

# GAM Star Credit Opportunities (GBP) Institutional (Acc)

Fixed Income - Credit

GBP UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 30 Jun 2015 GBP 12.9428 (Acc) 12.3677 (Inc)

July 2015

**GAM**

## Fund description

|                              |   |
|------------------------------|---|
| <b>Investment strategy:</b>  | Credit Opportunities  |
| <b>Investment objective:</b> | Income generation with capital appreciation   |
| <b>Investment style:</b>     | Seeks to produce high income, investing predominantly in investment grade or high quality issuers. Will participate in issues lower down the company's capital structure in order to capture higher returns. Expertise in the financial sector and other niche areas such as undated, floating rate and fixed to floater debt instruments |
| <b>Currency hedging:</b>     | May be employed to protect against exchange rate risk.  |

## Manager commentary as at 30 Jun 2015

During the quarter, 10-year gilt yields increased from 1.57% to 2.02% and, combined with cautious credit markets in June, this led to a marginal decline for the quarter, despite positive results for April and May. Our strategy remains balanced, with holdings in fixed-rate securities, fixed-to-float securities and some floating rate notes. With respect to longer-dated and undated fixed-rate securities, we targeted yields of around 6% on the grounds that the interest carry would compensate us with respect to any price declines, particularly as short-term rates remain close to zero. In late June, however, there was a sell-off in the undated securities and yields have now risen to levels between 6.25% and 6.75%, giving even greater protection. As prices have now stabilised at these lower levels, we have the capacity to add to our holdings if we find good opportunities, but for the time being we will do so prudently. Prices also declined in June for our shorter-dated fixed-rate securities and some of our fixed-to-float bonds. However, at these new levels, we believe that we will benefit not only from the attractive interest carry but also from some capital gains.

## Manager



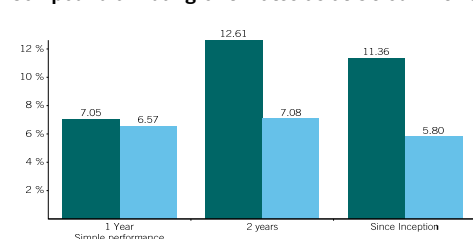
Anthony Smouha, ATLANTICOMNIUM S.A.

## Fund facts

**Fund managed by** Anthony Smouha, ATLANTICOMNIUM S.A.  
**Fund type** UCITS  
**Stock exchange listing** Irish  
**Currency classes** GBP  
**Base currency of the class** GBP  
**Inception date of the fund** 12 Jul 2011  
**Inception date of the class** 4 Feb 2013  
**Fund size** GBP 196.5m  
**Class size** GBP 104.4m  
**Dividend policy** Monthly, quarterly and semi-annual distributing classes are available. Reporting fund status received.  
**Dealing day** Any business day.  
**Investment manager and sponsor fees\*** 0.95%  
**TER** 1.18% as at 31 Dec 2014  
**Bloomberg** Acc GAMCOGA ID Inc GAMCOSI ID  
**Reuters** Inc SESSU.FND  
**ISIN** Acc IE00B510J173 Inc IE00B54L8Q54  
**SEDOL** Acc B510J17 Inc B54L8Q5  
**Valoren** Acc 12381538 Inc 12381515  
**Authorised for public sale in** Austria, Finland, Germany, Ireland, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom  
**Data sources** GAM, Bloomberg  
**IMA Sector** GBP Strategic bond

## Fund performance and risk analysis

### Compound annual growth rates as at 30 Jun 2015



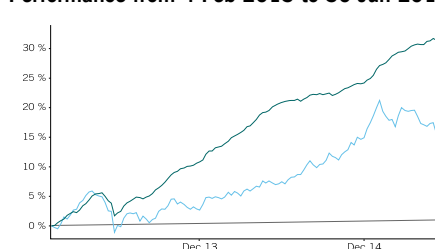
### Performance summary as at 30 Jun 2015

|                                   | Fund % | Bond Index % |
|-----------------------------------|--------|--------------|
| 1 month return                    | -1.65  | -2.81        |
| 3 months' return                  | -0.35  | -4.19        |
| 12 months' return                 | 7.05   | 6.57         |
| Return since inception            | 29.43  | 14.47        |
| Annualised return since inception | 11.36  | 5.80         |

### Portfolio statistics (bond portfolio) as at 30 Jun 2015

|                           | Fund % | Bond Index % |
|---------------------------|--------|--------------|
| Average coupon            | 8.36   | 5.60         |
| Average yield to maturity | 5.71   | 3.48         |
| Duration                  | 7.27   | 7.92         |
| Distribution yield        | 4.76   |              |

### Performance from 4 Feb 2013 to 30 Jun 2015



### Key to charts and tables:

**Fund:** GAM Star Credit Opportunities (GBP) Institutional (Acc); **Bond Index:** Barclays Sterling Aggregate Corporate Total Return Index in GBP; **Cash Index:** Average GBP 1 Month Deposit Rate

### Historical monthly returns

| %    | Jan  | Feb  | Mar  | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct  | Nov   | Dec  | Year  |
|------|------|------|------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|
| 2015 | 2.04 | 1.37 | 0.93 | 0.53  | 0.79  | -1.65 | -     | -     | -     | -    | -     | -    | 4.03  |
| 2014 | 2.05 | 1.02 | 1.36 | 1.69  | 1.54  | 1.14  | 0.40  | 0.57  | 0.10  | 0.23 | 0.85  | 0.71 | 12.28 |
| 2013 | 2.55 | 1.02 | 1.21 | 2.38  | 0.45  | -2.97 | 2.18  | 0.55  | 1.52  | 2.32 | 1.06  | 0.69 | 10.80 |
| 2012 | 2.29 | 3.04 | 2.03 | -0.70 | -0.85 | 0.66  | 2.08  | 2.27  | 3.06  | 4.06 | 2.73  | 3.35 | 26.71 |
| 2011 | -    | -    | -    | -     | -     | -     | -0.40 | -4.14 | -5.26 | 2.77 | -1.89 | 1.14 | -7.75 |

**Important information regarding simulated performance from Jul 2011 to Feb 2013:** Performance shown from Jul 2011 to Jan 2013 is simulated performance provided for illustrative and information purposes only. The simulated performance is based on the performance of the fund since its inception and does not represent returns that any investor actually attained during this period. The net adjustment fee applied in the simulated performance period is 1.16%. The net fee adjustment does not represent fees incurred. Actual results may be materially different than the hypothetical results presented. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown.

\*Excludes administration and custodian fee - please see Prospectus for further details on fees.

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

### Contact details

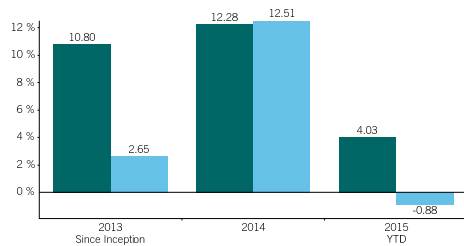
GAM Fund Management Ltd  
George's Court  
54-62 Townsend Street  
Dublin 2, Ireland  
Freephone: 0800 919 927 (UK only)  
Tel: +353 (0) 1 6093927  
Fax: +353 (0) 1 6117941  
**Dealing**  
Offshore Funds and UCITS  
Freephone: 0800 919 928 (UK only)  
Tel: +353 (0) 1 6093974  
Fax: +353 (0) 1 8290778

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

## Performance history to 30 Jun 2015



## Standardised past performance to 30 Jun 2015

| June-<br>June (%)   | 2010/<br>2011 | 2011/<br>2012 | 2012/<br>2013 | 2013/<br>2014 | 2014/<br>2015 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAM Star Credit Opportunities (GBP) Institutional (Acc)         | N/A*          | N/A*          | 2.02†         | 18.51         | 7.05          |
| Barclays Sterling Aggregate Corporate Total Return Index in GBP | N/A*          | N/A*          | -0.19†        | 7.62          | 6.57          |

\*Please note this fund launched on 4 Feb 2013 and therefore performance data does not exist for these periods.

†Performance from inception date 4 Feb 2013.

## Risk summary as at 30 Jun 2015

|                                   | 12 months |            | Since Inception |            |
|-----------------------------------|-----------|------------|-----------------|------------|
|                                   | Fund      | Bond Index | Fund            | Bond Index |
| Maximum drawdown (%) ***          | -1.65     | -5.71      | -2.97           | -5.73      |
| Annualised standard deviation (%) | 2.89      | 7.71       | 3.75            | 6.80       |
| Sharpe Ratio*                     | 2.29      | 0.80       | 2.91            | 0.79       |

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

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

## Key to charts and tables:

**Fund:** GAM Star Credit Opportunities (GBP) Institutional (Acc); **Bond Index:** Barclays Sterling Aggregate Corporate Total Return Index in GBP

## Asset allocation

## Portfolio allocation as at 30 Jun 2015

| Asset type                 | Weight%      |
|----------------------------|--------------|
| Fixed Perpetual            | 34.7         |
| Fixed-Dated Bond           | 24.2         |
| Fixed-to-Floater Perpetual | 23.7         |
| Fixed-to-Floater Bond      | 10.6         |
| Cash and Derivatives       | 4.9          |
| Undated FRN                | 1.6          |
| Dated FRN                  | 0.3          |
| <b>Total</b>               | <b>100.0</b> |

## Top 10 holdings as at 30 Jun 2015

| Name                                | % of Fund   |
|-------------------------------------|-------------|
| Lloyds Bank PLC FRN Perp            | 3.6         |
| Coventry Bldg Society 12.125% Perp  | 3.1         |
| Investec Bank 9.625% 2022-02-17     | 2.7         |
| General Accident 8.875% Pfd Perp    | 2.6         |
| Old Mutual 8% 2021-06-03            | 2.5         |
| Cheltenham & Gloucester 11.75% Perp | 2.3         |
| Bank of Ireland 13.375% Perp        | 2.2         |
| Enterprise Inns 6.375% 2031-09-26   | 2.1         |
| General Accident 7.875% Pfd Perp    | 1.8         |
| Man Group FRN 2024-09-16            | 1.8         |
| <b>Total</b>                        | <b>24.7</b> |

Source: GAM unless otherwise stated (Performance is shown net of fees, on a NAV to NAV basis). This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. It is not an invitation to subscribe and is by way of information only. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. The fund is a sub-fund of GAM Star Fund plc. GAM Star Fund plc is an Irish umbrella fund with segregated liability between sub-funds. GAM Star Fund plc is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) and is a recognised scheme under the Financial Services and Markets Act 2000. The fund is managed by GAM Fund Management Limited which is regulated by the Central Bank of Ireland. Subscriptions will only be received and shares or units ('Shares') issued on the basis of the current prospectus for the fund. Copies of the fund's current prospectus, key investor information document (KIID) and financial statements can be obtained free of charge from GAM Fund Management Limited, George's Court, 54-62 Townsend Street, Dublin 2, from the centralising agent for France, BNP Paribas Securities Services, 66 rue de la Victoire, 75009 Paris, from its representative in Switzerland GAM Anlagefonds AG, Hardstrasse 201, PO Box 8037, Zurich, from the information agent in Germany Bank Julius Baer Europe AG, An der Welle 1, D-60322 Frankfurt am Main, from the information agent in Austria, UniCredit Bank Austria, Schottengasse 6 - 8, A-1010 Vienna or in Hong Kong from GAM Hong Kong Limited, 16th Floor, Two Exchange Square, Central, Hong Kong. Paying Agent in Switzerland is State Street Bank GmbH, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich. Shares are not available for sale in any state or jurisdiction in which such sale would be prohibited. Investors should only rely on the fund's offering documents when making a decision on whether to invest in the fund. The Shares of the fund have not been registered under the US Securities Act of 1933, as amended (the "Securities Act"), and the fund is not registered under the US Investment Company Act of 1940, as amended (the "Company Act"). Accordingly, unless an exemption is available, such shares may not be offered, sold or distributed in the United States or to US persons. However, pursuant to an exemption from registration under the Securities Act and the Company Act, the shares may be sold or resold in the United States or to certain qualified US investors in transactions that do not constitute a public offering. **The fund does not include the security of capital which is characteristic of a deposit with a bank or building society.** The fund is not authorised or registered for public sale in Asia Pacific. Therefore, no public marketing must be carried out for it in Asia Pacific. In Hong Kong, this material is restricted to professional investors (as defined in the Securities and Futures Ordinance (Cap 571)) only. In Singapore, this material is limited to investors as defined in s.305(5) of the Securities and Futures Act (Cap. 289) ("SFA") only. The fund is not authorised or recognised by the Monetary Authority of Singapore and Shares in the fund are not allowed to be offered to the retail public in Singapore; and any written material issued in connection with the offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. In other countries in the Asia Pacific region, this material should only be distributed in accordance with the applicable laws in the relevant jurisdiction. The views expressed herein are those of the manager at the time and are subject to changes. **The price of Shares may go down as well as up and the price will depend on fluctuations in financial markets outside GAM's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance.** Reference to a security is not a recommendation to buy or sell that security. Holdings and allocations are subject to change. Prices quoted refer to accumulation Shares unless otherwise stated. Historic data may be subject to restatement from time to time. In the United Kingdom, this material has been issued and approved by GAM London Ltd, 20 King Street, London SW1Y 6QY, authorised and regulated by the Financial Conduct Authority.

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