

Alternative investments

BCV and Gottex: a natural fit

OUR ALTERNATIVE PRODUCTS

Our umbrella AMC ALTERNATIVE FUND comprises two funds of hedge funds with special risk:

- BCV Gottex Defensive Fund
- BCV Directional Fund

BCV Gottex Defensive Fund aims to offer stable returns and to preserve capital. It invests in hedge funds whose strategy is to achieve very low correlation with the equity markets.

It targets conservative investors wishing to reduce their overall portfolio risk. The fund's defensive features make it a good substitute for Swiss bonds.

BCV Directional Fund aims to generate long-term capital growth with moderate volatility. It invests in hedge funds employing directional investment strategies. Such strategies lead to greater correlation with broad market movements, so anticipated returns are higher than those of our more defensive fund.

The fund targets investors wanting to enhance returns on a diversified portfolio. It supplements their equity market exposure, while offering lower volatility. These features make the fund a good substitute for equities.

INVESTMENT APPROACH

The universe of hedge funds is constantly expanding and evolving with the development of new strategies. In order to remain abreast of this complex market, BCV has entered into an exclusive strategic partnership with Gottex Fund Management. With the help of Gottex's complementary expertise, BCV is able to focus on achieving its objectives in both of its funds of hedge funds. Gottex, which acts as the investment advisor, is a recognised specialist in managing funds of hedge funds, with particular expertise in defensive strategies.

In alternative asset management, our philosophy is to provide investors with solutions that:

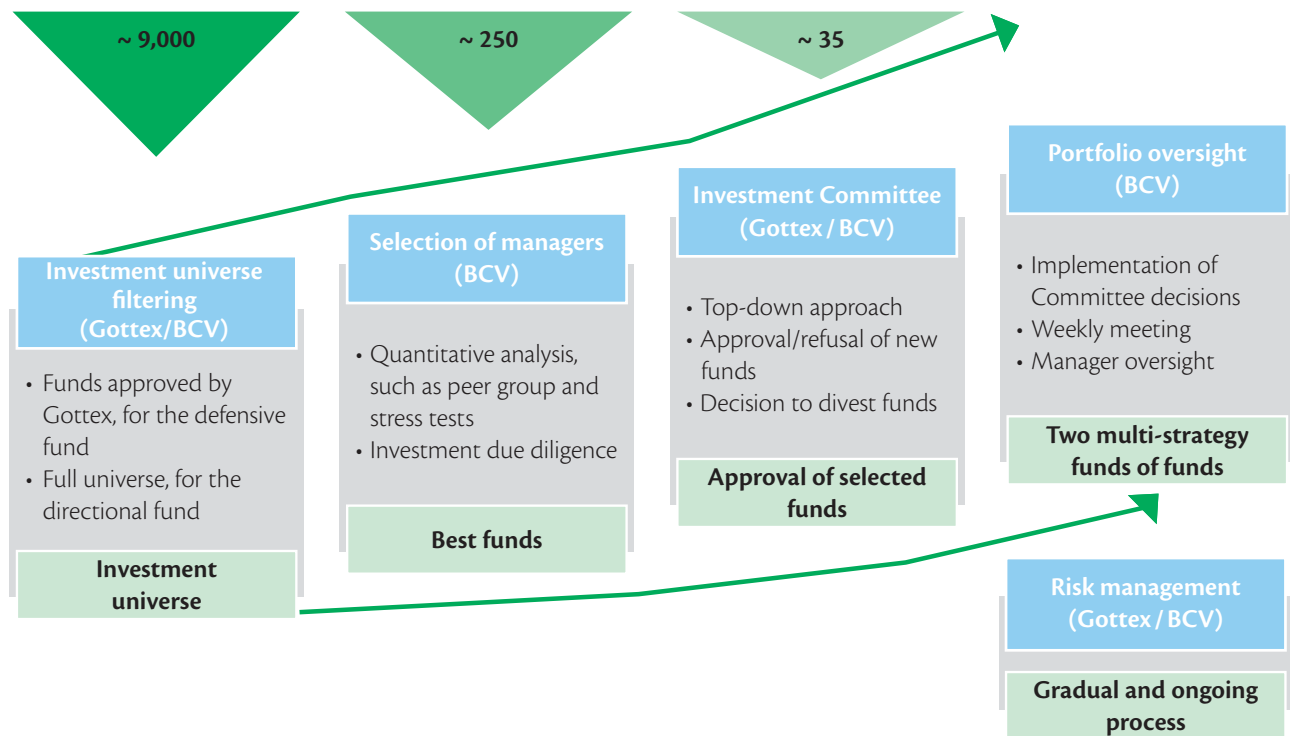
- offer exposure to best-in-class alternative funds within a single fund
- reduce the risk associated with traditional assets
- generate improved total-portfolio returns by combining returns from traditional assets like bonds and equities with decorrelated returns that are specific to hedge funds.

To achieve this, our specialists create portfolios consisting of funds of hedge funds, which are subject to rigorous risk management.

WHAT WE OFFER

- Products based on innovative strategies and selected to offer genuine decorrelation
- Joint management by Gottex, a leading player with an international presence and long-standing expertise
- High levels of security and liquidity to meet the requirements of institutional and private clients
- Alternative asset managers who are remunerated on the basis of real value added (alpha) and do not simply follow the index

OUR METHODOLOGY



Alternative investments

Alternative investments (hedge funds) aim to increase the diversification of traditional portfolios by investing on the basis of strategies showing low correlation with equity- and bond-market movements. Naturally, the core of these portfolios is still made up of equities and bonds. However, alternative asset managers also use financial instruments or assets that offer protection, particularly against market downturns. In this way, alternative asset management improves a portfolio's risk/return profile.

Our partnership with Gottex

BCV and Gottex work together throughout the investment process. Gottex contributes its internationally acknowledged expertise, particularly in defensive strategies and operational risk management. For its part, BCV has long-standing experience in portfolio management and tactical asset allocation. We combine these strengths for the benefit of our investors.

Investment universe filtering

The first phase consists of filtering an investment universe encompassing more than 9,000 alternative asset managers in order to find those that meet our specific requirements. BCV relies on Gottex's investment universe with regard to the defensive fund and adopts a more independent stance for the directional fund.

Selection of managers

After an initial quantitative analysis, BCV's Alternative Investments Team carries out its own investment due diligence analyses to complement those done by Gottex for the defensive fund. The managers selected in the filtering process are visited, and a report is prepared. In general, no investment is made with any manager until we have been on-site at least twice.

Investment Committee

The Committee meets monthly. A representative from Gottex takes part in these meetings, ensuring dual validation of decisions. The Committee determines the tactical allocation on the basis of the scenario set out in BCV's investment policy. It also approves or refuses investment proposals and decides on whether to divest a given fund.

OUR PARTNERSHIP

BCV

- teams with acknowledged skills in investment strategy
- value added in tactical asset allocation
- expertise in directional strategies
- strong presence in the Lake Geneva region

GOTTEX

- proven know-how in defensive strategies
- leading-edge expertise in operational risk management
- international presence
- staff with acknowledged skills in niche strategies



A UNIQUE COMBINATION
IN ALTERNATIVE ASSET MANAGEMENT

Portfolio oversight

BCV's Alternative Investment Team implements the decisions of the Investment Committee, which relate mainly to cash management, ordering, systematic foreign-exchange hedging and preparation of publications. The team meets weekly in order to analyze the managers' performance and exposure. It contacts each manager monthly or quarterly to make sure that everything is in order. Once a year, BCV analysts make on-site visits to the managers.

Risk management

Risk management is a gradual, ongoing process that involves both Gottex and BCV's systems. In addition to traditional risk management measures, BCV and Gottex have developed their own proprietary tools, which they use to build scenarios to precisely identify the portfolio's sensitivity to certain risk factors. BCV also asks Gottex to carry out systematic operational risk analyses related to the hedge funds' organization and managers.

Gottex Fund Management: a renowned specialist

Gottex Fund Management, founded in Lausanne in 1992, is an internationally renowned specialist in managing funds of hedge funds. It operates in Europe, the USA and Asia, and also has subsidiaries in South America and Australia.

FUND FEATURES

Name of fund	AMC ALTERNATIVE FUND- BCV GOTTEX Defensive Fund	Security number	BCV GOTTEX Defensive Fund: Class A (CHF): 1 622 795 Class B (CHF): 3 565 150 Class C (CHF): 3 565 154
	AMC ALTERNATIVE FUND- BCV Directional Fund		Class A (EUR): 3 565 166 Class B (EUR): 3 565 171 Class C (EUR): 3 565 182
Legal status	Swiss-registered fund		Class A (USD): 3 565 190 Class B (USD): 3 565 198 Class C (USD): 3 565 201
Fund manager	BCV Asset Management		BCV Directional Fund: Class A (CHF): 1 622 773 Class B (CHF): 3 571 993 Class C (CHF): 3 571 999
Investment advisor	Gottex Fund Management		Class A (EUR): 3 572 004 Class B (EUR): 3 572 106 Class C (EUR): 3 572 109
Fund management company	Gérifonds SA		Class A (USD): 3 572 262 Class B (USD): 3 572 364 Class C (USD): 3 572 467
Custodian bank	BCV		
Launch date	26/06/2003		
Base currencies	CHF/EUR/USD	Publication of prices	Le Temps, NZZ Reuters: 0#GERI1= Bloomberg: GERI1 Telekurs: 85,BCVL6
Close of financial year	31 December		
Issue/redemption	Every month	Activity report	Quarterly
All-in commissions	Class A: 2.15% Class B: 1.50% (minimum investment of CHF 5m) Class C: 1.20% (minimum investment of CHF 30m)		
Issue and redemption commissions	See your advisor		

Contact

For advice and the latest updates, please:

- call one of our advisors on 021 212 23 86
- or visit www.bcv.ch/am
www.gerifonds.ch



Legal information

AMC ALTERNATIVE FUND, a fund of funds with special risk, is an umbrella fund invested in alternative funds that employ investment techniques where the risks involved cannot be compared with those associated with funds invested in traditional securities. The underlying funds are of all types, open- or closed-ended, which may or may not be traded on stock exchanges or other regulated markets that are open to the public, and these funds can take different legal forms. Investors must be aware of the greater degree of risk associated with investing in such funds, especially as regards the possibility that a significant portion of their assets might be partly or even fully lost. In order to mitigate the risk of such losses, the fund manager undertakes a rigorous due-diligence procedure for choosing and monitoring underlying funds and fund managers while diversifying the investment strategies pursued. Over and above customary market and currency risks, investors' attention is drawn to the risks related to the investment management approach, the marketability of fund units, the liquidity of investments, the impact of redemptions, the pricing of fund units, service providers, shortcomings in transparency and legal risks. These risks are explained in detail in the prospectus.

The fund's interim and annual reports, along with its prospectus and regulations, may be obtained free of charge from the fund manager Gérifonds SA (www.gerifonds.com) or from BCV (place St-François 14, 1003 Lausanne). The information contained in this document was obtained from reliable sources at the time of publication. We disclaim all liability or responsibility for any loss or damage that may result directly or indirectly from this information, which may be changed at any time without notice. This document was drawn up by BCV's asset management department purely for information purposes, and does not constitute an invitation to make an offer, an offer to buy or sell, a piece of financial analysis within the meaning of the Swiss Bankers' Association's «Directives on the independence of financial research» or a personalised investment recommendation. The risks involved in certain investments—particularly derivatives of any type, non-traditional funds and emerging-market investments—are not suitable for all investors, and we recommend that you consult your advisors to obtain a specific evaluation of your risk profile. We also recommend that you seek information regarding the risks inherent in investments, particularly by reading BCV's brochure on special risks in securities trading, before embarking on any transaction. The value of investments can go up or down for many reasons, and investors may not recover their investment. Past performance is no guarantee of current or future returns. In addition, exchange rate fluctuations can cause the value of an investment to rise or fall. The contents of this publication may have been used by BCV Group prior to their communication. The dissemination of this document and/or the sale of certain products may be prohibited or subject to restrictions for persons in jurisdictions other than Switzerland (including but not limited to Germany, the UK, the USA, and "US persons"). The BCV logo and trademark are protected. This document is subject to copyright and may not be reproduced unless the reproduction mentions its author, copyright and all the legal information it contains. Prior written authorization from BCV is required to use this document for public or commercial purposes. Telephone calls to the Bank may be recorded. By using this means of communications, you accept this procedure. Source: BCV.