

SWISS HEDGE

1st Quarter 2006

A Review on Developments in the Hedge Fund Market



Portable Alpha

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Harcourt AG is a leading provider of hedge fund solutions to institutional investors. For further information concerning Harcourt and its services visit our webpage at www.harcourt.ch.

Continuity in an innovative environment



Peter Fanconi | Harcourt AG

Last December, Harcourt announced that Vontobel, a leading Swiss private bank, acquired a 56% stake in Harcourt. Vontobel acquired these shares from NIB Capital and thereby becomes our new majority shareholder.

With this transaction, Harcourt becomes the centre of competence and partner of choice for all present and future activities of Vontobel in the hedge fund space. Vontobel broadens its product offering and strengthens its existing specialist investment capabilities. Being committed to innovation, Vontobel is perfectly positioned to provide quality investment products to its institutional and private clients. Harcourt is excited to be part of it.

Vontobel, which is publicly listed, manages in excess of CHF50b. Being founded in 1924, it looks back on a long history of excellence in the areas of private banking, investment banking, and asset management. Being family controlled, Vontobel values independence and absence of conflicts of interest most highly; to the ultimate benefit of its clients and shareholders alike.

The same is true for Harcourt. With this transaction, Harcourt maintains its autonomy and discretion over all operational decisions regarding the company and its investments. Management and staff will continue to be shareholders of Harcourt and remain committed on a long term basis.

As such, we believe that this transaction allows Harcourt to maintain its identity, while at the same time strengthening its global reach and reaffirming its independence. We are convinced that Vontobel and Harcourt form an excellent strategic fit. Given both established brand names, Harcourt's track record as a leader in the institutional fund of hedge funds market, products and clients will be able to

benefit from the significant corporate backing of Vontobel. We believe that hedge fund managers, clients and partners will benefit from this transaction.

Further, our sustained growth, combined with the increasing sophistication of our client base, necessitates on-site presence in core markets. Geneva, having traditionally been served through local 3rd parties, is a point in case. We have now opened our corporate office in Geneva and thereby effectively upgraded our presence. From this office, we will extend increased service levels to clients in the greater Geneva area, France and Italy. In addition, Harcourt has recently purchased a 51% stake in NIBC Petercam Gestion, a Madrid-based asset manager. The firm has been renamed Harcourt Investments SGIIC SA. With this acquisition, Harcourt is building upon an already existing and successful relationship with the Spanish team. We now believe to be very well positioned to benefit from the opportunities presented by the Spanish and Portuguese markets.

All of these activities above have one goal in mind: To be a leading, global provider of hedge fund solutions to our investors. We believe to be well on the way to attaining that goal.

This issue of swissHEDGE: While having been developed in the nineties, the portable alpha concept has gained widespread investor attention in 2005 and is increasingly part of our discussions with institutional investors. Consultants and investment banks, as well as the alternative investment community, have recognized the potential opportunity and are currently building competencies and related offerings in this area. Harcourt is ideally positioned to act as a credible specialist in this field of expertise. As such, we dedicated this year's first issue of swissHEDGE to it.

We hope you enjoy it!