

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 William H. Woolverton, Chief Compliance Officer, at (212) 937 6070 or [William.woolverton@gottex.com](mailto:William.woolverton@gottex.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**

In 2015 the Adviser assigned its advisory contracts to other entities within the Gottex Group except for its advisory contracts with the Gottex Real Asset Fund.

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	2
Item 7 – Types of Clients .....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Item 9 – Disciplinary Information .....	7
Item 10 – Other Financial Industry Activities and Affiliations.....	7
Item 11 – Code of Ethics.....	7
Item 12 – Brokerage Practices.....	7
Item 13 – Review of Accounts .....	8
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody.....	9
Item 16 – Investment Discretion .....	10
Item 17 – Voting Client Securities .....	10
Item 18 – Financial Information.....	11
Item 19 – Requirements for State-Registered Advisers.....	11

## **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, 2013 Gottex employs professionals located in New York, London, Zurich, Nyon and Hong Kong.

Gottex Fund Management Holdings Ltd. (“GFMH”) is a Guernsey-incorporated holding company entity which is a publicly listed company headquartered in Switzerland. Gottex shares trade on the Swiss Stock Exchange.

The Adviser is a provider of alternative investment solutions and advisory services to sophisticated institutional and individual investors.

## **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.

For the Gottex Real Asset Fund (the “Fund”), the Adviser is compensated on the basis of management and incentive fees.

The Adviser seeks to provide investment management services on a discretionary basis to the Fund. The 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 Fund is provided to investors via the Fund’s Offering Document.

The basic management fee charged by the Adviser for management of the Fund is 2% per annum of the capital contribution of the limited partners. The Adviser may receive an incentive fee equal to 20% if it achieves an 8% return target for the Fund.

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

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

As noted above, the Adviser may receive an incentive fee equal to 20% if it achieves an 8% return target for the Fund.

## **Item 7 – Types of Clients**

The Adviser provides investment management services to the Fund. The Fund is currently the only client of the Adviser and it is not taking other clients.

## **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 employs a formal and structured process for making investment decisions. All the investment activities are managed by portfolio managers. The portfolio managers are senior investment professionals of the Adviser. The portfolio managers are ultimately responsible for portfolio allocations and performance.

The Adviser's approach to investment decisions includes both "top down" and "bottom up" elements. This involves reviewing 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 6 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.

As part of its overall mandate, the Adviser 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 and a risk committee. The risk management team designs and produces risk reports to measure key risk exposures, and presents its findings and recommendations to the risk committee and the research committee at a monthly risk management meeting so that risk issues are incorporated into portfolio decisions.

The Adviser employs the following investment strategy:

### **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:

- Liquidity- Some investments may lack liquidity due;
- 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;
- 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 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@gottex.com](mailto:investor.relations@gottex.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 the Fund. The Adviser and its related persons have invested their personal funds in the Fund. 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 and Chief Financial Officer. 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 prohibits its employees from investing in hedge funds in their personal accounts. 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 Fund, there are no limitations on the authority of the Adviser with respect to the matters regarding investment or brokerage discretion.

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 securities and currency transactions. To fulfill this obligation, The Adviser generally must execute securities and 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. The Adviser will aggregate the purchase or sale of securities in its pursuit of best 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 Fund’s portfolio investment team. The review includes an analysis of the diversification of the portfolio's assets, including exposure to market and other risks.

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

The Adviser has no client referral arrangement currently in place with respect to the Fund.

### **Item 15 – Custody**

Written reports are furnished to each investor in the Fund. Bank of New York is the qualified custodian of the assets of the Fund.

### **Item 16 – Investment Discretion**

Except for the general investment guidelines set forth in the Offering Document for the Fund, there are no limitations on the authority of the Adviser with respect to the matters related to investment decisions.

The Adviser determines the investments in which the assets of the Fund are invested.

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

The underlying assets in which the Fund invests 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.

### **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 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 because the Adviser is registered with the SEC.