

# GAM Star Global Rates – USD Institutional

Macro/Managed Futures - Global Rates

USD UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 31 Aug 2017 USD  
12.3948 (Acc) 12.3947 (Inc)

September 2017

MARKETING MATERIAL



## Fund description

**Investment strategy:** Global Rates

**Investment objective:** To deliver absolute returns over the medium-term, across all market conditions.

**Investment style:** Invests in government bond instruments and currencies globally using a fundamental, macroeconomic approach to develop themes that capture inefficiencies.

## Manager



Adrian Owens

## Manager commentary as at 31 Aug 2017

Political developments, North Korean tensions and headlines out of Washington were more of a focus for markets during August than economic data. Economic reports were generally encouraging and continued to point towards diminishing spare capacity. In the UK, this point was highlighted by Mr Saunders of the Bank of England's MPC. He argued that evidence suggests the output gap in the UK has likely closed and that "our foot no longer needs to be quite so firmly on the accelerator...". Money was made from currency during August but interest rate positions were a drag.

The single largest cost to the fund came from curve steepening positions in the US and UK (-55 bps). Front end steepeners in Canada cost a further 10 bps. On a more positive note, long positions in Mexican rates, primarily five-year swaps starting in five years, made around 15 bps. Curve flattening trades in Sweden versus steepening trades in the US added around 20 bps. Scandinavian currencies were the main contributor to fund performance during August. Continued strength in the Swedish and Norwegian data, together with a relatively benign risk backdrop, proved supportive. Our long positions in the Swedish krone were the main driver of returns making around 40 bps.

Profits were taken on our short Canadian dollar versus long Norwegian krone positions. We also fully closed our remaining short sterling versus long Canadian dollar trades. Modest long US dollar positions versus Korea were largely closed on the back of Korean won underperformance from rising uncertainty around North Korea.

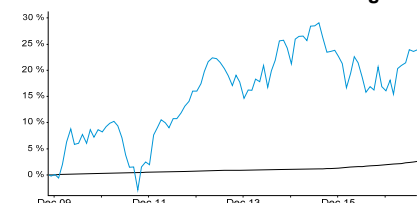
Globally data have remained upbeat, risk has continued to perform well yet government bond yields have fallen in recent weeks. In the near term we believe fixed income markets are looking increasingly vulnerable to a correction, especially ahead of likely tapering from the Fed and continued signs of falling spare capacity in a number of countries. Recent data and comments from the Bank of England also increase our confidence that UK rates are at unsustainably low levels.

## Fund facts

**Fund managed by** Adrian Owens  
**Fund type** UCITS  
**Stock exchange listing** Irish  
**Currency classes** CHF, EUR, GBP, USD classes are available  
**Base currency of the class** USD  
**Inception date of the fund** 13 Nov 2009  
**Inception date of the class** 13 Nov 2009  
**Fund size** USD 1,280.6m  
**Class size** USD 228.0m  
**Min investment of the class** USD 10,000  
**Dividend policy** Net income will be distributed annually. Reporting fund status received.  
**Dealing day** Tuesday. Redemption notice is one business day prior to the deal date.  
**Investment manager and sponsor fees\*** 1.00%  
**Performance fee**  
 10% over 3-month LIBOR, on a High Water Mark basis. Please refer to Prospectus for further details on fees.  
**TER** 1.67% as at 30 Dec 2016  
**Bloomberg**  
 Acc GAMSGLU ID Inc GAMGLUI ID  
**Reuters**  
 Acc SGRUA.FND Inc SGRUI.FND  
**ISIN**  
 Acc IE00B5BJ0779 Inc IE00B5982S18  
**Valoren**  
 Acc 10681310 Inc 10681293  
**SEDOL**  
 Acc B5BJ077 Inc B5982S1  
**Authorised for public sale in** Austria, Belgium, Bulgaria, Denmark (professional investors), Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway (professional investors), Singapore (Institutional & accredited investors only), Spain, Sweden, Switzerland and United Kingdom  
**Data sources** GAM, Thomson Reuters

## Fund performance and risk analysis

### Performance from 13 Nov 2009 to 31 Aug 2017



### Performance summary as at 31 Aug 2017

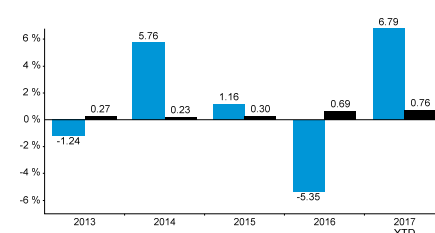
	Fund %	Cash Index %
1 month return	0.31	0.11
3 months' return	2.04	0.32
12 months' return	6.06	1.03
Return since inception	23.95	3.45
Annualised return since inception	2.79	0.44

The fund does not include the security of capital which is characteristic of a deposit with a bank or building society.

### Standardised past performance to 31 Aug 2017

August-August (%)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
GAM Star Global Rates – USD Institutional	6.39	2.49	3.57	-7.47	6.06
3 Month Libor in USD	0.31	0.24	0.26	0.53	1.03

### Performance history to 31 Aug 2017



Key to charts and tables:

Fund: GAM Star Global Rates – USD; Cash Index: 3-Month Libor in USD

### Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.74	-2.27	4.28	0.49	0.44	2.03	-0.30	0.31	-	-	-	-	6.79
2016	-1.07	-3.83	2.33	2.68	-0.93	-2.32	-2.40	0.93	-0.54	3.79	-3.13	-0.69	-5.35
2015	3.94	0.41	0.01	-0.68	2.22	0.05	0.42	-2.13	-2.27	0.16	0.16	-0.96	1.16
2014	1.42	-0.05	1.86	-0.47	2.65	-3.43	2.71	1.68	2.99	0.12	-1.16	-2.46	5.76
2013	1.22	1.96	1.54	0.63	-0.11	-0.64	-0.92	-1.15	-1.60	1.70	-1.09	-2.66	-1.24
2012	5.60	1.32	1.40	-0.52	-0.87	1.61	-0.06	1.00	1.15	0.84	1.70	0.05	13.88
2011	0.96	0.57	0.35	-0.80	-2.12	-3.02	-2.31	0.11	-4.38	4.54	0.93	-0.51	-5.82
2010	-0.61	2.61	4.18	2.37	-2.73	0.22	1.54	-1.57	2.47	-1.30	1.35	-0.44	8.17
2009	-	-	-	-	-	-	-	-	-	-	-0.24	0.27	0.04

### Contact details

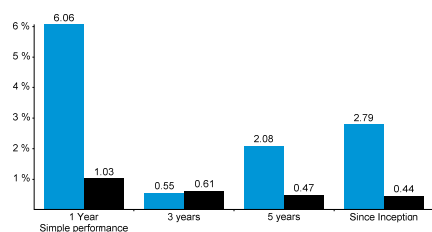
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For daily updates on this fund and a glossary of terms see [www.gam.com](http://www.gam.com). Access may be subject to certain restrictions.

Past performance is not indicative of future performance. Performance is shown net of fees.

## Fund performance and risk analysis, continued

### Compound annual growth rates as at 31 Aug 2017



### Risk summary as at 31 Aug 2017

	12 months	5 years
	Fund	Fund
Maximum drawdown (%) ***	-4.34	-10.57
Annualised standard deviation (%)	7.28	6.45
Sharpe Ratio*	0.72	0.26

\*\*\* The largest loss, peak to trough based on monthly data

\* Risk free rate is Average USD 1 Month Deposit Rate

### Risk statistics as at 31 Aug 2017 †

	Fund %
VaR	4.63
Expected shortfall	5.51
Fat tail risk	0.87
Gearing (Longs)	434.77
Gearing (Shorts)	-435.02

VaR confidence interval is 99.0%, monthly, VaR. Please note that the fund's underlying holdings which cannot be recognised by the model are excluded from VaR analysis.

### Contribution analysis as at 31 Aug 2017 †

	Contribution for	
	Month	Year to date
Foreign exchange (%)	0.93	3.94
Fixed Income (%)	-0.52	4.02
Net current assets/liabilities (%)	0.01	0.07

#### Key to charts and tables:

Fund: GAM Star Global Rates - USD; Cash Index: 3-Month Libor in USD

† Please note that the information in this section refers to the investment pool into which this fund invests, and therefore does not reflect the effects of currency hedging (if applicable) or of fees charged at the class level.

Asset allocation - Not available for this fund

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