



BROCHURE/FORM ADV PART 2A

Crystal Asset Management AG

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Introduction

This is the brochure of Crystal Asset Management AG ("Crystal") on Form ADV Part 2A ("Brochure"). We are registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser under the U.S. Investment Advisers Act of 1940 ("Advisers Act"). Registration does not imply that Crystal has attained a certain level of skill or training.

Our Brochure provides information about the qualifications and business practices of Crystal as it pertains to our U.S. resident clients. It is our Form ADV Part 2A. If you have any questions about the contents of this Brochure, please contact Jillian MacNab, our Chief Compliance Officer, at +41 (44) 389 11 22, or e-mail her at info@cr-am.ch.

The information in this Brochure has not been approved or verified by the SEC or any state or foreign securities authority. We encourage you to visit the SEC's Investment Adviser Public Disclosure ("IAPD") for more information about Crystal. The IAPD web address: www.adviserinfo.sec.gov.

Item 2 – Material Changes: With effect from 5 August 2014, Crystal was reorganized as a wholly owned subsidiary of Crystal Holding AG ("Crystal Holding"), a newly formed Swiss company.

As a result of the reorganization, certain non-U.S. resident clients will move to Crystal Active Trading AG ("Crystal Active"), also newly formed and also a wholly owned subsidiary of Crystal Holding. Other clients will have an account with both Crystal and Crystal Active. Therefore, we are reporting a change in the number of clients for whom we exercise discretion and a change in assets under management. In future filings we will disclose in Item 2 the material changes that have been made to this Brochure since its last filing.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Introduction	3
Item 3 – Table of Contents.....	4
Item 4 – Advisory Business	5
Item 5 – Fees and Compensation.....	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations	8
Item 11 – Code of Ethics, Participation/Interest in Client Transactions and Personal Trading....	9
Item 12 – Brokerage and Trading Practices.....	10
Item 13 – Review of Accounts	11
Item 14 – Client Referrals and Other Compensation	11
Item 15 – Custody.....	11
Item 16 – Investment Discretion.....	11
Item 17 – Voting Client Securities.....	12
Item 18 – Financial Information.....	12

Item 4 – Advisory Business

Crystal is a limited liability company, organized in the Swiss canton of Zurich. Crystal was formed in May 2011. In April 2013, Crystal became registered with the SEC as an investment adviser. Crystal operates as a fully independent wealth manager. The founders are Dieter Albrecht, Dr. Ernst Thomke, Gaudenz Domenig and Dr. Bruno Teta.

Through 4 August 2014, Crystal was a separate company. With effect from 5 August 2014, Crystal was reorganized as a wholly owned subsidiary of Crystal Holding. The shareholders of Crystal Holding are Mr. Albrecht, Mr. Teta, Achim Wagner; Andreas Reutlinger; Mr. Domenig, Noemi Katzenstein and Thomke Invest AG.

Our Directors are Mr. Albrecht, Dr. Thomke and Mr. Domenig (Board chairman).

We now have two “related persons” as this term is defined and used in the Advisers Act: Crystal Holding and Crystal Active.

In this Brochure, “U.S. Clients” means U.S. resident clients of the type identified in Item 7. “Non-U.S. Clients” means all other clients of Crystal residing outside the United States. “Clients” means both U.S. resident clients and also non-U.S. resident clients.

Crystal concentrates its services on a small number of clients with entrepreneurial backgrounds. We believe that the best interests of our Clients are served through positive, long-lasting relationships that build a firm foundation of trust. Crystal manages Client cash and securities (“Assets”) on a discretionary basis in a focused portfolio of exchange-traded Swiss and selected European equities, according to the Clients’ investment objectives and restrictions. A focused portfolio usually consists of between five and twenty securities, plus cash. The amount of cash or securities in an account would increase or decrease based upon Crystal’s view of the markets. The specific investment strategy and portfolio structure are based upon Clients’ individual circumstances and specific requirements (objectives, strategies and restrictions).

Crystal normally accepts Client accounts with at least USD 5,000,000, but would accept a smaller amount, in its sole discretion, in certain circumstances.

For our Clients, we effect transactions in Swiss and European listed equities.

More information about Crystal is available in our Form ADV Part 1, available via the SEC’s web site.

As of the date of this Brochure, we manage the following assets for 27 Clients:

Discretionary Assets	USD 746,161,000
Non-discretionary Assets	0
Total	USD 746,161,000

Item 5 – Fees and Compensation

Our Clients pay a fee that is comprised of the following elements:

A “Management Fee”:

This is payable, in addition to value added tax, where or if applicable, as follows:

- 1% per annum where the assets under management are less than 25 million Swiss Francs (“CHF”);
- 0.8% per annum in the case of assets under management are between CHF 25 million and CHF 100 million; and
- 0.6% per annum in the case of assets under management over CHF 100 million.

The Management Fee is calculated and is due and payable quarterly in arrears, and is charged in CHF. The Management Fee is based on the amount of assets under management as at the end of the final bank working day of the respective calendar quarter in Zurich (Switzerland). Investments in foreign currency will be converted into CHF on this day for the purpose of calculating the Management Fee. If an account is closed during a quarter, a pro rata Management Fee will be calculated and charged.

A “Performance Fee”:

Crystal charges a Performance Fee of 10% above a “hurdle rate” of 8% in the annual net capital increase (which increases every year) in assets under management, taking into consideration investments and redemptions as well as any non-realized losses, as follows. For any losses carried forward from earlier accounting periods for which Crystal has earned a Performance Fee, a “high water mark” will be deducted. Increases or decreases in Assets will affect the hurdle rate and high water mark.

All fees are negotiable.

Qualified custodians selected by Clients hold all Client Assets. Assets are valued by the Client’s custodian. Fees are calculated by Crystal, using the Midix system, which is an IT software package used to consolidate records concerning Assets, reconcile custodian records with Crystal records, maintain records and calculate fees.

No fees are paid in advance. A Client may close his or her Account at will. Upon termination, fees for the period from the first date of the quarter to the date of termination are due and payable by the Client. Arrangements for the disposition or moving of Assets after account closure are handled upon Client instructions.

Crystal does not have custody as this term is used in the Advisers Act. A Client will instruct its custodian, acting as the agent of the Client, to deduct the fee from Assets and pay Crystal on receipt of a fee invoice from Crystal.

Crystal's fees, above, are exclusive of brokerage commissions, transaction fees, custody fees, securities exchange fees, stamp duties and any other related costs, taxes and expenses: these are incurred by the Client and invoiced by the custodian. A Client may also incur certain charges imposed by brokers, third party investment and other service providers such as deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

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

All Clients, including our U.S. Clients and Non-U.S. Clients pay both a Management Fee and a Performance Fee. As such, we do not engage in side-by-side management.

Item 7 – Types of Clients

We provide discretionary investment management services to the following types of Clients: individuals and high net worth individuals; trusts; foundations; and limited partnerships. The percentage represented by each type is shown in our Form ADV Part 1. The mix of types of Clients may vary over time. We do not intend to solicit U.S. Clients and we will not engage a third party to solicit or refer U.S. Clients. We will, however, reply to unsolicited approaches from U.S. resident and non-U.S. resident prospects.

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

Crystal formulates its own investment advice for its Clients. Crystal's approach is based on fundamental research. This includes visiting companies, participating in investment workshops and seminars, generating our own research and reviewing third party research with a focus on Swiss and European equities. For timing purposes, the fundamental evaluation process is complemented by technical and quantitative analysis. Asset Allocation between cash and equities is dependent on a combination of factors, including risk return considerations, done with technical analysis, market sentiment and economic data.

With respect to portfolio allocation, Crystal generally limits the weighting of an individual Swiss or European equity holding to 15% of net assets of the respective account (with a limit of not more than 15% of any equity security, Swiss or European). If this cap is exceeded, Crystal will (would) rebalance the portfolio by partially selling the respective holding (certain portions of that security). Although frequent trading is not an investment strategy, Crystal may sell a security within 30 days of its purchase if unforeseen circumstances require the sale as an appropriate strategic measure. This could occur because the stock has performed strongly and reached our fair value assumptions or because Crystal's view of the future market development or specific stocks has changed. Changes to Client objectives or restrictions may also trigger a trading response.

The investment strategy adopted by Crystal incurs the following risk assumptions (The risks in the investment strategy Crystal uses in managing portfolios are the following).

Stock Picking Risk: Crystal analyzes several factors when considering whether to purchase a security. One of these is the security's potential increase in value. A security may be sold at a price below the potential value identified when the purchase was made, which would be caused by one or more factors beyond the control of Crystal, leading to a profit less than originally desired, or even a loss. Client portfolios may sustain losses due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates, among other factors.

Diversification Risk: Our investing focuses on the Swiss and European equity markets and individual portfolios may be concentrated in various sectors. Any investment program that concentrates in a particular sector or regional market may be more volatile than a program that invests more broadly. If a portfolio is not diversified, the decrease in the price of one particular security may have a bigger impact compared with a diversified portfolio than if the portfolio were diversified.

Market Risk: Overall, stock market risks will affect the value of a portfolio. Securities prices fluctuate every day. Fluctuations may lead to changes in correlations between or among securities, which could result in the simultaneous decrease of all security prices that may thereby negate all diversification effects.

Interest Rate Risk: Changes in interest rates or the holding of rates at low levels may affect industries differently. Financial Industries may be affected more significantly than non-cyclical industries.

Liquidity Risk: This is the risk that, due to insufficient trading volumes, a security cannot be traded at the required size (or quickly enough) to prevent a loss or make the expected profit. This may affect small cap stocks to a greater extent than large cap stocks.

Clients should be aware that investing in securities involves the risk of loss that they should be prepared to bear.

Item 9 – Disciplinary Information

There is nothing to report for Crystal.

Item 10 – Other Financial Industry Activities and Affiliations

Our sole business is providing discretionary investment advisory services. We are not engaged in any other business activities. There are conflicts of interest in our business.

Crystal and Crystal Active are both wholly owned by Crystal Holding but are operated as separate businesses.

Crystal permits its officers, directors and employees to engage in outside activities, but requires them to disclose such activities. Appropriate controls are implemented and monitored to address the conflicts of interest arising from these, including, when and as appropriate, recusal, restriction or withdrawal.

Crystal employees and their family members may from time to time wish to buy, sell or hold securities that are or have been purchased, sold by or held for Clients. Given Crystal's fiduciary duties owed to its Clients, every such transaction will be subject to Crystal's Code of Ethics, as discussed in Item 11 below, including pre-clearance requirements and other conditions imposed upon them.

Mr. Domenig, the Chairman and a shareholder of Crystal Holding is *of counsel* with Prager Dreifuss AG, a law firm that provides legal advice to Crystal. Controls are in place to ensure that Mr Domenig is not involved in sending work to Crystal, the provision of legal services to Crystal, considering such services or the setting or payment of fees. Crystal uses policies and procedures to ensure that Mr Domenig does not receive any confidential client information. Mr Domenig does not have any role in or influence over Crystal's investment process.

Dr. Thomke, a director, is a majority and controlling shareholder of a non-listed Swiss company, which is a Client of Crystal. Crystal Clients may not be invested in this company and any decision to change this holding may be taken solely in the best interests of the Clients. Information barriers are implemented to ensure that Dr. Thomke does not receive any confidential client information controls have been implemented to prevent his being able to influence any investment activities of the Assets managed by Crystal.

Crystal exercises discretionary investment management over certain Assets owned directly or indirectly by its three directors, certain officers and family members of the directors and officers. No Crystal officer, employee or director is permitted to exercise discretion over his or her Assets or those of a family member, or in any way influence the purchase or sale of securities or investments for such account. Policies and procedures are in place to help ensure that the individuals involved are not otherwise able to influence any aspect of the discretionary investment management process. Transactions for a "connected person" (defined below) of a Crystal officer, employee or director are governed by Crystal's Code of Ethics (Item 11). A family member who has Assets managed by Crystal pays a Management Fee of 0.6%, which may be different from what another Client pays, and also pays a Performance Fee as calculated above.

Item 11 – Code of Ethics, Participation/Interest in Client Transactions and Personal Trading

Crystal has a Code of Ethics ("Code") as required by Advisers Act Rule 204A-1. This Code sets out standards of conduct for covered personnel, which we categorize as "access persons". It imposes requirements aimed at preventing, detecting and correcting fraudulent activity or activities that would pose a conflict of interest in connection with personal transactions. The

Code restricts their giving and receiving of gifts and their ability to accept certain positions with other companies. The Code also restricts personal securities transactions by various means. These restrictions apply to access persons, as stated in the Code.

In certain limited circumstances and in compliance with policies and procedures, including monitoring and testing, certain non-executive directors of Crystal may rebut the presumption that they are access persons. This requires a submission of relevant facts to the CEO and the CCO. The analysis of such a request and the results of compliance with policies and procedures, and monitoring and testing, will be reviewed on a regular basis.

In order to monitor compliance by our personnel with the Code and applicable law, each access person (officer, director and employee) is required to comply with initial, quarterly and annual reports of their accounts and securities positions, as well as the confirmation of each trade. In addition, each access person is required to sign a statement to acknowledge that they have received, read and understand the Code and will comply with it, as well as confirming that they will not misuse inside information or confidential Client information.

Crystal access persons, including any family members living in the same household and sharing beneficial ownership in Reportable Securities ("connected persons"), may request under the Code pre-clearance to buy or sell securities for their personal accounts that are bought or sold for or held by Clients. Any such request is subject to pre-clearance and, if cleared, the purchase or sale would be subject to controls, including a holding period, monitoring and testing. No person employed by Crystal shall place his or her own interests ahead of those of a Client or make personal investment decisions based on a decision made for a Client.

This is a summary of our Code. We will provide a copy of our Code upon request.

Apart from this, we maintain a log of material conflicts and the means to address them, as well as an inventory of compliance risks (as part of our risk management program), which we review on a regular basis.

Item 12 – Brokerage and Trading Practices

Consistent with its fiduciary duties, Crystal aims to exercise care in making investment decisions. We will generally execute transactions on an aggregated basis as we believe this will allow us to obtain best execution and negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, all Clients will be treated in a fair and equitable manner. We will not aggregate orders unless aggregation is consistent with our duty to obtain best execution. No account will be favored over any other Client; however, a variety of factors determine whether or not a particular Client may or may not participate in a particular aggregated transaction. These factors include: Client investment objectives and restrictions; current cash position; and the liquidity of the security compared to the Client's assets under management.

Aggregated orders filled in their entirety or partially will be allocated on an average price basis. All Clients participating in the deal receive the same average price.

We place orders for execution in accordance with our best execution policy, procedures and criteria. Our policy seeks to achieve the most favorable net results for Clients on each transaction.

We only trade with brokers on our approved broker list, and these brokers are subject to evaluation twice a year or when otherwise required according to pre-agreed criteria (research coverage, speed and quality of execution, commission rates, road shows, education and quality of service). We use the following criteria when selecting a broker with whom to place an order to buy or sell securities or other investments: trading at agreed commission rates; ability to execute (speed); and execution factors (speed, price, size, depth of market (liquidity) and timing.

We define best execution as seeking to obtain the best price available in the market. We use the following factors to achieve best execution: price; speed; likelihood of execution and settlement; size of the order; broker selection; and costs.

We have a trading errors policy. To the extent trading errors occur, we seek to ensure that Clients' best interests are served. Our policy is to resolve all trade errors within a reasonable time while ensuring the Client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. As a general matter, actual losses suffered by a Client account as a result of a trade error caused by us will be reimbursed by us. We do not compensate Clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

Item 13 – Review of Accounts

Crystal conducts daily reviews of Client accounts to determine, among other things, whether each account is appropriately positioned and whether investment objectives and policies are being followed.

Clients receive from their custodian a monthly account statement and trade confirmations. The custodian sends a copy of the account statements to Crystal. Clients receive from Crystal an invoice showing each fee calculation and quarterly communications from Crystal explaining account activity. .

Item 14 – Client Referrals and Other Compensation

Crystal has not entered into arrangements with any third party firm to solicit or refer Clients.

Item 15 – Custody

Assets are held at independent qualified custodians selected by Clients. Crystal does not hold Assets and does not have authority over Assets. As such, Crystal does not have custody for purposes of the Advisers Act.

Item 16 – Investment Discretion

We are exclusively retained to manage accounts on a discretionary basis. Within a Client's specified investment objectives and guidelines, we determine which securities are bought or sold, the total amount of securities to be bought or sold, the broker through which the securities are to be bought or sold and the commission rates to be paid, without consultation with the Client. In exercising our investment discretion, we work to the investment policies and restrictions that are established at the inception of the relationship (as amended from time to time). The guidelines and/or offering documents cover matters such as the types and amounts of securities that will comprise the portfolio. In certain circumstances, some Clients may also restrict certain securities from being purchased for their account.

Item 17 – Voting Client Securities

Crystal does not vote proxies. Proxy materials are received by the custodian and sent to the Client for it to give instructions to the custodian. Crystal receives duplicate copies of the proxy materials and Client voting record for its files.

Item 18 – Financial Information

We do not have any adverse financial information to disclose. Our management believes that we are financially sound.