

Gottex Fund Management Sarl

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This Brochure provides information about the qualifications and business practices of Gottex Fund Management Sarl (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Wade Boylan, Chief Compliance Officer, at (617) 532-0205 or [wade.boyland@gottexfunds.com](mailto:wade.boyland@gottexfunds.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Gottex Fund Management Sarl also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the SEC published amendments to the disclosure document that we are required to provide to clients and prospective clients. Since the Advisor's last filing dated September 23, 2011 there have been not material changes made to Form ADV Part 2a.

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## **Item 4 – Advisory Business**

The Adviser was founded in October of 1992 in Lausanne, Switzerland. Early on, Gottex established a hedge fund whose underlying strategy was to generate absolute returns by taking macro views on interest rate differentials across major European currencies. Gottex subsequently developed a fund of hedge funds (“FoHF”) business, offering products that would appeal to investors with professionally managed portfolios. From the outset, Gottex focused on “market neutral” strategies, whose goal was to create a product that aimed to maximize risk-adjusted returns. Gottex’s first fund of funds, the Gottex Market Neutral Fund (the “MN Fund”) was launched in June 1999. In 2003, Gottex opened its Boston research office and expanded its New York operation. Today, the majority of the firm’s Investment Team operates from our North American offices. Gottex began managing separately managed accounts in 2005 and has continued to operate a number of managed accounts since that time. The MN Fund’s success led the firm to launch numerous other offerings. As of December 31, 2011 Gottex employs professionals located in Boston, New York, London, Zurich, Lausanne and Hong Kong.

The Adviser’s only principal owner is JGA Associates, Ltd. (Employer ID Number is EC19748)

The Adviser is a provider of alternative investment solutions and advisory services to sophisticated institutional and individual investors. The Adviser seeks to provide investment management services on a discretionary basis to managed accounts, funds of hedge funds and direct real asset investing funds.

In addition to the Adviser’s FoHF commingled portfolios, the Adviser also offers large institutional accounts (currently defined as those willing to invest USD 50 million or more) the opportunity to develop fully customized hedge fund portfolios according to their unique risk/return objectives. Investors’ using the Adviser’s managed account solutions are therefore able to be intimately involved in the asset allocation process. Many of these managed accounts replicate an existing commingled fund that the Adviser operates. In some cases, the client has customized the mandate through explicit restrictions in their investment guidelines, which has led to deviations from the Adviser’s lead account. Generally speaking the investors’ customization of managed accounts traditionally revolves around liquidity and strategy objectives. In some cases, our investors have explicitly stated that they want the underlying portfolio to have a different liquidity profile than the Adviser’s lead fund. The Adviser’s portfolio construction tools enable the Adviser to quantitatively maximize expected returns subject to the risk constraints.

As of December 31, 2011 the Adviser manages USD \$5,209,541,993 in client assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

Set forth below is a description of how the Adviser is compensated for advisory services. In some circumstances fees are negotiable and depend on variables. The Adviser does not require the prepayment of any advisory fees by its clients, and all fees are prorated in the event of termination of an investment advisory contract.

### **Fund of Hedge Funds and Managed Accounts:**

For funds of hedge funds and managed accounts, the basic fees charged by the Adviser range from a monthly management fee of between 0.0625% (0.75% per annum) to 0.125% (1.5% per annum) depending on the type of account or fund. This fee is calculated based on the net asset value (before incentive fees) of assets invested by the

account or funds at the start of each month. In addition, the Adviser may receive an incentive fee of up to 15% of any net new gains in the net asset value of such fund of hedge funds or managed accounts.

With respect to the Gottex/Constellar funds of hedge funds the basic fees charged by the Adviser range from a quarterly management fee of between 0.25% (1.00% per annum) to 0.375% (1.5% per annum) depending on the class. This fee is calculated based on the net asset value (before incentive fees) of assets invested by the Funds at the start of each quarter.

The Adviser, in its absolute discretion, may waive or reduce its advisory fee attributable to its own investment in the fund and the advisory fee attributable to investments made by its affiliates and others. Any waiver or reduction of the advisory fee with respect to the fund generally will be by way of a rebate from the Adviser to the relevant investor. In addition, affiliates and employees of the Adviser may invest directly or indirectly in share classes of the fund that do not pay an advisory fee.

In addition to the fees and expenses referred to above, each Gottex Fund (fund of hedge funds and managed accounts) is liable to pay its pro-rata share of certain operating expenses including (but not limited to) brokerage commissions, dealer spreads, transfer fees and taxes and other transaction costs, custody, administration, legal, auditing, registration, licensing (including certain research databases and software and certain administrative software), governmental filing fees and printing, costs of hedge fund manager background checks, lender verification agent and registrar fees, security agent fees and mailing costs for investor reports. Each Gottex Fund is also liable for the fees and expenses of the underlying portfolio funds in which each Gottex Fund invests in. Please refer to the relevant Offering Document for further details.

**Please refer to Exhibit 1 for a detailed management and incentive fee schedule**

#### **Direct Real Asset Investing:**

The Adviser may receive an incentive fee equal to 20% of any net new gains in the asset value of the fund directly investing in real assets (the “RA Fund”).

The Adviser seeks to provide investment management services on a discretionary basis to the RA Fund. The RA Fund is generally intended to be an investment vehicle for sophisticated institutional and individual investors. A full description of the investment approach, management and other services, fees, investor suitability standards, rights and other information about the RA Fund is provided to investors via the RA Fund’s Offering Document.

The basic management fee charged by the Adviser for management of the RA Fund is 2% per annum of capital contribution of limited partners.

Please see Item 12 for more information regarding the Adviser’s brokerage practices.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

The Adviser may receive an incentive fee of up to 15% of any net new gains in the net asset value of managed accounts and funds of hedge funds. Performance based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Certain fund of hedge funds and managed accounts managed by the Adviser do not pay an incentive fee or pay a lower incentive fee than other accounts and funds. Managing both types of accounts and funds that pay different incentive fees at the same time may create an incentive to favor the accounts and funds that pay the incentive fees or higher incentive fees than other accounts or funds. The Adviser has procedures designed

and implemented in an effort to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities and allocations among clients.

The Adviser may not confer a benefit on one client to the disadvantage of another client. In keeping with this principle, the Adviser's employees must take care that their actions do not benefit one Fund to the detriment of another. Differences in clients' investment objectives and liquidity terms justify giving advice and taking action in the performance of the Adviser's duties to certain clients which differs from the advice given, or the timing and nature of action taken, with respect to other clients.

## **Item 7 – Types of Clients**

The Adviser generally provides investment management services to managed accounts, funds of hedge funds and real asset investing. The Adviser offers advice on investments in alternative investment funds through its role as investment manager to funds of hedge funds that invest in alternative investment funds. The Adviser requires its investors to be qualified purchasers and generally requires a minimum of US \$100,000 to become an investor in the funds of hedge funds, subject to exceptions at the discretion of the Adviser. The Adviser requires its investors to be qualified purchasers and generally requires a minimum of US \$10,000,000 to become an investor in the direct real asset investing, subject to exceptions at the discretion of the Adviser. The Adviser requires generally requires a minimum of US \$50,000,000 to open a managed account, subject to exceptions at the discretion of the Adviser. Clients who open a managed account are required to be qualified purchasers.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

The Adviser generally seeks to achieve strong, risk-adjusted returns through the investment management services it provides to its clients. The Adviser maintains an extensive database of alternative investment funds (i.e., hedge funds), that has been developed through the Adviser's research of publicly available information as well as from purchasing data from third party data suppliers.

The Adviser has developed proprietary models that scan this database to identify attractive alternative investment funds that pass quantitative and other tests. Alternative investment funds that pass this analysis are subjected to extensive onsite due diligence with senior investment management and risk management professionals of the Adviser.

The Adviser employs a formal and structured process for making investment decisions. All investment decisions are made by the Adviser's Asset Allocation Committee (the "Asset Allocation Committee"). The Asset Allocation Committee consists of senior officers of the Adviser. The MN Research Committee and the AB Research Committee of the Adviser (referred to together as the "Research Committee") includes senior investment professionals of the Adviser. The Research Committee formally approves hedge funds for investment, and it formally approves strategy allocations.

All the investment activities are managed by portfolio managers. The portfolio managers are senior investment professionals of the Adviser and are members of the Research Committee. The portfolio managers are ultimately responsible for portfolio allocations and performance. The other members of the Research Committee participate in manager due diligence, manager approval and strategy allocation discussions, and providing additional insights and advice to the Adviser's portfolio managers.

The Adviser employs a team of analysts that provide critical support to the investment process. They participate in the hedge fund due diligence process, they work with the portfolio managers to identify attractive hedge fund prospects within their assigned strategy and geography, and they provide quantitative support to the portfolio management process. Each approved hedge fund is assigned to an individual analyst.

The Adviser's approach to investment decisions includes both "top down" and "bottom up" elements. The Research Committee reviews financial market conditions and a wide spectrum of market data in order to construct a top-down assessment of the market environment. The top down view of individual strategies represents the outlook for the subsequent six to 12 months. The Adviser does not attempt to actively time strategies, i.e., the Adviser does not make material changes to strategy allocations each month. Rather, the Adviser seeks to allocate capital to those strategies that it expects will perform the best over an intermediate horizon. This reflects the realities of hedge fund liquidity and the Adviser's belief that the precise timing of short term movements in asset prices is extremely difficult to predict. Significant dynamic strategy allocation thus occurs over several months rather than one month.

Strategy allocations are driven by the portfolio managers. Those decisions take the broad outlook for the market and for individual strategies as developed by the Research Committee, and then translate it into specific strategy allocation targets that reflect the risk and return objectives and the investment guidelines for the client. In determining the specific strategy targets, the portfolio managers also consider the risk factor exposures of the individual approved hedge funds within that strategy category. Within a strategy (such as, for example, convertible arbitrage), individual hedge funds may have different investment strategies that enable them to generate returns by taking different kinds of risks. Consequently, the returns of different hedge funds within a strategy are not perfectly correlated. The portfolio managers dedicate considerable time and effort to identifying the risk exposures of each approved fund within the strategy, in order to assess how they are likely to perform in the coming months and how much diversification can be achieved within the strategy.

The Adviser's investment team sources and evaluates all potential new hedge funds. No external advisors are used. The Adviser generates candidates for investment using both quantitative and qualitative processes. The Adviser has an extensive database of hedge funds that is compiled by merging together four different external hedge fund databases, and then supplementing that base of information with additional information collected from other hedge funds that do not report to those four databases. The Adviser has developed a series of screening tools on top of this database that allow it to identify and rank hedge funds using a variety of quantitative and qualitative information. The qualitative information can include items such as the strategy employed, the geographic focus of the fund, and the length of the track record. The quantitative information includes screens based on various risk and return metrics, and correlations and betas to various asset class indices. Once hedge funds are identified through these screens, peer groups can be created and the funds within the peer group can be ranked based on a variety of risk and return metrics.

For hedge funds that have been identified as high priority prospects, a member of the Research Committee typically will conduct an initial on site due diligence visit. The goal of the initial due diligence meeting is to develop a clear understanding of the hedge fund's strategy and the investment process used, and to assess the quality of the investment team and the investment process. A key focus of the due diligence effort is to assess the likelihood that the hedge fund can generate sufficient alpha, and to assess whether that alpha is sustainable through time. A second key area of focus is on the appropriateness and sophistication of the risk management procedures employed. Generally, at least three meetings take place with members of the Research Committee before an investment approval will be sought for a manager.

The final step in the due diligence process is an operational due diligence review by the Adviser's dedicated operational due diligence team. This review focuses exclusively on operational risk. It includes an assessment of the quality of the operational procedures, internal controls, compliance, systems, and third party service providers. The

Adviser may hire independent legal advisors to help review legal documentation used by the hedge fund. The Adviser may cause hedge funds to change procedures and institute better internal controls as a pre-condition for an investment by the Fund.

As part of its overall mandate, the Research Committee is responsible for reviewing risk management information. This information is utilized in making decisions regarding investments in individual funds and in decisions about the strategy allocation for a particular client. To strengthen the Adviser's risk management capabilities and ensure adequate independence of the risk oversight function, the Adviser has established an independent risk management team, chaired by its Head of Risk Management. This team produces and reviews risk reports it has designed to measure key risk exposures, and presents its findings at a monthly risk management meeting. The Head of Risk Management is a member of the Research and Asset Allocation Committees so that risk issues are incorporated into portfolio decisions. This unit has been established to complement the fund selection and asset allocation functions of the Adviser.

The alternative investment funds in which the Adviser invest pursue a broad range of alternative investment strategies, which may include trading, short-, medium- and long-term purchases and short sales of various securities including listed and unlisted equities, convertible bonds, mortgage backed securities, government and corporate bonds, distressed securities, exchange-traded futures and OTC interest rate derivatives.

The Adviser employs the following types of investment strategies:

#### **Market Neutral Strategies**

The Adviser's Market Neutral strategies aim to generate consistent returns over the medium term with low correlation to major stock and fixed income market indices. Each invested hedge fund must be independently market neutral, i.e. hedge funds that substantially hedge out any direct first order exposure to major stock and bond markets. The managers of these market neutral funds primarily pursue market neutral implementations of strategies that fall within the Relative Value, Event Driven, and Hedged Equity styles. Such returns are expected to be associated with a low degree of risk.

#### **Directional Bias Strategies**

The Adviser currently manages several strategies with market directional bias which aims to generate high absolute returns to investors over a full market cycle that are comparable to the returns of broad equity market benchmarks, but with lower volatility. This strategy category also includes a "best-of-breed" Multi-Strategy fund and two Asian focused strategy funds.

#### **Portable Alpha Strategies**

The Adviser's focus on Portable Alpha strategy is to generate a return equivalent to the combined return on an investment in the Alpha Source and the Beta Index, after fees and expenses. This strategy is designed to provide 'beta' exposure to one or more selected market indexes or blended benchmarks and 'alpha' exposure to one or more specified funds of hedge funds or other vehicles managed by the Adviser or an affiliate of the Adviser. The Adviser also manages customized strategies. These strategies are customized to work with smaller individual strategies and objectives.

## **Multi-Asset Strategies**

The Adviser manages a multi-asset, multi-strategy, endowment style investment program invested across a range of alternative and traditional assets. This program offers pension funds, endowments, foundations, private banks, high net worth individuals and family offices a well diversified asset allocation strategy. The program invests directly or indirectly in multiple asset categories, including, without limitation, domestic and international equity, traditional and enhanced fixed income, hedge funds, private equity, real estate and commodities.

## **Direct Real Asset Investing**

The Adviser generally seeks to generate superior risk-adjusted returns for investors that are uncorrelated to broader market indices in the form of capital appreciation and cash flow during the term of the investment. The Adviser intends to pursue this objective by investing in a diversified portfolio of high cash flow, high recovery assets through direct investment in special purpose vehicles owning hard assets (such as commodities, equipment, infrastructure, real estate, transportation, and energy), contractual assets, and other tangible and intangible assets.

## **Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. The Adviser's investment strategies entail substantial risks and there can be no assurance that the investment objectives will be achieved. Material risks include:

- Non U.S. Investments- Some underlying funds invest in securities, commodities and other financial instruments of non U.S. corporations and governments which may be subject to political and economic instability;
- Liquidity- Some investments may lack liquidity due to underlying funds having the right to suspend payment of withdrawals under certain circumstances as well as underlying funds being subject to lock-ups, gates and redemption fees;
- Leverage- Some underlying funds may employ leverage which may increase the risk of loss;
- Currency- Some investments may be made in currencies other than U.S. dollars. This may cause the Adviser to hedge the fund's exposure to currency fluctuations between the U.S. dollar and other currencies which may increase the risk of loss;
- Short Sales- Some underlying investments may sell securities short. Selling securities short risks losing an amount greater than the proceeds received.
- Counterparty Creditworthiness- Some underlying investments may not be required to evaluate the creditworthiness of a counterparty, which could increase the risk of loss if the counterparty defaults;
- Systematic Risk- World events and/or the activities of one or more large participants in the financial markets and/or other events or activities could result in temporary systematic breakdown in the normal operation of financial markets; and
- General Economic Conditions- General economic conditions may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets which could lead to unexpected volatility or illiquidity.

Other investment techniques that the underlying investments may employ from time to time can, in certain circumstances, maximize the adverse impact of adverse market conditions or events to which the clients may be subject. In addition to the risks associated with the Adviser's investment strategies and techniques, clients' investments are subject to other risks including but not limited to regulatory risks and company risks. Investors in the fund of hedge funds, managed accounts and direct real asset investing funds that are advised by the Adviser should refer to the applicable fund's Offering Document for additional risks. Clients may request a copy of these Offering Documents by contacting the Adviser's Client Service Department at +41 21 612 0026 or at [investor.relations@gottexfunds.com](mailto:investor.relations@gottexfunds.com).

## **Item 9 – Disciplinary Information**

Registered investments advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management. The Adviser has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

The Adviser is currently registered with the United States National Futures Association (the "NFA") as a Commodity Trading Advisor (CTA) and also as a Commodity Pool Operator (CPO).

## **Item 11 – Code of Ethics**

The Adviser acts as an investment manager to various funds of hedge funds and direct real asset investing. The Adviser and its related persons have invested their personal funds in these funds. The Adviser may give advice and take action in the performance of its duties to clients which differs from the advice given, or the timing and nature of action taken, with respect to the accounts of its affiliates and/or the accounts of other clients.

On any issues involving actual conflicts of interest, the Adviser will be guided by its good faith judgment as to a client's best interests. Subject to the applicable investment management agreement and other governing documents, the Adviser may take such actions as it may deem necessary or appropriate to ameliorate the conflict.

The Adviser has adopted a code of ethics (the "Code"). Each employee of the Adviser must follow and abide by the letter and spirit of the Code. The Adviser maintains a Global Compliance Committee to oversee compliance with the Adviser's Code. Members of the Global Compliance Committee are the Adviser's Chief Legal Officer, Chief Compliance Officer, Chief Financial Officer and a Senior Investment Partner. Under the terms of the Code all personal securities trades of all the Adviser's employees must be reported to the Chief Compliance Officer on a quarterly basis and full portfolio holdings on an annual basis. Additionally, any investment in IPO's and limited-offering securities must be preapproved by the Chief Compliance Officer prior to any investment by an employee of the Adviser. The Adviser adopted a policy that its employees may not invest for their personal accounts in hedge funds. The Global Compliance Committee meets on a quarterly basis to review internal activity and compliance with the Code. The Adviser will furnish a copy of the Code to any client or prospective client upon request.

## Item 12 – Brokerage Practices

Except for the general investment guidelines set forth in the Offering Document for each of the funds of hedge funds, direct real asset investing funds and managed accounts managed by the Adviser, there are no limitations on the authority of the Adviser with respect to the matters regarding investment or brokerage discretion. The Adviser determines the alternative investment funds, and other investments, in which the assets of the funds of hedge funds and managed accounts it manages are invested. In making such investments, the Adviser may negotiate the fees paid with respect to such investments by the funds of hedge funds and managed accounts it manages.

On a continuing basis, the Adviser generally seeks to determine what levels of commission rates are reasonable in the marketplace for transactions executed. In evaluating the reasonableness of commission rates, the Adviser may consider:

- Historical commission rates, both before and since rates have been fully negotiated;
- Rates quoted by broker dealers;
- The size of a particular transaction, in terms of the number of shares, dollar amount, and number of clients involved;
- The complexity of a particular transaction in terms of both execution and settlement; and
- The level and type of business done with a particular firm over a period of time.

The SEC has, however, indicated that an adviser need not solicit competitive bids on each transaction.

The Adviser has a duty to obtain “best execution” for its currency transactions. To fulfill this obligation, The Adviser generally must execute currency transactions in such a manner that the Client’s total cost or proceeds in each transaction is the most favorable under the circumstances. The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution.

As a general rule, the Adviser does not participate in soft dollar transactions.

## Item 13 – Review of Accounts

The composition of a client's portfolio is reviewed by members of the Research Committee. The review includes an analysis of the diversification of the portfolio's assets, including exposure to market and other risks, and a review of the performance of the various hedge funds in which the client assets are invested.

In addition to reading monthly reports and all underlying fund publications, the Adviser’s investment team performs regular extensive due diligence meetings with our invested hedge fund managers at least every six months and more frequently when the Adviser’s investment team deems necessary. Moreover, outside of pre-established visits, The Adviser will also conduct additional due diligence meetings on the basis of any of the following reasons listed below:

- Concerns/issues being discussed or rumored in the market that are specific to a fund manager;

- Fund performance that is above or below the monthly variation band;
- Managers whose risk reports show significant change in risk profile or potential style shift, e.g. because of a large increase in AUM or changes to the investment team;
- Managers whose investment strategy or risk exposures are undergoing significant market volatility or asset class issues; and
- Managers whose investment strategies or risk exposures contrast with the Adviser's internal investment outlook.

All due diligence meetings (in person or via telephone) with an underlying fund in which the fund strategy is discussed in detail, are written up as a formal memo, saved in the Adviser's central document library, electronically distributed to the investment team, and included in the minutes of the weekly Research Committee (the "RC") meeting. Significant concerns about an existing underlying fund are raised and discussed immediately within the Investment Team. Typically, a formal decision to redeem from or remove an underlying fund from the approved list (and hence total redemption) is only taken at the appropriate RC meeting, unless there are exceptional circumstances (e.g. a redemption notification deadline that occurs prior to the next RC meeting). In this case, a quorum of RC members is formed (generally speaking a minimum of three members including at least one portfolio manager is required), who will have the authority to take appropriate action.

The Adviser provides weekly NAV estimates, monthly and quarterly performance/commentary reports, as well as annual audited reports to its clients. The Adviser also presents various portfolio reports to each fund's Board of Directors on a quarterly basis.

## **Item 14 – Client Referrals and Other Compensation**

The Adviser, or an affiliate, may compensate selling agents or solicitors who are instrumental in introducing certain investors to the funds of hedge funds it manages. The Adviser may enter into agreements with its employees, and/or third parties to solicit investors into the funds of hedge funds it manages. Under such agreements, persons may refer or solicit investors and receive compensation for such services. The structure of any agreement with a third party, including the compensation payable to the solicitor, will be disclosed to the client to the extent required by applicable law. Different solicitors, including affiliates, may receive varying amounts of compensation for their services.

## **Item 15 – Custody**

Written monthly reports and annual audited reports are furnished to each investor in the funds of funds managed by the Adviser. Bank of New York (BoNY) Trust Company Limited is the qualified custodian of the assets of all the Gottex Funds other than the Gottex /Constellar Funds. HSBC Bank is the qualified custodian of the assets of the Gottex/Constellar Funds. Lombard Odier & Cie is the qualified custodian of the Gottex Cougar Growth Fund. The qualified custodian sends directly to the client a monthly account statement which identifies the amount of cash, securities held and a detail report showing all transactions during that period. Clients should review account statements carefully.

## **Item 16 – Investment Discretion**

Except for the general investment guidelines set forth in the Offering Document for each of the funds of hedge funds and direct real asset investing managed by the Adviser, there are no limitations on the authority of the Adviser with respect to the matters related to investment decisions.

The Adviser determines the alternative investment funds, and other investments in which the assets of the funds of hedge funds and direct real asset investing funds it manages are invested.

For managed accounts, the Adviser determines the investments in which the assets are invested in. Each mandate may include explicit restrictions, objectives and investment guidelines as set forth in the investment management agreement that the Adviser maintains.

## **Item 17 – Voting Client Securities**

The Adviser advises funds of hedge funds, managed accounts (“Master Funds”), investing, either directly or indirectly, in a group of private funds or other unregistered pooled investment vehicles or accounts (the “Underlying Funds”) managed by investment advisers. These Underlying Funds do not typically convey traditional voting rights to the holders and the occurrence of corporate governance or other notices for this type of investment is substantially less than that encountered in connection with registered equity securities.

Proxy voting is a right of each Master Fund and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. The Adviser reviews and recommends to the custodian, proxy proposals on behalf of each Master Fund, relating to each Master Fund’s investments in the Underlying Funds (and any other Master Fund investments), in a manner that seeks to serve the best interests of each Master Fund, taking into account the following factors:

- The impact on the value of the returns of the Underlying Fund;
- The attraction of additional capital to the Underlying Fund;
- The costs associated with the proxy;
- The impact on redemption or withdrawal rights;
- The continued or increased availability of portfolio information; and
- Related industry and business practices.

The Portfolio Manager, along with the Chief Compliance Officer, is responsible for identifying potential material conflicts of interests. When a potential material conflict of interest has been identified, it is the responsibility of the Portfolio Manager in consultation with the Chief Compliance Officer and General Counsel to determine whether an actual material conflict of interest exists.

In the event an actual material conflict of interest exists, the final voting decision will be made by the General Counsel. The resolution of all potential and actual material conflict issues will be thoroughly documented by the Chief Compliance Officers and retained in the Adviser’s records.

Clients may contact the Chief Compliance Officer, via e-mail or telephone, in order to obtain information on how the Adviser voted such Master Fund proxies, or to request a copy of the Adviser's Proxy Voting Policies and Procedures.

If a Client requests this information, the Chief Compliance Officer will prepare a written response to the Client that lists, with respect to each voted proxy about which the Client has inquired:

- The name of the Underlying Fund;
- The proposal voted upon; and
- How the Adviser voted the proxy on behalf of the Master Fund.

### **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about the adviser's financial condition. The Adviser's financial condition that is not reasonably likely to impair its ability to meet its contractual obligations to clients. The Adviser has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable as the Adviser is federally registered is a registered investment adviser with the SEC.

**Gottex Fund Management Sarl Fee Schedule (Exhibit 1)**

<b>Fund</b>	<b>Class</b>	<b>Leverage</b>	<b>Currency</b>	<b>Management Fee</b>	<b>Incentive Fee</b>	<b>Hurdle Rate</b>	<b>Initial Subscription amount</b>	<b>Subsequent subscription</b>
Market Neutral	B	NL	USD	0.75%	10%	N/A	USD 100,000	USD 25,000
Market Neutral	C	NL	AUD	0.75%	10%	N/A	AUD 110,000	AUD 35,000
Market Neutral	E	NL	EUR	0.75%	10%	N/A	EUR 80,000	EUR 20,000
Market Neutral	F	NL	GBP	0.75%	10%	N/A	GBP 70,000	GBP 17,000
Market Neutral	G	NL	CHF	0.75%	10%	N/A	CHF 115,000	CHF 30,000
Market Neutral	H	NL	CAD	0.75%	10%	N/A	CAD 105,000	CAD 35,000
Market Neutral	AH	NL	JPY	0.75%	10%	N/A	JPY 8,500,000	JPY 2,250,000
Market Neutral	D	Lev	USD	0.75%	10%	N/A	USD 100,000	USD 25,000
Market Neutral	I	Lev	AUD	0.75%	10%	N/A	AUD 110,000	AUD 35,000
Market Neutral	J	Lev	EUR	0.75%	10%	N/A	EUR 80,000	EUR 20,000
Market Neutral	K	Lev	GBP	0.75%	10%	N/A	GBP 70,000	GBP 17,000
Market Neutral	L	Lev	CHF	0.75%	10%	N/A	CHF 115,000	CHF 30,000
Market Neutral	M	Lev	CAD	0.75%	10%	N/A	CAD 105,000	CAD 35,000
Market Neutral	AA	Lev	USD	0.75%	10%	N/A	USD 100,000	USD 25,000
Market Neutral	AB	Lev	AUD	0.75%	10%	N/A	AUD 110,000	AUD 35,000
Market Neutral	AC	Lev	EUR	0.75%	10%	N/A	EUR 80,000	EUR 20,000
Market Neutral	AD	Lev	GBP	0.75%	10%	N/A	GBP 70,000	GBP 17,000
Market Neutral	AE	Lev	CHF	0.75%	10%	N/A	CHF 115,000	CHF 30,000
GOTTEx MARKET NEUTRAL (US) LIMITED LLC								
Market Neutral Plus	MN+ NL USD	NL	USD	0.75%	10%	N/A	USD 5,000,000	USD 1,000,000
Market Neutral Plus	MN+ NL AUD	NL	AUD	0.75%	10%	N/A	AUD 5,500,000	AUD 1,100,000
Market Neutral Plus	MN+ NL EUR	NL	EUR	0.75%	10%	N/A	EUR 3,900,000	EUR 80,000
Market Neutral Plus	MN+ NL GBP	NL	GBP	0.75%	10%	N/A	GBP 3,325,000	GBP 70,000
Market Neutral Plus	MN+ NL CHF	NL	CHF	0.75%	10%	N/A	CHF 5,100,000	CHF 105,000
Market Neutral Plus	MN+ NL CAD	NL	CAD	0.75%	10%	N/A	CAD 5,150,000	CAD 105,000
Market Neutral Plus	MN+ NL JPY	NL	JPY	0.75%	10%	N/A	JPY 420,000,000	JPY 8,500,000
Market Neutral Plus	MN+ 2XL USD	Lev	USD	0.75%	10%	N/A	USD 5,000,000	USD 1,000,000
Market Neutral Plus	MN+ 2XL AUD	Lev	AUD	0.75%	10%	N/A	AUD 5,500,000	AUD 1,100,000
Market Neutral Plus	MN+ 2XL EUR	Lev	EUR	0.75%	10%	N/A	EUR 3,900,000	EUR 80,000
Market Neutral Plus	MN+ 2XL GBP	Lev	GBP	0.75%	10%	N/A	GBP 3,325,000	GBP 70,000
Market Neutral Plus	MN+ 2XL CHF	Lev	CHF	0.75%	10%	N/A	CHF 5,100,000	CHF 105,000
Market Neutral Plus	MN+ 2XL CAD	Lev	CAD	0.75%	10%	N/A	CAD 5,150,000	CAD 105,000
Market Neutral Plus	MN+ 2XL JPY	Lev	JPY	0.75%	10%	N/A	JPY 420,000,000	JPY 8,500,000
Market Neutral Plus	MN+ DST USD	NL	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
Market Neutral Plus	MN+ DST EUR	NL	EUR	1.00%	10%	N/A	EUR 80,000	EUR 20,000
Market Neutral Plus	MN+ DST GBP	NL	GBP	1.00%	10%	N/A	GBP 70,000	GBP 17,000
Market Neutral Plus	MN+ DST CHF	NL	CHF	1.00%	10%	N/A	CHF 115,000	CHF 30,000
Market Neutral Plus	MN+ DST JPY	NL	JPY	1.00%	10%	N/A	JPY 8,500,000	JPY 2,250,000
Market Neutral Plus	MN+ DST 2XL USD	Lev	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
Market Neutral Plus	MN+ DST 2XL EUR	Lev	EUR	1.00%	10%	N/A	EUR 80,000	EUR 20,000
Market Neutral Plus	MN+ DST 2XL GBP	Lev	GBP	1.00%	10%	N/A	GBP 70,000	GBP 17,000
Market Neutral Plus	MN+ DST 2XL CHF	Lev	CHF	1.00%	10%	N/A	CHF 115,000	CHF 30,000
Market Neutral Plus	MN+ DST 2XL JPY	Lev	JPY	1.00%	10%	N/A	JPY 8,500,000	JPY 2,250,000
ABL	B7A	Lev	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
ABL	E7A	Lev	EUR	1.00%	10%	N/A	EUR 100,000	EUR 25,000
ABL	F7A	Lev	GBP	1.00%	10%	N/A	GBP 70,000	GBP 20,000
ABI	ABI USD	Lev	USD	1.50%	10%	N/A	USD 100,000	USD 25,000
ABI	ABI GBP	Lev	GBP	1.50%	10%	N/A	GBP 70,000	GBP 20,000
ABI	ABI EUR	Lev	EUR	1.50%	10%	N/A	EUR 100,000	EUR 25,000
ABI	ABI CHF	Lev	CHF	1.50%	10%	N/A	CHF 150,000	CHF 35,000
ABI	ABI AUD	Lev	AUD	1.50%	10%	N/A	AUD 150,000	AUD 35,000
ABI	ABI SEK	Lev	SEK	1.50%	10%	N/A	SEK 500,000	SEK 125,000
ABI	ABI JPY	Lev	JPY	1.50%	10%	N/A	JPY 12,500,000	JPY 3,000,000
Horizon	Horizon USD	Lev	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
Horizon	Horizon EUR	Lev	EUR	1.00%	10%	N/A	EUR 100,000	EUR 25,000
Horizon	Horizon AUD	Lev	AUD	1.00%	10%	N/A	AUD 150,000	AUD 35,000
Horizon	Horizon CHF	Lev	CHF	1.00%	10%	N/A	CHF 150,000	CHF 35,000
Horizon	Horizon GBP	Lev	GBP	1.00%	10%	N/A	GBP 70,000	GBP 20,000
Horizon	Horizon JPY	Lev	JPY	1.00%	10%	N/A	JPY 12,500,000	JPY 3,000,000
Horizon (US Investors) Limited LP	Horizon (US Investors) Limited LP	Lev	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
Tiger	Tiger USD	Lev	USD	1.00%	10%	N/A	USD 100,000	USD 25,000
Tiger	Tiger EUR	Lev	EUR	1.00%	10%	N/A	EUR 700,000	EUR 18,000
Tiger	Tiger AUD	Lev	AUD	1.00%	10%	N/A	AUD 100,000	AUD 25,000
Tiger	Tiger CHF	Lev	CHF	1.00%	10%	N/A	CHF 110,000	CHF 25,000
Tiger	Tiger GBP	Lev	GBP	1.00%	10%	N/A	GBP 62,000	GBP 15,000
Tiger	Tiger JPY	Lev	JPY	1.00%	10%	N/A	JPY 8,250,000	JPY 2,100,000
Portable Alpha	Market Neutral Barclays US Aggregate Fund	NL	USD	0.75%	15% over hurdle	Return of Beta Index	USD 1,000,000	USD 100,000
Portable Alpha	Market Neutral Barclays US Aggregate Fund (Erisa)	NL	USD	0.75%	15% over hurdle	Return of Beta Index	USD 1,000,000	USD 100,000
Portable Alpha	MN S&P 500@ Erisa	NL	USD	0.75%	15% over hurdle	Return of Beta Index	USD 1,000,000	USD 100,000
Portable Alpha	MN S&P 500@ Non-Erisa	NL	USD	0.75%	15% over hurdle	Return of Beta Index	USD 1,000,000	USD 100,000
Portable Alpha	MN FTSE 100@	NL	GBP	0.75%	15% over hurdle	Return of Beta Index	GBP 500,000	GBP 70,000
Portable Alpha	MN DJ Euro Stoxx 50@	NL	EUR	0.75%	15% over hurdle	Return of Beta Index	EUR 700,000	EUR 70,000
Portable Alpha	MN SBI Domestic Govt. Index	NL	CHF	0.75%	15% over hurdle	Return of Beta Index	CHF 1,150,000	CHF 115,000
Portable Alpha	MN Plus S&P 500@ Non-Erisa	NL	USD	0.75%	15% over hurdle	Return of Beta Index	USD 1,000,000	USD 100,000
Multi-Asset Endowment Fund, L.P.	Multi-Asset Endowment Fund, L.P.	NL	USD	1.00%	5% over hurdle	10%	USD 1,000,000	USD 100,000
Multi-Asset Endowment Fund Offshore, Ltd	Multi-Asset Endowment Fund Offshore, Ltd	NL	USD	1.00%	5% over hurdle	10%	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class A Sub-Class One Initial Series	NL	USD	1.50%	10%	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class A Sub-Class One Series 2	NL	USD	1.50%	10%	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class A Sub-Class Two Initial Series	NL	USD	1.00%	8%	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class B Sub-Class One Initial Series	NL	USD	1.50%	10%	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class B Sub-Class Two Initial Series	NL	USD	1.00%	8%	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Offshore Fund, Ltd.	Class C Sub-Class One Initial Series	NL	EUR	1.50%	10%	N/A	EUR 1,000,000	EUR 100,000
Constellar Gemini Offshore Fund, Ltd.	Class C Sub-Class Two Initial Series	NL	EUR	1.00%	8%	N/A	EUR 1,000,000	EUR 100,000
Constellar Gemini Offshore Fund, Ltd.	Class D Sub-Class One Initial Series	NL	EUR	1.50%	10%	N/A	EUR 1,000,000	EUR 100,000
Constellar Gemini Offshore Fund, Ltd.	Class D Sub-Class Two Initial Series	NL	EUR	1.00%	8%	N/A	EUR 1,000,000	EUR 100,000
Gottex SICAV SIF Alternative Credit Fund	Class A	NL	USD	1.00%	10% over hwm	N/A	USD 1,000,000	USD 100,000
Constellar Gemini Partners LP		NL	USD				USD 1,000,000	USD 100,000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class A	NL	EUR	1.50%	5% over hwm	N/A	EUR 10000	EUR 1000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class B	NL	EUR	1.00%	5% over hwm	N/A	EUR 1000000	EUR 100000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class C	NL	CHF	1.50%	5% over hwm	N/A	CHF 10000	CHF 1000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class E	NL	USD	1.50%	5% over hwm	N/A	USD 10000	USD 1000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class F	NL	USD	1.00%	5% over hwm	N/A	USD 1000000	USD 100000
GOTTEx SICAV - Gottex Absolute Return (UCITS) Fund	Class I	NL	USD	2.00%	5% over hwm	N/A	USD 10000	USD 1000
MN RO Fund SPC Run Off Portfolio 1		NL	USD	1.00%	0%	N/A	None - Liquidating portfolio	None - Liquidating portfolio
GFMI ABL FUND LTD		NL	USD		0%	N/A	N/A	N/A