

# GUTZWILLER TWO

## EVENT DRIVEN FUND OF HEDGE FUNDS

Monthly Report April 2012

### Key Data

Net Asset Value <sup>(1)</sup>  
USD 139.70  
CHF 104.60

AuM  
USD 58.60 Mio

Fund domicile  
Switzerland

Umbrella Structure  
with Sub-Funds in  
USD / CHF

Track Record  
10 years

Benchmarks <sup>(2)</sup>  
US Treasury Notes and  
Bonds 0-1 Year  
S&P 500 Index

Management fee  
1.50%

Portfolio Managers  
Stéphane Gutzwiller  
François Gutzwiller

Subscription  
Quarterly / Monthly <sup>(3)</sup>

Redemption <sup>(4)</sup>  
Quarterly, no fee  
Monthly, 4% fee

First minimum  
investment  
USD 10'000  
CHF 10'000

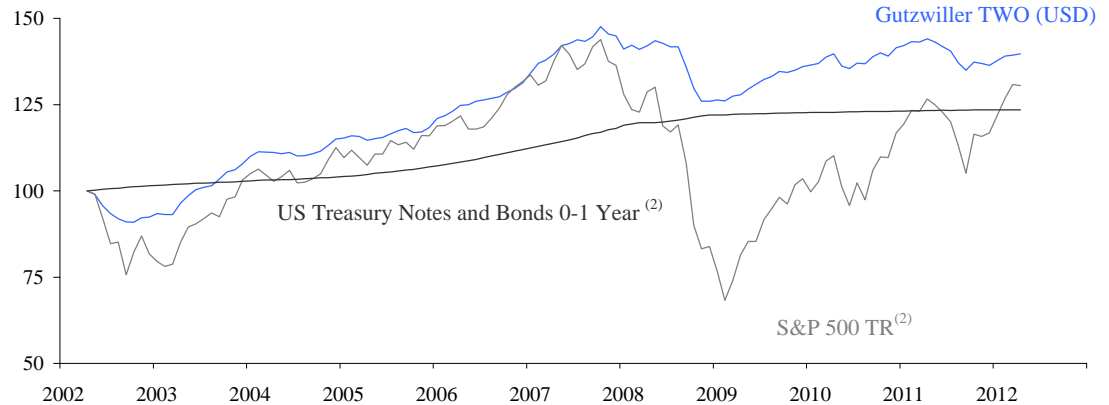
Accumulation

ISIN  
(USD) CH0013139156  
(CHF) CH0021818379

Bloomberg  
GUTZTWO SW

Audit  
Ernst & Young AG,  
Basel

### Track Record



### Average Annual Returns (%)

	Since Inception		Rolling p.a.		
	Total	p.a.	3Y	5Y	10Y
Gutzwiller TWO USD	41.5	3.5	3.4	0.3	3.5
Class CHF	-	-	2.5	-1.1	-
S&P500	30.5	2.7	17.0	-1.1	2.7
US Treas N&B 0-1 Year	23.5	2.1	0.3	1.6	2.1

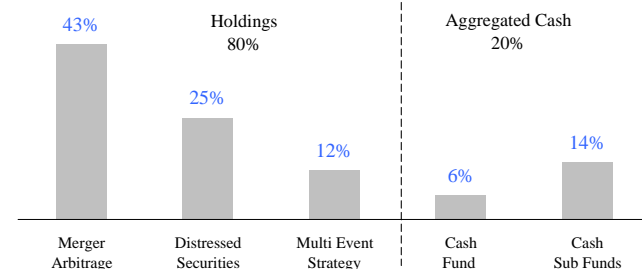
### Calendar Returns (%)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	MTD
Gutzwiller TWO USD	-7.6	16.8	6.6	3.3	11.0	10.3	-13.0	7.9	4.6	-2.9	2.5	0.3
Class CHF	-	-	-	-	6.5	6.5	-14.4	7.0	3.8	-3.9	2.1	0.2
S&P500	-18.3	26.4	9.0	3.0	13.6	3.5	-38.5	23.4	12.8	0.0	11.8	-0.2
US Treas N&B 0-1 Year	1.5	1.3	1.2	2.8	4.7	5.4	3.3	0.5	0.4	0.3	0.0	0.0

### Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
USD													
2012	1.17	0.87	0.14	0.29	-	-	-	-	-	-	-	-	2.5
2011	0.79	0.77	-0.07	0.77	-0.62	-1.12	-0.85	-2.35	-1.53	1.78	-0.36	-0.03	-2.9
2010	0.72	0.44	1.31	0.58	-2.44	-0.59	1.18	-0.15	1.54	0.79	-0.64	1.73	4.6
2009	0.24	-0.16	1.11	0.24	1.33	1.08	1.07	0.60	1.13	-0.22	0.60	0.67	7.9
2008	-2.62	0.78	-0.84	0.71	1.06	-0.49	-0.77	0.00	-4.09	-4.56	-2.85	0.00	-13.0
2007	2.05	2.09	0.73	1.23	1.79	0.42	0.77	-0.35	0.91	2.07	-1.42	-0.41	10.3
2006	2.20	0.66	1.07	1.38	0.16	0.80	0.24	0.40	0.39	1.02	0.86	1.31	11.0
2005	0.26	0.61	-0.17	-0.95	0.35	0.35	0.87	0.77	0.60	-1.02	0.17	1.11	3.3
CHF													
2012	1.07	0.77	0.10	0.19	-	-	-	-	-	-	-	-	2.1
2011	0.70	0.74	-0.18	0.74	-0.64	-1.20	-0.84	-2.45	-1.93	1.77	-0.39	-0.10	-3.9
2010	0.61	0.38	1.24	0.57	-2.54	-0.48	1.07	-0.19	1.44	0.76	-0.75	1.70	3.8
2009	0.21	-0.21	0.93	0.20	1.22	1.01	1.00	0.49	1.08	-0.29	0.49	0.68	7
2008	-2.73	0.82	-0.99	0.64	0.99	-0.63	-0.81	-0.18	-4.27	-4.93	-3.29	0.21	-14.4
2007	1.78	1.75	0.36	0.90	1.52	0.18	0.44	-0.61	0.62	1.84	-1.81	-0.61	6.5
2006	2.00	0.39	0.68	0.97	-0.19	0.38	-0.10	0.00	0.10	0.67	0.38	1.04	6.5

### Allocation (%)



### Statistics 3/5 years

	3 Years	5 Years
Volatility	3.6	4.7
Sharpe(5)	0.68	-0.37
Correlation SP500	86.2	77.4
Profitable Months %	63.9	58.3
Average Monthly Gain USD	1.27	1.23
Average Monthly Loss USD	1.20	1.66
Worst Drawdown (2008)	11.10%	

Notes: 1) Current month-end NAV is estimated. 2) Because Gutzwiller TWO is an event-driven Fund of Hedge Funds, there is no relevant benchmark available. We compare it to "S&P 500 Index"; "US Treasury Notes and Bonds 0-1 Year". 3) Subscriptions quarterly; monthly upon request, 10 days in advance. 4) 5 weeks in advance. 5) Risk-free rate = average Libor USD 12 months. 6) Prior month, estimated. Past performance is no guarantee for future trends. Return figures are net. The performance shown does not take account of any commission and costs charged when subscribing and redeeming units. The value may also fluctuate due to currency exchange rates.

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### Fund Features

Uncorrelated with market trend but with events realisation  
Event driven technique is fairly conservative  
Consistent, positive and absolute return  
Low leverage  
Events can be quantified  
25 Years Arbitrage Experience

### Management Focus

Managers who transcend their investment techniques  
Experienced sub fund managers  
Long experience with a long track record  
Proven ability to survive in adverse market conditions  
Looking for the best in each category  
Taking into consideration various factors including

- ⇒ Strategy
- ⇒ Type
- ⇒ Philosophy
- ⇒ Approach

### Portfolio Manager Report

As of April 30<sup>th</sup> 2012, Gutzwiller TWO is up 0.3% month to date and 2.5% year to date (estimated performance).

Positive performance despite a volatile market environment. All our Multi-Strategy performed honourably this month while Twin Offshore (David Simon) had a superb performance.

Please find below a short description of our sub-funds:

**Halcyon:** Clear thoughts are expressed clearly. It is amazing to see how the performance of Halcyon has been improving while John Bader ability to explain his portfolio have become more articulated. Initially we had been attracted to Halcyon organization and conservativeness. We liked the concept of Senior Partners monitoring the Portfolio Manager, but found the performance dull. Today it fulfils our 3 criteria (POP): People, Organisation. Performance.

**Havens:** I like the enthusiasm and professionalism of the team that Nancy Havens has assembled around her. They love to talk about the portfolio and will go into every details to share their enthusiasm. I am impressed that Nancy Havens, who has been involved in Event-Driven investment for more than 40 years, has kept her drive and ability to perform.

**KS International:** Our third best performer over the years. Like most boutique, they concentrate on the traditional side of Distressed investing: short term maturity, cash recovery deals, liquidation. Their approach is conservative with a focus on senior debt of hard assets companies. I have known the fund since its inception and am impressed by their ability to stick to their investment philosophy over the years.

**Paulson:** Organisation has grown tremendously following their sub-prime prowess. They have done a good job assimilating the growth of assets from USD 300 Millions to USD 30 Billions and the increase in staff from 10 to 110 in the last 7 years. The organisation is largely dependant on John Paulson ability to find the next big trade. It qualifies more as an outgrown boutique than as an organisation. As a result of his new notoriety, we received a detailed monthly quantitative risk report but not many details on the composition of the portfolio. We are, however impressed by his capacity to think out-of-the box.

**Twin:** Our second best performer after Paulson over the years. Deutsche Bank has given them a USD 60 Millions managed account. Original thinker, who concentrates on trade with optionality and favourable risk-reward within the Event-Driven Spectrum. I am impressed by the transparency of their reporting. I use my semi-annual visit to check on the latest firm development since investment are justified on a monthly basis.

Legal Disclaimer: Gutzwiller TWO, as a fund of funds, invests in various, usually foreign investment funds of various legal structures (hereinafter called target funds) which pursue alternative investment strategies or make alternative investments and use alternative investment techniques (in general known as hedge funds or as non-traditional funds). The risks of these target funds are not comparable to the risks of securities funds. Most of the target funds are subject to the law of countries, where neither the legal framework nor the regulatory supervision are comparable to Swiss standards. For this reason, Gutzwiller TWO belongs to the category "Other funds with special risks". The attention of investors in Gutzwiller TWO is therefore explicitly drawn to the risks mentioned in the prospectus, and investors must accept these risks. In particular, investors need to be prepared and in a financial position to accept any – even substantial – price losses. The fund management of Gutzwiller TWO, however, makes every effort to minimize risks as much as possible by utilizing a broad diversification in the pursued investment strategy, by carefully selecting the underlying target funds and by closely monitoring these funds. Nevertheless, in exceptional circumstances one or more of the underlying hedge funds may suffer a total loss. Past performance is no guarantee for future trends. Return figures are net. The performance shown does not take account of any commission and costs charged when subscribing and redeeming units. The value may also fluctuate due to currency exchange rates.