umbrella fund or to the sub-funds.
2. The fund management company and its agents are subject to the duty of loyalty, due diligence and information. They shall act independently and exclusively safeguard the interests of the investors. They shall take the organisational measures required for proper management. They shall account for the collective investments they manage and provide information on all fees and costs charged directly or indirectly to the investors as well as on compensation received from third parties, in particular commissions, discounts or other pecuniary advantages.
3. The fund management company may delegate investment decisions and partial tasks to third parties, provided this is in the interest of proper management. It shall only appoint persons who have the necessary skills, knowledge and experience for this activity and who have the required licences. It shall carefully instruct and supervise the third parties engaged.
Investment decisions may only be delegated to asset managers who have the necessary authorisation.
The fund management company shall remain responsible for the fulfilment of its duties under supervisory law and shall safeguard the interests of the investors when delegating tasks. The fund management company shall be liable for the actions of persons to whom it has delegated tasks as for its own actions.
4. The fund management company may, with the consent of the custodian bank, submit an amendment to this fund contract to the supervisory authority for approval (see § 26).

5. The fund management company may merge individual sub-funds with other sub-funds or with other investment funds in accordance with the provisions of § 24 or dissolve the individual sub-funds in accordance with the provisions of § 25.
6. The fund management company shall be entitled to the remuneration provided for in §§ 18 and 19, to release from the liabilities it has incurred in the proper performance of its duties, and to reimbursement of the expenses it has incurred in the performance of these liabilities.

§ 4 *The custodian bank*

1. The custodian bank holds the assets of the sub-funds in safekeeping. It handles the issue and redemption of fund units as well as payment transactions for the sub-funds.
2. The custodian bank and its agents are subject to the duty of loyalty, due diligence and information. They shall act independently and exclusively safeguard the interests of the investors. They shall take the organisational measures required for proper management. They shall account for the collective investment schemes held in their custody and provide information on all fees and costs charged directly or indirectly to investors as well as on compensation permitted by third parties, in particular commissions, discounts or other pecuniary advantages.
3. The custodian bank is responsible for the account and custody management of the umbrella fund or the sub-funds, but cannot independently dispose of their assets.
4. The custodian bank shall ensure that in the case of transactions relating to the assets of the umbrella fund or the sub-funds, the countervalue is transferred to it within the usual time limits. It shall notify the fund management company if the countervalue is not refunded within the usual period and shall demand a replacement for the asset concerned from the counterparty if this is possible.
5. The custodian shall keep the necessary records and accounts in such a way as to be able to distinguish at any time between the assets held in custody of the individual investment funds.
In the case of assets that cannot be taken into custody, the custodian bank shall verify the ownership of the fund management company and keep records thereof.
6. The custodian bank may entrust third-party custodians and central securities depositories in Switzerland or abroad with the safekeeping of the assets of the sub-funds, provided this is in the interest of proper safekeeping. It shall check and monitor whether the third-party custodian or central securities depository it has appointed:
 - a) has an adequate operational organisation, financial guarantees and the professional qualifications required for the nature and complexity of the assets entrusted to it;
 - b) is subjected to a regular external audit, thus ensuring that the financial instruments are in its possession;
 - c) holds the assets held in custody from the custodian in such a way that they can be clearly identified by the custodian at any time as belonging to the assets of the sub-funds by means of regular portfolio reconciliations;
 - d) complies with the regulations applicable to the custodian with regard to the performance of its delegated tasks and the avoidance of conflicts of interest.

The custodian bank shall be liable for any loss caused by the delegate unless it can prove that it exercised due care in the selection, instruction and supervision required by the circumstances. The prospectus contains explanations of the risks associated with the transfer of safekeeping to third-party custodians and central securities depositories.

In the case of financial instruments, the transfer referred to in the preceding paragraph may only be made to supervised third parties or central securities depositories. This does not apply to mandatory safekeeping in a place where the transfer to supervised third party or central securities depositories is not possible, in particular due to mandatory legal provisions or the modalities of the investment product. The investors shall be informed in the prospectus about the safekeeping by non-supervised third party or central securities depositories.

7. The custodian bank shall ensure that the fund management company complies with the law and the fund contract. It shall check whether the calculation of the net asset values and the issue and redemption prices of the units as well as the investment decisions comply with the law and the fund contract and whether the profit is used in accordance with the fund contract. The custodian bank is not responsible for the selection of investments made by the fund management company within the framework of the investment regulations.

8. The custodian shall be entitled to the remuneration provided for in §§ 18 and 19, to discharge from liabilities incurred in the proper performance of its duties and to reimbursement of expenses incurred in the performance of such liabilities.
9. The custodian bank is not responsible for the safekeeping of the assets of the target funds in which the sub-funds invest unless it has been delegated this task.

§ 5 *The investors*

1. The circle of investors is not limited.
2. Upon conclusion of the contract and payment in cash, the investors acquire a claim against the fund management company for participation in the assets and income of a sub-fund of the umbrella fund. The investors' claim is based on units.
3. The investors are only entitled to the assets and income of the sub-fund in which they participate. Only the sub-fund in question shall be liable for the liabilities attributable to an individual sub-fund.
4. The investors are only obliged to pay the unit they have subscribed for into the corresponding sub-fund. Their personal liability for liabilities of the umbrella fund or sub-fund is excluded.
5. Investors may obtain information on the basis for calculating the net asset value per unit from the fund management company at any time. If the investors assert an interest in more detailed information on individual transactions of the fund management company, such as the exercise of membership and creditors' rights or on risk management, the fund management company shall also provide them with information on this at any time. The investors may request the court at the registered office of the fund management company to have the auditing company or another expert person investigate the matter requiring clarification and report to them on the matter.
6. In principle, investors may terminate the fund contract in writing at any time by giving five weeks' notice to the last bank working day of a calendar quarter - or, exceptionally, to the last bank working day of any month against reimbursement of the corresponding costs in favour of the fund assets - and request payment of their share in the corresponding sub-fund in cash. The payment must be made within 20 bank working days at the latest.
7. An investor's units must be compulsorily redeemed by the fund management company in cooperation with the custodian bank at the respective redemption price if:
 - a) this is necessary to safeguard the reputation of the financial centre, namely to combat money laundering;
 - b) the investor no longer meets the legal or contractual requirements for participation in a sub-fund.
8. In addition, an investor's units may be compulsorily redeemed by the fund management company in cooperation with the custodian bank at the respective redemption price if:
 - a) the investor's participation in a sub-fund is likely to significantly impair the economic interests of the other investors, in particular if the participation may result in tax disadvantages for the umbrella fund or a sub-fund in Switzerland or abroad;
 - b) investors have acquired or hold their units in violation of provisions of a domestic or foreign law applicable to them, this fund contract or the prospectus;
 - c) the economic interests of the investors are adversely affected, in particular in cases where individual investors attempt to achieve pecuniary advantages through systematic subscriptions and immediately subsequent redemptions by exploiting time differences between the determination of the closing prices and the valuation of the fund assets (market timing).

§ 6 *Units and unit classes*

1. The fund management company may, with the consent of the custodian bank and the approval of the supervisory authority, create, cancel or combine different unit classes for each sub-fund at any time. All unit classes entitle the holder to participate in the undivided assets of the corresponding sub-fund, which itself is not segmented. This participation may differ due to class-specific cost charges or distributions or due to class-specific income, and the different unit classes of a sub-fund may therefore have a different net asset value per unit. The assets of the sub-fund as a whole are liable for class-specific cost charges.

2. The creation, cancellation or merger of unit classes shall be announced in the organ of publication. Only the unification shall be deemed to be an amendment of the fund contract within the meaning of § 26.
3. The various unit classes of the sub-funds may differ in terms of cost structure, reference currency, currency hedging, distribution or reinvestment of income, minimum investment and investor group. Fees and costs shall only be charged to the unit class to which a specific service is attributable. Fees and costs that cannot be clearly allocated to a unit class shall be charged to the individual unit classes in proportion to the assets of the sub-fund.
4. The following unit class currently exists for the Gutzwiller TWO (USD) sub-fund:
 - USD Share Class: denominated in USD as the unit of account.
5. The units shall not be certificated, but shall be kept in book-entry form. The investor is not entitled to demand the delivery of a registered or bearer unit certificate.

III. Investment policy guidelines

A. Investment principles

§ 7 *Compliance with investment regulations*

1. When selecting the individual investments of each sub-fund, the fund management company shall observe the percentage restrictions listed below in the interests of a balanced distribution of risk. These relate to the assets of the individual sub-funds at market values and must be complied with at all times. The individual sub-funds must comply with the investment restrictions six months after the end of the subscription period (launch).
2. If the restrictions are exceeded due to market changes, the investments must be restored to the permissible level within a reasonable period of time while safeguarding the interests of the investors. If restrictions in connection with derivatives pursuant to § 12 below are breached due to a change in the delta, the orderly state must be restored within three banking days at the latest, while safeguarding the interests of the investors.

§ 8 *Investment Policy*

1. The fund management company may, within the framework of the specific investment policy of each sub-fund pursuant to para. 2, invest the assets of the individual sub-funds in the following investments. The risks associated with these investments shall be disclosed in the prospectus.
 - a) Units in other collective investment schemes (domestic and foreign traditional and non-traditional target funds) in the form of open-end or closed-end funds, the latter being traded on a stock exchange or on another regulated market open to the public.
 - b) sight and time deposits with maturities of up to twelve months with banks domiciled in Switzerland or in a member state of the European Union or in another state if the bank there is subject to supervision equivalent to that in Switzerland.
2. Investment Policy for the Sub-Fund *Gutzwiller TWO (USD)*
 - a) After deducting liquid assets, the fund management company shall invest at least two thirds of the sub-fund's assets in units of domestic and foreign non-traditional target funds (hedge funds) that pursue an event-driven strategy. These investments are mostly foreign offshore structures with a wide variety of legal structures (collective investment contracts, investment companies, trusts and limited partnerships) for which no authorisation to offer in Switzerland is available due to a lack of equivalent supervision (Art. 120 para. 2 let. b CISA).
 - b) The fund management company shall invest, after deducting liquid assets, up to a maximum of one third of the sub-fund's assets in units of domestic and foreign traditional target funds.
 - c) At least two thirds of the assets of the sub-fund, after deduction of liquid assets, must be denominated in the investment currency USD.
 - d) The fund management company may not acquire units in funds of funds.
 - e) The fund management company may not make direct investments.

- f) The acquisition of target funds managed by the fund management company itself or by persons closely associated with it is not permitted.
 - g) The fund management company may not issue individual mandates for asset management (so-called managed accounts).
 - h) Investments shall only be made in financial instruments in the broader sense. Neither the fund management nor the individual target funds may invest directly in physical goods (commodities, works of art, antiques or similar). However, it cannot be ruled out that individual target funds may have to take temporary positions in commodities.
3. The risks of the target funds mentioned in para. 2 let. a are not comparable with those of traditional securities funds. For this reason, the umbrella fund or the sub-funds belong to the type "other funds for alternative investments".
 4. The fund management company endeavours to minimise the risks of the investments through strict selection of the target funds, diversification of the investments and the fund management companies (multi-manager approach) as well as strict monitoring of the respective performance of the corresponding target funds. The criteria applied can be seen in the prospectus.
 5. The specific risks, the investment objectives and the investment policy are explained in detail in the prospectus.
 6. The fund management company shall ensure appropriate liquidity management. The details are disclosed in the prospectus.

§ 9 *Cash and cash equivalents*

The fund management company may additionally hold appropriate liquid assets for each sub-fund in the unit of account of the corresponding sub-fund and in all currencies in which investments are permitted. Liquid assets shall be deemed to be sight and time bank deposits with maturities of up to twelve months.

B. Investment techniques and instruments

§ 10 *Securities Lending*

The fund management company does not engage in securities lending transactions.

§ 11 *Repurchase agreements*

The fund management company does not engage in repurchase agreements.

§ 12 *Derivatives*

The fund management company does not use derivatives.

§ 13 *Raising and granting loans*

1. The fund management company may not grant loans for the account of the sub-funds.
2. The fund management company may temporarily borrow a maximum of 10% of its net assets for each sub-fund, but not more than 10% of the total net assets of the fund.

§ 14 *Encumbrance of the assets of the sub-fund*

1. The fund management company may not pledge or assign as security more than 25% of the net assets of each sub-fund.
2. The encumbrance of the assets of the sub-funds with guarantees is not permitted.

C. Investment restrictions

§ 15 *Risk distribution*

1. The risk distribution rules shall include:
 - a) investments pursuant to § 8;
 - b) liquid assets in accordance with § 9.
2. Risk distribution rules for the Gutwiller TWO (USD) sub-funds
 - a) The fund management company may invest no more than 20% of the sub-fund's assets in the same target fund, and no more than two target funds or 30% of the sub-fund's assets may be managed by the same fund manager.
 - b) The investment styles listed in the prospectus shall be broadly diversified, i.e. the fund management company shall invest the assets of the sub-fund in at least three different event-driven investment styles. Depending on the market situation, individual investment styles may be temporarily overweighted or underweighted in the interests of the investors.
3. The fund management company may invest a maximum of 20% of the assets of a sub-fund in sight and time deposits at the same bank. Both the liquid assets pursuant to § 9 and the investments in bank deposits pursuant to § 8 shall be included in this limit.
4. The individual target funds in which the fund management company invests are subject exclusively to the investment restrictions imposed in their information memoranda and prospectuses.

IV. Calculation of the net asset values and issue and redemption of units

§ 16 *Calculation of the net asset values*

1. The net asset value of each sub-fund and the share of the individual unit classes (quotas) is calculated at the market value at the end of the accounting year and for each day on which units are issued or redeemed in the unit of account of the corresponding sub-fund (valuation day).
2. In the case of listed investments or investments traded on a regulated market open to the public and target funds in the form of closed-end funds, the fair value corresponds to the market value. If no current market values are available, the fund management company shall estimate the fair value with the customary care on the basis of the price that would probably be achieved in a diligent sale at the time of the estimate (fair value). In this case, the fund management company shall use appropriate valuation models and -principles recognised in practice to determine the fair value.
3. In the case of open-ended funds, the market value corresponds to the net asset value notified to the fund management company on the valuation date and confirmed by the custodian bank. If, in exceptional cases, no value is available for open-ended funds, the fund management company shall estimate the market value with the customary care on the basis of the price that would probably be achieved in a diligent sale at the time of the estimate (fair value).
4. Bank balances are valued at their receivable amount plus accrued interest. In the event of significant changes in market conditions or creditworthiness, the valuation basis for time bank balances is adjusted to the new circumstances.
5. The net asset value of a unit of a unit class of a sub-fund is calculated by dividing the quota attributable to the unit class in question in the market value of the assets of this sub-fund, reduced by any liabilities of this sub-fund allocated to the unit class in question, by the number of units in circulation of the corresponding unit class. It shall be rounded up or down to the nearest 0.10 units of account.
6. The ratios of the market value of the net assets of a sub-fund (assets of a sub-fund less liabilities) attributable to the respective unit classes shall be determined for the first time at the time of the initial issue of several unit classes (if this takes place at the same time) or the initial issue of a further unit class on the basis of the amounts accruing to the corresponding sub-fund for each unit class. The quota shall be recalculated upon the following events:

- a) on the issue and redemption of units;
- b) on the record date for distributions where (i) such distributions are only payable on individual share classes (distribution classes) or where (ii) the distributions of the different share classes differ as a percentage of their respective net asset values or where (iii) the distributions of the different share classes are subject to different commission or expense charges as a percentage of the distribution;
- c) in the calculation of net asset value, in the allocation of liabilities (including costs and commissions due or accrued) to the different classes of shares where the liabilities of the different classes of shares differ as a percentage of their respective net asset values, namely where (i) different commission rates are applied to the different classes of shares or where (ii) class specific charges are made;
- d) in the net asset value calculation, in the context of the allocation of income or capital gains to the various unit classes, provided that the income or capital gains arise from transactions carried out in the interest of one unit class only or in the interest of several unit classes, but not in proportion to their share in the net assets of a sub-fund.

§ 17 *Issue and redemption of shares*

1. Units of a sub-fund may be acquired on the last bank working day of each calendar quarter. Subscriptions must be received by the custodian bank no later than ten bank working days before this date, otherwise they will be settled on the last bank working day of the following calendar quarter. At the request of the investor and with the consent of the fund management company, units of a sub-fund may also be acquired on the last bank working day of any month, provided that the corresponding subscriptions reach the custodian bank no later than ten bank working days earlier.
2. Redemptions are possible at any time with written notice of termination of the fund contract and with a notice period of five weeks:
 - a) Ordinarily on the last bank working day of each calendar quarter. Cancellations not received by this date will be settled on the last bank working day of the following calendar quarter.
 - b) Extraordinarily, against reimbursement of the corresponding costs, on the last bank working day of any month ("extraordinary redemptions"). Cancellations that do not arrive by this time will be settled on the last bank working day of the following calendar month.
3. The issue and redemption price of the units of a unit class shall be based on the net asset value per unit of the corresponding unit class calculated on the valuation day at the time of issue or redemption in accordance with § 16. When units are issued and redeemed, an issue commission pursuant to § 18 may be added to the net asset value or a redemption commission pursuant to § 18 may be deducted from the net asset value.

The ancillary costs for the purchase and sale of the investments (namely customary brokerage fees, commissions, taxes and duties) incurred by a sub-fund from the investment of the paid-in amount or from the sale of a portion of the investments corresponding to the terminated unit shall be charged to the assets of the corresponding sub-fund.

4. The fund management company may stop the issue of units at any time and reject applications for subscription or conversion of units.
5. In the interest of all investors, the fund management company may temporarily and exceptionally postpone the redemption of the units of a sub-fund if:
 - a) a market which forms the basis for the valuation of a substantial portion of the relevant sub-fund is closed or if trading on such market is restricted or suspended;
 - b) there is a political, economic, military, monetary or other emergency;
 - c) transactions become impracticable for the sub-fund due to restrictions on foreign exchange transactions or restrictions on other transfers of assets;
 - d) numerous units of the sub-fund are terminated and the interests of the other investors in this sub-fund may be materially affected as a result.
6. The fund management company shall immediately notify the decision on the deferral to the audit company, the supervisory authority and, in an appropriate manner, to the investors.

7. As long as the redemption of the units of a sub-fund is postponed for the reasons mentioned under no. 5 letters a to c, no issue of units of this sub-fund shall take place.

V. Remuneration and incidental costs

§ 18 *Remuneration and incidental costs at the expense of the investors*

1. When units are issued, the investor may be charged an issuing commission in favour of the fund management company, the custodian bank and/or distributors in Switzerland and abroad totalling a maximum of 2% of the net asset value. The maximum rate applicable at present can be seen in the prospectus.
2. When units are redeemed, the investor may be charged a redemption commission in favour of the fund management company, the custodian bank and/or distributors in Switzerland and abroad totalling a maximum of 1% of the net asset value. For extraordinary redemptions (i.e. redemptions not at the end of a quarter), costs of a maximum flat rate of 4% of the net asset value of the redeemed units may be charged for the benefit of the fund's assets as a result of the extraordinary redemption (e.g. for the additional redemption commissions charged by individual target funds or for capital costs). The currently applicable maximum rates can be found in the prospectus.
3. The switch (exchange) from one sub-fund to another is treated as a redemption and new issue of units; the investor may accordingly be charged the redemption and issue commission listed above.
4. For the payment of the liquidation proceeds in the event of the dissolution of a sub-fund, the custodian bank shall charge the investor a commission of 0.50% on the net asset value of the units.

§ 19 *Remuneration and incidental expenses charged to the assets of the sub-funds*

1. For the management, asset management and distribution activities in relation to the sub-funds, the fund management company shall charge the sub-funds a commission of a maximum of 1.50% of the net fund assets of the sub-funds per annum, which shall be charged pro rata temporis to the assets of the corresponding sub-fund each time the net asset value is calculated and paid out at the end of each quarter (management commission, incl. distribution commission).
The effectively applied rate of the management commission per sub-fund can be seen in the annual and semi-annual reports.
2. For the safekeeping of the assets of the sub-funds, the handling of the payment transactions of the sub-funds and the other tasks of the custodian bank listed in § 4, the custodian bank shall charge each sub-fund a commission of a maximum of 0.20% of the net fund assets of the sub-funds per annum, which shall be charged pro rata temporis to the assets of the corresponding sub-fund each time the net asset value is calculated and paid out at the end of each quarter (custodian bank commission).
The effectively applied rate of the custodian bank commission per sub-fund can be seen in the annual and semi-annual reports.
3. The fund management company and custodian bank are also entitled to reimbursement of the following expenses incurred by them in the execution of the fund contract:
 - a) Costs for the purchase and sale of investments, namely customary brokerage fees, commissions, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;
 - b) Duties of the supervisory authority for the establishment, amendment, liquidation, merger or association of the umbrella fund;
 - c) Annual fee of the supervisory authority;
 - d) Fees of the auditing company for the annual audit as well as for certificates within the scope of the formation, changes, liquidation, merger or associations of the umbrella fund;
 - e) Fees for legal and tax advisors in connection with the establishment, changes, liquidation, merger or association of the umbrella fund as well as the general representation of the interests of the umbrella fund and its investors;

- f) Costs for the publication of the net asset value of the umbrella fund or the sub-funds as well as all costs for notifications to investors, including translation costs, which are not attributable to misconduct on the part of the fund management company;
 - g) Costs for printing legal documents and annual and semi-annual reports of the umbrella fund;
 - h) Costs for any registration of the umbrella fund with a foreign supervisory authority, namely commissions charged by the foreign supervisory authority, translation costs and the compensation of the representative or paying agent abroad;
 - i) Costs related to the exercise of voting rights or creditors' rights by the umbrella fund, including fees for external advisors;
 - j) Costs and fees relating to intellectual property registered in the name of the umbrella fund or rights of use of the umbrella fund;
 - k) All costs caused by the fund management company, the asset manager of collective investment schemes or the custodian bank taking extraordinary steps to protect investors' interests.
4. The costs according to para. 3 let. a are directly added to the cost value or deducted from the sales value.
 5. In accordance with the provisions in the prospectus, the fund management company and its agents may pay retrocessions to compensate for the distribution of units of the sub-funds and rebates to reduce the fees and costs charged to the sub-funds that are attributable to the investor.
 6. The management commission of the target funds in which the assets of the sub-funds are invested may not exceed 3.0%, taking into account any retrocessions and rebates. The maximum rate of the management commissions of the target funds in which the assets of the sub-funds are invested, taking into account any retrocessions and rebates, shall be stated per sub-fund in the annual report.
 7. Remuneration and costs may only be charged to the sub-fund to which a specific service is attributable. Costs that cannot be clearly allocated to a sub-fund shall be charged to the individual sub-funds in proportion to the fund assets.

VI. Accountability and audit

§ 20 *Accountability*

1. The unit of account of the individual sub-funds are:
- *Gutzwiller TWO (USD)*: USD (US Dollar)
2. The financial year runs from January 1 to December 31.
3. Within four months after the close of the accounting year, the fund management company shall publish an audited annual report of the umbrella fund or the sub-funds.
4. Within two months of the end of the first half of the accounting year, the fund management company shall publish a semi-annual report of the umbrella fund or the sub-funds.
5. In the report section of the annual and semi-annual reports, the fund management company shall in particular provide information on the development of the individual investment strategies and investment styles as well as on the value of any investments that are difficult to value (§ 16 items 2 and 3).
6. The investor's right to information pursuant to § 5 Clause 5 remains reserved.

§ 21 *Audit*

The audit firm shall examine whether the fund management company and the custodian bank have complied with the legal and contractual provisions as well as with any rules of professional conduct of the Asset Management Association Switzerland that may be applicable to them. A brief report by the audit company on the published annual financial statements appears in the annual report.

VII. Appropriation of net income

§ 22

1. The net income of the sub-funds shall be added to the fund assets for reinvestment annually within four months of the end of the accounting year at the latest. The fund management may also decide on interim reinvestments of the income. Any taxes and duties levied on the reinvestment shall remain reserved.
2. Realised capital gains from the sale of property and rights may be distributed by the fund management company or retained for reinvestment.

VIII. Publications of the umbrella fund or the sub-funds

§ 23

1. The organ of publication of the umbrella fund or the sub-funds shall be the print or electronic medium specified in the prospectus. The change of the organ of publication must be indicated in the organ of publication.
2. In particular, summaries of material amendments to the fund contract shall be published in the organ of publication, with reference to the offices from which the text of the amendments can be obtained free of charge, the change of fund management company and/or custodian bank, the creation, cancellation or merger of unit classes and the dissolution of individual sub-funds. Amendments that are required by law, that do not affect the rights of investors or that are of an exclusively formal nature may be exempted from the publication obligation with the consent of the supervisory authority.
3. The fund management company shall publish the issue and redemption prices or the net asset value for each sub-fund with the note "excluding commissions" for each issue and redemption of units on an electronic platform recognised by the supervisory authority. The prices shall be published at least twice a month. The weeks and days of the week on which publication takes place shall be specified in the prospectus.
4. The prospectus with integrated fund contract, the basic information sheet and the respective annual and semi-annual reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

IX. Restructuring and dissolution

§ 24 *Mergers*

1. The fund management company may, with the consent of the custodian bank, merge individual sub-funds with other sub-funds or with other investment funds by transferring the assets and liabilities of the sub-fund(s) or investment fund(s) to the acquiring sub-fund or investment fund at the time of the merger. The investors of the transferring sub-fund or investment fund shall receive units in the acquiring sub-fund or investment fund in the corresponding amount. At the time of the merger, the transferring sub-fund or investment fund shall be dissolved without liquidation and the fund contract of the acquiring sub-fund or investment fund shall also apply to the transferring sub-fund or investment fund.
2. Sub-funds or investment funds may only be merged if:
 - a) the relevant fund contracts provide for this;
 - b) they are managed by the same fund management company;
 - c) the relevant fund contracts are in principle consistent with respect to the following provisions:
 - the investment policy, the investment techniques, the risk distribution and the risks associated with the investment,
 - the use of net income and capital gains from the disposal of property and rights,

- the type, amount and calculation of all remuneration, issue and redemption commissions as well as ancillary costs for the purchase and sale of investments (brokerage fees, charges, levies) which may be charged to the fund assets or the assets of the sub-fund or to the investors,
 - the redemption conditions,
 - the term of the contract and the conditions for termination;
- d) on the same day, the assets of the participating compartments or investment funds are valued, the exchange ratio is calculated and the assets and liabilities are taken over;
- e) neither the sub-funds nor the investment funds nor the investors incur any costs as a result. The provisions pursuant to § 19 item 3 b), d) and e) shall remain reserved.
3. If the unification is expected to take more than one day, the supervisory authority may grant a temporary deferral of the redemption of the units of the sub-funds or investment funds involved.
4. The fund management company shall submit the intended amendments to the fund contract and the intended merger together with the merger plan to the supervisory authority for review at least one month before the planned publication. The merger plan shall contain information on the reasons for the merger, the investment policy of the sub-funds or investment funds involved and any differences between the acquiring and the transferring sub-funds or investment funds, the calculation of the exchange ratio, any differences in remuneration, any tax consequences for the sub-funds or investment funds, as well as the opinion of the competent audit company under collective investment law.
5. The fund management company shall publish the intended amendments to the fund contract in accordance with § 23 Clause 2 as well as the intended merger and its date together with the merger plan in the publication organ of the subfunds or investment funds involved at least two months before the effective date determined by it. In doing so, it shall inform the investors that they may raise objections to the intended amendments to the fund contract with the supervisory authority within 30 days of the publication or demand the redemption of their units in cash.
6. The auditing company directly verifies the proper implementation of the association and comments on this in a report for the attention of the fund management company and the supervisory authority.
7. The fund management company shall notify the supervisory authority of the completion of the merger and shall publish the completion of the merger, the confirmation of the audit company on the proper execution and the exchange ratio without delay in the organ of publication of the sub-funds or investment funds involved.
8. The fund management company shall mention the merger in the next annual report of the receiving sub-fund or investment fund and in any semi-annual report to be prepared beforehand. An audited final report shall be prepared for the transferring sub-fund or investment fund if the merger does not fall within the scope of the ordinary annual financial statements.

§ 25 *Duration of the sub-funds and dissolution*

1. The sub-funds exist for an indefinite period.
2. The fund management company or the custodian bank may bring about the dissolution of individual sub-funds by terminating the fund contract with one month's notice.
3. The individual sub-funds may be dissolved by order of the supervisory authority, in particular if a sub-fund does not have net assets of at least CHF 5 million (or equivalent) at the latest one year after expiry of the subscription period (launch) or a longer period extended by the supervisory authority at the request of the custodian bank and the fund management company.
4. The fund management company shall immediately notify the supervisory authority of the dissolution and publish it in the organ of publication.
5. Once the fund contract has been terminated, the fund management company may liquidate the sub-funds concerned without delay. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated without delay. The payment of the liquidation proceeds to the investors shall be entrusted to the custodian bank. If the liquidation takes a longer period of time, the proceeds may be paid out in instalments. Before making the final payment, the fund management company must obtain the approval of the supervisory authority.

X. Amendment of the fund contract

§ 26

If the present fund contract is to be amended, or if there is an intention to combine unit classes or to change the fund management company or the custodian bank, investors have the opportunity to raise objections with the supervisory authority within 30 days of publication. In the publication, the fund management company shall inform investors of the fund contract amendments to which FINMA's review and determination of compliance with the law applies. In the event of an amendment to the fund contract (including the merging of unit classes), investors may also request payment of their units in cash, subject to the contractual deadline. This is subject to the cases pursuant to § 23 para. 2, which are exempt from the publication obligation with the approval of the supervisory authority.

XI. Applicable law and place of jurisdiction

§ 27

1. The umbrella fund and the individual sub-funds are subject to **Swiss law**, in particular the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), the Ordinance on Collective Investment Schemes of 22 November 2006 (CISO) and the FINMA Ordinance on Collective Investment Schemes of 27 August 2014 (CISO-FINMA).
The **place of jurisdiction** is the registered office of the fund management company.
2. The German version shall be authoritative for the interpretation of the fund contract.
3. This Fund Agreement **shall enter into** force on 31 August 2022.
4. This Fund Contract replaces the Fund Contract dated 28 April 2020.
5. When approving the fund contract, FINMA shall only examine the provisions pursuant to Art. 35a para. 1 let. a-g CISO and determine whether they comply with the law.

Basel, 29 August 2022 (date of approval of the fund contract by the supervisory authority)

The fund management company:
Custodian:

Gutzwiller Fonds Management AG
E. Gutzwiller & Cie, Banquiers

The fund management company
Gutzwiller Fonds Management AG

The custodian bank
E. Gutzwiller & Cie, Banquiers

Part II Glossary

Affidavit procedure

Provided that at least 80% of the income of Swiss investment funds originates from foreign sources, it can be distributed to foreign investors free of withholding tax.

Alternative investment strategy

In this prospectus/fund agreement, the generic term "alternative investment strategy" means the manner in which a Hedge Fund is managed. The investment strategy thus represents the methodology used in the management of a fund.

AMAS

Asset Management Association Switzerland

Investment funds

see collective investment scheme

Investment horizon

The investment horizon refers to the expected duration of the investment. A distinction is made between 'short-term' (up to two years), 'medium-term' (between two and five years) and 'long-term' (between five and ten years or longer). The investment horizon is linked to the investor's willingness to invest a certain volume of capital in an investment for a certain duration.

Investment currency

Currency in which investments are predominantly made.

Share classes

A fund or sub-fund can be issued in different types of fund units with different securities and ISIN numbers. The unit classes may differ, for example, in the fee structure or the currency of the unit.

Arbitrage

Investment strategy that allows market inefficiencies to be exploited or profited from. There are various forms of arbitrage, such as equity, bond and currency arbitrage. Returns from arbitrage are largely independent of the direction of market development; they are mainly based on price differences of the same or similar values in the various markets.

Issuing commission

Commission charged to investors on the purchase of fund units.

Valuation date

A specific day on which the assets of an investment fund are calculated. For GUTZWILLER TWO, this is the last bank working day of a month.

Credit rating

Reputation of a debtor or a partner with regard to its solvency.

Credit risk

Possibility of the occurrence of insolvency of a debtor or partner.

Broker

Securities dealer who carries out stock exchange transactions on behalf of and for the account of investment funds.

Cash

Cash and cash equivalents, i.e. bank balances at sight and term of up to twelve months.

Closed-end funds

Collective investment schemes for which investors are not entitled to the redemption of their units at the net asset value at the expense of the collective assets.

Commodity Trading Adviser (CTA)

CTAs trade options, futures and other derivative instruments in various commodity, currency and financial markets.

Convertible Arbitrage

Investments in convertible bonds, taking advantage of the price difference compared to the shares into which they can be converted (convertible arbitrage).

Custodian

see custodian bank

Custodian bank

Pursuant to the CISA, the custodian bank is responsible for the safekeeping of the fund assets. It may delegate this task to third parties. The custodian bank of GUTZWILLER TWO is E. Gutzwiller & Cie, Banquiers, Basel.

Derivatives (derivative financial instruments)

Financial instruments derived from underlying assets or reference rates, such as options, futures, interest rate and foreign exchange swaps and forward exchange contracts.

Distressed Securities

Securities of companies that are subject to reorganisation/restructuring or bankruptcy proceedings. Distressed securities are a component of the "event-driven" investment strategy.

Diversification

Diversification means spreading an investment across different currencies, countries, investment media and securities, etc.

Double taxation agreement

Double taxation agreements are treaties that Switzerland concludes with other countries in order to mitigate or avoid possible double taxation. Double taxation occurs when the same taxpayer is taxed by two different countries for the same tax object or the same tax transaction. A DTA may result in a withholding tax

deducted in Switzerland being partially or fully credited to the investor by the foreign state (tax domicile of the investor) on the occasion of his tax declaration.

Due Diligence

Detailed review, selection and monitoring process for the identification, selection and monitoring of securities, in this case the target funds of GUTZWILLER TWO.

Emerging Markets

Emerging markets are markets that are still in an early stage of development, which can typically be associated with high price volatility and temporary liquidity bottlenecks. In addition, the countries of these emerging markets may be subject to increased political or economic risk.

Event-Driven

The term "event-driven" encompasses various alternative investment styles that seek to profit from the occurrence of a specific event: Investing in companies subject to reorganisation/restructuring (special situations); investing in companies subject to bankruptcy proceedings (distressed securities); investing in companies that are the target of a takeover, merger, leveraged or management buy-out (merger arbitrage); investing in undervalued and/or poorly managed companies in need of a catalytic change (proactive investing); investing in convertible bonds, taking advantage of the price differential with the shares into which they can be converted (convertible arbitrage).

Exposure

Exposure corresponds to the commitment entered into by holding a security position. In the case of derivatives, it includes not only the respective contract value but also any associated leverage.

Fair Value

The most reliable evaluation of an investment based on what could probably be expected from a conservative sale under normal business conditions.

FINMA

Federal Financial Market Supervisory Authority; as the independent supervisory authority for the Swiss financial market, FINMA has sovereign powers over banks, insurance companies, stock exchanges, financial institutions, collective investment schemes, their asset managers and fund management companies, and insurance intermediaries. FINMA is committed to protecting creditors, investors and insurers and to safeguarding the functioning of the financial markets.

Cash and cash equivalents

See Cash

Fund

Open-ended collective investment scheme in the form of a contractual investment fund (as opposed to

the form of the investment company with variable capital, SICAV).

Fund management company

The fund management company manages the investment fund independently and in its own name for the account of the investors. In particular, it decides on the issue of units, the investments and the amount of liquid assets. It calculates the net asset value and sets the issue and redemption prices as well as profit distributions. The fund management company shall assert all rights pertaining to the investment fund. The fund management company may delegate investment decisions as well as other sub-tasks, provided this is in the interest of proper management. It shall be liable for the actions of the delegates as for its own actions.

Fund Manager

Portfolio manager of a target fund.

Fund of Funds

Fund that invests more than 49% in other investment funds.

Future

Standardised, exchange-traded futures contract; the future represents a derivative.

Global Macro

In the Global Macro investment strategy, investment decisions are based on macroeconomic analyses and expectations regarding the development of interest rates, currencies and stock markets, etc. Investments are made worldwide in various markets, using all types of investment techniques and instruments.

Leverage

see leverage

Hedge Fund

Unlike traditional funds, hedge funds do not invest their assets according to asset classes, but according to alternative investment strategies such as arbitrage, commodity trading, event-driven, sector, emerging markets, global macro and opportunistic. In doing so, they usually use derivatives. In addition, hedge funds are often characterised by leverage with regard to their investments.

Index

In the field of asset management, an index represents a benchmark against which the performance of a portfolio is measured (yardstick). In active portfolio management, portfolio managers strive to outperform the relevant index with the performance of their portfolio.

ISIN

International Securities Identification Number. The first two letters correspond to the respective country code. The first two letters correspond to the respective country code.

KAG

Collective Investment Schemes Act, Federal Act on Collective Investment Schemes of 23 June 2006.

Collective investment contract

The collective investment contract constitutes the legal basis for the investment fund business in Switzerland and is concluded between the fund management company, the custodian bank and the investor. It forms the legal basis for the management of the investment fund by the fund management company on the one hand and for the investor's participation in the assets of the investment fund on the other. The collective investment contract is embodied in the fund contract.

KKV

Collective Investment Schemes Ordinance, Ordinance on Collective Investment Schemes of 22 November 2006.

CISO-FINMA

FINMA Collective Investment Schemes Ordinance, FINMA Ordinance on Collective Investment Schemes of 27 August 2014.

Catalytic change

In the context of undervalued or poorly managed companies, a mostly external event (new management, strategic paradigm shift, etc.) that acts as a catalyst and thus initiates a change for the better.

Collective investment scheme

Assets raised by investors for collective investment and managed for their account. Collective investment schemes are open-ended or closed-ended.

Correlation

Statistical key figure for measuring the dependence of the performance of a specific investment instrument on that of other investment instruments or the market.

Short sale

see Short Position

Leverage

Leverage with respect to fund investments achieved through borrowing and/or derivatives.

Long Position

The long position represents a purchase of securities without simultaneous sale of identical securities or hedging with derivatives.

Macro

see Global Macro

Managed accounts

Granting an individual mandate for asset management to a third party manager, i.e. outside of a target fund.

Management buy-out

Company takeover by the existing management.

Net asset value

The net asset value represents the total of all the Fund's assets less all its liabilities at market values.

Net Asset Value (NAV)

see net asset value

Non-traditional funds

see hedge fund

Open-end funds

Collective investment schemes in which the investors are entitled to the redemption of their units at the net asset value at the expense of the collective assets.

Opportunistic

In the Opportunistic investment strategy, shares are acquired in companies where long-term capital gains can be expected on the basis of fundamental data. Often referred to as stock picking. As a rule, long positions are taken.

Option

The right to buy (call) or sell (put) a fixed number of an underlying asset within a certain time at a price fixed in advance; an option is a derivative.

Price volatility

see volatility

Proactive Investing

An investment strategy that invests in undervalued or poorly managed companies.

Pro forma performance

The calculation of a (historical and hypothetical) performance based on model calculations.

Unit of account

Currency in which the inventory value is calculated and accounted for.

Reference currency

Currency of the investor in which the investor thinks and lives.

Risk

In portfolio theory, risk is usually defined as the standard deviation of performance values. The standard deviation is a statistical measure of the dispersion around the mean value of the performance values over the observation period. The portfolio theory according to Markowitz assumes that a higher return can only be bought with a greater risk. Simplified, risk can be described as the danger of the occurrence of a loss or loss of assets. Possible types of risk can be: country risk, transfer risk, settlement risk, price risk, interest rate risk and del credere risk.

Risk capacity

Risk capacity measures how big risks someone can take based on their financial situation.

Redemption Commission

Commission charged by the fund company to investors on the redemption of units.

Sector

Investment strategy in which investments are concentrated on industries or sectors that show disproportionate growth potential in the medium to long term. As a rule, long positions are taken.

Short position

A short position is created by selling securities, derivatives, currencies, etc. that the seller does not own at the time of the sale (short sale).

Standard deviation

Statistical key figure for measuring the risk of an investment, whereby the standard deviation expresses the price fluctuation of the investment. In principle, the higher the standard deviation of the investment, the greater its risk.

Stock picking

Targeted selection of securities according to clearly defined criteria, usually fundamental company data.

Accumulation

Ongoing reinvestment of the income generated in the same fund.

Sub-fund

See Umbrella Fund.

Swaps

Exchange of future cash flows between two parties, where the cash flows are based on interest rates and currencies (interest rate and currency swaps), among other things. Swaps are derivative financial instruments.

Traditional

The investment strategy "Traditional" is understood to mean investments in traditional securities and other equity and debt securities or rights.

Trust

A structure of Anglo-Saxon law that provides ownership of certain assets while the transferor continues to enjoy the benefits of ownership (trust assets). A trust is usually used to pool the assets of several people and have them held in trust.

Umbrella funds

A structure consisting of one or more sub-funds (segments, sub-funds). Each sub-fund represents a separate open-ended collective investment scheme and has its own net asset value. In the case of investment funds with subfunds, investors are only entitled to the subfund in which they hold an interest. Each sub-fund is only liable for its own liabilities. The subfunds are governed by the same fund prospectus and contract. Sub-funds may pursue different investment strategies.

Security number

Identification number of securities used in Switzerland to facilitate their trading and transfer. At international level, ISIN number.

Withholding tax

Withholding tax of 35% levied by the Confederation on domestic investment income, which is charged, among other things, on income distributions and income retention by Swiss investment funds. Depending on the origin of the income and the domicile of the investor, the deductions can be reclaimed in full or in part.

Distributor

Legal entities or natural persons who offer or distribute unit certificates of funds on a commercial basis.

Volatility

Price fluctuation of securities, currencies, etc. As a rule, volatility refers to the market and is expressed as a standard deviation.

Exchange rate risk

Risk of exchange rate fluctuations between the accounting currency and the investor's reference currency.

Target funds

Investment funds (mainly hedge funds or non-traditional funds) acquired by GUTZWILLER TWO.