GAM Funds

Half-Yearly Report (unaudited)

June 2013

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GAM

Directory

Board of the Authorised Corporate Director

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Head of Legal (UK)
GAM Sterling Management Limited

Andrew Hanges
Chief Executive Officer
GAM Sterling Management Limited

Tomas Hazleton
Head of Risk
GAM Sterling Management Limited
(Resigned 5 July 2013)

Clementa Monedero
Director
GAM Sterling Management Limited

Craig Wallis
Group Head of Institutional and Fund Distribution
GAM Sterling Management Limited

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GAM Funds

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Authorised Corporate Director's Report

The Authorised Corporate Director ("ACD") presents its half-yearly report and interim financial statements for the period.

GAM Funds (the "Company") was authorised by The Financial Conduct Authority ("FCA") on 2 May 1997 and was incorporated on 6 May 1997. GAM Funds qualifies as a wider-range investment under the Trustee Investments Act, 1961 and is an Open-Ended Investment Company ("OEIC") with variable capital. GAM Funds is structured as an umbrella company, consisting of various sub-funds ("Funds"). The shareholders will not be liable for the debts of the Company.

The ACD of the Company is GAM Sterling Management Limited, which is authorised and regulated by the FCA. The ACD is a subsidiary of GAM (U.K.) Limited, whose parent company is GAM Holding AG.

Prices are published daily in the Financial Times.

In accordance with the Statement of Recommended Practice for Financial Statements of Authorised funds issued by the Investment Management Association, comparatives for the Statement of Total Return, Statement of Change in Net Assets attributable to Shareholders and related notes are for the period ended 30 June 2013, comparatives for the Portfolio Analysis, Balance Sheet and related notes are for the year ended 31 December 2012.

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the FCA.

GAM Sterling Management Limited

29 August 2013

Investment Objectives and Policy

The investment objective and policy of each Fund is set out below. The base currency of each Fund is Pound sterling.

GAM Global Diversified

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities on a worldwide basis.

GAM North American Growth

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities in the USA and Canada.

GAM UK Diversified

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities in the UK.

GAM European Systematic Value & Income

(Ceased trading on 28 September 2009)

The objective of the Fund was to provide capital appreciation and income generation, primarily through investment in quoted securities in Europe (excluding UK) and financial derivative instruments which gave exposure to such securities.

General

Each of GAM Global Diversified and GAM North American Growth will invest at least 51% of its total assets in shares and other equity securities and equity rights. The remaining part (up to a maximum of 49% of the total assets of the Fund) may be invested in bonds and other debt securities and debt rights.

Where the investment objectives and policy of a Fund state that investments are made "mainly", "primarily", "predominantly", etc. in a particular continent, country or region, that Fund will invest at least two thirds of its total assets in investments of issuers that have a registered office in the relevant territory or that have the predominant part of their commercial activity in that territory or, as holding companies, must predominantly hold stakes in companies with their registered office in such territory.

Unless indicated to the contrary on the Portfolio Statement of each Fund, all equity investments referred to in this report are securities admitted to an official stock exchange listing.

Aggregated Statement of Total Return

for the period ended	Notes	30 June 2013 £	30 June 2013 £	30 June 2012 £	30 June 2012 £
Income					
Net gains on investments during the period	3		94,026,643		37,409,397
Other gains/(losses)	4		1,373,360		(2,288,317)
Income	5	7,849,558		8,538,921	
Expenses	6	(4,517,402)		(4,333,003)	
Finance costs: Interest	8	–		(15)	
Net revenue before taxation		3,332,156		4,205,903	
Taxation	7	(446,632)		(517,459)	
Net revenue after taxation			2,885,524		3,688,444
Change in net assets attributable to shareholders from investment activities			98,285,527		38,809,524

Aggregated Statement of Change in Net Assets Attributable to Shareholders

for the period ended	30 June 2013 £	30 June 2013 £	30 June 2012 £	30 June 2012 £
Net assets attributable to shareholders at the start of the period		538,902,519		601,861,599
Movement due to issue/(cancellation) of shares				
Amounts received on issue of shares	223,874,536		49,892,684	
Less: Amounts paid on cancellation of shares	(169,700,343)		(189,851,667)	
		54,174,193		(139,958,983)
Stamp duty reserve tax		(31,617)		(26,434)
Change in net assets attributable to shareholders from investment activities (see above)		98,285,527		38,809,524
Net assets attributable at the end of the period		691,330,622		500,685,706

Aggregated Balance Sheet

as at	Notes		30 June 2013 £		31 December 2012 £
Assets					
Portfolio of investments	2(b)		559,030,882		467,217,169
Debtors	9	18,228,749		2,227,262	
Amounts receivable on forward currency contracts	15(e)	1,034,022		3,847,601	
Cash and bank balances	10	133,145,752		74,802,596	
Total other assets			152,408,523		80,877,459
Total assets			711,439,406		548,094,628
Liabilities:					
Creditors	11	19,059,206		7,907,961	
Amounts payable on forward currency contracts	15(e)	1,049,578		158,369	
Distribution payable on income shares				1,125,779	
Total other liabilities			20,108,784		9,192,109
Total liabilities			20,106,345		9,192,109
Net assets attributable to shareholders			691,330,622		538,902,519

This report is signed in accordance with the requirements of the New Collective Investment Scheme Sourcebook as issued and amended by the FCA.

Richard Cull

Clementa Monedero

GAM Sterling Management Limited

29 August 2013

Notes to the Aggregated Financial Statements

1. GAM Funds

As at 30 June 2013 GAM Funds consists of the following funds:

GAM Global Diversified
GAM North American Growth
GAM UK Diversified
GAM European Systematic Value & Income
(ceased trading on 28 September 2009)

In the event of the Company being unable to meet liabilities attributable to any particular fund out of the assets attributable to such Fund, the assets held by the other Funds may be utilised to meet such excess liabilities.

2. Accounting policies

(a) The financial statements, which comprise the Statement of Total Return, Statement of Change in Net Assets attributable to Shareholders, Balance Sheet, Portfolio Statements, notes to the financial statements thereon, for both the aggregated Company and the individual Funds have been prepared under the historical cost basis, as modified by the revaluation of investments, except for GAM European Systematic Value & Income which has been prepared on a non-going concern basis, and in accordance with United Kingdom generally accepted accounting principles, the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010, and Collective Investment Scheme Sourcebook as issued and amended by the FCA.

(b) The investments of the Company have been valued at bid prices as at 23:00 (UK time) on 30 June 2013. For unquoted securities, where no market quotation is available, such investments will be valued based on the probable realisation value estimated by the ACD on a basis which it considers fair and reasonable. Any unquoted securities have been ruled as such on the portfolio statement of each Fund.

(c) All dividends on investments quoted ex dividend up to the accounting date are included in the Statement of Total Return. Bank and other interest receivable is accrued up to this date. Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in note 7 and net of attributable tax credits.

(d) Amounts in overseas currencies are translated at the exchange rate ruling at the end of the accounting period. Foreign currency transactions completed during the period are translated at the rate ruling at the date of the transaction.

Assets and liabilities in foreign currencies are expressed in Pound sterling at the rate of exchange ruling at the balance sheet date.

The following rates of exchange have been used at the period end:

	30 June 2013	31 December 2012
Australian dollar	1.6646	1.5647
Canadian dollar	1.6004	1.6136
Euro	1.1691	1.2321
Japanese yen	150.8221	141.0117
New Zealand dollar	1.9644	1.9657
Thai baht	47.3686	49.7602
US dollar	1.5212	1.6262

(e) Management expenses are charged against income and used in determining any distribution. All net income will be distributed after expenses at year end.

(f) All the income of the Funds after deduction of expenses, will be allocated between holders of income and accumulation shares in accordance with their respective interests. Scrip dividends form part of income for tax purposes but are not included in the year end distribution calculations in accordance with the Collective Investment Scheme Sourcebook.

(g) Deferred tax is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

(h) Where the Company buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs, stamp duty on the purchase of investments (if applicable), and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder. With a view to reducing this cost (which, if it is material, disadvantages continuing shareholders) the ACD is entitled to require payment of a dilution levy, to be added to the sale price or deducted from the redemption price of shares as appropriate. The ACD will normally charge a dilution levy of up to 1% of the price of the share:

– redeemed on a dealing day on which the net redemptions exceed 5% in value (calculated on the current price) of the issued shares linked to that Fund;

– sold on a dealing day on which net sales of shares linked to a Fund exceed the same percentage.

(i) A forward currency contract obligates the Fund to receive or deliver a fixed quantity of foreign currency at a specified price on an agreed future date. These contracts are valued at the forward rate and the Fund's equity therein, representing unrealised gains or losses on the contracts is included in investments. Realised gains and losses are included in the Statement of Total Return.

(j) Underwriting commissions is accounted for when the issue underwritten takes place.

(k) The rate of corporation tax for the period ended 30 June 2013 was 20% (2012: 20%).

3. Net capital gains on investments	30 June 2013 £	30 June 2012 £
The net capital gains on investments during the period comprise:		
Non-derivative securities	86,880,613	35,246,265
Derivative securities	7,146,030	2,163,132
Net gains on investments	94,026,643	37,409,397

Notes to the Aggregated Financial Statements

4. Other gains/(losses)	30 June 2013 £	30 June 2012 £
Other gains/(losses) comprise:		
Realised currency gains/(losses)	1,373,360	(2,288,317)
	1,373,360	(2,288,317)

5. Income	30 June 2013 £	30 June 2012 £
UK dividends	3,454,538	4,598,901
Overseas dividends	4,389,078	3,908,020
Bank interest	5,942	5,937
Bond interest	–	26,059
Sundry income	–	4
	7,849,558	8,538,921

6. Expenses	30 June 2013 £	30 June 2012 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,338,305	4,103,915
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	48,401	44,424
Safekeeping charge	15,886	27,669
Other expenses		
Audit fees	20,286	19,306
Registration fees	16,184	19,198
FSA	900	900
Short dividends paid	–	30,094
Other	77,440	87,497
Total expenses	4,517,402	4,333,003

7. Taxation	30 June 2013 £	30 June 2012 £
a) Analysis of tax charge in period		
Overseas tax	446,632	517,459
Total	446,632	517,459
b) Factors affecting tax charge for the period		
Net income before taxation	3,332,156	4,205,903
Net income at the applicable rate of UK corporation tax of 20% (2012: 20%)	666,431	841,181
Effects of:		
Overseas tax (net of UK relief)	446,632	517,459
Non-taxable UK dividends	(1,568,723)	(1,701,385)
Movement in excess tax losses	902,292	860,204
Double tax relief	–	–
Tax charge for the period	446,632	517,459

c) Factors that may affect future tax charges

At 30 June 2013, the sub-funds has estimated unrecognised excess tax losses of £80,668,478 (31 December 2012: £76,157,017).

8. Finance costs	30 June 2013 £	30 June 2012 £
Interest	–	15
Total finance costs	–	15

9. Debtors	30 June 2013 £	31 Dec 2012 £
Amounts receivable for shares issued	3,766,289	715,137
Sales awaiting settlement	12,843,242	734,090
Accrued income	1,619,218	778,035
	18,228,749	2,227,262

10. Cash and bank balances	30 June 2013 £	31 Dec 2012 £
Cash and bank balances	133,513,647	74,802,596
Bank overdraft	(367,895)	–
	133,145,752	74,802,596

11. Creditors	30 June 2013 £	31 Dec 2012 £
Amounts payable for shares cancelled	1,339,888	4,547,718
Purchases awaiting settlement	16,183,530	2,466,044
Accrued expenses	1,535,788	894,199
	19,059,206	7,907,961

There were no contingent liabilities as at 30 June 2013.

12. Related Party Transactions

All material related party transactions, as set out in Financial Reporting Standard 8 "Related Party Disclosures", have been disclosed in the notes to the financial statements.

GAM Sterling Management Limited as ACD, is a related party, and acts as principal in respect of transactions of shares in the Company. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets attributable to Shareholders.

At the period end accrued expenses included amounts owing to the ACD of £708,455 (31 December 2012: £648,551). The charge for the period is disclosed in Note 6.

All other material related party transactions have been disclosed in the notes to the financial statements.

13. Events after the Balance Sheet date

There have been no significant events affecting the Company since year end.

14. Share classes

The Company has three share classes; A shares, B shares and Institutional shares. At the period end only A shares and Institutional shares have been allocated. The annual management charge on these share classes is 1.50% for A and B shares, 1.05% for the institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for the institutional shares of GAM North American Growth. The net asset value of each share class, the net asset value per share, and the number of shares are given in the comparative tables on pages 22, 33, 47 and 50.

Notes to the Aggregated Financial Statements

15. Derivatives and other financial instruments

The main risks arising from the Funds' financial instruments are market price, foreign currency, liquidity, redemption, credit and interest rate risk.

(a) Market price risk
Market price risk arises from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Investment Adviser takes into consideration the asset allocation of the portfolio when assessing the risk profile associated with particular countries or industry sectors whilst continuing to follow the investment objectives of the Funds and by regularly reviewing and evaluating the Funds' potential exposure to market risk using the Value at Risk (VaR) approach.

The VaR is an estimate of the maximum loss the Funds may experience over any one week, with a probability of 95%. The VaR is calculated by an external price provider using the historical simulation method using weekly historical pricing data for the underlying securities. The VaR of the portfolio is stress tested on a fortnightly basis by running the VaR using current holdings against historical events. The VaR cannot take account of the fact that future market price movements may bear no relation to historical patterns as future market conditions could vary significantly from those experienced in the past.

For GAM Global Diversified the VaR as at 30 June 2013 and 31 December 2012 was 2.84% and 3.10% respectively and the average VaR for the period to 30 June 2013 and year to 31 December 2012 was 2.56% and 3.42% respectively (expressed as a % of NAV).

For GAM North American Growth the VaR as at 30 June 2013 and 31 December 2012 was 2.70% and 2.85% respectively and the average VaR for the period to 30 June 2013 and year to 31 December 2012 was 2.66% and 2.87% respectively (expressed as a % of NAV).

For GAM UK Diversified the VaR as at 30 June 2013 and 31 December 2012 was 2.54% and 2.96% respectively and the average VaR for the period to 30 June 2013 and year to 31 December 2012 was 2.40% and 3.33% respectively (expressed as a % of NAV).

For GAM European Systematic Value & Income the VaR as at 28 September 2009 (the date the fund ceased trading) was 0.03%. The average VaR for the period to 28 September 2009 was 5.31% (expressed as a % of NAV).

(b) Foreign currency risk
A substantial portion of the financial assets of the Funds may be denominated in currencies other than the base currency of the Funds with the effect that the balance sheet and total return can be significantly affected by currency movements. The Funds may enter into forward foreign currency exchange contracts in order to hedge against currency movements. However, it is not always possible to precisely match the forward foreign exchange amount and the value of such securities may vary as a consequence of market movements over the life of the forward exchange contract.

The tables in note 15(i) set out the Funds total exposure to foreign currency risk.

(c) Liquidity risk
Liquidity risk may arise when not all securities invested in by the Funds will be listed or rated and consequently liquidity may be low. However, the assets of the Funds comprise mainly realisable securities, which can be readily sold.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual settlement date. Balances as set out in the table below have not been discounted, as the impact of discounting is not significant.

As at 30 June 2013:

	<1 month £
Amounts payable on forward contracts	111,595,601
Amounts payable for shares cancelled	1,339,888
Purchases awaiting settlement	16,183,530
Accrued expenses	1,533,349
Net assets attributable to shareholders	691,330,622
	821,982,990

As at 31 December 2012:

	<1 month £
Amounts payable on forward contracts	69,874,494
Amounts payable for shares cancelled	4,547,718
Purchases awaiting settlement	2,466,044
Accrued expenses	894,199
Distribution payable on income shares	1,125,779
Net assets attributable to shareholders	538,902,519
	617,810,753

(d) Redemption risk
The main liability of the Funds is the redemption of any shares that investors wish to sell. Large redemptions of shares in any of the Funds might result in a Fund being forced to sell assets at a time, under circumstances and at a price where it would, instead, normally prefer not to dispose of those assets.

(e) Credit risk
The Funds are exposed to a credit risk on parties with whom they trade and may bear the risk of settlement default. The Funds minimise the concentration of credit risk by undertaking transactions with counterparties on recognised and reputable exchanges.

At 30 June 2013 the Company held cash deposits of £119,997,812 (31 December 2012: £62,503,616) with J.P. Morgan Trustee and Depositary Company Limited and £13,147,940 (31 December 2012: £12,298,980) with UBS AG. The credit risk to the Funds is the risk that the counterparties default on their obligation to repay the funds. The Funds manage this credit risk by only holding deposits with approved brokers that belong to an internationally recognised financial services firm.

The Investment Adviser manages credit risk for derivative transactions by only using approved brokers that belong to an internationally recognised financial services firm or alternatively command a high market share in a given market segment.

GAM Global Diversified held the following forward foreign exchange contracts (with J.P. Morgan) at the period end.

As at 30 June 2013:

Purchase currency	**Contractual amount**	**Sale currency**	**Contractual amount**	**Maturity date**	**Unrealised gain/(loss) US$**
USD	56,400,000	GBP	(36,051,008)	2013/08/01	1,034,022
GBP	37,290,864	JPY	(5,629,000,000)	2013/08/01	(43,454)
JPY	314,000,000	GBP	(2,128,713)	2013/08/01	(46,109)
GBP	36,125,016	USD	(56,400,000)	2013/08/01	(960,015)
					(15,556)

Notes to the Aggregated Financial Statements

As at 31 December 2012:

Purchase currency	Contractual amount	Sale currency	Contractual amount	Maturity date	Unrealised gain/(loss) US$
GBP	55,250,000	JPY	(7,293,000,000)	2012/12/05	3,512,880
GBP	2,263,193	JPY	(304,000,000)	2012/12/13	106,593
GBP	2,288,330	JPY	(314,000,000)	2012/12/20	60,789
GBP	3,598,860	JPY	(499,000,000)	2012/12/27	58,915
GBP	1,815,586	JPY	(248,000,000)	2012/12/18	56,255
GBP	1,626,277	JPY	(223,000,000)	2012/12/19	44,298
GBP	603,774	JPY	(84,000,000)	2012/12/31	7,871
JPY	320,000,000	GBP	(2,428,474)	2012/12/07	(158,369)
					3,689,232

There were no forward foreign exchange transactions open at 30 June 2013 or 31 December 2012 for any other Funds.

(f) Interest rate risk

The Funds may hold cash balances which are subject to a floating rate of interest. At the period end, floating rates were tracked against the Bank of England base rate -0.5% and for any overdrafts the Bank of England base rate +1%. The amount of the cash balances are set out in the notes to the financial statements for each Fund. Otherwise, the majority of the assets of the Funds are equity shares and other investments which neither pay interest nor have a maturity date.

(g) Fair value

All the assets of the Funds are held at fair value as determined in accordance with the accounting policies.

(h) Gains and losses on financial assets

The net gains from trading in financial assets and financial liabilities shown in the Statement of Total Return are analysed in notes 3 and 4 to the aggregated financial statements.

Notes to the Aggregated Financial Statements

15. Derivatives and other financial instruments, (continued)

(i) Net currency hedging on financial assets

The following tables set out the Funds' total exposure to foreign currency risk, the value to be received under the foreign currency contracts designed to hedge this exposure and the resulting net unhedged amounts invested in assets denominated in foreign currency.

	Non Monetary Assets	Monetary Assets	Hedging	30 June 2013 Net Currency Exposure	31 December 2012 Net Currency Exposure
GAM Global Diversified	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Euro	52,569	–	–	52,569	26,630
Japanese yen	74,955	–	(35,162)	39,793	8,729
New Zealand dollar	–	–	–	–	1,680
Thai baht	–	–	–	–	4,193
US dollar	62,635	–	(74)	62,561	70,167
	190,159	–	(35,236)	154,923	111,399
GAM UK Diversified	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Canadian dollar	84	–	–	84	–
Euro	387	–	–	387	–
Japanese yen	13,227	–	–	13,227	70
Thai baht	–	–	–	–	–
US dollar	–	–	–	–	130,323
	13,698	–	–	13,698	130,393
GAM North American Growth	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Canadian dollar	87	–	–	87	91
Euro	–	–	–	–	317
Japanese yen	–	–	–	–	9,880
South African rand	–	1	–	1	1
Thai baht	–	–	–	–	1,842
US dollar	199,460	34,652	–	234,112	–
	199,547	34,653	–	234,201	12,131

Notes to the Aggregated Financial Statements

16. Portfolio transaction costs

	30 June 2013		30 June 2012	
Analysis of total purchase costs	**£000's**	**£000's**	**£000's**	**£000's**
Purchases in period before transaction costs		240,999		78,402
Commissions	227		72	
Taxes	65		26	
Total purchases costs		292		98
Gross purchases total		241,291		78,500
Analysis of total sales costs				
Sales in period before transaction costs		237,621		209,885
Commissions	323		253	
Total sales costs		323		253
Gross sales total		237,944		210,138

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GAM Global Diversified

Manager: Andrew Green

30 June 2013

Commentary

The Fund's NAV (as measured by the A Class) rose 19.8% in the first half of 2013 versus the MSCI World Index rise of 16.6%.

In terms of relative performance against the MSCI World Index, the three largest contributing sectors were: Consumer Discretionary and Telecommunication Services, where stock selection enhanced these outperforming sectors, and Information Technology, where both under-allocation and stock selection added value to an underperforming sector. Financials and Industrials, both due to stock selection, had notable negative returns.

The top three stocks contributing to performance were Mazda Motor Corp., Boston Scientific Corp. and Sumitomo Mitsui Financial and the bottom three were RBS, Aviva and Piraeus Bank.

Portfolio Analysis

Analysis, by geographical area	30 June 2013 %	31 December 2012 %
Japan	25.16	27.50
United States	21.02	16.94
United Kingdom	14.03	32.47
Germany	4.26	1.47
Netherlands	3.82	1.40
France	3.41	4.58
Greece	2.78	0.03
Italy	2.25	2.62
Switzerland	1.13	0.00
Thailand	–	1.65
New Zealand	–	0.66
Finland	–	0.35
Net current assets	22.15	10.33
	100.00	100.00

Analysis, by sector	30 June 2013 %	31 December 2012 %
Banks	10.49	12.47
Telecommunication Services	7.47	6.69
Software & Services	6.97	2.88
Food & Staples Retailing	5.71	5.89
Insurance	5.18	6.88
Media	5.12	7.52
Pharmaceuticals & Biotechnology	4.44	6.83
Capital Goods	3.91	6.35
Materials	3.81	3.60
Diversified Financials	3.76	4.64
Commercial & Professional Services	2.80	1.53
Consumer Durables & Apparel	2.70	1.71
Semiconductors & Semiconductor Equipment	2.65	1.71
Health Care Equipment & Services	2.54	1.84
Technology Hardware & Equipment	2.12	3.44
Energy	2.11	2.27
Food Beverage & Tobacco	1.39	4.08
Retailing	1.18	1.32
Automobiles & Components	0.92	2.05
Utilities	0.91	1.29
Household & Personal Products	0.83	0.99
Transportation	0.62	3.46
Consumer Services	0.22	0.23
Net current assets	22.15	10.33
	100.00	100.00

Analysis, by investment	30 June 2013 %	31 December 2012 %
Equity quoted	77.85	89.67
Net current assets	22.15	10.33
	100.00	100.00

30 June 2013

Portfolio Statement

Holdings	Description	Bid value £	% of Net Assets
	Japan 25.16% (2012: 27.50%)		
302,668	Sumitomo Mitsui Financial Group	9,125,868	3.06
1,685,040	Nomura Holdings	8,167,001	2.74
159,300	Nippon Telegraph and Telephone	5,428,926	1.82
1,298,535	Mitsubishi UFJ Financial Group	5,273,449	1.77
369,500	Misawa Homes	4,511,502	1.51
3,387	Fuji Media	4,486,893	1.51
51,700	Nintendo	4,007,191	1.34
255,555	Sony	3,521,838	1.18
96,055	SECOM	3,435,947	1.15
89,660	Mabuchi Motor Company	3,147,746	1.06
1,051,500	Mazda Motor	2,732,942	0.92
112,000	Pola Orbis Holdings	2,487,699	0.83
1,280,050	Daiei	2,435,812	0.82
215,300	Daiichi Sankyo	2,362,528	0.79
1,390,825	NEC	2,001,093	0.67
579,125	Fujitsu	1,578,153	0.53
54,925	FamilyMart	1,538,621	0.52
471,310	Resona Holdings	1,509,346	0.51
525	Inpex	1,440,232	0.48
59,700	Seven & I	1,434,886	0.48
164,430	Marui Group Company	1,078,777	0.36
49,000	Hoshizaki Electric	1,031,513	0.35
28,900	Tokyo Electron	962,873	0.32
1,301,700	Nippon Sheet Glass Company	806,970	0.27
49,600	Kansai Electric Power Co.	447,420	0.15
		74,955,226	25.16
	United States 21.03% (2012: 16.94%)		
516,611	Microsoft	11,732,121	3.94
301,240	Walgreen Company	8,753,114	2.94
1,000,181	Boston Scientific	6,098,461	2.05
324,143	Pfizer	5,968,669	2.00
297,286	General Electric	4,533,113	1.52
874,212	Alcoa	4,494,188	1.51
121,152	First Solar	3,568,891	1.20
101,153	eBay	3,439,260	1.15
88,582	Du Pont (E.I.) De Nemours	3,056,970	1.03
96,519	Citigroup	3,043,759	1.02
140,784	Newmont Mining	2,772,365	0.93
146,929	Hewlett-Packard	2,395,449	0.80
30,000	Zimmer Holdings	1,477,960	0.50
217,336	Xerox	1,294,457	0.43
177,818	Enova Systems	9,780	0.00
405,462	Enova Systems	8,109	0.00
68,677	Eastman Kodak Company	5,738	0.00
		62,652,404	21.02

30 June 2013

Portfolio Statement

Holdings	Description	Bid value £	% of Net Assets
	United Kingdom 14.03% (2012: 32.47%)		
3,572,006	Aviva	12,135,890	4.07
2,092,452	Royal Bank of Scotland Group	5,723,902	1.92
5,482,805	Rentokil Initial	4,896,145	1.64
22,480,411	Vernalis	4,889,489	1.64
1,061,157	BP	4,832,244	1.62
3,320,465	ITV	4,650,311	1.56
310,417	Pearson	3,636,535	1.22
101,636	AngloGold Ashanti	1,029,065	0.35
		41,793,582	14.03
	Germany 4.26% (2012: 1.19%)		
804,317	Deutsche Telekom (Registered)	6,150,633	2.06
253,739	Metro	5,278,443	1.77
53,689	RWE	1,127,160	0.38
91,763	Singulus Technologies	108,475	0.04
1,056,032	Arcandor	14,453	0.00
		12,679,164	4.26
	Netherlands 3.82% (2012: 1.40%)		
4,049,125	KPN	5,534,686	1.86
748,165	Aegon	3,289,071	1.10
244,411	DE Master Blenders 1753	2,571,467	0.86
		11,395,224	3.82
	France 3.41% (2012: 4.58%)		
212,888	Vivendi	2,649,532	0.89
591,178	Havas	2,487,931	0.84
370,457	Groupe Eurotunnel	1,850,888	0.62
151,370	Veolia Environnement	1,131,894	0.38
118,218	Orange	734,892	0.25
173,922	Euro Disney	667,225	0.22
529,199	Alcatel-Lucent/France	635,537	0.21
		10,157,899	3.41
	Greece 2.78% (2012: 0.03%)		
7,861,635	Piraeus Bank	8,271,286	2.78
		8,271,286	2.78
	Italy 2.25% (2012: 2.62%)		
612,292	Finmeccanica	2,017,437	0.68
3,826,025	Telecom Italia	1,748,426	0.59
761,571	Parlamat	1,564,075	0.52
442,416	UniCredit SpA	1,361,970	0.46
		6,691,909	2.25

30 June 2013

Portfolio Statement

Holdings	Description	Bid value £	% of Net Assets
	Switzerland 1.13% (2012: nil)		
569,967	STMicroelectronics	3,373,246	1.13
		3,373,246	1.13
Total investments		231,969,940	77.85
Net current assets		65,982,581	22.15
Total net assets		297,952,521	100.00

Statement of Material Portfolio Changes

for the period ended 30 June 2013

Major Purchases	Cost £000's
Piraeus Bank	21,550
Microsoft	11,866
Aviva	7,215
KPN	6,126
Nintendo	5,732
Metro	5,067
Deutsche Telekom	4,664
Rentokil Initial	4,351
Inpex	3,955
Royal Bank of Scotland Group	3,309
Citigroup	3,172
Newmont Mining	3,079
Mabuchi Motor	3,039
E.ON	2,950
Alcoa	2,873
Vivendi	2,747
Walgreen	2,685
BP	2,649
Ashley (Laura) Holdings	2,631
AEGON	2,491
Total for period	146,905

Major Sales	Proceeds £000's
Piraeus Bank	10,818
BT Group	9,111
TMB Bank	6,273
GlaxoSmithkline	6,206
Unilever	5,592
Royal Bank of Scotland Group	5,507
Sainsbury	5,415
Mazda Motor	5,248
Du Pont (E.I.) De Nemours	4,755
Aviva	4,701
Invensys	4,550
Pfizer	4,028
Air New Zealand	3,932
Kansai Electric Power	3,894
RSA Insurance Group	3,873
E.ON	3,590
BP	3,582
General Electric	3,529
International Consolidated Airlines	3,470
Innovation Group	3,420
Total for period	186,623

Statement of Total Return

for the period ended

	Notes	£	30 June 2013 £	£	30 June 2012 £
Income					
Net gains on investments during the period	17		47,801,711		19,261,792
Other gains/(losses)	18		1,162,104		(3,567,665)
Income	19	4,053,099		5,587,382	
Expenses	20	(2,103,650)		(2,350,514)	
Net income before taxation		1,949,449		3,236,868	
Taxation	21	(287,572)		(396,231)	
Net income after taxation			1,661,877		2,840,637
Change in net assets attributable to shareholders from investment activities			50,625,692		18,534,764

Statement of Change in Net Assets attributable to Shareholders

for the period ended

	£	30 June 2013 £	£	30 June 2012 £
Net assets attributable to shareholders at start of the period		254,749,100		308,999,549
Movement due to issue/(cancellation) of shares				
Amounts received on issue of shares	67,794,370		30,649,726	
Less: Amounts paid on redemption of shares	(75,216,641)		(96,608,124)	
		(7,422,271)		(65,958,397)
Stamp duty reserve tax		–		(3,422)
Change in net assets attributable to shareholders from investment activities		50,625,692		18,534,764
Net assets attributable to shareholders at end of the period		297,952,521		261,572,494

GAM Global Diversified

Balance Sheet

as at

	Notes	£	30 June 2013 £	£	31 December 2012 £
Assets					
Portfolio of investments	2(b)		231,969,940		228,422,213
Debtors	22	14,384,108		415,092	
Cash and bank balances	23	56,411,216		27,502,310	
Amounts receivable on forward contracts	15(e)	1,034,022		3,847,601	
Total other assets			71,829,346		31,765,003
Total assets			303,799,286		260,187,216
Liabilities					
Creditors	24	4,429,292		4,661,276	
Bank overdraft	23	367,895		–	
Amounts payable on forward contracts	15(e)	1,049,578		158,369	
Distribution payable on income shares		–		618,471	
Total other liabilities			5,846,765		5,438,116
Total liabilities			5,846,765		5,438,116
Net assets attributable to the shareholders			297,952,521		254,749,100

Notes to the Financial Statements

for the period ended	30 June 2013 £	30 June 2012 £
17. Net gains on investments during the period		
The net gains on investments during the period comprise:		
Non-derivative securities	40,655,681	17,098,660
Forward currency contracts	7,146,030	2,163,132
	47,801,711	19,261,792
18. Other gains/(losses)		
Other gains/(losses) comprise:		
Realised currency gains/(losses)	1,162,104	(3,567,665)
	1,162,104	(3,567,665)
19. Income		
UK dividends	974,531	1,875,488
Overseas dividends	3,077,094	3,685,622
Bond interest	–	26,059
Bank interest	1,474	213
	4,053,099	5,587,382
20. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,016,999	2,225,721
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	21,519	22,377
Safekeeping charge	7,225	18,862
Other expenses		
Audit fees	10,127	8,976
Registration fees	5,394	5,485
FCA	300	300
Short dividends paid	–	30,094
Other	42,086	38,699
Total expenses	2,103,650	2,350,514
21. Taxation		
a) Analysis of tax charge in the period		
Overseas tax	287,572	396,231
Total	287,572	396,231

Notes to the Financial Statements

for the period ended	30 June 2013 £	30 June 2012 £
b) Factors affecting tax charge for the period		
Net income before taxation	1,949,449	3,236,868
Net income at the applicable rate of UK corporation tax of 20% (2012: 20%)	389,890	647,374
Effects of:		
Overseas tax (net of UK relief)	287,572	396,231
Non-taxable UK dividends	(810,325)	(1,112,222)
Non-taxable Overseas dividends	–	–
Movement in accrued income	–	–
Movement in excess tax losses	420,435	464,848
Double tax relief	–	–
Tax charge for the period	287,572	396,231

c) Factors that may affect future tax charges

At 30 June 2013, the Fund has estimated unrecognised excess tax losses of £24,438,833 (31 December 2012: £22,336,657).

	30 June 2013 £	31 December 2012 £
22. Debtors		
Amounts receivable for issue of shares	626,725	20,033
Sales awaiting settlement	12,843,242	–
Accrued income	914,141	395,059
	14,384,108	415,092
23. Cash and bank balances		
Cash and bank balances	56,411,216	27,502,310
Bank overdraft	(367,895)	–
	56,043,321	27,502,310
24. Creditors		
Purchases awaiting settlement	2,665,448	–
Amounts payable for cancellation of units	715,667	4,245,180
Accrued expenses	1,048,177	416,096
	4,429,292	4,661,276

Notes to the Financial Statements

	Highest price p	Lowest price p	Net income per share p
25. Comparative Table			
a) Performance			
Period ended 30 June 2013			
Income Shares	2,787.97	2,189.27	–
Accumulation Shares	3,692.73	2,866.85	–
Institutional Income Shares	1,432.97	1,110.98	–
Institutional Accumulation Shares	1,432.97	1,110.98	–
Year ended 31 December 2012			
Income Shares	2,201.50	1,883.93	24.85
Accumulation Shares	2,882.86	2,381.02	32.54
Institutional Income Shares	1,117.13	928.89	–
Institutional Accumulation Shares	1,117.13	928.89	17.38
Year ended 31 December 2011			
Income Shares	2,232.09	1,727.27	15.64
Accumulation Shares	2,897.92	2,242.52	20.31
Year ended 31 December 2010			
Income Shares	2,149.24	1,832.05	16.23
Accumulation Shares	2,769.02	2,360.35	20.90
Year ended 31 December 2009			
Income Shares	1,958.42	1,337.62	14.81
Accumulation Shares	2,503.45	1,709.88	18.93

b) Net asset value	**June 2013**	**December 2012**	**December 2011**	**December 2010**	**December 2009**
Value of the Fund	£297,952,521	£254,749,100	£308,999,549	£515,280,232	£531,521,612
Total shares in issue – A Class					
Income Shares	870,147	2,488,894	4,980,861	6,960,006	6,824,164
Accumulation Shares	5,836,797	5,881,215	9,173,508	13,485,893	16,749,433
Total shares in issue – Institutional Class					
Income Shares	2,730,625	–	–	–	–
Accumulation Shares	2,895,218	2,904,889	–	–	–
Deemed net asset value per share in issue – A Class					
Income Shares	2,592.29p	2,164.47p	1,818.29p	2,105.83p	1,871.26p
Accumulation Shares	3,433.55p	2,866.85p	2,381.02p	2,734.01p	2,410.96p
Deemed net asset value per share in issue – Institutional Class					
Income Shares	1,333.04p	–	–	–	–
Accumulation Shares	1,333.04p	1,110.98p	–	–	–

Notes to the Financial Statements

c) Performance Return	6 months to 30 June 2013	2012	2011	2010	2009
Accumulation Shares	19.77%	20.40%	(12.91%)	13.40%	14.36%

d) Portfolio Turnover rate

The Portfolio Turnover Rate ("PTR") for the period ended 30 June 2013 is 65.03% (31 December 2012: 25.01%). The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

e) Total expense ratios

The Total Expense Ratio ("TER") of the A class for the period ended 30 June 2013 was 1.54% (31 December 2012: 1.57%), and 1.10% (31 December 2012: 1.11%) for the Institutional shares.

The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the period.

The TER calculation for the Fund is made up of:

(1) 1.5% per annum, payable to the ACD for "A" shares, and 1.05% per annum for Institutional shares.

(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.

(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;

(4) Other expenses covers a number of items such as marketing costs, directors meeting costs and costs of printing financial reports.

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GAM North American Growth

Manager: Gordon Grender

30 June 2013

Commentary

The Fund's NAV (as measured by the A Class) rose 19.8% in the first half of 2013 versus the S&P 500 Index rise of 22.0%.

In terms of relative performance against the S&P 500 Index, the largest contributing sectors were: Consumer Discretionary, where stock selection enhanced an outperforming sector, and Information Technology, where both under-allocation and stock selection added value to an underperforming sector. Financials and Energy, despite being underweighted both had notable negative returns due to stock selection.

The top three stocks contributing to performance were Conns, Carefusion and USA Truck. The bottom three were Halcon Resources, ESCO Technologies and Ford Motor Co.

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Portfolio Analysis

Analysis, by geographical area	30 June 2013 %	31 December 2012 %
United States	79.86	79.51
Canada	1.57	1.79
United Kingdom	0.00	–
Israel	0.00	0.37
Net current assets	18.57	18.33
	100.00	100.00

Analysis, by sector	30 June 2013 %	31 December 2012 %
Retailing	18.67	23.05
Capital Goods	9.56	7.48
Energy	9.43	8.66
Insurance	9.22	11.81
Health Care Equipment & Services	8.27	8.09
Materials	6.53	9.29
Technology Hardware & Equipment	4.81	0.00
Banks	3.32	2.92
Household & Personal Products	3.15	4.35
Food Beverage & Tobacco	2.34	0.00
Pharmaceuticals & Biotechnology	1.98	2.77
Transportation	1.68	1.44
Automobiles & Components	1.24	0.00
Commercial & Professional Services	0.82	0.89
Semiconductors & Semiconductor Equipment	0.31	0.43
Real Estate	0.06	0.08
Software & Services	0.03	0.40
Net current assets	18.57	18.33
	100.00	100.00

Analysis, by investment	30 June 2013 %	31 December 2012 %
Equity quoted	81.43	81.67
Net current assets	18.57	18.33
	100.00	100.00

GAM North American Growth

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	United States		
	Retailing 18.67% (2012: 23.05%)		
675,000	Conn's	22,977,011	9.37
28,000	AutoZone	7,798,911	3.18
375,000	Penske Auto Group	7,526,374	3.07
700,000	Fred's A	7,125,855	2.91
75,000	Christopher & Banks	332,314	0.14
		45,760,465	18.68
	Capital Goods 9.56% (2012: 7.43%)		
400,000	Quanta Services	6,956,575	2.84
80,000	Lockheed Martin	5,704,102	2.33
100,000	Northrop Grumman	5,443,247	2.22
250,000	ESCO Technologies	5,320,807	2.17
		23,424,731	9.56
	Energy 9.43% (2012: 8.66%)		
300,000	Williams Companies	6,403,705	2.62
150,000	Conoco Phillips	5,965,878	2.43
150,000	Phillips 66	5,809,582	2.37
1,250,000	Halcon Resources	4,663,410	1.90
20,845	WPX Energy	259,612	0.11
		23,102,185	9.43
	Insurance 9.22% (2012: 11.81%)		
300,000	WR Berkley	8,057,386	3.29
200,000	Infinity Property & Casualty	7,857,209	3.21
120,000	Chubb	6,677,839	2.72
		22,592,434	9.22
	Health Care Equipment & Services 8.27% (2012: 8.09%)		
250,000	ICU Medical	11,856,155	4.84
300,000	Carefusion	7,268,510	2.97
37,500	Tenet Healthcare	1,136,475	0.46
		20,261,140	8.27
	Materials 4.96% (2012: 7.55%)		
725,000	Huntsman	7,895,091	3.22
49,960	Monsanto	3,244,943	1.32
100,000	Synalloy	1,025,539	0.42
		12,165,574	4.96
	Technology Hardware & Equipment 4.81 % (2012: nil%)		
800,000	Dell	7,007,852	2.86
1,150,000	Power-One	4,781,741	1.95
85,000	Gerber Scientific Contingent Shares	0	0.00
		11,789,593	4.81

GAM North American Growth

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	Banks 3.32% (2012: 2.92%)		
300,000	Wells Fargo & Company	8,138,246	3.32
		8,138,246	3.32
	Household & Personal Products 3.15% (2012: 4.35%)		
190,000	Church & Dwight	7,707,914	3.15
		7,707,914	3.15
	Food Beverage & Tobacco 2.34% (2012: nil%)		
200,000	Post Holdings	5,741,048	2.34
		5,741,048	2.34
	Pharmaceuticals & Biotechnology 1.98% (2012: 2.77%)		
250,000	Pfizer	4,603,422	1.88
27,980	Insys Therapeutics	254,573	0.10
		4,857,995	1.98
	Transportation 1.68% (2012: 1.44%)		
975,000	USA Truck	4,105,362	1.68
		4,105,362	1.68
	Automobiles & Components 1.24% (2012: nil%)		
300,000	Ford Motor Company	3,050,979	1.24
		3,050,979	1.24
	Commercial & Professional Services 0.82% (2012: 0.89%)		
200,000	R.R. Donnelley & Sons	1,841,369	0.75
10,500	Viad	169,184	0.07
		2,010,553	0.82
	Semiconductors & Semiconductor Equipment 0.31% (2012: 0.44%)		
143,750	On Semiconductor	763,094	0.31
		763,094	0.31
	Real Estate 0.06% (2012: 0.08%)		
6,000	Consolidated Tomoka Land	150,518	0.06
		150,518	0.06
	Software & Services 0.03% (2012: 0.03%)		
5,250	MoneyGram	78,173	0.03
88,000	Clarent	6	0.00
229,449	SoftBrands	0	0.00
		78,179	0.03

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	Canada		
	Materials 1.57% (2012: 1.74%)		
150,000	Potash of Saskatchewan	3,760,475	1.53
371,704	Eacom Timber	87,096	0.04
		3,847,571	1.57
Total investments		199,547,583	81.43
Net current assets		45,520,348	18.57
Net assets		245,067,931	100.00

GAM North American Growth

Statement of Material Portfolio Changes

for the period ended 30 June 2013

Purchases for the period	Cost £000's
Dell	7,129
Lockheed Martin	5,619
Northrop Grumman	5,459
Williams Companies	5,246
Post Holdings	5,217
ICU Medical	4,696
ESCO Technologies	3,467
Halcon Resources	3,102
Ford Motor	3,090
Infinity Property & Casualty Common	2,795
Wells Fargo & Co	2,436
ConocoPhillips	1,933
Quanta Services	1,879
Potash Corp of Saskatchewan	1,366
Total for the period	53,434

Sales for the period	Proceeds £000's
Conns	2,101
Retalix	562
Total for the period	2,663

Statement of Total Return

for the period ended

	Notes	£	30 June 2013 £	£	30 June 2012 £
Net gains on investments during the period	26		32,301,449		6,856,927
Other gains/(losses)	27		213,060		(40,470)
Income	28	1,063,818		652,140	
Expenses	29	(1,303,302)		(912,730)	
Net income before taxation		(239,484)		(260,590)	
Taxation	30	(158,807)		(97,032)	
Net income after taxation			(398,291)		(357,622)
Change in net assets attributable to shareholders from investment activities			32,116,218		6,458,835

Statement of Change in Net Assets attributable to Shareholders

for the period ended

	£	30 June 2013 £	£	30 June 2012 £
Net assets attributable to shareholders at start of the period		143,882,298		110,660,928
Movement due to issue/(cancellation) of shares				
Amounts received on issue of shares	129,999,553		14,391,672	
Less: Amounts paid on cancellation of shares	(60,930,138)		(15,150,269)	
	.	69,069,415		(758,597)
Change in net assets attributable to shareholders from investment activities		32,116,218		6,458,835
Net assets attributable to shareholders at end of the period		245,067,931		116,361,166

GAM North American Growth

Balance Sheet

as at	Notes	30 June 2013 £	30 June 2013 £	31 December 2012 £	31 December 2012 £
Assets					
Portfolio of investments	2(b)		199,547,583		117,507,396
Debtors	31	2,703,423		1,415,877	
Cash and bank balances	32	56,123,720		27,768,569	
Total other assets			58,827,143		29,184,446
Total assets			258,374,726		146,691,842
Liabilities					
Creditors	33	13,306,795		2,802,943	
Distribution payable on income shares		–		6,601	
Total other liabilities			13,306,795		2,809,544
Total liabilities			13,306,795		2,809,544
Net assets attributable to shareholders			245,067,931		143,882,298

Notes to the Financial Statements

for the period ended	30 June 2013 £	30 June 2012 £
26. Net gains on investments during the period		
The net gains on investments during the period comprise:		
Non-derivative securities	32,301,449	6,856,927
	32,301,449	6,856,927
27. Other gains/(losses)		
Other gains/(losses) comprise:		
Realised currency gains/(losses)	213,060	(40,470)
	213,060	(40,470)
28. Income		
Overseas dividends	1,059,598	646,878
Bank interest	4,220	5,262
	1,063,818	652,140
29. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,273,670	868,887
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	15,533	9,584
Safekeeping charge	1,732	1,762
Other expenses		
Audit fees	5,065	5,151
Registration fees	5,395	8,228
FCA	300	300
Other	1,607	18,818
Total expenses	1,303,302	912,730

Notes to the Financial Statements

for the period ended	30 June 2013 £	30 June 2012 £
30. Taxation		
a) Analysis of tax charge in the period		
Overseas tax	158,807	97,032
Total	158,807	97,032
b) Factors affecting tax charge for the period		
Net income before taxation	(239,484)	(260,590)
Net income at the applicable rate of UK corporation tax of 20% (2012: 20%)	(47,897)	(52,118)
Effects of:		
Overseas tax (net of UK relief)	158,807	97,032
Non-taxable UK dividends	(211,920)	(129,376)
Non-taxable Overseas dividends	–	–
Movement in accrued income	–	–
Movement in excess tax losses	259,816	181,494
Double tax relief	–	–
Tax charge for the period	158,807	97,032

c) Factors that may affect future tax charges

At 30 June 2013, the Fund has estimated unrecognised excess tax losses of £9,191,148 (31 December 2012: £7,892,066).

	30 June 2013 £	31 December 2012 £
31. Debtors		
Amounts receivable for issue of shares	2,597,549	635,676
Sales awaiting settlement	–	734,090
Accrued income	105,874	46,111
	2,703,423	1,415,877
32. Cash and bank balances		
Cash and bank balances	56,123,720	27,768,569
	56,123,720	27,768,569
33. Creditors		
Purchases awaiting settlement	12,745,770	2,466,044
Amounts payable on cancellation of shares	305,729	111,667
Accrued expenses	255,296	225,232
	13,306,795	2,802,943

Notes to the Financial Statements

	Highest price p	Lowest price p	Net income per share p
34. Comparative Table			
a) Performance			
Period ended 30 June 2013			
Income Shares	2,270.20	1,889.78	–
Accumulation Shares	2,830.94	2,356.56	–
Institutional Income Shares	1,440.15	1,196.23	–
Institutional Accumulation Shares	1,440.78	1,196.75	–
Year ended 31 December 2012			
Income Shares	1,872.77	1,626.53	–
Accumulation Shares	2,335.42	2,028.28	–
Institutional Income Shares	1,185.76	1,024.95	0.52
Institutional Accumulation Shares	1,185.76	1,024.95	0.52
Year ended 31 December 2011			
Income Shares	1,696.17	1,406.18	–
Accumulation Shares	2,115.14	1,753.51	–
Institutional Income Shares	1,036.67	981.53	–
Institutional Accumulation Shares	–	–	–
Year ended 31 December 2010			
Income Shares	1,604.53	1,215.10	–
Accumulation Shares	2,000.86	1,515.23	–
Year ended 31 December 2009			
Income Shares	1,293.86	1,019.38	–
Accumulation Shares	1,613.44	1,271.17	–

b) Net asset value	June 2013	December 2012	December 2011	December 2010	December 2009
Value of the Fund	£245,067,931	£143,882,298	£110,660,928	£94,795,731	£72,315,637
Total shares in issue – A Class					
Income Shares	2,715,890	3,299,859	3,748,351	3,226,133	3,127,786
Accumulation Shares	3,390,151	2,663,085	2,523,755	2,219,712	2,112,243
Total shares in issue – Institutional Class					
Income Shares	3,245,863	1,279,161	233,225	–	–
Accumulation Shares	3,166,058	496,451	–	–	–
Deemed net asset value per share in issue – A Class					
Income Shares	2,224.96p	1,857.77p	1,633.98p	1,581.47p	1,255.10p
Accumulation Shares	2,774.52p	2,316.64p	2,037.58p	1,972.10p	1,565.11p
Deemed net asset value per share in issue – Institutional Class					
Income Shares	1,412.34p	1,175.98p	1029.59p	–	–
Accumulation Shares	1,412.96p	1,176.50p	–	–	–

c) Performance Return	6 months to 30 June 2013	2012	2011	2010	2009
Accumulation Shares	19.76%	13.70%	3.32%	26.00%	6.55%

d) Portfolio Turnover rate

The Portfolio Turnover Rate ("PTR") for the period ended 30 June 2013 is (68.02%) (31 December 2012: (33.80%)). The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

e) Total expense ratios

The Total Expense Ratio ("TER") of the Fund for the period ended 30 June 2013 was 1.53% (31 December 2012: 1.64%), for the income and accumulation shares and 0.93% (31 December 2012: 1.11%) for the Institutional shares.

The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the period.

The TER calculation for the Fund is made up of:

(1) 1.5% per annum, for A and B shares and 0.9% per annum for Institutional shares payable to the ACD.

(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.

(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;

(4) Other expenses covers a number of items such as marketing costs, directors meeting costs and costs of printing financial reports.

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GAM UK Diversified

Manager: Andrew Green

30 June 2013

Commentary

The Fund's NAV (as measured by the A Class) rose 10.5% in the first half of 2013 versus the FTSE All-Share Index rise of 8.5%.

In terms of relative performance against the FTSE All-Share Index, the largest contributing sectors were: Financials, where stock selection enhanced an outperforming sector, Basic Materials, where under-allocation added value to an underperforming sector, and Consumer Services, where over-weighting and good stock selection both added to an outperforming sector. Despite being overweight, stock selection in both Industrials and Health Care hampered returns, whilst underweighting the most outperforming sector Telecoms also had a negative effect.

The top three stocks contributing to performance were GlaxoSmithkline, Sumitomo Mitsui Financial and 3i Group. The bottom three were African Barrick Gold, Invensys and RBS.

Portfolio Analysis

Analysis, by geographical area	30 June 2013 %	31 December 2012 %
United Kingdom	74.72	75.87
Japan	8.92	7.04
Ireland	2.01	1.95
France	0.26	0.22
Canada	0.06	0.07
Greece	0.01	0.01
Thailand	0.00	1.31
Net current assets	14.02	13.53
	100.00	100.00

Analysis, by sector	30 June 2013 %	31 December 2012 %
Insurance	11.75	11.31
Banks	8.57	8.64
Pharmaceuticals & Biotechnology	7.40	8.28
Energy	5.91	5.65
Media	5.91	7.40
Diversified Financials	5.85	5.55
Retailing	5.45	6.69
Telecommunication Services	4.96	5.08
Food Beverage & Tobacco	4.07	5.28
Commercial & Professional Services	3.88	3.08
Capital Goods	3.72	3.08
Materials	3.42	2.98
Software & Services	3.35	3.19
Health Care Equipment & Services	3.12	3.17
Transportation	2.59	1.92
Food & Staples Retailing	2.56	1.94
Real Estate	2.37	0.67
Technology Hardware & Equipment	0.73	2.25
Consumer Services	0.26	0.22
External Funds (Other)	0.10	0.09
Net current assets	14.02	13.53
	100.00	100.00

Analysis, by investment	30 June 2013 %	31 December 2012 %
Equity quoted	85.88	86.38
Equity fund	0.10	0.09
Net current assets	14.02	13.53
	100.00	100.00

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	United Kingdom		
	Insurance 11.75% (2012: 11.31%)		
2,636,406	Aviva	8,957,189	6.04
2,995,020	RSA Insurance	3,565,571	2.40
731,360	Novae Group	3,528,812	2.38
482,096	Resolution	1,374,215	0.93
		17,425,787	11.75
	Pharmaceuticals & Biotechnology 7.34% (2012: 8.21%)		
360,143	GlaxoSmithKline	5,936,057	4.00
12,097,609	Vernalis	2,631,230	1.77
2,249,391	Vectura	1,805,136	1.22
22,740,188	Oxford BioMedica	353,610	0.24
243,211	Skyepharma	150,791	0.10
4,462,517	Ark Therapeutics Group	20,528	0.01
		10,897,352	7.34
	Energy 5.91% (2012: 5.65%)		
1,823,398	BP	8,303,299	5.60
426,348	Hardy Oil & Gas	466,851	0.31
		8,770,150	5.91
	Media 5.91% (2012: 7.40%)		
393,592	Pearson	4,610,930	3.11
2,968,399	ITV	4,157,243	2.80
		8,768,173	5.91
	Retailing 5.45% (2012: 6.69%)		
14,781,724	Laura Ashley Holdings	3,824,771	2.58
5,968,870	Dixons Retail	2,452,310	1.65
355,437	Ocado Group	1,056,181	0.71
128,973	Caffyns	502,995	0.34
419,190	Darty	241,558	0.16
7,537,287	HMV	0	0.00
		8,077,815	5.45
	Telecommunication Services 4.96% (2012: 5.08%)		
2,925,756	Vodafone Group	5,497,495	3.70
4,545,238	Cable & Wireless Communications	1,861,957	1.26
		7,359,452	4.97
	Commercial & Professional Services 3.88% (2012: 3.08%)		
3,740,392	Rentokil Initial	3,340,170	2.25
2,262,747	Shanks Group	1,781,913	1.20
714,427	Hays	634,947	0.43
		5,757,030	3.88

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	Capital Goods 3.72% (2012: 3.08%)		
1,495,074	Qinetiq Group	2,700,851	1.81
644,390	Invensys	2,660,364	1.79
62,513	Balfour Beatty	149,094	0.10
		5,510,309	3.72
	Materials 3.42% (2012: 2.98%)		
710,540	Rexam	3,392,473	2.29
811,393	African Barrick Gold	776,503	0.52
47,865	AngloGold Ashanti	484,633	0.33
162,458	Lonmin	413,131	0.28
		5,066,740	3.42
	Software & Services 3.35% (2012: 3.19%)		
11,867,721	Innovation Group	3,293,293	2.22
1,242,037	Xchanging	1,681,756	1.13
		4,975,049	3.35
	Health Care Equipment & Services 3.12% (2012: 3.17%)		
629,934	Smith & Nephew	4,631,590	3.12
1,870,277	Southern Cross Healthcare	0	0.00
		4,631,590	3.12
	Banks 2.86% (2012: 3.95%)		
1,551,502	Royal Bank of Scotland Group	4,244,134	2.86
		4,244,134	2.86
	Diversified Financials 2.64% (2012: 1.89%)		
1,158,992	3I Group	3,916,234	2.64
		3,916,234	2.64
	Transportation 2.58% (2012: 1.91%)		
1,115,159	International Consolidate Airline	2,941,788	1.98
916,511	Firstgroup	882,829	0.60
		3,824,619	2.58
	Food & Staples Retailing 2.56% (2012: 1.94%)		
1,069,796	Sainsbury (J)	3,799,380	2.56
		3,799,380	2.56

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	Real Estate 2.37% (2012: 0.67%)		
767,009	Segro	2,144,558	1.45
438,370	Intu Properties	1,370,125	0.92
		3,514,683	2.37
	Food Beverage & Tobacco 2.06% (2012: 3.33%)		
114,611	Unilever	3,050,372	2.06
		3,050,372	2.06
	Technology Hardware & Equipment 0.73% (2012: 2.25%)		
90,197	Oxford Instruments	1,090,031	0.73
		1,090,031	0.73
	External Funds (Other) 0.10% (2012: 0.09%)		
49,409	Oryx International Growth	145,757	0.10
		145,757	0.10
	Japan		
	Banks 5.71% (2012: 3.38%)		
184,437	Sumitomo Mitsui Financial Group	5,561,037	3.75
717,100	Mitsubishi UFJ Financial Group	2,912,197	1.96
		8,473,234	5.71
	Diversified Financials 3.21% (2012: 3.66%)		
980,900	Nomura Holdings	4,754,196	3.21
		4,754,196	3.21
	Ireland		
	Food Beverage & Tobacco 2.01% (2012: 1.95%)		
2,229,242	Greencore Group	2,978,825	2.01
		2,978,825	2.01
	France		
	Consumer Services 0.26% (2012: 0.22%)		
99,765	Euro Disney	382,733	0.26
		382,733	0.26
	Canada		
	Pharmaceuticals & Biotechnology 0.06% (2012: 0.07%)		
728,500	Epicore Bionetworks	84,212	0.06
		84,212	0.06

30 June 2013

Portfolio Statement

Holdings	Description	Mid value £	% of Net Assets
	Greece		
	Transportation 0.01% (2012: 0.01%)		
34,942	Goldenport Holdings	10,919	0.01
		10,919	0.01
	Germany		
	Retailing 0.00% (2012 0.00%)		
335,037	Arcandor	4,585	0.00
		4,585	0.00
Total investments		127,513,360	85.98
Net current assets		20,796,810	14.02
Net assets		148,310,170	100.00

GAM UK Diversified

Statement of Material Portfolio Changes

for the period ended 30 June 2013

Major Purchases	Cost £000's
Vodafone Group	5,269
Aviva	3,139
Mitsubishi UFJ Financial Group	2,764
Royal Bank of Scotland Group	2,339
African Barrick Gold	2,262
Qinetiq Group	2,108
Intu Properties	1,636
Sainsbury	1,621
Lonmin	1,564
British Land Company	1,551
Rentokil Initial	1,541
RSA Insurance Group	1,422
Innovation Group	1,413
Segro	1,396
Unilever	1,179
GlaxoSmithkline	1,117
Pearson	1,102
Firstgroup	1,069
AngloGold Ashanti	845
Vectura Group	807
Total for the period	40,660

Major Sales	Proceeds £000's
BT Group	6,759
GlaxoSmithkline	4,561
Unilever	3,212
ITV	2,752
Dixons Retail	2,559
Aviva	2,529
Royal Bank of Scotland Group	2,449
TMB Bank Public Corporation	2,366
Oxford Instruments	2,178
Nomura Holdings	1,804
British Land Company	1,706
Monitise	1,183
Pearson	1,174
Ocado Group	1,168
Bumi	990
Lonmin	966
Sumitomo Mitsui Financial Group	874
Lloyds Banking Group	783
International Consolidated Airlines Group	716
Invensys	650
Total for the period	48,335

Statement of Total Return

for the period ended

	Notes	£	30 June 2013 £	£	30 June 2012 £
Income					
Net gains on investments during the period	35		13,923,483		11,290,678
Other (losses)/gains	36		(1,804)		1,319,818
Income	37	2,732,641		2,299,399	
Expenses	38	(1,110,450)		(1,069,759)	
Finance costs: Interest	40	–		(15)	
Net income before taxation		1,622,191		1,229,625	
Taxation	39	(253)		(24,196)	
Net income after taxation			1,621,938		1,205,429
Change in net assets attributable to shareholders from investment activities			15,543,617		13,815,925

Statement of Change in Net Assets attributable to shareholders

for the period ended

	£	30 June 2013 £	£	30 June 2012 £
Net assets attributable to shareholders at start of the period		140,271,121		182,201,122
Movement due to issue/(cancellation) of shares				
Amounts received on issue of shares	26,080,613		4,851,286	
Less: Amounts paid on cancellation of shares	(33,553,564)		(78,093,274)	
		(7,472,951)		(73,241,988)
Stamp duty reserve tax		(31,617)		(23,013)
Change in net assets attributable to shareholders from investment activities		15,543,617		13,815,925
Net assets attributable to shareholders at end of the period		148,310,170		122,752,046

Balance Sheet

as at

	Notes	£	30 June 2013 £	£	31 December 2012 £
Assets					
Portfolio of investments	2(b)		127,513,360		121,287,560
Debtors	41	1,141,218		385,624	
Cash and bank balances	42	20,976,272		19,531,712	
Total other assets			22,117,490		19,917,336
Total assets			149,630,850		141,204,896
Liabilities					
Creditors	43	1,320,680		433,068	
Distribution payable on income shares		–		500,707	
Total other liabilities			1,320,680		933,775
Total liabilities			1,320,680		933,775
Net assets attributable to shareholders			148,310,170		140,271,121

Notes to the Financial Statements

for the period ended	30 June 2013 £	30 June 2012 £
35. Net gains on investments during the period		
The net gains on investments during the period comprise:		
Non-derivative securities	13,923,483	11,290,678
	13,923,483	11,290,678
36. Other (losses)/gains		
Other losses comprise:		
Realised currency (loss)/gain	(1,804)	1,319,818
	(1,804)	1,319,818
37. Income		
UK dividends	2,480,007	2,076,535
Overseas dividends	252,386	222,398
Bank interest	248	462
Sundry income	–	4
	2,732,641	2,299,399
38. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,047,636	1,009,307
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	11,349	12,463
Safekeeping charge	6,929	7,045
Other expenses		
Audit fees	5,094	5,180
Registration fees	5,395	5,485
FCA	300	300
Other	33,747	29,979
Total expenses	1,110,450	1,069,759
39. Taxation		
a) Analysis of tax charge in the period		
Overseas tax	253	24,196
Total	253	24,196

Notes to the Financial Statements

for the period	30 June 2013 £	30 June 2012 £
b) Factors affecting tax charge for the period		
Net income before taxation	1,622,191	1,229,625
Net income at the applicable rate of UK corporation tax of 20% (2012: 20%)	324,438	245,925
Effects of:		
Overseas tax (net of UK relief)	253	24,196
Non-taxable UK dividends	(546,479)	(459,787)
Non-taxable Overseas dividends	–	–
Movement in accrued income	–	–
Movement in excess tax losses	222,040	213,862
Double tax relief	–	–
Tax charge for the period	253	24,196

c) Factors that may affect future tax charges

At 30 June 2013, the Fund has estimated unrecognised excess tax losses of £42,038,497 (31 December 2012: £45,928,294).

40. Finance costs		
Interest	–	15
Total finance costs	–	15

	30 June 2013	31 December 2012
41. Debtors	£	£
Amounts receivable for issue of shares	542,015	59,428
Accrued income	599,203	326,196
	1,141,218	385,624
42. Cash and bank balances		
Cash and bank balances	20,976,272	19,531,712
	20,976,272	19,531,712
43. Creditors		
Purchases awaiting settlement	772,312	–
Amounts payable on cancellation of shares	318,492	190,871
Accrued expenses	229,876	242,197
	1,320,680	433,068

Notes to the Financial Statements

	Highest price p	Lowest price p	Net income per share p
44. Comparative Table			
a) Performance			
Period ended 30 June 2013			
Income Shares	1,121.60	965.01	–
Accumulation Shares	1,665.25	1,416.16	–
Institutional Income Shares	1,299.58	1,108.60	–
Institutional Accumulation Shares	1,305.10	1,108.60	–
Year ended 31 December 2012			
Income Shares	972.36	781.02	11.16
Accumulation Shares	1,426.95	1,131.46	16.24
Institutional Income Shares	1,117.00	995.32	4.78
Institutional Accumulation Shares	1,117.00	995.32	–
Year ended 31 December 2011			
Income Shares	892.95	730.67	9.99
Accumulation Shares	1,293.57	1,058.49	14.47
Year ended 31 December 2010			
Income Shares	876.81	699.71	14.20
Accumulation Shares	1,249.42	1,000.30	20.27
Year ended 31 December 2009			
Income Shares	755.99	469.40	8.45
Accumulation Shares	1,025.34	803.31	11.94

b) Net asset value	**June 2013**	**December 2012**	**December 2011**	**December 2010**	**December 2009**
Value of the Fund	£148,310,170	£140,271,121	£182,201,122	£230,789,587	£265,987,669
Total shares in issue – A Class					
Income Shares	3,170,592	3,819,139	7,097,100	8,699,231	18,167,765
Accumulation Shares	4,800,713	5,344,369	11,266,782	12,646,004	13,233,737
Total shares in issue – Institutional Class					
Income Shares	2,029,104	1,562,330	–	–	–
Accumulation Shares	1,272,109	983,854	–	–	–
Deemed net asset value per share in issue – A Class					
Income Shares	1,054.19p	953.85p	771.03p	854.17p	717.20p
Accumulation Shares	1,565.16p	1,416.16p	1,131.46p	1,237.40p	1,025.34p
Deemed net asset value per share in issue – Institutional Class					
Income Shares	1,221.97p	1,103.82p	–	–	–
Accumulation Shares	1,227.16p	1,108.60p	–	–	–

Notes to the Financial Statements

c) Performance Return	6 months to 30 June 2013	2012	2011	2010	2009
Accumulation Shares	10.52%	25.16%	(8.56%)	20.68%	28.27%

d) Portfolio Turnover Rate

The Portfolio Turnover Rate ("PTR") for the period ended 30 June 2013 is 19.29% (31 December 2012: (25.90%)). The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

e) Total Expense Ratios

The Total Expense Ratio ("TER") of the A class for the period ended 30 June 2013 was 1.58% (31 December 2012: 1.67%) and 1.14% (31 December 2012: 1.23%) for the Institutional class.

The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the period.

The TER calculation for the Fund is made up of:

(1) 1.5% per annum, payable to the ACD for "A" shares, and 1.05% per annum for Institutional shares

(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.

(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;

(4) Other expenses covers a number of items such as marketing costs, directors meeting costs and costs of printing financial reports.

GAM European Systematic Value & Income

GAM European Systematic Value and Income ceased trading on 28 September 2009.

Balance Sheet

as at	Notes	£	30 June 2013 £	£	31 December 2012 £
Assets					
Portfolio of investments	2(b)		–		–
Debtors	53	–		10,669	
Cash and bank balances	54	2,439		5	
Total other assets			2,439		10,674
Total assets			2,439		10,674
Creditors	55	2,439		10,674	
Distribution payable on income shares		–		–	
Total other liabilities			2,439		10,674
Total liabilities			2,439		10,674
Net assets attributable to the shareholders			–		–

Notes to the Financial Statements

for the period ended	30 June 2013 £	31 December 2012 £
45. Debtors		
Accrued income	–	10,669
	–	10,669
46. Cash and bank balances		
Cash and bank balances	2,439	5
	2,439	5
47. Creditors		
Accrued expenses	2,439	–
Amounts payable on cancellation of shares	–	10,674
	2,439	10,674

48. Comparative Table

	Highest price p	Lowest price p	Net income per share p
a) Performance			
Period ended 30 June 2013			
Income Shares	–	–	–
Accumulation Shares	–	–	–
Year ended 31 December 2012			
Income Shares	–	–	–
Accumulation Shares	–	–	–
Year ended 31 December 2011			
Income Shares	–	–	–
Accumulation Shares	–	–	–
Year ended 31 December 2010			
Income Shares	–	–	–
Accumulation Shares	–	–	–
Year ended 31 December 2009			
Income Shares	82.55	58.77	2.3211
Accumulation Shares	90.60	62.24	2.4582

Notes to the Financial Statements

b) Net asset value	June 2013	December 2012	December 2011	December 2010	December 2009
Value of the Fund	£0	£0	£0	£0	£0
Total shares in issue					
Income shares	–	–	–	–	–
Accumulation Shares	–	–	–	–	–
Deemed net asset value per share in issue					
Income shares	–	–	–	–	–
Accumulation Shares	–	–	–	–	–

c) Performance	December 2013	December 2012	December 2011	December 2010	December 2009
Accumulation shares	–	–	–	–	–

d) Portfolio Turnover Rate (unaudited)
The Portfolio Turnover Rate ("PTR") for the period ended 30 June 2012 is nil% (31 December 2012: nil%). The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the Fund.

e) Total Expense Ratios (unaudited)
The Total Expense Ratio ("TER") of the Fund for the period ended 30 June 2012 was nil% (31 December 2012: nil%).

The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the period.

The TER calculation for the Fund is made up of:

(1) 1.5% per annum, payable to the ACD for "A" shares (all Funds).
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors meeting costs and costs of printing financial reports.

Distribution Table

No Interim distributions were made by any fund for the period to 30 June 2013.

General Information

The Company

GAM Funds, an open-ended investment company ("OEIC") with variable capital, is an umbrella company, consisting of a number of funds. GAM Funds was authorised by the Financial Conduct Authority on 2 May 1997 and qualifies as a wider-range investment under the Trustee Investments Act, 1961.

The Authorised Corporate Director ("ACD")

The ACD is the sole director of GAM Funds and is responsible for all aspects of administration and management within the OEIC. The ACD is GAM Sterling Management Limited (authorised and regulated by the FCA), 12 James Place, London SW1A 1NX, United Kingdom.

The Depositary

The Depositary acts as the custodian for all assets relating to the Company. The Depositary is JP Morgan Trustee and Depositary Company Limited (authorised and regulated by the FCA), Chaseside, Bournemouth BH7 7DA, United Kingdom.

Minimum initial investment

The minimum initial investment in any Fund is £6,000 for the A classes and £12,000,000 for the Institutional classes.

Subscription Days

Shares may normally be purchased or sold on any business day. Prices of shares and estimated gross yields are calculated daily. A forward pricing basis is used.

Application for Shares

All applications should be made to the ACD. Shares will be purchased at the next valuation point after receipt of cash or cleared funds and a contract note will be sent to the purchaser. Prospective shareholders should note that the price of shares can fluctuate and the income from them can go down as well as up and is not guaranteed. On redemption investors may receive less than the original amount invested. Past performance is not indicative of current or future performance. Any quoted performance figures do not take account of any charges or levies that may be incurred on the issue or redemption of shares.

Repurchase of Shares

Shareholders may offer all the shares for sale to the ACD, or a lesser number, provided the shareholder maintains the minimum number of shares permitted, by telephoning the ACD and providing written confirmation. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution Levy

Where the Company buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs, stamp duty on the purchase of investments (if applicable) and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder.

With a view to reducing this cost, the ACD is entitled to require payment of a dilution levy, to be added to the sale price or deducted from the redemption price of shares as appropriate. This may be up to 1% of the price of the share:

– redeemed on a dealing day on which the net redemptions exceed 5% in value (calculated on the current price) of the issued shares linked to that Fund;

– sold on a dealing day on which net sales of shares linked to a Fund exceed the same percentage.

Income Distributions

Any income distribution are normally made on 28 February.

Stamp Duty Charges

The liability for payment of this Stamp Duty Reserve Tax ("SDRT") lies with the ACD of an OEIC. The regulations that cover Collective Investment Schemes allow the ACD to levy an SDRT provision against the individual purchase and sale of shares. Accordingly this would, if imposed, increase the cost of buying and selling shares and lessen the proceeds of sales by the investor. Although the ACD does not intend to make any special arrangements for SDRT on large transactions it does however reserve the right to charge this duty to individual investors in circumstances where the remaining investors would be disadvantaged if a charge were not made. In this respect deals in excess of £15,000 may be subject to the charge.

The regulations that govern collective investment schemes also permit this duty to be paid from the property of the Company. Accordingly this duty will be charged as an expense to the capital account of the relevant Fund.

Charges

An initial charge of 5% for 'A' shares is included in the price of the shares. Out of this the ACD pays commission to recognised agents. An annual charge of 1.50% for 'A' shares (all Funds), 1.05% for Institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for Institutional shares of GAM North American Growth is deducted out of the property of the Company.

Taxation for UK Shareholders

The net income of the Company is distributed to shareholders annually together with certificates for shareholders tax credits. The income amounts are accumulated and are treated for tax purposes as distributions of income with related tax credits. Individual investors may be liable to higher rate tax on distributions.

Gains within each Fund are exempt from capital gains tax. Individual shareholders in the UK may be liable to tax on all or part of the realised capital gain when shares are sold if their total realised capital gains (after indexation allowance and/or taper relief) from all sources exceeds the exempt amount for the year. For the tax year 2013/2014 the exempt amount is £10,600.

Corporate shareholders are subject to different treatment.

Prospectus

Further details concerning the Company are contained in the Prospectus, which is available on application to the ACD.

Risks

The Funds of the Company are not "ring-fenced" and in the event of the Company being unable to meet liabilities attributable to any particular Fund out of the assets attributable to such Fund, the excess liabilities may have to be met out of the assets attributable to the other Funds.

Additional Information for Shareholders from Switzerland

The following section contains additional information regarding the offer and the distribution of shares of GAM Funds (the "Company") in and from Switzerland. Each decision to subscribe for shares should be exclusively based on the information comprised in the Prospectus, as supplemented by the latest annual and half-yearly reports.

General Information

1. Distribution in Switzerland

The Swiss Federal Financial Market Authority (FINMA) granted authorisation under Article 123 of the Swiss Collective Investment Schemes Act (CISA) dated 23 June 2006 to GAM Anlagefonds AG, Zurich, to distribute shares of the Company, in or from Switzerland as the Swiss Representative of the Company.

The address of the Swiss Representative is:
GAM Anlagefonds AG
Klausstrasse 10
8034 Zurich
Schweiz

The Prospectus, the Key Investor Information Document, the Articles of Association as well as German translations of the latest annual and half-yearly reports of the Company may be obtained free of charge from the Swiss Representative.

2. Paying Agent

Paying Agent in Switzerland is: State Street Bank GmbH Munich, Zurich Branch, Beethovenstrasse 19, 8027 Zurich, Switzerland.

3. Taxation in Switzerland

Shareholders that are subject to taxation in Switzerland are recommended to consult their tax, finance or legal advisers regarding the tax treatment of their investment in shares of the Company.

4. Publications

Publication media of the Company for Switzerland, in particular regarding the publication of changes to the Articles of Association and the Prospectus, are the Schweizerisches Handelsamtsblatt (Swiss Commercial Gazette) and the internet platforms www.swissfunddata.ch and www.fundinfo.com.

The net asset value per share of each Fund shall be published on each day on which shares are issued or redeemed, but at least twice a month, with the reference "plus commission" on the internet platforms www.swissfunddata.ch and www.fundinfo.com.

5. Place of Performance and Court of Jurisdiction

Place of performance and court of jurisdiction for shares offered or sold in or from Switzerland shall be that of the registered office of the Swiss Representative.

6. Purchases and Sales

A complete list of all purchases and sales for any Fund, may be obtained free of charge from the Swiss Representative.

7. Fees

An annual charge of 1.50% for 'A' shares (all Funds), 1.05% for institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for institutional shares of GAM North American Growth. In general, the periodic charge of 1.5% charged to the property of the 'A' shares of the Fund can be apportioned as follows:

"A" Shares

administration (ACD, Administrator)	up to 0.15% p.a
asset management (Investment Adviser)	up to 1.35% p.a

The above listed fees for administration and asset management may be charged to the property of the Fund in accordance with the combined limits set out in the prospectus. Payments for the distribution of the Fund to distributors and selling agents (trailer fees) as well as institutional investors (reimbursements) who from a commercial perspective are holding the fund shares for third parties, will be paid from management fees.

Contacts

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