

GUTZWILLER FUNDS

GUTZWILLER FONDS MANAGEMENT AG STRATEGIC OVERVIEW

E. Gutzwiller & Cie, Banquiers, a Basel based private bank, founded Gutzwiller Fonds Management (GFM) in early 2001. GFM is a wholly owned subsidiary of the Bank and was established for the purpose of launching, managing and marketing investment funds under Swiss law. GFM has launched funds Gutzwiller ONE and Gutzwiller TWO and anticipates adding other funds to the product portfolio. The Bank has accumulated extensive experience with public funds since it was established in 1886.

In 1930, during extremely difficult economic times, the Bank joined with six other European private banks to establish SIP, Société Internationale de Placements. Dr. Otto Aeppli, former Chairman of Swiss Credit Bank (predecessor of Credit Suisse), stated during SIP's 50th Anniversary celebrations: "We can look with pride on the oldest funds management company on the European continent and its half century of successful activities in investment funds." SIP initially managed a number of real estate funds with Swissimmobil and later Swissvalor, as well European, Swiss and Canadian equity funds. These funds, in part, continue to exist today.

Together with a group of European private banks, E. Gutzwiller & Cie. founded an investment trust in 1955, through which it launched Atomicfonds. In the following year, it established Televisionfonds and in 1957 started Unifonds, which later became Union Invest. Many German cooperative banks, promoted these funds through their branch networks. The Bank's interest in Union Invest was sold to the German shareholders in the early 1980's.

E. Gutzwiller & Cie launched in 1959 the first closed end fund listed in the US, investing in European securities, together with the Parisian private bank R. de Lubersac & Cie and other major European banks.

The fourth generation of partners, who joined the Bank in 1990, decided to re-enter the funds business due to the success of collective investment scheme. Over the next decade the Bank tested multiple funds with various structures and strategies. The selection process was clear: promote only those funds which best reflect the characteristics of a Swiss private bank, i.e. superior quality, conservative approach and long-term perspective, in addition to being innovative, flexible and non-consensus driven. François Gutzwiller, a partner in the Bank, assumed responsibility for identifying outstanding investment talents in Europe to advise GFM on the launch of new fund products. He is a board member of a London based multi-advisor fund. His brother Stéphane Gutzwiller has taken on similar responsibilities with respect to the US market.

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GFM's primary concern is to provide its clients with products of outstanding quality, which are transparent and easy to understand and, equally important, which are supported by flawless execution and administration. Gutzwiller ONE, which was launched in the summer of 2001, meets these criteria. It was approved in July of that year by the Swiss Federal Banking Commission as a public fund under Swiss law. The Fund invests in listed US securities and is managed conservatively, with a long-term perspective. Investment decisions are based on extensive company research, and are independent of sector/industry orientation as well as other consensus thinking. The Fund was previously managed as an internal bank portfolio of E. Gutzwiller & Cie and has consistently delivered outstanding results.

A second fund, Gutzwiller TWO, an event-driven fund-of-funds, received approval from the Swiss Federal Banking Commission in April 2002 and subsequently began activity. A rigorous selection and monitoring process ensures access to superior fund advisers active in the following investment styles: Proactive, Special Situations, Distressed Securities and Merger Arbitrage. Stéphane Gutzwiller is the Fund Manager and brings more than 20 years experience in event driven investing. He is supported by an active Advisory Board. Gutzwiller TWO remains the only Swiss registered fund of its kind.

The Bank plans to broaden the GFM product offering and to make the funds available to the general public, as well as to Bank's clients, thereby securing its position in the global funds business with niche products.

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