

GUTZWILLER TWO

EVENT DRIVEN FUND OF HEDGE FUNDS

MONTHLY REPORT JULY 2010

Key Data

AUM
USD 64.94 Mio

Net Asset Value (1)
USD 136.90
EUR 110.00
CHF 104.30

Fund domicile / Currency
Switzerland / USD

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

Track Record
8 years

Indices (2)
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 (3)

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

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

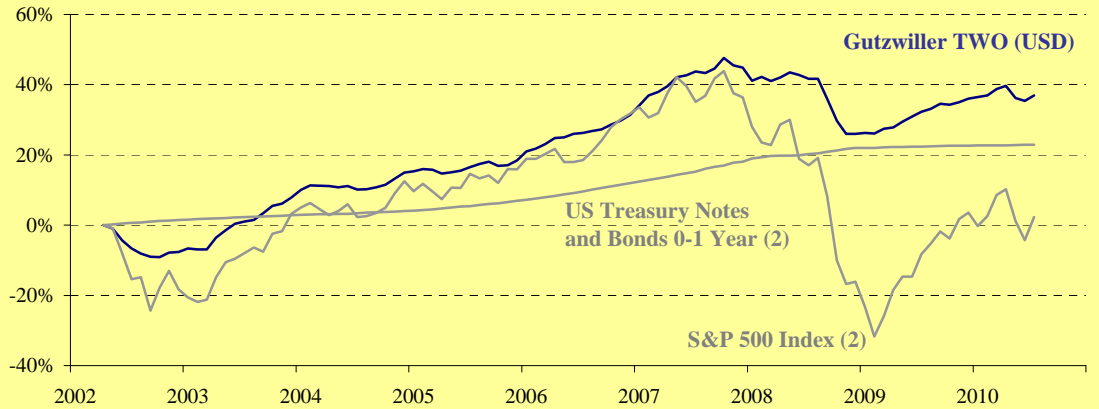
Accumulation/Distribution
Accumulation

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

NAV Publications
Basler Zeitung
F&W
Handelszeitung
Int'l Herald Tribune
Le Temps
NZZ
Internet

Audit
Ernst & Young AG, Basel

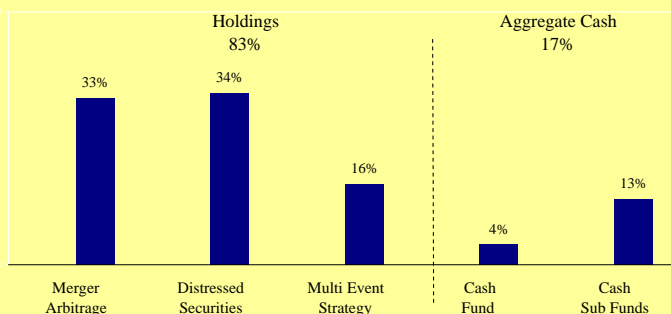
Track Record



%	Since inception		Rolling		2010											
	Total	p.a.	3 years p.a.	5 years p.a.	2002	2003	2004	2005	2006	2007	2008	2009	YTD	MTD		
Fund USD	36.9	3.9	-1.6	3.3	-7.6	16.8	6.6	3.0	11.0	10.3	-13.0	7.9	0.7	1.1		
Fund EUR	-	-	-1.9	-	-	-	-	-	7.8	8.3	-12.8	7.5	0.5	1.1		
Fund CHF	-	-	-2.9	-	-	-	-	-	6.5	6.5	-14.4	7.0	0.4	1.1		
S&P500	2.3	0.3	-8.9	-2.2	-18.3	26.4	9.0	3.0	13.6	3.5	-38.5	23.4	-1.2	6.9		
US TN&B 0-1Y	22.9	2.5	2.2	3.0	1.5	1.3	1.2	2.8	4.7	5.4	3.3	0.5	0.3	0.0		

USD %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	0.29	0.44	1.31	0.58	-2.44	-0.59	1.11	-	-	-	-	-
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
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
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
EUR %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	0.27	0.36	1.27	0.54	-2.41	-0.64	1.10	-	-	-	-	-
2009	0.29	-0.20	1.08	0.19	1.26	1.05	0.95	0.56	1.12	-0.28	0.55	0.64
2008	-2.57	0.88	-0.78	0.79	1.13	-0.43	-0.61	0.00	-4.09	-5.26	-2.68	0.30
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
2010	0.19	0.38	1.24	0.57	-2.54	-0.48	1.07	-	-	-	-	-
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
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
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 ⁶⁾



Statistics 3/5 Years

	3 Years	5 Years
Volatility	5.2	4.6
Sharpe(5)	-0.77	-0.06
Correlation SP500	75.3	69.9
Profitable Months %	61.1	75.0
Average Monthly Gain USD	1.06	1.16
Average Monthly Loss USD	2.12	2.11
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" 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. 6) Prior month, estimated

GUTZWILLER TWO

EVENT DRIVEN FUND OF HEDGE FUNDS

MONTHLY REPORT JULY 2010

Key Data	Fund Features	Investment Style
AUM USD 64.94 Mio	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	Merger arbitrage Distressed Securities Multi-Event Strategy
Net Asset Value (1) USD 136.90 EUR 110.00 CHF 104.30	Management Focus	In
Fund domicile / Currency Switzerland / USD	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 <ul style="list-style-type: none">⇒ Strategy⇒ Type⇒ Philosophy⇒ Approach	Transparent and well defined investment process Above average performance with low volatility
Umbrella Structure with Sub-Funds in USD / EUR / CHF	Portfolio Manager Report	Out
Track Record 8 years	As of July 31 st 2010, Gutzwiller TWO has USD 64.9 million assets under management. The fund is up 1.1% month to date and up 0.7% year to date (estimated performance).	Small assets under management One man show No transparency Excessive use of leverage Short operating history Concentrated portfolio Illiquid portfolio Yearly redemption cycle
Indices (2) US Treasury Notes and Bonds 0-1 Year S&P 500 Index	Positive performance, with one exception for our sub-funds this month. Returns were quite similar inside our sub-strategies with the exception of Paulson International, which had a strong performance (+ 3.3%), since its results are more correlated to the overall market.	
Management fee 1.50%	We updated you last month about some of our Funds which we visited during our semi-annual New York Managers on-site visit. We complement that report this month with the remaining Fund Managers which we visited. The visit is used to complement, if necessary, our knowledge.	
Portfolio Managers Stéphane Gutzwiller François Gutzwiller	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 detail 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.	
Subscription Quarterly / Monthly (3)	KS International: Our third best performer over the years. Like most boutiques, they concentrate on the traditional side of Distressed investing: short term maturity, cash recovery deals and 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.	
Redemption (4) Quarterly, no fee Monthly, 4% fee	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's 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.	
First minimum investment USD 10'000 EUR 10'000 CHF 15'000	Taconic: Was established to invest assets of two retiring partners of Goldman Sachs, in Event-Driven investment. Assets are managed, by Portfolios Managers reporting to the two partners, with a conservative bias. It has a collegial approach, which tries to duplicate the Davidson Kempner model. We like the structure and the approach.	
Accumulation/Distribution Accumulation	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 investments are justified on a monthly basis.	
Identification ISIN USD: CH-0013139156 ISIN EUR: CH-0021818353 ISIN CHF: CH-0021818379 Bloomb.: GUTZTWO SW	<small>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. Neverthe</small>	
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Audit Ernst & Young AG, Basel		