

To Select Gottex Fund investors

10 June 2009

Dear Investor

Further important investor update

We refer to our communications regarding market developments impacting on:

- the Select Gottex Market Neutral Fund ARSN 102 895 607 and
- the Select Gottex Enhanced Market Neutral Fund ARSN 102 895 714.

(the **Select Gottex Funds**).

As investors are aware, the primary assets of the Select Gottex Market Neutral Fund remain its investments in various classes of shares of:

- Gottex Value Added Fund Limited (**Gottex Market Neutral**) (about 97%), and
- Gottex Market Neutral Plus Funds SPC (**Gottex Market Neutral Plus**) (about 3%) (although a redemption request has been submitted and cash proceeds expected shortly),

(the **Gottex Funds**), and the primary asset of the Select Gottex Enhanced Market Neutral Fund remains its investment in shares of Gottex Market Neutral.

As investors are also aware, because of significant industry and economic developments, Gottex Fund Management SARL (**Gottex**) temporarily suspended redemptions for Gottex Market Neutral, effective from their 1 December 2008 redemption day with a target date of 1 June 2009 to lift the suspension of redemptions, a consequence of which was the temporary suspension of redemptions for the Select Gottex Funds.

In a nutshell

- Gottex has successfully restructured Gottex Market Neutral into continuing and run-off classes and re-opened the fund effective 1 June 2009. Gottex had already re-opened Gottex Market Neutral Plus, a small proportion of our exposure to the Gottex Funds.
- The restructure of Gottex Market Neutral includes that monthly redemptions cease, replaced by calendar quarterly redemptions (the first business day of each calendar quarter), with the next redemption processing day being 1 October 2009.
- SELECT has therefore re-opened the Select Gottex Market Neutral Fund to withdrawal requests (not subscriptions), now also with calendar quarterly withdrawal days (rather than monthly):
 - the deadline for investors wishing to withdraw from the Select Gottex Market Neutral Fund is 3 months plus 5 business days before the processing day (we must receive your withdrawal request by this time);
 - so the deadline for investors wishing to withdraw from the Select Gottex Market Neutral Fund for our 1 October 2009 processing day is **24 June 2009** (we must receive your withdrawal request by this time); and

- funds should be paid to the Select Gottex Market Neutral Fund from Gottex within 45 business days of each processing day and on-paid to those wishing to redeem immediately after this.
- the Select Gottex Enhanced Market Neutral Fund will not recommence withdrawal processing, but has been terminated and will be wound up in accordance with the fund's constitution, with the net proceeds returned to investors as soon as is practicable. Timing will be a function of the liquidity as it becomes available in the Fund's underlying investments. At this stage we anticipate however that a full redemption of our investment in Gottex Market Neutral will be available for the 1 October 2009 Gottex redemption day, so that net proceeds should be returned to investors as soon as is practicable after this.

This letter details these matters. It is important that you read this letter, although we expect many investors need not do anything in response to it.

We chose to access liquidity at a lower cost

As previously communicated, after careful consideration, for both Select Gottex Funds we elected to access available liquidity by choosing the Gottex Fund continuing classes, for reasons including better cost effectiveness and that the continuing classes of the Gottex Funds will continue to be actively managed by Gottex with a view to them achieving their target objectives.

Hence, each of the Select Gottex Funds remains invested in the continuing classes of the Gottex Funds, and will access liquidity as Gottex enables for the continuing classes.

Amongst the reasons we did not choose the run-off classes of the Gottex Funds are that the run-off classes:

- are not redeemable voluntarily by investors (rather Gottex decides the liquidity schedule due to the liquidity characteristics of underlying hedge fund investments);
- have a higher management fee (although no performance fees); and
- are denominated in US Dollars, thereby not providing any foreign currency hedging overlay.

Because SELECT chose to remain invested in the continuing classes of the Gottex Funds, none of these disadvantages apply.

Further questions

Please read this summary in the context of the important attached detail.

If you would like any additional information or have any other questions please contact your adviser, or Andrew Stewart or Stephen Barbarich at SELECT on 02 8252 2200.

Yours faithfully,

Select Asset Management Limited

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The Select Gottex Market Neutral Fund

In a nutshell

There remains investor support for the Select Gottex Market Neutral Fund and we have confidence in the investment exposure which the Fund will continue to provide.

So, after careful consideration of available options and industry directions, and in light of Gottex starting to free up liquidity for the Gottex Funds, we have decided that the Select Gottex Market Neutral Fund will recommence more normal operations.

There will be likely changes however, namely:

- lower fees, as a result of the lowering of management fees by Gottex; and
- quarterly rather than monthly withdrawals reflecting underlying conditions in the hedge funds market.

Staying invested

Those investors who choose to remain invested in the Select Gottex Market Neutral Fund:

- will have the advantage of reduced fees ~ Gottex has reduced the investment management fees it charges investors in the continuing classes of the Gottex Funds to 0.75% p.a.;
- accept that withdrawals will now be processed calendar quarterly (not monthly) in line with the redemption process for the Gottex Funds; and
- need not do anything.

Withdrawing

The withdrawal processing by SELECT for the Select Gottex Market Neutral Fund will recommence quarterly from 1 October 2009 when we anticipate that quarterly redemptions from the underlying Gottex Funds will become available, subject to the Select Gottex Market Neutral Fund being able to have any redemptions it makes from the Gottex Funds settled in cash in full.

Following the restructuring in the Gottex Funds, monthly redemptions for Select Gottex Market Neutral have ceased, replaced by calendar quarterly redemptions with the first being 1 October 2009.

The deadline for investors wishing to lodge withdrawal requests in regards to the Select Gottex Market Neutral Fund is that they must be received by us 3 months and 5 business days before our new quarterly processing day.

So, the deadline for investors wishing to lodge withdrawal requests in regards to the Select Gottex Market Neutral Fund for the 1 October 2009 processing day is that they must be received by us by **24 June 2009**.

Funds should be paid to the Select Gottex Market Neutral Fund from Gottex within 45 business days of each processing day and on-paid to those wishing to redeem from the Select Gottex Market Neutral Fund immediately after this.

Uncertainties

We will be aiming to pay all withdrawal requests for a particular processing day in full on or before the expected payment date, but this may not always be possible.

Reasons include that moneys flowing from the Gottex Funds may be insufficient to meet our withdrawal request, we may receive non cash assets from Gottex (for example any future run-off classes created by Gottex) and we do not currently anticipate that we would distribute these to pay redemptions, or market conditions, Gottex procedures or other relevant factors could change.

The amount of withdrawals sought by investors could also have a significant impact on the way we manage investors' wishes to withdraw going forward. Law does impose certain restrictions on how we manage withdrawals if a fund is no longer "liquid" as law defines this, and the constitution for the Fund also avails us certain mechanisms designed so that we can act in the best interests of all investors (for example, in managing high withdrawal demand and treating investors equally having regard to underlying asset liquidity (for example, pro-rating withdrawal requests)). It may be that the law will govern future withdrawals, we may need to revise how we handle them or we may determine to terminate the Fund and wind it up. We will keep investors informed.

So it is still possible that if you seek to withdraw, you will receive only a portion of available funds at a particular processing date.

In this case then subject to law or further developments with Gottex having impact on our intentions:

- we will allocate available withdrawal funds at that time in proportion to the respective sizes of the withdrawal requests; and
- you will need to contact us again by the next withdrawal cut off day if you wish to withdraw further moneys.

And it is possible that there could still be further delays.

Further Gottex disclosure

In light of market events and the restructuring, Gottex has re-issued its Offering Memorandum for the Gottex Market Neutral Fund. You may obtain a copy of the new Offering Memorandum by contacting us.

The document follows the same disclosure approach as the previous issue (October 2006), and highlights between the issues include:

- disclosure as to restructuring matters such as revised Gottex fee structures, run off share classes and side pockets
- Gottex's management of liquidity issues including liquidity provider relationships and reserves
- that lower liquidity impacts on the hedge program, and could cause the program to terminate
- risks associated with the changed market conditions (such as the credit squeeze) and restructuring and
- that underlying fund managers may establish side pockets or segregated accounts to hold illiquid assets, which may require the Gottex Market Neutral Fund to take similar action.

Gottex has also disclosed that investors should plan to commit funds to the Gottex Market Neutral Fund for at least three to five years, although this is not an obligation, consistent with past disclosure, and has now disclosed that such period may possibly be longer, particularly under certain circumstances in which any special situation classes, special situation special purpose entities or run-off portfolios have been established.

What should you do?

Investors could seek to withdraw some or all of their funds, but we believe that many investors will choose to remain invested.

2008 and 2009 to date have been difficult for investors across all asset classes.

SELECT has always believed that from challenges arise opportunities. The loss of long term liquidity in the global hedge funds industry, whilst providing considerable stress over these last few months, now offers the opportunity to intelligently and methodically identify and shift towards a number of what we consider to be compelling investment opportunities.

The challenges have been more than evident in the hedge funds industry, where liquidity has suffered, which forced the global hedge fund industry to respond in various ways to the changing investment environment.

Our decision to remain invested in the continuing classes of the Gottex Funds is evidence of our confidence in the investment exposure which the Gottex Funds provide.

We believe that alternative investments such as funds of hedge funds can make a significant contribution to a mainstream portfolio by providing access to attractive absolute returns not dependent on rising share, property and bond markets, enabling greater diversification and thereby providing a smoother pattern of overall returns over time from the combined portfolio.

The past year has represented liquidity challenges across many asset classes, which, as with other fund of hedge fund managers, impacted on Gottex. Gottex is addressing these challenges by restructuring, making the Gottex Funds only available for redemptions on a quarterly (rather than monthly) basis and by lowering the fees charged to the Gottex Funds.

The Select Gottex Market Neutral Fund returned -0.30% after fees and expenses from 1 November 2008 through 30 April 2009 while the return for the ASX 200 Accumulation Index was -3.21%.¹

The matter is ultimately for you however and we respect your decision either way. We encourage you to speak to your adviser. Please call us if you require further information.

Will there be tax consequences?

There are no direct tax consequences arising from you deciding to stay invested in the Select Gottex Market Neutral Fund.

There will there be tax consequences if you withdraw. This depends on your own circumstances. You should seek professional advice.

What if I want to withdraw later?

You can request withdrawal at any processing date. Your withdrawal request will need to be received by us the relevant number of business days before each processing date, which is currently as follows:

Can I invest more?

No, the Select Gottex Market Neutral Fund is not currently open for new subscriptions and there is no current Product Disclosure Statement on issue.

I would like direct exposure to the Gottex Funds ~ what should I do?

We are aware that some investors are contemplating this.

We consider that Gottex remains a quality investment manager which has been the subject of extraordinary developments, and these investors, we understand, are comfortable with a long term exposure under different liquidity arrangements.

If this is you, we encourage you to contact us. For suitable wholesale investors acceptable to Gottex, we would hope to be able to facilitate a transfer of the investments in the Gottex Funds from the Select Gottex Market Neutral Fund to you as a withdrawal in specie.

¹ Remember, neither returns nor capital are guaranteed and past performance is not a reliable indicator of future performance

The Select Gottex Enhanced Market Neutral Fund

In a nutshell

After careful consideration of available options and industry directions, and especially the increased cautiousness of many investors to geared funds, the Select Gottex Enhanced Market Neutral Fund is to be terminated and wound up, and the net proceeds will be distributed to investors as the Fund's constitution provides (or if investors so wish, these may be invested in other Select Funds) as and when liquidity is made available by Gottex.

Timing will be a function of the liquidity as it becomes available in the Fund's underlying investments in the continuing classes of the Gottex Funds. At this stage we anticipate however that a full redemption of our investment in Gottex Market Neutral will be available for the 1 October 2009 Gottex redemption day, so that net proceeds should be returned to the Select Gottex Enhanced Market Neutral Fund within 45 days and then to investors in the Fund as soon as is practicable after this.

Until the Fund's underlying investments have been realised, investors will have the advantage of reduced fees ~ Gottex has reduced the investment management fees it charges investors in the continuing classes of the Gottex Funds to 0.75% p.a. (or up to 1.5% p.a. on a leveraged basis for this Fund).

Uncertainties

We will be aiming to pay all net proceeds according to the timetable above, but this may not be possible.

Reasons include that moneys flowing from the Gottex Funds may be insufficient to meet our withdrawal request, we may receive non cash assets from Gottex (for example any future run-off classes created by Gottex) and we do not currently anticipate that we would distribute these to pay redemptions, or market conditions, Gottex procedures or other relevant factors could change.

There could still be further delays.

What should you do?

You need not do anything. We will process the winding up of the Select Gottex Enhanced Market Neutral Fund at our end.

Can I ask SELECT to direct my investment elsewhere?

We are more than happy to invest your withdrawal proceeds from the Select Gottex Enhanced Market Neutral Fund into any of our other Select Funds, including any of the Select Portfolio Solutions such as the Select Alternatives Portfolio.

If you are an investor in the Select Gottex Enhanced Market Neutral Fund, simply let us know where you would like your investment placed. We can do the rest.

If we do not hear from you, we will pay withdrawal proceeds as they become available to your nominated bank account.

What is the process?

We essentially distribute money as it is received from the Gottex Funds in proportion to each investor's unit holding. We pay the net proceeds, so the costs of winding up as well as our normal fees are payable from the Select Gottex Enhanced Market Neutral Fund.

Will there be tax consequences?

The tax consequences are the same as if you withdraw. This depends on your own circumstances. You should seek professional advice. We will send you a statement when the winding up is finished to help with your tax return.

Can I make a withdrawal request?

No, withdrawal proceeds will be paid in proportion to each investor's unit holding.

Are there final accounts?

Yes there will be when finalised, and we will send them to you on request.