

GUTZWILLER TWO

EVENT DRIVEN FUND OF HEDGE FUNDS

MONTHLY REPORT NOVEMBER 2008

Key Data

AUM
USD 74.49 Mio

Net Asset Value (1)
USD 126.20
EUR 101.70
CHF 97.00

Fund domicile / Currency
Switzerland / USD

Umbrella Structure
with Sub-Funds in
USD / EUR / CHF

Track Record
7 years

Indices
**US Treasury Notes and
Bonds 0-1 Year (2)**
S&P 500 Index

Management fee
1.50%

Portfolio Managers
Stéphane Gutzwiller
François Gutzwiller

Subscription (3)
Quarterly / Monthly

Redemption (4)
Quarterly, no fee
Monthly, 4% fee

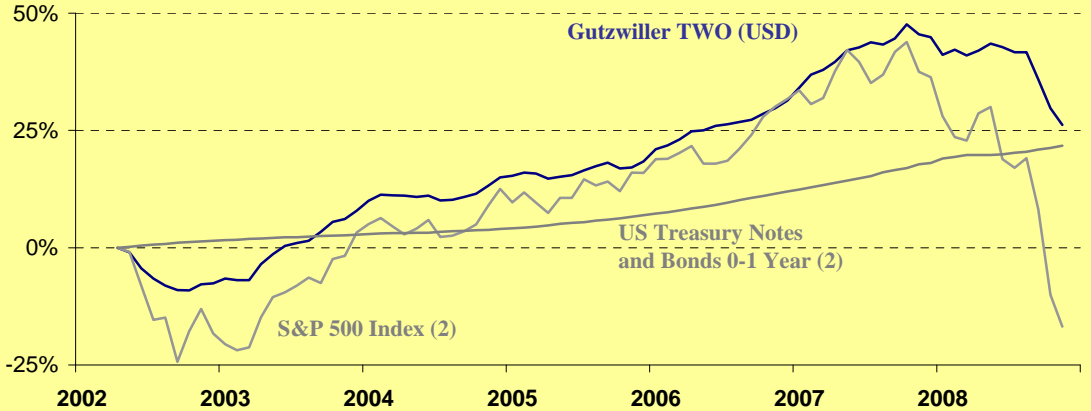
First minimum investment
USD 10'000
EUR 10'000
CHF 15'000

Accumulation/Distribution
Accumulation

Identification
ISIN USD: CH-0013139156
ISIN EUR: CH-0021818353
ISIN CHF: CH-0021818379
Bloomberg: GUTZTWO SW

NAV Publications
Int. Herald Tribune, NZZ,
F&W, LeTemps,
CASHdaily, Handelszeitung,
Internet

Track Record



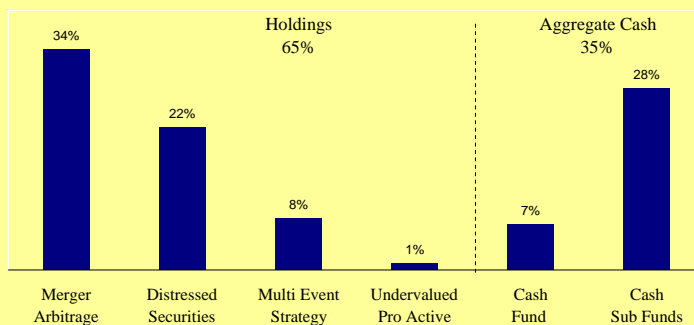
%	Since inception		Rolling		2002	2003	2004	2005	2006	2007	2008
	Total	p.a.	3 years p.a.	5 years p.a.							
Fund USD	26.2	3.6	2.5	3.5	-7.6	16.8	6.6	3.0	11.0	10.3	-12.9
Fund EUR	-	-	-	-	-	-	-	-	7.8	8.3	-12.9
Fund CHF	-	-	-	-	-	-	-	-	6.5	6.5	-14.5
S&P500	-16.8	-2.7	-10.5	-3.3	-18.3	26.4	9.0	3.0	13.6	3.5	-39.0
US TN&B 0-1Y	21.7	3.0	4.5	3.4	1.5	1.3	1.2	2.8	4.7	5.4	3.1

USD %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	-2.62	0.78	-0.84	0.71	1.06	-0.49	-0.77	0.00	-4.09	-4.56	-2.70	
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
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
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
2004	1.95	1.18	-0.09	-0.09	-0.27	0.27	-0.90	0.09	0.54	0.63	1.52	1.59
2003	1.08	-0.32	0.00	3.65	2.18	1.83	0.60	0.50	1.87	2.03	0.57	1.70
2002	-	-	-	-	-1.00	-3.43	-2.30	-1.61	-0.98	-0.11	1.43	0.22

EUR %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	-2.57	0.88	-0.78	0.79	1.13	-0.43	-0.61	0.00	-4.09	-5.26	-2.59	
2007	1.95	1.91	0.54	1.07	1.58	0.26	0.60	-0.51	0.78	1.97	-1.51	-0.51
2006	2.20	0.49	0.78	1.06	-0.19	0.48	0.00	0.19	0.19	0.76	0.57	1.03

CHF %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	-2.73	0.82	-0.99	0.64	0.99	-0.63	-0.81	-0.18	-4.27	-4.93	-3.19	
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
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

Allocation



Statistics 3/5 Years

	3Years	5Years
Volatility	5.5	4.5
Sharpe(5)	-0.38	-0.09
Correlation SP500	80.7	79.0
Profitable Months %	72	70
Average Monthly Gain	USD 1.38	1.18
Average Monthly Loss	USD 2.32	1.64
Worst Drawdown (2008)	10.90%	

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" and "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.

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CASHdaily, Handelszeitung,
Internet

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
20 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 condition
Looking for the best in each category
Taking into consideration various factors including

- ▢ Strategy
- ▢ Type
- ▢ Philosophie
- ▢ Approach

Monthly Report

As of November 30th 2008, Gutzwiller TWO has USD 74 million assets under management. The fund is down 2.7% month to date and down 12.9% year to date.

Except for a couple of funds, most of our Managers' performance was negative this month. Distressed Securities prices were affected by the Treasury decision to back away from the USD 250 Billions TARP program to purchase illiquid mortgage backed securities. The sector offers compelling buying opportunities, which should benefit our sub-funds' future performance in the future.

Distressed Securities have been sailing in treacherous water for the entire year. Distressed securities are traded through an informal network of Commercial and Investment banks which are acting as market makers on those securities, thus providing liquidity and pricing to the Distressed Debt Market. The credit crunch has caused surviving Commercial and Investment Banks, fighting for liquid assets, to drastically reduce their market making operation. On top of that, consolidation in the finance industry has reduced the amount of Financial Institutions willing to commit capital to the space. As a result, spreads between bid and ask on Distressed Securities are at an all time high.

As our sub-fund Halcyon reports in its last quarterly letter: "Meanwhile, from a long-term point of view, there are extraordinary values to be had in the credit markets. One can now buy secured debt that should be well covered even under the direst of economic circumstances and achieve equity-like returns. However, the technical picture in the short run is bleak.... As a general principle, we think it is safer to get long credit after default rates have peaked, and that clearly has not happened yet. It is interesting to note that fortunes have been lost in past cycles and recently by managers who jumped into corporate credit too early." Gutzwiller Two will seek to increase its Distressed Securities allocation as default rates peak, probably sometime in the second half of 2009.

We invest in Distressed Securities principally through our Multi Strategies sub-funds. Their style can be either conservative or aggressive. The latter have invested too early and aggressively in Distressed Securities. Some of them (Satellite, Castlerigg), have been heavily penalized and are the main causes of our yearly negative performance. But the vast majority of our Multi Strategies sub-funds Managers have raised cash to take advantage of the opportunities the market is creating. Michael Gordon, who manages GAM Arbitrage, thinks: "We believe that the bank debt we are currently purchasing offers a tremendous opportunity - on average, it is trading at 75 cents in the dollar with a yield-to-maturity in the high teens. To put this in perspective, until a year and a half ago most bank debt traded at par or above. The bank debt we own is the most senior debt in the capital structure of quality companies with good asset coverage and consistent cash flows. Even if the capital were restructured, this debt would be worth at least par value."

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