

# GAM Star Dynamic Global Bond – USD

Developed Markets - Global

MARKETING MATERIAL

USD UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 31 Oct 2017 USD 11.2605 (Acc)

November 2017



## Fund description

<b>Investment strategy:</b>	Global
<b>Investment objective:</b>	Aims to generate consistent total returns and outperform an index of developed global bond markets over a market cycle.
<b>Investment style:</b>	The managers use a fundamental, top-down approach to actively allocate across fixed income sectors globally including G13 and emerging market government bonds, investment grade credit, high yield bonds, convertible bonds and foreign exchange to capture investment opportunities while diversifying risk.
<b>Currency hedging:</b>	May be employed to protect against exchange rate risk.

## Manager



Timothy Haywood and Daniel Sheard

## Manager commentary as at 31 Oct 2017

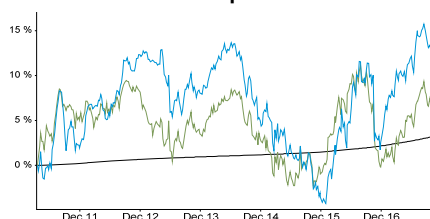
The global economy continued to display signs of improvement, with stronger than anticipated growth in countries, including the US and UK, leading to forecasts for greater GDP growth. Key indicators of inflation in the developed world have also continued to trend upwards and closing output gaps are expected to place further pressure on wages. This includes Japan, where unemployment is falling and inflation is forecast to rise, albeit slowly. Japanese prime minister, Shinzo Abe, was successful in maintaining a two-thirds "supermajority" in the October snap election and while an extension of his term beyond five years may be politically important, the impact on financial markets is less significant. Conversely, the decision by the ECB to extend its bond buying programme to September 2018 with monthly bond purchases of EUR 30 billion and strengthened guidance on reinvestment was perceived as dovish, driving bond yields lower. An overweight exposure to the US dollar benefited the fund relative to its benchmark index, although the strong dollar was detrimental to both the fund and its benchmark. Interest rate shorts in the UK added modest value, as did an off benchmark exposure to corporate credit. Duration shorts proved costly, particularly in the euro denominated markets. An overweight exposure to emerging currencies was also a drag on performance, namely the Mexican peso. The fund has maintained an interest rate duration well below that of its benchmark index. As a hedge against this strategy not working, call options on German Bund futures were added to capture any upward move in bond prices around the ECB's QE announcement. This was a profitable strategy. In recent months the fund has adopted an overweight exposure to the US dollar and underweight position in EUR, GBP and a number of emerging market currencies. The current stance represents a sea change in the foreign exchange overlay. The best of the immediate available gains have been seen in the emerging world and idiosyncratic concerns now prevail. Conversely, US dollar weakness is passing as optimism towards stock markets and corporate results help reinvigorate the attractiveness of the greenback.

## Fund facts

**Fund managed by** Timothy Haywood and Daniel Sheard  
**Fund type** UCITS  
**Stock exchange listing** Irish  
**Currency classes** CHF, EUR, GBP and USD classes are available  
**Base currency of the class** USD  
**Inception date of the fund** 11 Apr 2011  
**Inception date of the fund** 11 Apr 2011  
**Fund size** USD 170.5m  
**Class size** USD 2.1m  
**Min investment of the class** USD 10,000  
**Dividend policy** Net income will be distributed annually. Reporting fund status received.  
**Dealing day** Any business day.  
**Investment manager and sponsor fees\*** 0.90%  
**TER** 1.17% as at 30 Jun 2017  
**Bloomberg**  
 Acc GAMDGBU ID  
**Reuters**  
 Acc SDGUA.FND  
**ISIN**  
 Acc IE00B5V8M567  
**Valoren**  
 Acc 12407364  
**SEDOL**  
 Acc B5V8M56  
**Authorised for public sale in** Austria, Belgium, Denmark (professional investors), Finland, France, Germany, Ireland, Luxembourg, Netherlands, Norway (professional investors), Singapore (Institutional & accredited investors only), Spain, Sweden, Switzerland and United Kingdom  
**Data sources** GAM, Bloomberg, Thomson Reuters

## Fund performance and risk analysis

### Performance from 11 Apr 2011 to 31 Oct 2017



### Performance summary as at 31 Oct 2017

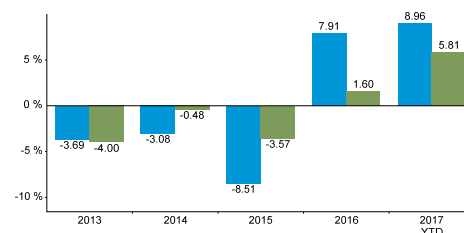
	Fund %	Bond Index %
1 month return	-1.15	-0.54
3 months' return	-2.11	-0.58
12 months' return	3.18	0.55
Return since inception	12.61	6.57
Annualised return since inception	1.83	0.97

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 Oct 2017

October-October (%)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
GAM Star Dynamic Global Bond – USD	-1.11	-1.30	-7.63	9.21	3.18
Citi (WGBI) World Govt. Bond Index in USD	-3.06	-1.28	-3.63	5.65	0.55

### Performance history to 31 Oct 2017



### Key to charts and tables:

Fund: GAM Star Dynamic Global Bond – USD; Bond Index: Citi (WGBI) World Govt. Bond Index in 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	3.54	1.11	1.22	0.52	1.00	0.25	3.21	0.03	-1.00	-1.15	-	-	8.96
2016	1.15	1.65	4.54	3.30	-4.20	6.09	1.87	-1.09	1.79	-1.55	-5.64	0.35	7.91
2015	2.01	-1.61	-1.86	1.15	-2.31	-0.26	-0.67	-0.50	-0.42	-0.07	-2.62	-1.59	-8.51
2014	0.47	2.17	0.43	1.01	0.34	0.71	-1.48	0.22	-4.13	0.56	-0.81	-2.44	-3.08
2013	0.75	-1.10	-0.32	1.72	-3.86	-2.78	1.19	-1.13	2.40	1.04	-1.38	-0.09	-3.69
2012	3.06	1.43	-0.57	1.24	-2.92	1.81	1.11	1.11	2.40	-0.71	0.68	0.48	9.36

### Contact details

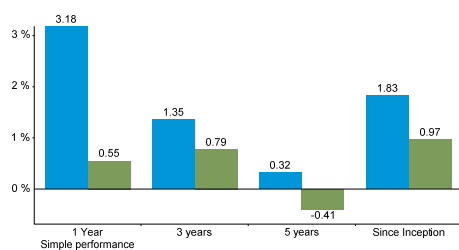
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For daily updates on this fund and a glossary of terms see [www.gam.com](http://www.gam.com). Access may be subject to certain restrictions.

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 Oct 2017



### Risk summary as at 31 Oct 2017

	12 months		5 years	
	Fund	Bond Index	Fund	Bond Index
Maximum drawdown (%) ***	-5.64	-4.98	-15.74	-9.69
Annualised standard deviation (%)	7.76	5.62	7.23	5.34
Sharpe Ratio*	0.28	-0.07	-0.01	-0.15

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

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

### Relative summary as at 31 Oct 2017

	Relative to Bond Index	
	12 months	5 years
Alpha (%)	0.22	0.07
Beta	1.21	1.13
Correlation	0.88	0.83

#### Key to charts and tables:

Fund: GAM Star Dynamic Global Bond – USD; Bond Index: Citi (WGBI) World Govt. Bond Index in USD;

Asset allocation - Not applicable for this fund

Important information: Please note that the fund may not be registered in all the jurisdictions set out below.

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