

# GAM Star Asia-Pacific Equity – USD

Developed Markets - Asia-Pacific

USD UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 30 Nov 2017 USD 15.6201 (Acc) 14.8012 (Inc)

MARKETING MATERIAL



December 2017

## Fund description

<b>Investment strategy:</b>	Asia-Pacific
<b>Investment objective:</b>	Capital appreciation.
<b>Investment style:</b>	Invests primarily in quoted securities in the Pacific Basin, seeking to exploit fundamental long-term value.
<b>Currency hedging:</b>	May be employed to protect against exchange rate risk

## Manager



Michael Lai and Ben Williams

## Manager commentary as at 30 Nov 2017

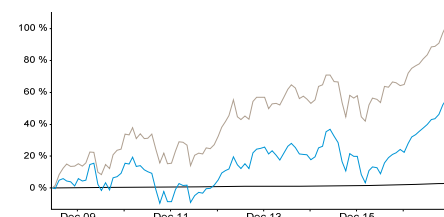
The strong run in Pacific equity markets continued in November. Performance was led by Tencent Holdings which rallied by 13.8% during the month driven by its better than expected Q3 earnings, excitement on its gaming pipeline and the listing of its digital content business. Other notable contributions came from Tokyo Broadcasting, Mitsubishi Corp and TDK which all reacted well to good quarterly earnings. Our holding in Aristocrat Leisure in Australia was a modest negative contributor, but on the whole stock selection continues to drive the outperformance of the fund. Australia lagged the regional gains held back by the materials and banking sectors. We are underweight Australia. At the risk of sounding like a stuck record market drivers have remained consistent for most of the year. Strong synchronised global growth and industrial production has driven strong earnings growth. The latest figures for Japan saw industrial production up 5.9% yoy. Even in Singapore industrial production is on its 15th month of expansion and the latest PMI was a strong 55.4. Year to date forward earnings estimates for the MSCI Pacific index have advanced 19.3% thus providing good fundamental support to this year's rally. At just under 15x forward PER the market still looks reasonable value to us. Furthermore balance sheets remain strong. We recently met with management of one of our equity holdings in Japan which is in line to report record earnings this year. This comes at a time when, in their words, "reducing debt beyond current levels is not a necessity". This bodes well for improving shareholder returns in our view. Elsewhere the Pacific ex Japan region looks reasonably valued as the gains have been underpinned by solid earnings momentum as Chinese growth has surprised on the upside. While growth might slow down next year we expect only a modest deceleration.

## Fund facts

**Fund managed by** Michael Lai and Ben Williams  
**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** 4 Jan 1988  
**Inception date of the class** 8 Jun 2009  
**Fund size** USD 29.7m  
**Class size** USD 12.5m  
**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. Redemption notice period is one business day before deal  
**Investment manager and sponsor fees\*** 1.35%  
**TER** 1.86% as at 30 Jun 2017  
**Bloomberg**  
 Acc GSAPUOA ID  
**Reuters**  
 Acc SOTUA.FND Inc SOTUI.FND  
**ISIN**  
 Acc IE0002988271 Inc IE0002988495  
**Valoren**  
 Acc 924637 Inc 924636  
**SEDOL**  
 Acc 0298827 Inc B39TBK5  
**Authorised for public sale in** Austria, Belgium, Denmark (professional investors), Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Macau, Netherlands, Norway (professional investors), Singapore (Institutional & accredited investors only), Spain, Sweden, Switzerland, Taiwan and United Kingdom  
**Data sources** GAM, MSCI, Bloomberg

## Fund performance and risk analysis

### Performance from 8 Jun 2009 to 30 Nov 2017



### Performance summary as at 30 Nov 2017

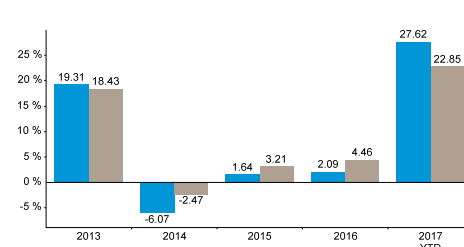
	Fund %	Equity Index %
1 month return	2.62	2.58
3 months' return	8.91	7.35
12 months' return	25.87	23.44
Return since inception	56.20	102.65
Annualised return since inception	5.40	8.69

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 30 Nov 2017

November- November (%)	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
GAM Star Asia-Pacific Equity – USD	22.72	-3.19	-0.82	3.46	25.87
MSCI Pacific Index in USD	23.23	-0.61	0.40	4.95	23.44

### Performance history to 30 Nov 2017



### Key to charts and tables:

Fund: GAM Star Asia-Pacific Equity – USD; Equity Index: MSCI Pacific Index in USD; Cash Index: Average USD 1 Month Deposit Rate

### Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	4.55	3.16	1.15	1.55	1.44	1.69	2.13	0.40	2.02	4.02	2.62	-	27.62
2016	-9.56	-4.65	7.43	2.01	-0.49	-3.41	6.45	2.80	1.57	0.84	1.68	-1.37	2.09
2015	1.44	4.64	0.81	7.25	1.14	-3.11	-3.06	-9.27	-5.16	10.00	-1.46	-0.05	1.64
2014	-3.37	1.65	-2.21	-2.42	3.50	3.69	1.36	-2.10	-3.20	-0.15	-0.17	-2.47	-6.07
2013	3.91	1.56	0.88	6.82	-4.26	-2.03	2.73	-2.76	8.83	1.94	0.41	0.52	19.31
2012	8.17	3.76	-1.03	0.29	-10.85	4.92	2.05	-0.56	2.95	0.26	1.89	3.39	14.97

### Contact details

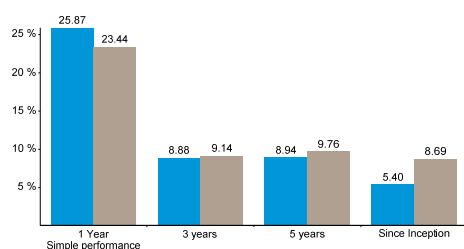
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For daily updates on this fund and a glossary of terms see [www.gam.com](http://www.gam.com). Access may be subject to certain restrictions.

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 30 Nov 2017



### Risk summary as at 30 Nov 2017

	12 months		5 years	
	Fund	Equity Index	Fund	Equity Index
Maximum drawdown (%) ***	-1.37	0.00	-24.49	-16.95
Annualised standard deviation (%)	5.26	4.32	13.09	11.97
Sharpe Ratio*	4.73	5.19	0.65	0.78

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

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

### Relative summary as at 30 Nov 2017

	Relative to Equity Index	
	12 months	5 years
Alpha (%)	0.10	-0.07
Beta	1.04	1.03
Correlation	0.85	0.94

#### Key to charts and tables:

Fund: GAM Star Asia-Pacific Equity – USD; Equity Index: MSCI Pacific Index in USD

## Asset allocation

### Geographic breakdown vs Equity Index as at 30 Nov 2017

Japan	63.33 %	67.43 %
Hong Kong	15.23 %	9.67 %
Australia	12.19 %	18.76 %
China	5.47 %	
Singapore	2.21 %	3.74 %
United States	1.01 %	

Net Current Assets 0.56 %

### Industry breakdown vs Equity Index as at 30 Nov 2017

Industrials	23.81 %	16.99 %
Financials	23.71 %	21.36 %
Consumer Discretionary	20.48 %	15.45 %
Information Technology	12.38 %	8.98 %
Real Estate	8.52 %	7.48 %
Telecom Services	4.47 %	4.55 %
Materials	3.60 %	7.73 %
Healthcare	2.48 %	6.20 %

Net Current Assets 0.56 %

### Currency exposure as at 30 Nov 2017

Name	% of Fund
Japanese Yen	63.7
Hong Kong Dollar	20.7
Australian dollar	12.3
Singapore Dollar	2.2
US Dollar	1.2

### Top 10 holdings as at 30 Nov 2017

Name	Industry	% of Fund
Toyota Motor	Consumer Discretionary	4.7
Tencent Holdings	Information Technology	4.0
ORIX	Financials	3.5
East Japan Railway	Industrials	3.4
Mitsubishi	Industrials	3.3
MS&AD Insurance Group Holdings	Financials	3.1
Toyota Industries	Consumer Discretionary	3.0
Mitsubishi UFJ Financial Group	Financials	2.9
Itochu	Industrials	2.7
Sumitomo Electric Industries	Consumer Discretionary	2.6
<b>Total</b>		<b>33.2</b>

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

Source: GAM, unless otherwise stated. (Where applicable and, unless otherwise noted, performance is shown net of fees, on a NAV to NAV basis). GAM has not independently verified the information from other sources and no assurance can be given as to whether such information is accurate, true or complete and GAM makes no warranty, expressed or implied, regarding such information. Every effort has been made to ensure the accuracy of the information provided, but GAM cannot be held responsible for any errors or omissions. While every effort has been made to ensure the accuracy of the financial information herein, you should note that some of the information may be based on unaudited or otherwise unverified information.

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