

GAM Star (Lux)

Société d'Investissement à Capital Variable

Annual Report

as at 31 December 2016 (audited)

Subscriptions are carried out solely on the basis of the current prospectus or the key investor information, in conjunction with the latest annual report and the latest semi-annual report if published thereafter.

The Articles of Association, the valid prospectus and the key investor information, the annual and semi-annual reports, as well as information based on the Guidelines on transparency with regard to management fees of the Swiss Funds & Asset Management Association [SFAMA], may be obtained free of charge from the representative in Switzerland and/or from the respective paying agent.

AN INVESTMENT FUND UNDER LUXEMBOURG LAW

Representative and distributor in Switzerland: GAM Capital Management (Switzerland) AG, Hardstrasse 201, P.O. Box, CH-8037 Zurich
Paying Agent in Switzerland: State Street Bank International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich
Paying Agent and Representative in Germany: DekaBank Deutsche Girozentrale, Mainzer Landstrasse 16, D - 60325 Frankfurt / Main
Information Agent in Germany: GAM (Deutschland) GmbH, Taunusanlage 15, D - 60325 Frankfurt / Main

Register number: R.C.S. Luxembourg B35181

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Organisation and Management

The registered office of the Company is:
25, Grand-Rue
L - 1661 Luxembourg

Board of Directors of the Company

Chairman:

Martin Jufer
Member of the Group Management Board, GAM Group
Region Head Continental Europe
GAM Investment Management (Switzerland) AG
Zurich, Switzerland

Members:

Scott Sullivan
Member of the Group Management Board, GAM Group
Group General Counsel, Singapore
(until 1 June 2016)

Andrew Hanges
Region Head UK GAM (UK) Ltd.
London, United Kingdom

Nora O'Mahony
Head of Global Product & Fund Development
GAM (U.K.) Ltd.
London, United Kingdom
(since 2 June 2016)

Tristan Brenner
Chief Operating Officer
GAM Capital Management (Switzerland) AG
Lugano Branch
Lugano, Switzerland

Management Company and Domiciliary Agent

GAM (Luxembourg) S.A.
25, Grand-Rue
L - 1661 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company

Chairman:

Martin Jufer
Member of the Group Management Board, GAM Group
Region Head Continental Europe
GAM Investment Management (Switzerland) AG
Zurich, Switzerland

Members:

Andrew Hanges
Region Head UK GAM (UK) Ltd.
London, United Kingdom

Yvon Lauret
Independent Director
Luxembourg, Grand Duchy of Luxembourg

William Norris (since 21 October 2016)
Head of Operations and IT
GAM (UK) Ltd.
London, United Kingdom

Elmar Zumbühl (since 21 October 2016)
Group Chief Risk Officer
GAM Holding AG
Zurich, Switzerland

Managing Directors of the Management Company

Ewald Hamlescher
Managing Director
GAM (Luxembourg) S.A.
Luxembourg, Grand Duchy of Luxembourg

Steve Kieffer
Managing Director
GAM (Luxembourg) S.A.
Luxembourg, Grand Duchy of Luxembourg

Administrative Agent

GAM Fund Management Limited
George's Court
54-62 Townsend Street
Dublin 2, Ireland
(until 30 June 2016)

State Street Bank Luxembourg S.C.A.
49, Avenue J.F. Kennedy
L - 1855 Luxembourg, Grand Duchy of Luxembourg
(since 1 July 2016)

Depository and Principal Paying Agent

State Street Bank Luxembourg S.C.A.
49, Avenue J.F. Kennedy
L - 1855 Luxembourg, Grand Duchy of Luxembourg

Registrar and Transfer Agent

GAM Fund Management Limited
Georges's Court
54-62 Townsend Street
Dublin 2, Ireland

Investment Managers

GAM Capital Management (Switzerland) AG, Lugano Branch
(until 22 June 2016 GAM Anlagefonds AG;
until 14 June 2016 GAM Investment Management Lugano S.A.)
Via F. Pelli 1
CH - 6900 Lugano, Switzerland

GAM Capital Management (Switzerland) AG
(until 22 June 2016 GAM Anlagefonds AG)
Hardstrasse 201
P.O. Box
CH - 8037 Zurich, Switzerland

Each investment manager may hire the support of investment advisers for individual sub-funds.

Organisation and Management

Distributors

GAM Limited
Wessex House
45 Reid Street
Hamilton HM12, Bermuda

The Company and/or the Management Company has appointed and may appoint further distributors to sell the shares in one or more jurisdictions.

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L - 2182 Luxembourg, Grand Duchy of Luxembourg

Local Representatives

Switzerland:
GAM Capital Management (Switzerland) AG
(until 22 June 2016 GAM Anlagefonds AG)
Hardstrasse 201
P.O. Box
CH - 8037 Zurich, Switzerland

Paying agent in Switzerland:
Bank Julius Bär & Co. AG
Bahnhofstrasse 36
P.O. Box
CH - 8010 Zurich, Switzerland
(until 31 March 2016)

State Street Bank International GmbH, Munich
Zurich Branch
(until 12 May 2016: State Street Bank GmbH, Munich, Zurich Branch)
Beethovenstrasse 19
CH - 8027 Zurich, Switzerland
(since 1 April 2016)

Paying and Information agent in Germany:
Marcard, Stein & Co.
Ballindamm 36
D - 20095 Hamburg, Germany
(until 31 December 2016)

Paying Agent in Germany:
DekaBank Deutsche Girozentrale
Mainzer Landstrasse 16
D - 60325 Frankfurt / Main
(since 1 January 2017)

Information Agent in Germany:
GAM (Deutschland) GmbH
Taunusanlage 15
D - 60325 Frankfurt / Main
(since 1 January 2017)

Paying Agent in Austria:
Erste Bank der oesterreichischen Sparkassen AG
Am Belvedere 1
A - 1100 Vienna, Austria

Paying Agent in Liechtenstein:
LGT Bank AG
Herrengasse 12
FL - 9490 Vaduz, Liechtenstein

Representative in Spain:
ATL12 Capital Inversiones AV, S.A.
C. / Montalban 9
E - 28014 Madrid, Spain

Paying Agent in Sweden:
MFEX Mutual Funds Exchange AB
Grev Turegatan 19
SE - 114 38 Stockholm, Sweden

Paying Agent in France:
Caceis Bank
1-3, Place Valhubert
F - 75013 Paris, France

Paying Agent in Belgium:
RBC Investor Services Belgium S.A.
Boulevard du Roi Albert II, 37
B - 1030 Brussels, Belgium

Facilities Agent in the United Kingdom:
GAM Sterling Management Limited
20 King Street
London SW1A 6QY, United Kingdom

Information on risk management (unaudited)

Commitment Approach

Based on the current investment policy and the investment strategy (including the use of derivative financial instruments), the risk profile of the above-mentioned sub-funds was determined using the commitment approach (total risk is ascertained from the liabilities).

This means that a sub-fund's aggregate liabilities can be doubled at most through the use of derivative financial instruments. A sub-fund's aggregate liabilities are therefore capped at 200% of the net asset value. In order to calculate the total liability, the positions in derivative financial instruments are converted into equal positions in the underlying instruments. The total liability of the derivative financial instruments is limited to 100% of the net asset value and therefore corresponds to the total of the individual liabilities after netting/hedging. The following sub-fund determines the risk profile using the commitment approach:

GAM Star (Lux) - European Momentum

Value-at-risk

The total risk exposure of each of the following sub-funds was determined using a model approach that takes into account all of the general and specific market risks that can lead to a significant change in the portfolio value (value-at-risk approach). The value-at-risk (VaR) is calculated on the basis of a confidence interval of 99%. The holding period for the purpose of calculating the total risk exposure is one month (20 days). The leverage was calculated using the Sum of Notionals Approach.

GAM Star (Lux) -	Utilisation of the VaR Limits					
	Type of VaR-approach	VaR limit (in %)	Low	High	Average value	Simulation model*)
Absolute Return US Equity	Absolute VaR	20.00%	1.26%	18.23%	2.31%	Monte Carlo
Convertible Alpha	Absolute VaR	20.00%	1.69%	6.61%	2.99%	Monte Carlo
Emerging Alpha	Absolute VaR	20.00%	1.72%	4.24%	2.51%	Monte Carlo
European Alpha	Absolute VaR	20.00%	2.89%	8.19%	5.85%	Monte Carlo
Financials Alpha	Absolute VaR	20.00%	1.79%	5.95%	2.93%	Monte Carlo
Merger Arbitrage	Absolute VaR	20.00%	2.99%	7.89%	4.64%	Monte Carlo
GAM Star (Lux) -	Reference portfolio	Average leverage 01.01.2016 - 31.12.2016 Sum of Notionals Approach				
Absolute Return US Equity	not applicable	93.85%				
Convertible Alpha	not applicable	226.92%				
Emerging Alpha	not applicable	129.13%				
European Alpha	not applicable	145.10%				
Financials Alpha	not applicable	129.86%				
Merger Arbitrage	not applicable	127.24%				

*) Parameters of VaR simulation model:

VaR concept = RiskMetrics™, VaR methodology = Monte Carlo (5,000 simulations), covariances based on 1-day returns, simulated period = 20 days, observation period (scaled) = 1 year, decay factor = 0.97



Audit Report

To the Shareholders of
GAM Star (Lux)

Following our appointment by the General Meeting of the Shareholders, we have audited the accompanying financial statements of GAM Star (Lux) (the "SICAV") and of each of its sub-funds, which comprise the statement of net assets and the securities portfolio as at 31 December 2016, the profit and loss account and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of GAM Star (Lux) and of each of its sub-funds as of 31 December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20 April 2017

Roxane Haas

Report of the Board of Directors

Dear Investor,

We are pleased to enclose the Annual Report of the GAM Star (Lux). This includes the Fund Management Report produced on behalf of the Board of Directors for the active sub-funds. The Annual Report also includes the statement of net assets, the profit and loss account, the statement of changes in net assets, the comparative statement, as well as the respective portfolios of the sub-funds.

The Board of Directors confirms that the Company adhered to the rules of the ALFI Code of Conduct for Luxembourg investment funds in all significant aspects during the accounting period and at the end of the financial year 31 December 2016.

Further information on the SICAV and the sub-funds, including prospectuses and semi-annual reports, may be obtained free of charge from the Management Company of the SICAV or its paying agent upon request and may also be viewed online at www.jbfundnet.com.

Luxembourg, in April 2017

On behalf of the Board of Directors of the GAM Star (Lux)

Martin Jufer
Chairman of the Board of Directors

Andrew Hanges
Member of the Board of Directors

Notes to the Annual Report

Legal information

GAM Star (Lux) (the "Company") was incorporated on 24 October 1990 for an indefinite period. It is organised as a Société d'Investissement à Capital Variable (open-ended investment company – SICAV) under the law of 10 August 1915 of the Grand Duchy of Luxembourg, as amended. It has been registered under Part I of the amended law of 17 December 2010 as an undertaking for collective investment in transferable securities (UCITS).

The Company is registered under number B35181 in the Register of Commerce in Luxembourg. The Company has its registered office at 25, Grand-Rue, L - 1661 Luxembourg.

Share classes

The following share classes are issued at present:

- C shares (for determined investors as defined in the Prospectus): Shares without distribution of income and/or capital gains.
- D shares (for determined investors as defined in the Prospectus): Shares without distribution of income and/or capital gains.
- I shares (for determined investors as defined in the Prospectus): Shares without distribution of income and/or capital gains.
- V shares (for determined investors as defined in the Prospectus): Shares without distribution of income and/or capital gains.
- Z shares (for determined investors as defined in the Prospectus): Shares without distribution of income and/or capital gains.

Accounting principles

Presentation of the annual report

The annual report of the Company has been prepared in compliance with the legal requirements for investment funds in Luxembourg. The present report has been prepared on the basis of the last net asset value ("NAV") calculation at the end of the accounting year (in the following NAV = Net Asset Value).

Aggregation

Each sub-fund of the Company prepares accounts relating to its operating result in its denominated currency. The accounts of the Company (umbrella fund) are prepared in Swiss francs by aggregating the assets and liabilities of the individual sub-funds using the exchange rates applicable on the last day of the financial year.

Accounting

The annual report of the Company was prepared in accordance with the regulations relating to undertakings for collective investment in transferable securities (UCITS) applicable in Luxembourg.

The accrual principle is applied in the preparation of the annual report. The accounting principles are applied consistently.

Valuation of assets and liabilities

Assets and liabilities are valued at their Nominal value, with the following exceptions.

Foreign currencies

Transactions effected in currencies other than the currency of the particular sub-fund are converted using the exchange rate on the date of the transaction.

Assets and liabilities denominated in currencies other than the currency of the particular sub-fund are converted using the exchange rate on the balance sheet date. Foreign exchange profits and losses are included in the profit and loss account for the current financial year.

Notes to the Annual Report

Foreign exchange differences

Foreign exchange differences are attributable to the fluctuation in exchange rates over the course of the financial year. The "foreign exchange difference" is as a result of consolidating the sub-fund currencies into the Fund currency.

Securities portfolio

Securities listed on a stock exchange or any other regulated market open to the public are valued at the last available price of the financial year.

Unlisted securities are identified as such. Their value shall be based on a probable realisation value, determined with due care and in good faith.

The realised profit / loss from the sale of securities is determined using the FIFO method. Securities in currencies other than the currency of the particular sub-fund will be converted using the exchange rate on the balance sheet date or the date of sale, whichever is applicable. All foreign exchange profits and losses are shown in the profit and loss account, together with net realised profit / loss from securities.

Dividends are recorded on the ex-dividend date.

Income from securities is shown net of withholding taxes.

The portfolio of the Fund may contain securities which are difficult to price (i.e. stale price, limited pricing sources). In those instances, the concerned securities are regularly monitored through a detailed analysis which is carried out at least monthly, and a quarterly more general overview. The monitoring is performed according to the principles and criteria defined by the Board of Directors.

Securities lending

Income from securities lending is shown separately in the profit and loss account.

There were no outstanding securities lending positions as at 31 December 2016.

Repurchase agreement

Income from the repurchase agreement for securities is shown separately in the profit and loss account. There are no repurchase agreements at the end of the financial year.

Income from zero-coupon bonds

For zero coupon bonds, the "notional" interest portion is calculated as interest income and reclassified in the profit and loss account under the item "Income on securities" instead of the item "Net change in unrealised appreciation/depreciation on securities".

Commercial papers

Commercial papers are issued at a discount until maturity and valued at amortized cost.

Options

The buyer of a put option has the right, but not the obligation, to sell an underlying instrument ("underlying") at an agreed upon price ("strike price") to the option seller. The buyer of a call option has the right, but not the obligation, to purchase the underlying at the strike price from the option seller.

Purchased Options: Premiums paid by the sub-fund for purchased options are included in the statement of net assets as acquisition costs of the investments. The valuation of options is adjusted daily to reflect their current market value. The change is recorded as "net change in unrealised appreciation / depreciation" in the profit and loss account. If the option expires without being executed, the sub-fund loses the paid premium and a realised loss of corresponding value is booked. If a sold option is exercised or closed, the paid premium with the sales proceeds of the underlying is settled or added to the cost price of the underlying to determine the realised profit / loss as well as the costs of the underlying asset.

Written Options: Premiums received by the sub-fund for written options are included in the statement of net assets as negative acquisition cost of an investment. The valuation of options is adjusted daily to reflect their current market value. The change is recorded as net change in unrealised

Notes to the Annual Report

appreciation / depreciation in the profit and loss account. If the written option expires without being executed, the premium received is recorded as realised profit of the corresponding value. The sub-fund records a realised profit or loss on written options based on whether or not the cost of the closing of the transaction exceeds the premium received. If a call option is exercised by the option buyer, the premium received by the sub-fund is added to the proceeds from the sale of the underlying and compared to the cost of the underlying in order to determine whether there has been a realised profit or loss. If a put option is exercised by the option buyer, the costs of the purchased security will be reduced by the premium received by the option buyer.

Written uncovered call options subject the sub-fund to an unlimited risk of loss. For written covered call options the potential for profit is limited to the strike price. Written put options subject the sub-fund to a risk of loss if the price of the underlying falls below the strike price minus the premium. The sub-fund is not subject to any credit risk on written options as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

Options traded on a regulated market are valued on the basis of the closing price or the last available market price of the underlying. OTC options are marked-to-market based upon prices obtained from third party pricing agents and verified against the counterparty's valuation. The market value of options is included in the statement of net assets under the heading "Derivative instruments - Options". The realised profits / losses and the change in the unrealised profits / losses from options are disclosed in the profit and loss account under the headings "Realised profit/loss on options" and "Net change in unrealised appreciation/depreciation on options."

Options, warrants and rights are disclosed in numbers in the securities portfolio.

For futures-style options, the option buyer pays the option seller the full amount of the premium upon the exercise or expiry of the option. As in a future contract, buyers and sellers deposit a security (margin). While the option is held, profits and losses are marked-to-market on a daily basis. Valuation differs from traditional options primarily in terms of the timing of cash flows, since the option buyer pays the typically upfront option premium at a later date.

The unrealised profit / loss of future-style options is recorded in the Statement of Net Assets under "Derivative Instruments - Options".

Futures contracts (Futures)

The contractual parties of a future agree on the delivery of the underlying instrument at a fixed price or for a cash amount based on the change in the value of the underlying instrument at a specific date in the future. Upon entering into a futures contract, the sub-fund is required to deposit with the broker, cash or securities in an amount equal to a certain percentage of the contract amount, a so called initial margin. Subsequent payments, referred to as variation margin, are made or received by the sub-fund periodically and are based on changes in the market value of open futures contracts.

The unrealised profit / loss on future contracts is disclosed in the statement of net assets under "Derivative instruments - Futures". Changes in the market value of open futures contracts are recorded as unrealised profit / loss in the profit and loss account under "Net change in unrealised appreciation/depreciation on futures". Realised profits or losses, representing the difference between the value of the contract at the time it was opened and the value at the time it was closed, are reported at the closing or expiration of futures contracts in the profit and loss account under "Realised profit/loss on futures". Securities deposited as initial margin are designated in the securities portfolio and cash deposited is recorded in the statement of net assets. A receivable and/or a payable to brokers for the daily variation margin is also recorded in the statement of net assets.

Forward foreign exchange contracts

Forward foreign exchange contracts represent obligations to purchase or sell foreign currency on a specified future date at a price fixed at the time the contracts are entered into. Non-deliverable forward foreign exchange contracts are settled with the counterparty in cash without the delivery of foreign currency. The valuation of the forward foreign exchange contracts are adjusted daily based on the applicable exchange rate of the underlying currency. Changes in the valuation of these contracts are recorded as unrealised appreciation or depreciation until the contract settlement date. When the forward contract is closed, the sub-fund records a realised profit or loss equal to the difference between the value at the time the contract was opened and the value at the time it was closed.

The unrealised profit / loss on forward foreign exchange contracts is disclosed in the statement of net assets under "Derivative Instruments - Forward foreign exchange contracts". Realised profits / losses and changes in unrealised profit / loss are included in the profit and loss account respectively under "Realised profit / loss on forward foreign exchange contracts" and "Net change in unrealised appreciation/depreciation on forward foreign exchange contracts".

The forward foreign exchange contracts detailed in the overview of derivative instruments are grouped by traded currency and by maturity date.

Notes to the Annual Report

Contracts for differences (CFD)

Contracts for differences are contracts entered into between a broker and the sub-fund under which the parties agree to make payments to each other so as to replicate the economic consequences of holding a long or short position in the underlying security. Contracts for differences also mirror any corporate actions that take place. Contracts for differences are valued based on the closing market price of the underlying security, less any financing charges attributable to each contract. Upon entering into contracts for differences, the sub-fund may be required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount ("initial margin"). Subsequently, payments known as "variation margin" are made or received by the sub-fund periodically, depending on fluctuations in the value of the underlying security.

The unrealised profit / loss is disclosed in the statement of net assets under "Derivative instruments - Swaps". Realised profits / losses and changes in unrealised profit / loss as a result thereof are included in the profit and loss account under "Realised profit / loss on swaps" and "Net change in unrealised appreciation/depreciation on swaps".

Interest Rate Swaps (IRS)

An interest rate swap is a bilateral agreement in which each party agrees to exchange a series of interest payments for another series of interest payments (usually fixed vs. floating) based on a notional amount that serves as a computation basis which is usually not exchanged. During the life of the swap, each party pays interest (in the currency of the principal received) to the other. Interest rate swaps are marked to market at each NAV calculation date. The market value is based on the valuation elements laid down in the contracts, and is obtained from independent third party pricing agents, market makers or internal models.

The unrealised profit / loss is disclosed in the statement of net assets under "Derivative instruments - Swaps". Realised profits / losses and changes in unrealised profit / loss as a result thereof are included in the profit and loss account under "Realised profit/loss on swaps" and "Net change in unrealised appreciation/depreciation on swaps".

Credit Default Swaps (CDS)

A credit default swap is a credit derivative transaction in which two parties enter into an agreement, whereby one party (the protection buyer) pays the other (the protection seller) a fixed periodic coupon for the specified life of the agreement in return for a payment contingent on a credit event related to the underlying reference obligation. If a credit event occurs, the protection seller would be obligated to make a payment, which may be either: (i) a net cash settlement equal to the notional amount of the swap less the auction value of the reference obligation or (ii) the notional amount of the swap in exchange for the delivery of the reference obligation. Selling protection effectively adds leverage to a sub-fund's portfolio up to the notional amount of swap agreements. The notional amount represents the maximum potential liability under a contract and is not reflected in the statement of net assets. Potential liabilities under these contracts may be reduced by: the auction rates of the underlying reference obligations; upfront payments received at the inception of a swap; and net amounts received from credit default swaps purchased with the identical reference obligation.

Credit default swaps are marked to market at each NAV calculation date. The market value is based on the valuation elements laid down in the contracts, and is obtained from independent third party pricing agents, market makers or internal models.

The unrealised profit / loss is disclosed in the statement of net assets under "Derivative instruments - Swaps". Realised profits / losses and change in unrealised profit / loss resulting there from are included in the profit and loss account under the heading "Realised profit / loss on swaps" and "Net change in unrealised appreciation/depreciation on swaps".

Total Return Swaps (TRS)

A total return swap is a bilateral contract in which each party agrees to exchange payments based on the performance of an underlying represented by a security, commodity, basket or index thereof for a fixed or variable rate. One party pays out the total return of a specific reference asset, and in return, receives a regular stream of periodical payments. The total performance includes profits and losses on the underlying, as well as any interest or dividends during the contract period according to the type of underlying. The cash flows to be exchanged are calculated by reference to an agreed upon notional amount or number. To the extent the total return of the reference asset underlying the transaction exceeds or falls short of the offsetting payment, the sub-fund will receive a payment from or make a payment to the counterparty.

Total return swaps are marked to market at each NAV calculation date. The estimated market value is based on the valuation elements laid down in the contracts, and is obtained from independent third party pricing agents, market makers or internal models.

The unrealised profit / loss is disclosed in the statement of net assets under "Derivative instruments - Swaps". Realised profits / losses and changes in unrealised profit / loss as a result thereof are included in the profit and loss account under "Realised profit / loss on swaps" and "Net change in unrealised appreciation / depreciation on swaps".

Notes to the Annual Report

Collateral

Collateral was deposited for the derivatives instruments in favour of the following sub-funds:

Sub-funds	Currency	Cash Collateral
GAM Star (Lux) -		
Convertible Alpha	EUR	940 387
Emerging Alpha	USD	10 877 262
European Alpha	EUR	107 965 193
Financials Alpha	USD	12 141 405
Merger Arbitrage	EUR	16 587 328

The cash collateral listed in the table above was held with Credit Suisse AG, Credit Suisse International, Deutsche Bank AG, Merrill Lynch and Co. LLC and Morgan Stanley & Co. International Plc..

Taxation

In accordance with current legal practice in the European Union, the Company may apply to local EU tax authorities for a refund of the withholding tax levied on dividend payments by a number of EU member-states.

If refund applications are submitted, no receivables are recorded or reported in the sub-fund, since the outcome of the refund applications is uncertain and the estimated likelihood of success may change over the course of a refund procedure. Only upon receipt of the withholding tax refund are the amounts recorded in the sub-funds in question and reported accordingly.

Any costs in connection with the submission of the refund applications were/are charged to the concerned sub-funds.

Any withholding tax refunds are included in the profit and loss account under "Other income".

Taxes

In accordance with Luxembourg law, the Company is not subject to any Luxembourg income tax. Dividends paid by the Company are currently not subject to withholding tax in Luxembourg.

The Company is, however, charged with an annual tax of 0.05% of the net assets ("taxe d'abonnement"). A reduced taxe d'abonnement of 0.01% will be applied on the net assets applicable to C and I shares (for institutional investors). This classification is based on the Company's understanding of the current legal situation. This legal situation is liable to be changed with retroactive effect, which may result in the tax rate of 0.05% being applied retroactively. The tax is payable quarterly in arrears on the basis of the respective net assets at the end of each quarter.

Costs and fees

Investment Manager Fees

Each Sub-fund shall pay an annual fee in respect of aggregate Investment Manager Fees, which will accrue on each Valuation Day and will be paid monthly in arrears and will be set out as specified in the relevant Supplement. Part of this fee may be used for the distribution of the Sub-funds.

Administrator Fee

Each Sub-fund shall pay an annual fee specified in the relevant Supplement to the Management Company, which will remunerate the Transfer Agent and Registrar and the Administrative Agent for the administration of the relevant Sub-fund, which will accrue on each Valuation Day and will be paid monthly in arrears.

Subscription Fee

The Transfer Agent shall be entitled to a Subscription Fee of up to 3% of the gross subscription where specified in the relevant Supplement. The Transfer Agent with consent from the Management Company may pay all or part of the Subscription Fee as commission to the Global Distributor and/or authorised intermediaries or may waive in whole or in part any such Subscription Fee by way of discount, whereby similar size subscription received on the same Dealing Day have to be treated equally.

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Distribution Fee

A Distribution Fee as specified in the relevant Supplement accrued on each Valuation Day on the Net Asset Value of the V Class Shares of the relevant Sub-fund is payable monthly out of the assets attributable to V Class Shares.

Depository Bank Fee

State Street Bank Luxembourg S.C.A. as the Depository Bank will receive a Depository Bank Fee of up to a maximum of 0.08% per annum, payable quarterly and based on the average net assets of each Sub-fund during each quarter. The Depository Bank Fee is subject to a minimum fee of EUR 3 000 per annum per Sub-fund.

Correspondent Bank, Paying Agent and Facilities Agent Fees

Fees and expenses of Correspondent Banks/Paying Agents/Facilities Agent charged at normal commercial rates will be borne by the relevant Sub-fund or the Administrative Agent. Fees payable to the agent which are based upon Net Asset Value will be payable only from the Net Asset Value of the relevant Sub-fund attributable to the Classes of the Shares, all Shareholders of the relevant Class are entitled to avail of the services of the Correspondent Bank, Paying Agent or Facilities Agent, as the case may be.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

General

The Management Company shall be entitled to pay, out of its Management fee, trailer fees to third parties duly appointed by the Management Company from time to time to market the Company's Shares.

The Company bears the cost of its initial formation expenses, including the cost of producing and printing the Prospectus, notary's fees, the cost of initial registration with administrative and stock market authorities, certificate printing costs and any other costs associated with the formation, launch or restructuring of the Company.

Fees and charges not attributable to a Sub-fund will be allocated to the different Sub-funds and pro-rated according to the NAV.

Sub-funds will bear their own launch, liquidation and restructuring costs. Their formation expenses may be amortised over 5 (five) accounting years.

The Company will bear the cost of all operating expenses as set out in section "Determination of Net Asset Value".

Management fees

For advisory services relating to the portfolios of the sub-funds, related administrative services and distribution services, the following current annual fees based on the net asset value of the respective sub-fund will be charged to the sub-fund at the end of each month:

Overview of fees (p.a.)	Shares C	Shares D and Dh	Shares I and Ih	Shares V	Shares Z
GAM Star (Lux) -					
Absolute Return US Equity	-	1.20%	0.60%	1.95%	-
Convertible Alpha	1.50%	1.50%	1.00%	-	-
Emerging Alpha	2.00%	2.00%	1.25%	-	-
European Alpha	1.75%	1.75%	1.25%	-	1.25%
European Momentum	1.75%	1.75%	1.00%	-	-
Financials Alpha	2.00%	2.00%	1.25%	-	-
Merger Arbitrage	-	1.30%	0.70%	1.80%	1.15%*

* The share class launched on 22 August 2016 with a management fees rate of 0.00%, closed on 28 September 2016 and reopened on 2 November 2016 with a rate of 1.15%.

The fees as set out above are used to remunerate distributors and asset managers for distributing shares of the sub-funds and to reimburse institutional investors.

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Performance Fee

GAM Star (Lux) - Absolute Return US Equity

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund, attributable to each share class of the Sub-Fund, a performance fee which is accrued on each Valuation Day and paid quarterly in arrears at the end of each quarter and as of 1 January 2017 it will be paid annually in arrears at the end of each Financial Year.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled.

The Performance Fee in each case amounts to 10% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant class and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The "Hurdle Rate" is the 3-month LIBOR in the appropriate currency.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the respective Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per Share multiplied by the current shares in issue of the respective class of Shares on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the share class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance Fee is payable measured over a Calculation Period is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Relative underperformance of the percentage return against the Hurdle Rate Return in previous Calculation Periods will not be clawed back.

Where the prorated three month LIBOR rate of return falls below zero, the rate is fixed at zero per cent for calculation purposes.

The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant share class of the Sub-Fund until the end of that Calculation Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund thereof as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

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GAM Star (Lux) - Convertible Alpha

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund attributable to each share class of the Sub-Fund a Performance Fee which is accrued on each Valuation Day and paid quarterly in arrears at the end of each quarter.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled. The Performance Fee in each case amounts to 10% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant class and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The "Hurdle Rate" is set at zero.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the respective Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per share multiplied by the current shares in issue of the respective share class on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the share class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance Fee is payable measured over a Calculation Period is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant share class of the Sub-Fund until the end of the first occurring quarter (31 March, 30 June, 30 September or 31 December) in the same Accounting Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund thereof as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

GAM Star (Lux) - Emerging Alpha and GAM Star (Lux) - Financials Alpha

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund attributable to each share class of the Sub-Fund a performance fee which is accrued on each Valuation Day and paid quarterly in arrears at the end of each quarter.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled. The Performance Fee in each case amounts to 20% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the

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current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant class and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The "Hurdle Rate" is set at zero.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the respective Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per share multiplied by the current shares in issue of the respective share class on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the share class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance Fee is payable measured over a Calculation Period is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant share class of the Sub-Fund until the end of the first occurring quarter (31 March, 30 June, 30 September or 31 December) in the same Accounting Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund thereof as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

GAM Star (Lux) - European Alpha

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund attributable to each share class of the Sub-Fund a performance fee which is accrued on each Valuation Day and paid quarterly in arrears at the end of each quarter.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled. The Performance Fee in each case amounts to 15% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant class and the Net Asset Value per Share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The "Hurdle Rate" is set at zero.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

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The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the respective Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per share multiplied by the current shares in issue of the respective share class on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the share class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the share class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance Fee is payable measured over a Calculation Period is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant share class of the Sub-Fund until the end of the first occurring quarter (31 March, 30 June, 30 September or 31 December) in the same Accounting Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund thereof as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

GAM Star (Lux) - European Momentum

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund attributable to each share class of the Sub-Fund a performance fee which is accrued on each Valuation Day and paid quarterly in arrears at the end of each quarter.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled. The Performance Fee in each case amounts to 10% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant class and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The "Hurdle Rate" is the MSCI Europe TR Index in the appropriate currency.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the respective Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per share multiplied by the current shares in issue of the respective share class on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the share class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance

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Fee is payable measured over a Calculation Period is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Relative underperformance of the percentage return against the Hurdle Rate Return in previous Calculation Periods is clawed back.

The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant share class of the Sub-Fund until the end of the first occurring quarter (31 March, 30 June, 30 September or 31 December) in the same Accounting Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund thereof as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

GAM Star (Lux) - Merger Arbitrage

In addition to the fees payable to the Management Company and Investment Manager, the Investment Manager is entitled to receive out of the assets of the Sub-Fund attributable to each share class of the Sub-Fund, a performance fee which is accrued on each Valuation Day and paid annually in arrears at the end of each Financial Year.

The entitlement to the Performance Fee arises when the percentage return is above that of the Hurdle Rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Both conditions must be fulfilled.

The Performance Fee in each case amounts to 15% p.a. of the outperformance of the High Water Mark or outperformance of the respective Hurdle Rate, the lower of the two percentage outperformance values serving as a basis for calculation. Dividend distributions paid out are not deemed to impact the performance of the share class. The percentage return is the difference between the Net Asset Value per share on the last Valuation Day of the previous Calculation Period and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees (or in the case of the first Calculation Period, the difference between the initial offer price applicable to the relevant share class and the Net Asset Value per share on the last Valuation Day of the current Calculation Period before the deduction of Performance Fees). The Performance Fee is crystallized at the end of each Calculation Period.

The Hurdle Rate is the prorated three month LIBOR rate of return, set quarterly in advance. LIBOR for these purposes is the rate fixed by the British Bankers' Association for three month deposits in the designated currency of the relevant share class of the Sub-Fund (as appropriate) expressed as an annual percentage, based on a 360 day year and subject to a maximum in each case of 10% per annum. Where the prorated three month LIBOR rate of return falls below zero, the rate is fixed at 0% for calculation purposes. The Directors reserve the right to substitute an equivalent three month interbank interest rate in the event that the three month relevant LIBOR rate ceases to be a widely recognised reference rate.

At the launch of the Sub-Fund or of a share class of the Sub-Fund, the High Water Mark is identical to the initial issue price. If the Net Asset Value per share (adjusted for any dividend) on the last Valuation Day of a subsequent Calculation Period is higher than the previous High Water Mark, the High Water Mark is set to the Net Asset Value per share (adjusted for any dividend) calculated on the last valuation day of that Calculation Period after deduction of the Performance Fee. In all other cases the High Water Mark remains unchanged.

The amount for the Performance Fee is recalculated on each Valuation Day subject to the aforementioned conditions on the basis of the outperformance since the start of the Calculation Period and a reserve is formed for the Sub-Fund or for the respective share class. The recalculated amount of Performance Fee is compared on each Valuation Day with the amount set aside on the previous Valuation Day. The amount set aside on the previous day is adjusted up or down accordingly on the basis of the difference found between the newly calculated amount and the amount previously set aside. The reference value applicable to the percentage return and the outperformance of the High Water Mark on a Valuation Day is based on the previous Valuation Day's Net Asset Value per share multiplied by the current shares in issue of the respective share class on that Valuation Day. The reference value used to calculate the Hurdle Rate on a Valuation Day is based on the Net Asset Value of the share class at the start of the Calculation Period adjusted for cumulative subscriptions and redemptions of the class from the start of the Calculation Period.

Only at the end of the Calculation Period is any Performance Fee owed to the Investment Manager and calculated under the aforementioned conditions actually paid out.

This ensures that the Performance Fee is only paid out if the percentage return on the Sub-Fund in the relevant share class on which a Performance Fee is payable measured over a Calculation Period is above that of the Hurdle rate (outperformance of the Hurdle Rate) and simultaneously the Net Asset Value per share (adjusted for any dividend) is higher than the High Water Mark (outperformance of the High Water Mark). Investors should note that relative underperformance of the percentage return against the Hurdle Rate Return in previous Calculation Periods is not clawed back.

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Where the prorated three month LIBOR rate of return falls below zero, the rate is fixed at zero per cent for calculation purposes.

The first Calculation Period for the purposes of calculating the Performance Fee is from the closing of the initial offer period in respect of the relevant class of Shares of the Sub-Fund until the end of that Calculation Period.

The Performance Fee is calculated by the Administrative Agent (subject to verification by the Management Company) based on the finalised Net Asset Value per share (adjusted for any dividend) of the relevant share class of the Sub-Fund as at the relevant Valuation Day.

Included in the calculation of the Performance Fee are net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the relevant Calculation Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Formation expenses

Capitalised formation expenses of new sub-funds can be written off in those sub-funds over a period of five years in equal amounts.

Transaction costs

The transaction costs primarily include brokerage fees. The transaction costs incurred during the financial year are included in the costs of the securities purchased and sold.

During the period from 1 January 2016 to 31 December 2016, the Company incurred transaction costs in the amount set out below in connection with the purchase and sale of securities:

GAM Star (Lux) -

Absolute Return US Equity	USD	23 012
Convertible Alpha	EUR	34 929
Emerging Alpha	USD	399 562
European Alpha	EUR	2 309 955
European Momentum	EUR	478 829
Financials Alpha	USD	155 512
Merger Arbitrage	EUR	102 281

The transaction costs reported above may be misleading as the different costs incurred in transactions are not always reported separately and in some instances are included directly in the purchase and sale costs. In the case of the above sub-funds, this may therefore result in differing transaction costs for comparable investments and transaction volumes.

Other expenses include:

	Currency	Audit fees	Performance fees	Regulatory fees	Professional fees	Printing and publishing costs	Other expenses	Total
GAM Star (Lux) -								
Absolute Return US Equity	USD	3 639	0	1 789	267	178	76	5 949
Convertible Alpha	EUR	13 947	237 771	6 016	7 171	4 926	81 851	351 682
Emerging Alpha	USD	15 846	0	9 750	10 721	9 709	76 856	122 882
European Alpha	EUR	14 095	65 677	48 496	19 556	21 936	1 488 462	1 658 222
European Momentum	EUR	10 612	0	2 326	4 316	2 591	45 010	64 855
Financials Alpha	USD	13 803	0	4 163	8 418	5 024	67 384	98 792
Merger Arbitrage	EUR	11 237	12 950	3 952	1 446	5 367	1 729	36 681

Securities Financing Transactions (unaudited)

As at 31 December 2016, there were no cash or non-cash collateral received or posted by the Sub-funds in respect of OTC derivative transactions (TRS). The CFD are not considered as Securities Financing Transactions.

Global data

The following table details the value of TRS as a proportion of the sub-funds' Net Assets, as at 31 December 2016. The value of TRS is based on the unrealised profit/loss on an absolute basis.

Sub-funds	Sub-fund currency	% of Net Assets
GAM Star (Lux) - Absolute Return US Equity	USD	3.66%

Concentration data

The following table details the unrealised value of TRS on an absolute basis, analysed by counterparty, as at 31 December 2016:

Counterparty	Counterparty's country of incorporation	Sub-fund currency	Unrealised profit/loss
GAM Star (Lux) - Absolute Return US Equity			
Deutsche Bank AG London	United Kingdom	USD	391 182
Morgan Stanley & Co. International Plc.	United Kingdom	USD	13 673
Total		USD	404 855

Aggregate transaction data

The following table provides an analysis of the maturity of outstanding TRS as at 31 December 2016:

Maturity tenor	Sub-fund currency	Unrealised profit/loss
GAM Star (Lux) - Absolute Return US Equity		
Less than one day	USD	169 165
One day to one week	USD	-
One week to one month	USD	-
One month to three months	USD	-
Three months to one year	USD	227 463
Above one year	USD	8 227
Open	USD	-
Total	USD	404 855

The above maturity analysis has been based on the contractual maturity date of the relevant total return swap transaction.

All OTC derivative transactions are entered into by the Sub-funds under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Sub-funds and a counterparty that governs OTC derivative transactions (including TRS) entered into by the parties. The parties exposures under the ISDA Master agreement are netted and collateralised together, therefore any collateral disclosures provided in the report are in respect of all OTC derivative transactions entered into by the Sub-funds under the ISDA Master agreement, not just TRS.

All collateral received/posted by the Sub-funds under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement. Collateral received by the Sub-funds is held in an account in the name of the Depositary on behalf of the Sub-funds. Collateral received is segregated from the assets belonging to the Fund's Depositary.

Data on reuse of collateral

As at 31 December 2016, none of the cash collateral received in respect of OTC derivative transactions (including TRS) was re-invested. In respect of securities lending transactions, the Fund does not accept cash collateral in the securities lending program.

Non-cash collateral received by way of title transfer collateral arrangement in relation to OTC derivative transactions, cannot be sold, re-invested or pledged.

Data on return and cost

All returns from OTC derivative transactions (including TRS) will accrue to the Sub-fund and are not subject to any returns sharing agreement with the Sub-fund's manager or any other third parties.

For TRS, transactions costs are not separately identifiable. For these investments, transaction costs are included in the purchase and sales price and are part of the gross investment performance of each Sub-fund. Returns are identified as the realized profits and change in unrealized appreciations on Swaps contract during the reporting period.

Additional Information for Shareholders in Switzerland (unaudited)

Benchmarks

GAM Star (Lux) -

Absolute Return US Equity

Convertible Alpha

Emerging Alpha

European Alpha

European Momentum

Financials Alpha

Merger Arbitrage

3 Month Libor

Thomson Reuters Global Focus Investment Grade (Hedged) CB Index

MSCI Emerging Markets Index

MSCI Europe Index

MSCI Europe Index

MSCI World Financials

3 Month Libor

Performance*

GAM Star (Lux) -	Shares	Currency	1 year		3 years		Since start	
			Perf.	Benchmark	Perf.	Benchmark	Perf.	Benchmark
Absolute Return US Equity	D	EUR	-7.69%	-0.26%	-	-	-7.88%	-0.26%
Absolute Return US Equity	D	USD	-6.49%	0.69%	-	-	-6.61%	0.70%
Absolute Return US Equity	I	EUR	-7.13%	-0.26%	-	-	-7.31%	-0.26%
Absolute Return US Equity	I	USD	-5.93%	0.69%	-	-	-6.03%	0.70%
Absolute Return US Equity	V	EUR	-8.40%	-0.26%	-	-	-8.59%	-0.26%
Convertible Alpha	C	CHF	3.98%	0.84%	2.32%	4.88%	18.46%	20.68%
Convertible Alpha	C	EUR	4.64%	1.27%	4.31%	6.33%	25.51%	17.67%
Convertible Alpha	C	USD	5.95%	2.34%	6.10%	7.72%	12.33%	16.54%
Convertible Alpha	D	CHF	4.08%	0.84%	-	-	1.65%	6.60%
Convertible Alpha	D	EUR	4.63%	1.27%	-	-	3.50%	6.62%
Convertible Alpha	D	USD	5.86%	2.34%	-	-	4.57%	7.69%
Convertible Alpha	I	CHF	4.44%	0.84%	-	-	2.48%	2.56%
Convertible Alpha	I	EUR	5.14%	1.27%	-	-	11.02%	13.26%
Emerging Alpha	C	CHF	-9.18%	8.37%	-12.67%	-11.81%	-3.76%	-0.27%
Emerging Alpha	C	EUR	-8.69%	9.17%	-11.53%	-9.86%	15.27%	29.67%
Emerging Alpha	D	CHF	-9.20%	8.37%	-	-	-11.97%	-5.65%
Emerging Alpha	D	EUR	-8.72%	9.17%	-	-	-12.00%	-8.77%
Emerging Alpha	D	USD	-7.31%	11.60%	-	-	-9.61%	-3.53%
Emerging Alpha	I	CHF	-8.51%	8.37%	-	-	-9.58%	-6.91%
Emerging Alpha	I	EUR	-7.99%	9.17%	-9.69%	-9.86%	-6.96%	-12.84%
Emerging Alpha	I	GBP	-7.26%	10.99%	-	-	-7.37%	-5.13%
Emerging Alpha	I	USD	-6.59%	11.60%	-	-	-5.51%	-7.27%
European Alpha	C	CHF	-14.00%	-2.17%	-1.11%	-12.04%	12.33%	34.02%
European Alpha	C	EUR	-13.38%	3.22%	0.77%	20.60%	6.60%	40.71%
European Alpha	C	GBP	-12.92%	-12.08%	1.87%	10.53%	9.17%	29.71%
European Alpha	C	USD	-12.21%	4.63%	2.38%	21.74%	8.84%	44.10%
European Alpha	D	CHF	-14.06%	-2.17%	-	-	-1.92%	-7.40%
European Alpha	D	EUR	-13.39%	3.22%	-	-	-0.14%	21.57%
European Alpha	D	GBP	-12.85%	-12.08%	-	-	0.98%	11.42%
European Alpha	D	USD	-12.20%	4.63%	-	-	1.47%	22.71%
European Alpha	I	CHF	-13.54%	-2.17%	-	-	-0.46%	-7.40%
European Alpha	I	EUR	-12.95%	3.22%	2.14%	20.60%	6.90%	38.27%
European Alpha	I	GBP	-12.45%	-12.08%	-	-	1.95%	14.00%
European Alpha	I	USD	-11.78%	4.63%	3.74%	21.74%	8.01%	39.74%
European Alpha	Z	JPY	-	-	-	-	-7.86%	-0.73%

* The information and returns relate to the past reporting period and are not indicative of future income.

(The performance of the sub-funds is calculated in accordance with the relevant SFAMA "Guidelines on the Calculation and Publication of Performance Data of Collective Investment Schemes").

Additional Information for Shareholders in Switzerland (unaudited)

Performance (continued)*

GAM Star (Lux) -	Shares	Currency	1 year		3 years		Since start	
			Perf.	Benchmark	Perf.	Benchmark	Perf.	Benchmark
European Momentum	C	EUR	-6.19%	3.22%	27.44%	20.60%	27.58%	21.57%
European Momentum	D	EUR	-6.18%	3.22%	-	-	25.49%	20.68%
European Momentum	I	EUR	-5.48%	3.22%	-	-	27.51%	17.24%
Financials Alpha	C	CHF	-6.78%	11.00%	-0.72%	10.08%	7.48%	74.74%
Financials Alpha	C	EUR	-6.25%	11.61%	0.28%	11.13%	11.53%	55.88%
Financials Alpha	C	USD	-5.00%	13.18%	2.21%	13.97%	2.60%	26.66%
Financials Alpha	D	CHF	-6.75%	11.00%	-	-	-2.13%	12.31%
Financials Alpha	D	EUR	-6.27%	11.61%	-	-	-0.80%	10.82%
Financials Alpha	D	USD	-5.00%	13.18%	-	-	1.04%	16.11%
Financials Alpha	I	CHF	-6.08%	11.00%	-	-	1.70%	13.26%
Financials Alpha	I	EUR	-5.58%	11.61%	2.07%	11.13%	1.39%	21.86%
Merger Arbitrage	D	EUR	-	-	-	-	0.66%	-0.15%
Merger Arbitrage	Dh	CHF	-	-	-	-	0.32%	-0.35%
Merger Arbitrage	Dh	GBP	-	-	-	-	1.04%	0.24%
Merger Arbitrage	Dh	USD	-	-	-	-	1.42%	0.35%
Merger Arbitrage	I	EUR	-	-	-	-	0.91%	-0.15%
Merger Arbitrage	Ih	CHF	-	-	-	-	0.60%	-0.35%
Merger Arbitrage	Ih	GBP	-	-	-	-	1.24%	0.24%
Merger Arbitrage	Ih	USD	-	-	-	-	1.64%	0.35%
Merger Arbitrage	V	EUR	-	-	-	-	-0.08%	-0.09%
Merger Arbitrage	Z	EUR	-	-	-	-	0.61%	-0.05%

Total Expense Ratio "TER"

	Currency	Total Expense Ratio excluding performance fees in %	Performance fees in %	Total Expense Ratio including performance fees in %
GAM Star (Lux) -				
Absolute Return US Equity				
Accumulation shares (Shares D-EUR)	EUR	1.92	0.00	1.92
Accumulation shares (Shares D-USD)	USD	1.93	0.00	1.93
Accumulation shares (Shares I-EUR)	EUR	1.32	0.00	1.32
Accumulation shares (Shares I-USD)	USD	1.34	0.00	1.34
Accumulation shares (Shares V-EUR)	EUR	2.71	0.00	2.71
Convertible Alpha				
Accumulation shares (Shares C-CHF)	CHF	1.89	0.07	1.96
Accumulation shares (Shares C-EUR)	EUR	1.87	0.20	2.07
Accumulation shares (Shares C-USD)	USD	1.85	0.16	2.01
Accumulation shares (Shares D-CHF)	CHF	1.88	0.04	1.92
Accumulation shares (Shares D-EUR)	EUR	1.87	0.20	2.07
Accumulation shares (Shares D-USD)	USD	1.88	0.38	2.26
Accumulation shares (Shares I-CHF)	CHF	1.4	0.20	1.60
Accumulation shares (Shares I-EUR)	EUR	1.38	0.23	1.61
Emerging Alpha				
Accumulation shares (Shares C-CHF)	CHF	2.46	0.00	2.46

* The information and returns relate to the past reporting period and are not indicative of future income.

(The performance of the sub-funds is calculated in accordance with the relevant SFAMA "Guidelines on the Calculation and Publication of Performance Data of Collective Investment Schemes").

Additional Information for Shareholders in Switzerland (unaudited)

	Currency	Total Expense Ratio excluding performance fees in %	Performance fees in %	Total Expense Ratio including performance fees in %
Accumulation shares (Shares C-EUR)	EUR	2.45	0.00	2.45
Accumulation shares (Shares D-CHF)	CHF	2.44	0.00	2.44
Accumulation shares (Shares D-EUR)	EUR	2.47	0.00	2.47
Accumulation shares (Shares D-USD)	USD	2.44	0.00	2.44
Accumulation shares (Shares I-CHF)	CHF	1.71	0.00	1.71
Accumulation shares (Shares I-EUR)	EUR	1.7	0.00	1.70
Accumulation shares (Shares I-GBP)	GBP	1.6	0.00	1.60
Accumulation shares (Shares I-USD)	USD	1.68	0.00	1.68
European Alpha				
Accumulation shares (Shares C-CHF)	CHF	2.04	0.00	2.04
Accumulation shares (Shares C-EUR)	EUR	2.03	0.00	2.03
Accumulation shares (Shares C-GBP)	GBP	2	0.00	2.00
Accumulation shares (Shares C-USD)	USD	2.02	0.00	2.02
Accumulation shares (Shares D-CHF)	CHF	2.05	0.00	2.05
Accumulation shares (Shares D-EUR)	EUR	2.04	0.00	2.04
Accumulation shares (Shares D-GBP)	GBP	2.01	0.00	2.01
Accumulation shares (Shares D-USD)	USD	2.02	0.00	2.02
Accumulation shares (Shares I-CHF)	CHF	1.54	0.00	1.54
Accumulation shares (Shares I-EUR)	EUR	1.54	0.00	1.54
Accumulation shares (Shares I-GBP)	GBP	1.53	0.00	1.53
Accumulation shares (Shares I-USD)	USD	1.53	0.00	1.53
Accumulation shares (Shares Z-JPY)	JPY	1.47	0.17	1.64
European Momentum				
Accumulation shares (Shares C-EUR)	EUR	2.12	0.00	2.12
Accumulation shares (Shares D-EUR)	EUR	2.12	0.00	2.12
Accumulation shares (Shares I-EUR)	EUR	1.4	0.00	1.40
Financials Alpha				
Accumulation shares (Shares C-CHF)	CHF	2.5	0.00	2.50
Accumulation shares (Shares C-EUR)	EUR	2.48	0.00	2.48
Accumulation shares (Shares C-USD)	USD	2.49	0.00	2.49
Accumulation shares (Shares D-CHF)	CHF	2.5	0.00	2.50
Accumulation shares (Shares D-EUR)	EUR	2.46	0.00	2.46
Accumulation shares (Shares D-USD)	USD	2.46	0.00	2.46
Accumulation shares (Shares I-CHF)	CHF	1.73	0.00	1.73
Accumulation shares (Shares I-EUR)	EUR	1.68	0.00	1.68
Merger Arbitrage				
Accumulation shares (Shares D-EUR)	EUR	1.65	0.00	1.65
Accumulation shares (Shares Dh-CHF)	CHF	1.65	0.00	1.65
Accumulation shares (Shares Dh-GBP)	GBP	1.64	0.06	1.70
Accumulation shares (Shares Dh-USD)	USD	1.65	0.00	1.65
Accumulation shares (Shares I-EUR)	EUR	1.05	0.00	1.05
Accumulation shares (Shares Ih-CHF)	CHF	1.03	0.00	1.03
Accumulation shares (Shares Ih-GBP)	GBP	1.08	0.01	1.09
Accumulation shares (Shares Ih-USD)	USD	1.05	0.08	1.13
Accumulation shares (Shares V-EUR)	EUR	2.14	0.00	2.14
Accumulation shares (Shares Z-EUR)	EUR	0.87	0.00	0.87

TER is calculated in accordance with the relevant "SFAMA Guidelines on the Calculation and Disclosure of the TER".

GAM Star (Lux)

COMBINED STATEMENT OF NET ASSETS as at 31 December 2016

CHF

Assets

Investments at market value (acquisition cost: CHF 1 010 598 424)	1 047 371 254
Derivative instruments:	
- Futures	33 150
- Forward foreign exchange contracts	3 708 579
- Options	2 604 542
- Swaps	18 945 428
Premium on swaps received	189 827
Bank deposits*	290 619 958
Suscriptions receivable	724 250
Receivables on securities sold	64 772
Receivables on swaps	106 461
Dividends and interest receivable	1 653 852
Total Assets	1 366 022 073

Liabilities

Derivative instruments:	
- Futures	90 731
- Forward foreign exchange contracts	3 238 538
- Options	563 198
- Swaps	56 952 014
Premium from swaps paid	280 127
Bank liability*	21 006 129
Payable for redemptions	20 631 750
Liabilities on securities purchased	4 982 857
Liabilities from swaps	74 312
Management fees payable	1 393 673
"Taxe d'abonnement" payable	147 915
Capital gains tax on realised gains/losses on securities	42
Performance fees payables	249 701
Interest payable on swaps	508 520
Other liabilities	620 640
Total Liabilities	110 740 147
Net Assets	1 255 281 926

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux)

COMBINED PROFIT AND LOSS ACCOUNT from 1 January 2016 until 31 December 2016

CHF

Income

Income on securities	23 743 421
Bank interest	57 411
Interest income on swaps	5 211
Other income	3 293
Equalisation	49 689

Total Income

23 859 025

Expenses

Short dividends paid	30 668 297
Management fees	19 679 576
Depositary fees and expenses	1 059 281
Administration fees	2 114 639
"Taxe d'abonnement" and other taxes	664 382
Interest expense on bank liabilities	5 007 310
Interest expense on swaps	546 663
Other expenses	2 494 798
Equalisation	181 207

Total Expenses

62 416 153

Net profit/loss

-38 557 128

Realised profit/loss on:

- Securities	-11 771 204
- Options	-7 542 069
- Swaps	16 163 486
- Forward foreign exchange contracts	-34 555 526
- Futures	-777 851
- Foreign currencies	5 794 992
Capital gains tax on realised gains/losses on securities	-51 340

Net realised profit/loss

-71 296 640

Net change in unrealised appreciation/depreciation on:

- Securities	-12 892 887
- Options	-3 033 991
- Swaps	-83 082 795
- Forward foreign exchange contracts	6 143 198
- Futures	7 094 732
- Foreign currencies	2 791 644

Net result of operations for the year

-154 276 739

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015	31 December 2016
	CHF	CHF
Net assets at the beginning of the financial year	1 314 504 100	1 415 520 614
Foreign exchange difference	-93 297 357	-13 834 386
Foreign exchange difference – sub-fund	2 130 689	-5 291 088
Total profit/loss	112 095 322	-154 276 739
Net subscriptions/redemptions	80 087 860	13 163 525
Net assets at the end of the financial year	1 415 520 614	1 255 281 926

EXCHANGE RATES USED FOR THE COMBINED

As at 31 December 2016 in CHF

1 EUR = 1.07200 CHF

1 USD = 1.01635 CHF

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Absolute Return US Equity

Fund Management Report

For the US equity market, the past year initially started with significant losses. From mid-February, there was a recovery supported by robust economic data and positive company results. The United Kingdom's surprising decision to exit the European Union resulted in further temporary price losses in June. Towards the end of the year, the surprising election of Trump in November raised expectations of increased infrastructure spending and lower taxes, which again stimulated the equity markets and led to a positive overall annual result.

The sometimes intense style and intra-sector rotations have tended to make the market and sector-neutral long/short pair trading strategy difficult. In addition, the price reactions to individual events proved to be more violent than average. While long/short positions in the telecommunications, utilities, energy and cyclical consumption sectors contributed positively to performance, the selection of securities in the food and beverages, industrial and base metals sectors resulted in the greatest negative contribution. Several long/short positions had to be closed due to stop-loss discipline. Due to risk-related considerations, the number of positions has been increased over the year, while the total investment level was maintained at a constant level. At sector level, the largest weightings were in the consumer, industrial and financial sectors.

GAM Star (Lux) - Absolute Return US Equity

STATEMENT OF NET ASSETS

as at 31 December 2016

USD

Assets

Investments at market value (acquisition cost: USD 10 868 765)	10 855 514
Derivative instruments:	
- Forward foreign exchange contracts	862
- Swaps	184 409
Premium on swaps received	547
Bank deposits	300 517
Dividends and interest receivable	27 326
Total Assets	11 369 175

Liabilities

Derivative instruments:	
- Forward foreign exchange contracts	15 864
- Swaps	220 444
Liabilities from swaps	47 263
Management fees payable	7 330
"Taxe d'abonnement" payable	1 378
Interest payable on swaps	20 540
Other liabilities	8 741
Total Liabilities	321 560
Net Assets	11 047 615

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Absolute Return US Equity

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

USD

Income

Income on securities	135 636
Interest income from swaps	5 059

Total Income	140 695
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Expenses

Short dividends paid	153 809
Management fees	84 862
Depository fees and expenses	21 781
Administration fees	16 022
"Taxe d'abonnement" and other taxes	6 619
Interest expense on bank liabilities	18 038
Interest expense on swaps	59 027
Other expenses*	5 949

Total Expenses	366 107
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Net profit/loss

	-225 412
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Realised profit/loss on:

- Securities	-44 717
- Swaps	-347 438
- Forward foreign exchange contracts	-214 811
- Foreign currencies	-6

Net realised profit/loss	-832 384
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Net change in unrealised appreciation/depreciation on:

- Securities	1 837 974
- Options	15 057
- Swaps	-29 485
- Forward foreign exchange contracts	17 284
- Foreign currencies	11 824

Total profit/loss	1 020 270
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STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015 USD	31 December 2016 USD
Net assets at the beginning of the financial year	0	9 939 478
Foreign exchange difference – sub-fund	-77 392	-1 873 584
Total profit/loss	-42 356	1 020 270
Net subscriptions/redemptions	10 059 226	1 961 451
Net assets at the end of the financial year	9 939 478	11 047 615

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Absolute Return US Equity

COMPARATIVE STATEMENT	31 December 2015	31 December 2016
	Number of shares	Number of shares
Number of shares outstanding		
Accumulation shares (Shares D-EUR)	9 100.00	9 100.00
Accumulation shares (Shares D-USD)	10 000.00	10 372.84
Accumulation shares (Shares I-EUR)	27 400.00	27 400.00
Accumulation shares (Shares I-USD)	40 003.00	60 003.00
Accumulation shares (Shares V-EUR)	9 100.00	9 100.00
	USD	USD
Net Assets	9 939 478	11 047 615
	In the share class currency	In the share class currency
NAV per share		
Accumulation shares (Shares D-EUR)	99.79	92.12
Accumulation shares (Shares D-USD)	99.87	93.39
Accumulation shares (Shares I-EUR)	99.81	92.69
Accumulation shares (Shares I-USD)	99.89	93.97
Accumulation shares (Shares V-EUR)	99.79	91.41

GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal value (in 1000)	Securities	Maturity date	Market value USD	% of net assets
TOTAL			10 855 514	98.26%
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE			6 556 101	59.34%
Bonds			6 556 101	59.34%
USD			6 556 101	59.34%
250	0.951% Bank Nederlandse Gemeenten NV 15	14.07.17	250 034	2.26%
400	1.125% Caisse d'Amortissement de la Dette Sociale 14	30.01.17	400 062	3.62%
400	0.930% Export Development Canada 16	17.01.18	400 084	3.62%
600	0.999% FMS Wertmanagement AoER 16	18.05.18	600 384	5.43%
400	1.202% FMS Wertmanagement AoER 16	11.02.19	401 686	3.64%
400	1.037% FMS Wertmanagement AoER 16	27.11.19	399 896	3.62%
250	0.993% International Bank for Reconstruction & Development 16	17.12.18	249 875	2.26%
250	1.000% Kommunekredit 14	17.01.17	249 999	2.26%
400	1.046% Kommuninvest I Sverige AB 16	17.08.18	400 454	3.62%
500	1.157% Kreditanstalt fuer Wiederaufbau 16	29.12.17	500 732	4.53%
500	0.881% Landwirtschaftliche Rentenbank 14	06.02.17	500 032	4.53%
400	1.052% Landwirtschaftliche Rentenbank 13	05.12.18	400 498	3.63%
500	1.132% Nederlandse Waterschapsbank NV 14	14.02.18	500 830	4.53%
300	0.912% Network Rail Infrastructure Finance Plc. 14	13.02.17	300 054	2.72%
300	1.137% NRW Bank 13	31.01.17	300 071	2.72%
250	1.133% Svensk Exportkredit AB 13	12.06.17	250 165	2.26%
200	2.375% Swedbank Hypotek AB 12	05.04.17	200 610	1.82%
250	2.250% UBS AG 12	30.03.17	250 635	2.27%
TRANSFERABLE SECURITIES LISTED ON ANOTHER REGULATED MARKET			1 251 922	11.33%
Bonds			1 251 922	11.33%
USD			1 251 922	11.33%
250	1.950% Bank of Montreal 144A 12	30.01.17	250 155	2.26%
500	1.950% Bank of Nova Scotia 12	30.01.17	500 310	4.53%
250	2.250% Commonwealth Bank of Australia 144A 12	16.03.17	250 557	2.27%
250	2.000% National Australia Bank Ltd. 144A 12	20.06.17	250 900	2.27%
CASH EQUIVALENTS			3 047 491	27.59%
Treasury bills			3 047 491	27.59%
USD			3 047 491	27.59%
500	0.000% United States Treasury Bill 16	19.01.17	499 890	4.53%
250	0.000% United States Treasury Bill 16	26.01.17	249 923	2.26%
500	0.000% United States Treasury Bill 16	02.03.17	499 602	4.52%
500	0.000% United States Treasury Bill 16	09.03.17	499 550	4.52%
400	0.000% United States Treasury Bill 16	16.03.17	399 589	3.62%
400	0.000% United States Treasury Bill 16	23.03.17	399 551	3.62%
500	0.000% United States Treasury Bill 16	30.03.17	499 386	4.52%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Forward foreign exchange contracts					Unrealised profit/loss USD	% of net assets
Purchases		Sales		Maturity date		
EUR	4 278 600	USD	4 531 465	13.01.17	-15 864	-0.14%
USD	46 772	EUR	43 500	13.01.17	862	0.01%
					-15 002	-0.13%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA.

Swaps

Type*	Counterparty - Underlying	Nominal of the Underlyings	Maturity date	Currency of the Underlyings	Interest on swaps	Commitment USD	Unrealised profit/loss USD	% of net assets
TRS	DEUTSCHE BANK AG LONDON - American Airlines Group, Inc.	256 674	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	258 056	-1 382	-0.01%
TRS	DEUTSCHE BANK AG LONDON - Bed Bath & Beyond, Inc.	214 416	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	194 462	19 953	0.18%
TRS	DEUTSCHE BANK AG LONDON - Conagra Brands, Inc.	140 303	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	151 239	-10 937	-0.10%
TRS	DEUTSCHE BANK AG LONDON - Churchill Downs, Inc.	-253 381	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	248 995	-4 386	-0.04%
TRS	DEUTSCHE BANK AG LONDON - Choice Hotels International, Inc.	217 068	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.40%	236 475	-19 407	-0.18%
TRS	DEUTSCHE BANK AG LONDON - Delta Air Lines, Inc.	-234 299	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	239 211	4 912	0.04%
TRS	DEUTSCHE BANK AG LONDON - Darling Ingredients, Inc.	-88 450	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	84 522	-3 928	-0.04%
TRS	DEUTSCHE BANK AG LONDON - DISH Network Corp.	132 135	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	133 239	-1 104	-0.01%
TRS	DEUTSCHE BANK AG LONDON - Foot Locker, Inc.	-165 414	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	163 614	-1 800	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Graham Holdings Company	196 880	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	205 804	-8 924	-0.08%
TRS	DEUTSCHE BANK AG LONDON - General Mills, Inc.	152 716	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	154 796	-2 080	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Interpublic Group of Cos, Inc.	-144 420	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	140 460	-3 960	-0.04%
TRS	DEUTSCHE BANK AG LONDON - Lam Research Corp.	-138 250	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	137 872	-378	-0.00%
TRS	DEUTSCHE BANK AG LONDON - Masco Corp.	-118 308	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	118 196	-112	-0.00%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Nominal of the Underlyings	Maturity date	Currency of the Underlyings	Interest on swaps	Commitment USD	Unrealised profit/loss USD	% of net assets
TRS	DEUTSCHE BANK AG LONDON - Marathon Petroleum Corp.	-149 383	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	159 962	10 579	0.10%
TRS	DEUTSCHE BANK AG LONDON - Nexstar Broadcasting Group, Inc.	-178 950	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	189 900	10 950	0.10%
TRS	DEUTSCHE BANK AG LONDON - Phillips 66	177 874	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	185 004	-7 130	-0.06%
TRS	DEUTSCHE BANK AG LONDON - Qorvo, Inc.	86 951	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	85 844	1 107	0.01%
TRS	DEUTSCHE BANK AG LONDON - Ralph Lauren Corp.	135 679	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	117 145	18 534	0.17%
TRS	DEUTSCHE BANK AG LONDON - Sirius XM Holdings, Inc.	-253 023	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	246 379	-6 644	-0.06%
TRS	DEUTSCHE BANK AG LONDON - Spectrum Brands Holdings, Inc.	-178 996	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	182 639	3 643	0.03%
TRS	DEUTSCHE BANK AG LONDON - Timken Co.	130 388	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	132 558	-2 170	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Valley National Bancorp	185 761	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	190 675	-4 914	-0.04%
TRS	DEUTSCHE BANK AG LONDON - Western Alliance Bancorp	-153 942	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	160 499	6 557	0.06%
TRS	MORGAN STANLEY AND CO. INTERNATIONAL - Coca-Cola Co.	185 126	31.12.16	USD	BBA LIBOR USD 1M INDEX - 0.40%	190 218	-5 093	-0.05%
TRS	MORGAN STANLEY AND CO. INTERNATIONAL - PepsiCo, Inc.	-189 589	31.12.16	USD	BBA LIBOR USD 1M INDEX +0.35%	198 169	8 580	0.08%
TRS	DEUTSCHE BANK AG LONDON - American Express Co.	174 841	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.40%	179 792	-4 951	-0.04%
TRS	DEUTSCHE BANK AG LONDON - CME Group, Inc.	-261 725	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.35%	267 381	5 656	0.05%
TRS	DEUTSCHE BANK AG LONDON - Campbell Soup Co.	151 214	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.40%	160 729	-9 516	-0.09%
TRS	DEUTSCHE BANK AG LONDON - Discover Financial Services	-171 526	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.35%	182 460	10 934	0.10%
TRS	DEUTSCHE BANK AG LONDON - Estee Lauder Cos, Inc.	-114 608	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.35%	112 823	-1 785	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Graco, Inc.	156 449	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.40%	160 031	-3 582	-0.03%

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GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Nominal of the Underlyings	Maturity date	Currency of the Underlyings	Interest on swaps	Commitment USD	Unrealised profit/loss USD	% of net assets
TRS	DEUTSCHE BANK AG LONDON - ILG, Inc.	-142 518	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.35%	143 307	789	0.01%
TRS	DEUTSCHE BANK AG LONDON - Lennar Corp.	130 172	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.40%	131 366	-1 193	-0.01%
TRS	DEUTSCHE BANK AG LONDON - Nasdaq, Inc.	215 342	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.40%	225 523	-10 181	-0.09%
TRS	DEUTSCHE BANK AG LONDON - Rexnord Corp.	-139 480	31.07.17	USD	BBA LIBOR USD 1M INDEX +0.35%	124 201	-15 279	-0.14%
TRS	DEUTSCHE BANK AG LONDON - Edgewell Personal Care Co.	102 565	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.40%	94 595	7 970	0.07%
TRS	DEUTSCHE BANK AG LONDON - Fastenal Co.	136 654	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.40%	135 443	1 211	0.01%
TRS	DEUTSCHE BANK AG LONDON - New York Times Co.	130 741	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.35%	133 758	-3 017	-0.03%
TRS	DEUTSCHE BANK AG LONDON - Pinnacle Foods, Inc.	-127 815	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.35%	137 848	10 032	0.09%
TRS	DEUTSCHE BANK AG LONDON - Time, Inc.	-113 465	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.35%	125 021	11 557	0.10%
TRS	DEUTSCHE BANK AG LONDON - WESCO International, Inc.	-120 794	31.08.17	USD	BBA LIBOR USD 1M INDEX +0.35%	118 392	-2 402	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Acadia Healthcare Co., Inc.	108 595	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	94 567	14 028	0.13%
TRS	DEUTSCHE BANK AG LONDON - Archer-Daniels-Midland Company	-112 009	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	118 279	6 270	0.06%
TRS	DEUTSCHE BANK AG LONDON - Cintel Corp.	-128 400	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	125 904	-2 495	-0.02%
TRS	DEUTSCHE BANK AG LONDON - CSX Corp.	220 196	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	220 934	-738	-0.01%
TRS	DEUTSCHE BANK AG LONDON - Digital Cinema Destinations Corp.	156 440	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	162 303	-5 863	-0.05%
TRS	DEUTSCHE BANK AG LONDON - FMC Corp.	172 569	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	173 922	-1 353	-0.01%
TRS	DEUTSCHE BANK AG LONDON - Hormel Foods Corp.	-141 514	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	143 870	2 356	0.02%
TRS	DEUTSCHE BANK AG LONDON - McCormick & Co., Inc.	157 685	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	161 368	-3 683	-0.03%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Nominal of the Underlyings	Maturity date	Currency of the Underlyings	Interest on swaps	Commitment USD	Unrealised profit/loss USD	% of net assets
TRS	DEUTSCHE BANK AG LONDON - Sunstone Hotel Investors, Inc.	-115 070	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	120 689	5 619	0.05%
TRS	DEUTSCHE BANK AG LONDON - UDR, Inc.	130 952	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	140 339	-9 387	-0.09%
TRS	DEUTSCHE BANK AG LONDON - Union Pacific Corp.	-208 841	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	213 684	4 843	0.04%
TRS	DEUTSCHE BANK AG LONDON - Whole Foods Market, Inc.	147 635	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.40%	149 432	-1 797	-0.02%
TRS	DEUTSCHE BANK AG LONDON - Westlake Chemical Corp.	-141 535	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	133 928	-7 607	-0.07%
TRS	DEUTSCHE BANK AG LONDON - Xylem, Inc.	-151 697	31.10.17	USD	BBA LIBOR USD 1M INDEX +0.35%	145 638	-6 058	-0.05%
TRS	DEUTSCHE BANK AG LONDON - Citigroup, Inc.	-156 990	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.35%	165 453	8 463	0.08%
TRS	DEUTSCHE BANK AG LONDON - Evercore Partners, Inc.	-91 394	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.35%	93 157	1 763	0.02%
TRS	DEUTSCHE BANK AG LONDON - Ford Motor Co.	114 146	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.40%	115 769	-1 623	-0.01%
TRS	DEUTSCHE BANK AG LONDON - General Electric Co.	-187 756	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.35%	190 358	2 523	0.02%
TRS	DEUTSCHE BANK AG LONDON - 3M Co.	209 232	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.40%	214 820	-5 676	-0.05%
TRS	DEUTSCHE BANK AG LONDON - US Bancorp	119 336	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.40%	123 545	-4 209	-0.04%
TRS	DEUTSCHE BANK AG LONDON - General Motors Co.	-121 511	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.35%	122 602	1 091	0.01%
TRS	DEUTSCHE BANK AG LONDON - Webster Financial Corp.	189 510	30.11.17	USD	BBA LIBOR USD 1M INDEX +0.40%	207 350	-17 839	-0.16%
TRS	DEUTSCHE BANK AG LONDON - Gilead Sciences, Inc.	-298 175	31.12.17	USD	BBA LIBOR USD 1M INDEX +0.35%	286 440	-11 874	-0.11%
TRS	DEUTSCHE BANK AG LONDON - Varian Medical Systems, Inc.	242 664	31.12.17	USD	BBA LIBOR USD 1M INDEX - 0.40%	242 406	249	0.00%
TRS	DEUTSCHE BANK AG LONDON - Artisan Partners Asset Management, Inc.	-104 546	01.01.18	USD	BBA LIBOR USD 1M INDEX +0.35%	100 663	-3 987	-0.04%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Absolute Return US Equity

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Nominal of the Underlyings	Maturity date	Currency of the Underlyings	Interest on swaps	Commitment USD	Unrealised profit/loss USD	% of net assets
TRS	DEUTSCHE BANK AG LONDON - Pioneer Natural Resources Co.	126 274	01.01.18	USD	BBA LIBOR USD 1M INDEX +0.40%	121 907	4 240	0.04%
							-36 035	-0.33%

*TRS = Total Return Swap

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GAM Star (Lux) - Convertible Alpha

Fund Management Report

GAM Star (Lux) - Convertible Alpha closed the year up 5.14% for the EUR Institutional Class and 4.64% for the EUR retail class.

2016 got off to a very difficult start with the equity markets selling-off rather aggressively in January and February 2016 on the back of weak Chinese macro data and falling energy prices. Valuations in Convertible Bonds also suffered during this period as we witnessed large outflows in the Asset Class.

As the year progressed markets became more and more dominated by central bank policy. ECB's Mario Draghi extended the asset purchases program to non-financial corporate bonds, laying the path for tightening credit spreads; a theme that prevailed throughout the year. By the beginning of summer, the markets seemed to shrug-off the concerns over Chinese economic weakness, and took comfort in the very accommodative central bank policies, particularly in Europe and Japan. The Federal Reserve's FOMC notes, on the other hand, started to point toward possible interest rate hikes in the near future, dampening the mood across markets.

The political backdrop was also a main driver in the second half of the year, with Brexit in June 2016, Italian referendum, and US presidential elections all taking centre stage.

In Q4 2016 we saw a rapid back-up in interest rates. The somewhat freak speculation of ECB tapering at the beginning of October 2016 sparked a reaction in rates, which was then fuelled by positive surprises in UK GDP, German IFO and Euro PMI numbers. This was soon brushed off by the ECB, and rates normalised. In the US, though, the surprise win by Donald Trump sparked a strong rally in the markets, fuelled by the speculation of a more expansive policy. This pushed USD interest rates sharply higher on the anticipation of a Fed move before the year end.

The last major topic of the year was the normalisation of oil prices. After a very weak beginning, energy slowly wound higher, and in November, OPEC struck a deal on controlling production output, consolidating prices into the New Year.

2016 has been a very good year for our strategy. Once again the CB asset class has proven to be an interesting fixed income alternative, and not only dependent on delta exposure to produce positive returns. If you look at the global equity market realising the same return as our sub-fund, one would have to assume a 1.00 delta exposure, but that is not the case. There are multiple other variables that influence the performance of the CB asset class, such as credit spreads and interest rates. This year saw significant tightening in the overall credit environment thanks to the continued ECB policy. Interest rates sensitivity is rather small with our portfolio, as we run a very short duration equivalent. The addition of arbitrage positions and M&A exposure has also offered a good contribution to overall performance.

Looking forward, the looming rising interest rate environment looks rather threatening to the fixed income market. On the other hand, although rising interest rates will cause a fall in bond prices, it doesn't necessarily mean the equity market will suffer. In fact, some empirical studies suggest that when rates rise from very low levels, hence coming out of a recession, the equity market actually has a positive correlation. It is in this context that we think that our portfolio of convertibles with some equity exposure, but tailored around a positive yield and short duration will be very attractive as a fixed income alternative.

GAM Star (Lux) - Convertible Alpha

STATEMENT OF NET ASSETS as at 31 December 2016

EUR

Assets

Investments at market value (acquisition cost: EUR 100 445 203)	103 368 827
Derivative instruments:	
- Futures	30 924
- Forward foreign exchange contracts	678 245
- Options	74 554
Bank deposits*	4 560 495
Subscriptions receivable	391
Dividends and interest receivable	329 466
Total Assets	109 042 902

Liabilities

Derivative instruments:	
- Futures	75 911
- Forward foreign exchange contracts	35 268
- Swaps	641 872
Premium from swaps paid	1 716
Bank liability*	649 082
Payable for redemptions	653 906
Management fees payable	118 111
"Taxe d'abonnement" payable	13 335
Performance fees payable	219 981
Other liabilities	23 690
Total Liabilities	2 432 872
Net Assets	106 610 030

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Convertible Alpha

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

EUR

Income

Income on securities	3 801 451
Bank interest	1
Total Income	3 801 452

Expenses

Management fees	1 494 887
Depositary fees and expenses	87 666
Administration fees	165 176
"Taxe d'abonnement" and other taxes	54 211
Interest expense on bank liabilities	28 526
Other expenses*	351 682
Equalisation	143 040
Total Expenses	2 325 188

Net profit/loss

Realised profit/loss on:	
- Securities	303 010
- Options	634 492
- Swaps	-120 541
- Forward foreign exchange contracts	-3 963 296
- Futures	-397 302
- Foreign currencies	3 972 184
Net realised profit/loss	1 904 811

Net change in unrealised appreciation/depreciation on:

- Securities	3 615 354
- Options	147 549
- Swaps	-641 872
- Forward foreign exchange contracts	1 675 260
- Futures	-205 983
- Foreign currencies	-190 514
Total profit/loss	6 304 605

STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015 EUR	31 December 2016 EUR
Net assets at the beginning of the financial year	131 384 203	115 301 506
Foreign exchange difference – sub-fund	174 646	-739 951
Total profit/loss	4 920 675	6 304 605
Net subscriptions/redemptions	-21 178 018	-14 256 130
Net assets at the end of the financial year	115 301 506	106 610 030

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Convertible Alpha

COMPARATIVE STATEMENT	31 December 2014	31 December 2015	31 December 2016
	Number of shares	Number of shares	Number of shares
Number of shares outstanding			
Accumulation shares (Shares C-CHF)	40 382.51	28 966.51	22 912.91
Accumulation shares (Shares C-EUR)	655 127.00	345 539.51	288 399.99
Accumulation shares (Shares C-USD)	69 851.90	61 764.69	15 316.65
Accumulation shares (Shares D-CHF)	22 608.89	67 953.80	41 358.23
Accumulation shares (Shares D-EUR)	119 859.08	182 837.16	133 231.13
Accumulation shares (Shares D-USD)	87 756.32	127 183.76	142 097.00
Accumulation shares (Shares I-CHF)	21 929.79	93 659.13	139 829.71
Accumulation shares (Shares I-EUR)	219 552.29	194 920.11	189 899.05
	EUR	EUR	EUR
Net Assets	131 384 203	115 301 506	106 610 030
	In the share class	In the share class	In the share class
	currency	currency	currency
NAV per share			
Accumulation shares (Shares C-CHF)	112.54	113.93	118.46
Accumulation shares (Shares C-EUR)	117.34	119.95	125.51
Accumulation shares (Shares C-USD)	103.41	106.02	112.33
Accumulation shares (Shares D-CHF)	96.77	97.67	101.65
Accumulation shares (Shares D-EUR)	96.79	98.92	103.50
Accumulation shares (Shares D-USD)	96.51	98.78	104.57
Accumulation shares (Shares I-CHF)	96.60	98.12	102.48
Accumulation shares (Shares I-EUR)	102.82	105.59	111.02

GAM Star (Lux) - Convertible Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal (in 1 000)		Securities	Maturity date	Market value EUR	% of net assets
TOTAL				103 368 827	96.96%
SECURITIES TRADED ON A STOCK EXCHANGE				64 581 593	60.58%
Convertible bonds and bonds with warrants				64 581 593	60.58%
EUR				37 245 592	34.94%
3 100	0.500%	Aabar Investments PJSC 15	27.03.20	2 614 896	2.45%
2 000	0.000%	America Movil SAB de CV 15	28.05.20	1 943 100	1.82%
1 000	1.500%	Aroundtown Property Holdings Plc. 15	18.01.21	1 042 320	0.98%
2 000	0.000%	Bekaert S.A. 16	09.06.21	2 033 810	1.91%
2 000	2.625%	Beni Stabili SpA SIIQ 13	17.04.19	2 129 220	2.00%
1 600	1.750%	FF Group Finance Luxembourg S.A. 14	03.07.19	1 442 072	1.35%
1 500	2.625%	Gruppo Editoriale L'Espresso SpA 14	09.04.19	1 471 005	1.38%
1 000	0.000%	Iberdrola International BV 15	11.11.22	985 450	0.93%
1 000	1.250%	Indra Sistemas S.A. 16	07.10.23	948 250	0.89%
2 200	0.250%	International Consolidated Airlines Group S.A. 15	17.11.20	2 033 383	1.91%
1 000	3.500%	Koninklijke BAM Groep NV 16	13.06.21	1 105 605	1.04%
2 000	3.375%	Magyar Nemzeti Vagyonkezelő Zrt 13	02.04.19	2 358 810	2.21%
2 000	0.125%	MTU Aero Engines AG 16	17.05.23	2 277 080	2.14%
2 251	0.125%	Nexity S.A. 16	01.01.23	2 250 675	2.11%
2 200	3.250%	Outokumpu OYJ 15	26.02.20	2 818 970	2.64%
500	1.500%	Redefine Properties Ltd. 16	16.09.21	488 378	0.46%
2 188	0.000%	Safran S.A. 16	31.12.20	2 348 006	2.20%
2 600	2.000%	Sogefi SpA 14	21.05.21	2 455 024	2.30%
2 200	1.625%	Sonae Investments BV 14	11.06.19	2 108 172	1.98%
4 100	0.000%	Ubisoft Entertainment S.A. 16	27.09.21	2 391 366	2.24%
GBP				4 806 148	4.51%
1 500	1.125%	Derwent London Capital No 2 Jersey Ltd. 13	24.07.19	1 850 917	1.74%
1 000	2.875%	St Modwen Properties Securities Jersey Ltd. 14	06.03.19	1 125 493	1.05%
1 600	0.000%	Vodafone Group Plc. 15	26.11.20	1 829 738	1.72%
HKD				1 065 761	1.00%
8 000	2.000%	ASM Pacific Technology Ltd. 14	28.03.19	1 065 761	1.00%
JPY				5 398 664	5.06%
40 000	0.000%	Chugoku Electric Power Co., Inc. 15	23.03.18	329 554	0.31%
100 000	0.000%	DCM Holdings Co. Ltd. 15	21.12.20	953 709	0.89%
40 000	0.000%	Jimoto Holdings, Inc. 14	22.09.17	326 992	0.31%
200 000	0.000%	Suzuki Motor Corp. 16	31.03.21	1 929 504	1.81%
120 000	0.000%	Takashimaya Co. Ltd. 13	11.12.20	1 027 627	0.96%
100 000	0.000%	Tohoku Electric Power Co, Inc. 15	03.12.18	831 278	0.78%
SEK				1 584 544	1.49%
15 000	2.750%	Elektro AB 12	25.04.17	1 584 544	1.49%
USD				14 480 884	13.58%
1 200	0.500%	Abigrope Ltd. 16	29.04.21	1 451 900	1.36%
2 000	1.750%	BW Group Ltd. 14	10.09.19	1 718 540	1.61%
2 400	1.750%	DP World Ltd. 14	19.06.24	2 247 968	2.11%
2 000	3.070%	Golden Ocean Group Ltd. 14	30.01.19	1 395 876	1.31%
1 000	0.675%	Larsen & Toubro Ltd. 14	22.10.19	905 414	0.85%
2 000	1.050%	Siemens Financieringsmaatschappij NV 15	16.08.17	2 154 786	2.02%
2 200	0.000%	STMicroelectronics NV 14	03.07.19	2 326 775	2.18%
400	0.250%	Telenor East Holding II AS 16	20.09.19	414 477	0.39%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Convertible Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal (in 1 000)		Securities	Maturity date	Market value EUR	% of net assets
1 800	0.250%	Telenor East Holding II AS 16	20.09.19	1 865 148	1.75%
TRANSFERABLE SECURITIES TRADED ON ANOTHER REGULATED MARKET				31 270 910	29.33%
Convertible bonds and bonds with warrants				31 270 910	29.33%
USD				31 270 910	29.33%
2 500	0.000%	Akamai Technologies, Inc. 14	15.02.19	2 470 846	2.32%
2 500	2.750%	Brookdale Senior Living, Inc. 11	15.06.18	2 316 296	2.17%
1 700	3.750%	Cemex SAB de CV 11	15.03.18	1 813 363	1.70%
1 000	2.500%	Clovis Oncology, Inc. 14	15.09.21	976 597	0.92%
2 500	0.000%	Illumina, Inc. 14	15.06.19	2 273 631	2.13%
2 200	1.750%	Liberty Interactive LLC 144A 16	30.09.46	2 239 078	2.10%
1 500	2.000%	MGIC Investment Corp. 13	01.04.20	2 114 079	1.98%
2 500	4.750%	Navistar International Corp. 14	15.04.19	2 336 893	2.19%
1 000	4.000%	Newpark Resources, Inc. 144A 16	01.12.21	1 024 902	0.96%
2 200	0.900%	Priceline Group, Inc. 14	15.09.21	2 204 891	2.07%
2 500	0.000%	Restoration Hardware Holdings, Inc. 144A 14	15.06.19	2 035 352	1.91%
2 000	2.875%	Royal Gold, Inc. 12	15.06.19	2 002 010	1.88%
1 000	1.750%	Stillwater Mining Co. 12	15.10.32	1 210 315	1.13%
2 000	0.250%	Tesla Motors, Inc. 14	01.03.19	1 756 710	1.65%
2 000	0.250%	Twitter, Inc. 14	15.09.19	1 776 677	1.67%
3 000	1.125%	Yandex NV 13	15.12.18	2 719 270	2.55%
UNLISTED SECURITIES				7 516 324	7.05%
Convertible bonds and bonds with warrants				7 516 324	7.05%
JPY				3 226 122	3.03%
150 000	0.000%	HIS Co. Ltd. 14	30.08.19	1 278 010	1.20%
120 000	0.000%	Seino Holdings Co. Ltd. 13	01.10.18	1 055 300	0.99%
100 000	0.000%	Shimizu Corp. 15	16.10.20	892 812	0.84%
USD				4 290 202	4.02%
2 000	0.000%	Mitsui OSK Lines Ltd. 14	24.04.20	1 785 485	1.67%
2 000	6.625%	Tullow Oil Jersey Ltd. 16	12.07.21	2 504 717	2.35%

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GAM Star (Lux) - Convertible Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Purchases		Sales		Maturity date	Unrealised profit/loss EUR	% of net assets
CHF	407 200	EUR	380 170	03.01.17	-317	-0.00%
CHF	21 974 000	EUR	20 484 114	13.01.17	15 528	0.01%
EUR	779 942	CHF	837 000	13.01.17	-899	-0.00%
EUR	4 885 354	GBP	4 091 000	19.01.17	94 735	0.09%
EUR	1 052 044	HKD	8 532 000	19.01.17	9 547	0.01%
EUR	8 569 641	JPY	1 053 100 000	19.01.17	8 429	0.01%
EUR	1 549 935	SEK	15 154 000	19.01.17	-31 940	-0.03%
EUR	348 469	USD	370 000	13.01.17	-2 112	-0.00%
EUR	49 698 426	USD	51 944 000	19.01.17	493 618	0.46%
USD	16 805 000	EUR	15 866 601	13.01.17	56 388	0.05%
					642 977	0.60%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA or State Street Bank London.

Futures

Counterparty - Underlying	Currency	Number of contracts	Market Value	Maturity date	Unrealised profit/loss EUR	% of net assets
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- EURO-BOBL Sales	EUR	-70	-9 359 700	08.03.17	-39 900	-0.04%
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- EURO-SCHATZ Sales	EUR	-160	-17 968 000	08.03.17	-19 200	-0.02%
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- SHORT GILT Sales	GBP	-35	-4 330 719	29.03.17	-16 811	-0.01%
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- US 5Y NOTE (CBT) Sales	USD	-65	-7 241 053	31.03.17	22 628	0.02%
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- US 2Y NOTE (CBT) Sales	USD	-70	-14 376 630	31.03.17	8 296	0.01%
					-44 987	-0.04%

Options

Number	Securities	Commitment on Options	Market value EUR	% of net assets
Equity Optionen				
385	CALL Carnival Corp. 19.01.2018 Str. 65 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	45 992	0.04%
250	CALL Leonardo-Finmeccanica SpA 15.06.2017 Str. 16 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	28 562	0.03%
			74 554	0.07%

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GAM Star (Lux) - Convertible Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Outokumpu OYJ	-198 000	EUR	1 330 902	1 683 990	-332 778	-0.31%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Tullow Oil Plc.	-411 710	USD	1 138 702	1 508 221	-309 094	-0.29%
						-641 872	-0.60%

*CFD = Contract for Difference

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GAM Star (Lux) - Emerging Alpha

Fund Management Report

GAM Star (Lux) - Emerging Alpha class C EUR declined 8.7% in 2016 marking the most challenging year for the strategy since inception. Losses could be mainly explained by four factors: 1) Brazilian stocks rebounded strongly with the prospects of substantial structural adjustment. Indeed, the Ibovespa index advanced approximately 70% in USD, closing amongst the best performing equity markets in the world for the year. This resulted in significant re-rating as mid-term earnings expectations declined further, discounting a challenging macro backdrop and a protracted economic slowdown. Hence, our short positions in Brazil detracted from the portfolio even though we aimed at maintaining a balanced exposure; 2) Brexit caught us by surprise and tangential European exposure in the portfolio dragged down performance during the month of June particularly. We closed residual risk with poor timing crystalizing some of the losses; 3) towards the end of the year interest-rate sensitive long positions came under pressure as market participants took profits in such names with the prospect of rising long-term bond yields. This was detrimental to the book given our defensive profile at the time; and 4) the stunning victory of Donald Trump in the US presidential elections brought incremental pain as rotation out of defensive yield proxies accelerated and Mexican equities sold off indiscriminately.

On the bright side our long book featured numerous and very profitable ideas including Chinese IT company Tencent Holdings; Brazilian Pharmaceutical company Hypermarcas; South African drug store chain Clicks; Moscow stock exchange, Taiwanese restaurant chain Gourmet Master; Russian IT company Yandex, and Indian miner Hindustan Zinc. All of which shared one prominent feature: strong earnings revisions.

Looking forward we remain focused on screening for opportunities arising in an environment in which certain trends are strengthening, including: higher FED rates; stronger USD; global trade retrenchment; and higher oil prices. Although US equities seemingly discount economic acceleration, nationalism and emerging trade barriers suggest this would not be homogenous across the globe. EM valuations are no longer depressed in relative terms; hence, a more selective investment environment should be supportive of our strategy.

Taking this into account we reshaped the portfolio mainly adding ideas ranking well in our quant screen. With good timing we took profits in a few consumer discretionary positions balancing the portfolio's beta by shorting a sector index featuring a poor quant profile. We reduced significantly our exposure to consumer staples by closing several positions where earnings revisions expectations were not strong enough to offset rotation risk. We switched into a net long exposure to Energy and reshuffled our Materials portfolio by identifying new ideas strongly exposed to higher oil prices, while also closing short positions with less appealing profiles, and taking profits in some overbought names. Acknowledging poor earnings visibility, we trimmed our Industrials portfolio by closing a couple of positions in Mexico and covering a few short positions related to commodities, which remain well supported regardless of challenging earnings trends. We reduced our exposure to healthcare by closing a few positions badly exposed to increasingly negative news flow on pharmaceuticals and/or geopolitical risk and also by shorting an index exhibiting poor quant metrics. Finally, we increased significantly our exposure to utilities by adding back Pampa Energia in Argentina and electricity distribution company TAESA, in Brazil.

The fund remains well diversified and balanced in terms of sector and country exposure, always featuring a beta close to zero. We remain confident that stock returns will correlate again with earnings, after a year that saw low performance dispersion and little focus on company fundamentals. Our intention is to gradually increase the gross exposure, which remains towards the low end of our target range (100% to 140%).

GAM Star (Lux) - Emerging Alpha

STATEMENT OF NET ASSETS as at 31 December 2016

USD

Assets

Investments at market value (acquisition cost: USD 55 076 667)	54 762 360
Derivative instruments:	
- Forward foreign exchange contracts	253 314
- Options	325 897
- Swaps	2 146 932
Premium on swaps received	172 374
Bank deposits*	25 498 519
Receivables on securities sold	2 188
Dividends and interest receivable	183 805
Total Assets	83 345 389

Liabilities

Derivative instruments:	
- Futures	9 204
- Forward foreign exchange contracts	597 850
- Swaps	1 939 710
Premium from swaps paid	1 039
Payable for redemptions	10 345 456
Liabilities from swaps	25 854
Management fees payable	116 357
"Taxe d'abonnement" payable	8 716
Capital gains tax on realised gains/losses on securities	41
Interest payable on swaps	56 713
Other liabilities	69 979
Total Liabilities	13 170 919
Net Assets	70 174 470

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Emerging Alpha

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

USD

Income

Income on securities	1 604 078
Bank interest	56 052
Total Income	1 660 130

Expenses

Short dividends paid	1 625 067
Management fees	2 137 555
Depository fees and expenses	181 226
Administration fees	192 215
"Taxe d'abonnement" and other taxes	56 845
Interest expense on bank liabilities	542 539
Interest expense on swaps	44 620
Other expenses*	122 882
Total Expenses	4 902 949

Net profit/loss

-3 242 819

Realised profit/loss on:

- Securities	675 249
- Options	-108 343
- Swaps	4 277 727
- Forward foreign exchange contracts	-1 984 059
- Futures	90 155
- Foreign currencies	-1 266 452
Capital gains tax on realised gains/losses on securities	-34 901

Net realised profit/loss

-1 593 443

Net change in unrealised appreciation/depreciation on:

- Securities	355 896
- Options	228 119
- Swaps	-7 312 999
- Forward foreign exchange contracts	-3 520 519
- Futures	-33 603
- Foreign currencies	-147 738

Total profit/loss

-12 024 287

STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015 USD	31 December 2016 USD
Net assets at the beginning of the financial year	269 464 818	140 529 188
Foreign exchange difference – sub-fund	1 388 000	85 278
Total profit/loss	-33 624 066	-12 024 287
Net subscriptions/redemptions	-96 699 564	-58 415 709
Net assets at the end of the financial year	140 529 188	70 174 470

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Emerging Alpha

COMPARATIVE STATEMENT

	31 December 2014	31 December 2015	31 December 2016
	Number of shares	Number of shares	Number of shares
Number of shares outstanding			
Accumulation shares (Shares C-CHF)	23 791.14	21 743.16	13 153.16
Accumulation shares (Shares C-EUR)	500 206.20	286 742.55	187 739.58
Accumulation shares (Shares D-CHF)	17 595.25	9 955.36	5 850.00
Accumulation shares (Shares D-EUR)	169 336.52	141 235.35	139 569.82
Accumulation shares (Shares D-USD)	220 073.91	239 329.21	165 718.57
Accumulation shares (Shares I-CHF)	33 780.01	45 547.33	39 239.13
Accumulation shares (Shares I-EUR)	1 023 846.70	416 815.86	113 621.73
Accumulation shares (Shares I-GBP)	28 634.95	21 254.00	1 065.02
Accumulation shares (Shares I-USD)	36 671.88	63 201.96	30 700.00
	USD	USD	USD
Net Assets	269 464 818	140 529 188	70 174 470
	In the share class	In the share class	In the share class
	currency	currency	currency
NAV per share			
Accumulation shares (Shares C-CHF)	111.50	105.97	96.24
Accumulation shares (Shares C-EUR)	132.03	126.24	115.27
Accumulation shares (Shares D-CHF)	102.11	96.95	88.03
Accumulation shares (Shares D-EUR)	100.94	96.41	88.00
Accumulation shares (Shares D-USD)	101.46	97.52	90.39
Accumulation shares (Shares I-CHF)	103.13	98.83	90.42
Accumulation shares (Shares I-EUR)	105.06	101.12	93.04
Accumulation shares (Shares I-GBP)	102.99	99.88	92.63
Accumulation shares (Shares I-USD)	104.46	101.16	94.49

GAM Star (Lux) - Emerging Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal (in 1 000)	Securities	Maturity date	Market value USD	% of net assets
TOTAL			54 762 360	78.04%
SECURITIES TRADED ON A STOCK EXCHANGE			34 265 173	48.83%
Bonds			5 525 051	7.87%
USD			5 525 051	7.87%
5 520	3.125% Qatar Government International Bond 11	20.01.17	5 525 051	7.87%
Convertible bonds and bonds with warrants			4 702 706	6.70%
HKD			2 529 249	3.60%
18 000	2.000% ASM Pacific Technology Ltd. 14	28.03.19	2 529 249	3.60%
USD			2 173 457	3.10%
2 200	1.750% DP World Ltd. 14	19.06.24	2 173 457	3.10%
Equities			24 037 416	34.26%
Mexico			4 604 044	6.56%
27 147	Fomento Economico Mexicano SAB de CV—ADR		2 068 873	2.95%
112 759	Gruma SAB de CV "B"		1 440 036	2.05%
130 428	Promotora y Operadora de Infraestructura SAB de CV		1 095 135	1.56%
Russian Federation			4 585 235	6.53%
9 609	Novatek PJSC—GDR		1 247 248	1.78%
44 509	Severstal PJSC—GDR		676 537	0.96%
31 351	Tatneft PJSC—ADR		1 292 288	1.84%
68 016	Yandex NV "A"		1 369 162	1.95%
Thailand			3 712 291	5.29%
1 546 194	Bangkok Airways PCL		980 120	1.40%
278 024	Electricity Generating PCL		1 544 988	2.20%
1 269 063	Indorama Ventures PCL		1 187 183	1.69%
South Africa			2 175 542	3.10%
162 034	Clicks Group Ltd.		1 368 551	1.95%
122 686	Sappi Ltd.		806 991	1.15%
China			1 624 640	2.32%
66 400	Tencent Holdings Ltd.		1 624 640	2.32%
Israel			1 305 004	1.86%
25 482	Frutarom Industries Ltd.		1 305 004	1.86%
Panama			1 204 803	1.72%
40 924	Banco Latinoamericano de Comercio Exterior S.A.		1 204 803	1.72%
Argentina			1 146 154	1.63%
32 926	Pampa Energia S.A.—ADR		1 146 154	1.63%
Ukraine			1 141 875	1.63%
74 652	Kernel Holding S.A.		1 141 875	1.63%
Taiwan			1 082 323	1.54%
37 646	Taiwan Semiconductor Manufacturing Co. Ltd.—ADR		1 082 323	1.54%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Emerging Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal (in 1 000)	Securities	Maturity date	Market value USD	% of net assets
Poland			755 258	1.08%
25 061	Bank Pekao S.A.		755 258	1.08%
Indonesia			700 247	1.00%
623 741	Matahari Department Store Tbk PT		700 247	1.00%
CASH EQUIVALENTS			20 497 187	29.21%
Treasury bills			20 497 187	29.21%
USD			20 497 187	29.21%
20 500	0.000% United States Treasury Bill 16	12.01.17	20 497 187	29.21%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Emerging Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

				Maturity date	Unrealised profit/loss EUR	% of net assets
Purchases		Sales				
CHF	5 562 000	USD	5 486 830	13.01.17	-10 597	-0.02%
EUR	9 778 028	USD	10 163 282	04.01.17	150 092	0.21%
EUR	30 417	USD	31 910	05.01.17	174	0.00%
EUR	58 346 000	USD	61 795 536	13.01.17	-217 624	-0.31%
GBP	99 400	USD	123 899	13.01.17	-1 038	-0.00%
IDR	6 706 000 000	USD	497 662	20.01.17	-994	-0.00%
MYR	8 050 000	USD	1 800 492	20.01.17	-7 051	-0.01%
USD	1 560 976	BRL	5 344 000	20.01.17	-73 423	-0.10%
USD	263 468	CHF	269 000	13.01.17	-1 384	-0.00%
USD	14 398 877	EUR	13 779 000	13.01.17	-143 372	-0.20%
USD	1 271	GBP	1 000	13.01.17	35	0.00%
USD	4 849 523	HKD	37 658 000	20.01.17	-7 965	-0.01%
USD	1 590 252	ILS	6 160 000	20.01.17	-10 872	-0.02%
USD	843 612	INR	57 450 000	20.01.17	-1 585	-0.00%
USD	2 508 816	KRW	2 988 000 000	20.01.17	34 897	0.05%
USD	1 441 697	MXN	29 500 000	20.01.17	12 848	0.02%
USD	2 274 706	PLN	9 653 000	20.01.17	-37 050	-0.05%
USD	625 982	RON	2 709 000	20.01.17	-3 375	-0.01%
USD	1 133 264	RUB	70 387 000	20.12.17	55 268	0.08%
USD	832 934	SAR	3 126 000	23.01.17	-174	-0.00%
USD	4 302 945	THB	154 508 000	20.01.17	-11 065	-0.02%
USD	1 022 322	TRY	3 612 000	20.01.17	-906	-0.00%
USD	2 346 084	ZAR	33 128 000	20.01.17	-69 375	-0.10%
					-344 536	-0.49%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA, Merrill Lynch International, Morgan Stanley or State Street Bank London.

Futures

					Unrealised profit/loss	% of net
Counterparty - Underlying	Currency	Number of contracts	Market Value	Maturity date	EUR	assets
MERRILL LYNCH PIERCE FENNER & SMITH INC.						
- BIST 30	Sales	TRY	-533	-1 456 901	28.02.17	-9 204
						-0.01%
					-9 204	-0.01%

Options

Number	Securities	Commitment on Options	Market value EUR	% of net assets
Equity Optionen				
190	PUT Fomento Economico Mexicano SAB de CV 20.01.2017 Str. 80 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	76 000	0.11%
340	PUT Hong Kong Exchanges & Clearing Ltd. 30.03.2017 Str. 180 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	23 593	0.03%
115	PUT Novatek PJSC 17.03.2017 Str. 120 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	34 464	0.05%
664	PUT Tencent Holdings Ltd. 29.12.2016 Str. 210 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	191 840	0.27%
			325 897	0.46%

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GAM Star (Lux) - Emerging Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - America Movil SAB de CV—ADR	-95 265	USD	1 125 235	1 197 481	-42 716	-0.06%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Aselsan Elektronik Sanayi Ve Ticaret AS	285 009	TRY	913 530	1 029 811	256 845	0.37%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Astra International Tbk PT	-650 030	USD	361 742	399 258	-37 516	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Aygaz AS	227 390	TRY	810 593	777 661	91 794	0.13%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banca Transilvania S.A.	952 680	USD	564 272	527 583	-36 690	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banco do Brasil S.A.	-142 408	USD	1 003 408	1 229 066	-182 390	-0.26%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Bank of East Asia Ltd.	-280 737	HKD	1 096 809	1 075 420	22 712	0.03%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - BGEO Group Plc.	17 852	GBP	693 060	658 235	-32 868	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - SET50 Index	-62 800	THB	1 659 652	1 685 984	-19 867	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Chailease Holding Co. Ltd.	-797 517	USD	1 356 815	1 363 467	-6 651	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Cheng Shin Rubber Industry Co. Ltd.	-565 835	USD	1 078 312	1 067 448	10 864	0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - China Steel Corp.	-1 712 906	USD	1 376 320	1 310 097	66 223	0.09%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Coal India Ltd.	-79 900	INR	345 720	353 646	-6 704	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Coca-Cola Femsa SAB de CV—ADR	-10 818	USD	817 192	687 376	129 816	0.19%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CVC Brasil Operadora e Agencia de Viagens S.A.	173 185	USD	1 279 889	1 261 095	-18 795	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Dongbu Insurance Co. Ltd.	22 458	USD	1 408 019	1 162 134	-245 274	-0.35%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - E.Sun Financial Holding Co. Ltd.	2 668 838	USD	1 519 103	1 519 538	435	0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Ford Otomotiv Sanayi AS	-157 646	TRY	1 656 950	1 370 484	34 434	0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - FTSE / JSE Africa Top40 Tradeable Index	-289	ZAR	935 826	927 801	20 344	0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Godrej Consumer Products Ltd.	36 289	USD	885 292	807 346	-77 946	-0.11%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Grupo Televisa SAB—ADR	-34 308	USD	839 516	716 694	112 530	0.16%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Hypermarcas S.A.	177 016	USD	1 519 912	1 421 153	-98 759	-0.14%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - iShares MSCI India ETF	-39 644	USD	1 126 676	1 062 856	57 070	0.08%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Itau Unibanco Holding S.A.	110 499	USD	1 077 593	1 149 228	73 224	0.10%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Latam Airlines Group S.A.—ADR	-159 301	USD	1 396 466	1 303 082	149 026	0.21%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - LPP S.A.	-872	PLN	894 441	1 185 200	-360 066	-0.51%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Maxis Bhd	-348 612	USD	516 619	464 712	51 906	0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Maxis Bhd	-348 612	USD	1 165 261	1 047 145	118 116	0.17%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Emerging Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Medy-Tox, Inc.	2 780	USD	1 104 545	820 788	-283 757	-0.40%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Mexican Bolsa IPC Index	-391	MXN	854 951	866 266	-16 474	-0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - MSCI EM Consumer Staples Index	-2 490	USD	1 454 648	1 466 311	-11 663	-0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - MSCI EM Index	-4 246	USD	1 447 993	1 451 028	-3 035	-0.00%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - MSGAMEM1 Index	-6 767	USD	669 968	685 565	-15 597	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - NMC Health Plc.	69 721	GBP	1 229 874	1 330 167	157 656	0.22%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Rostelecom PJSC	-986 425	USD	1 234 610	1 357 382	-122 772	-0.17%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - S-Oil Corp.	-15 919	USD	1 105 196	1 116 360	-11 164	-0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Safaricom Ltd.	4 459 648	USD	843 319	833 437	-9 883	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Samba Financial Group	113 952	USD	704 253	739 573	35 360	0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Sembcorp Industries Ltd.	-336 453	SGD	640 816	663 730	-60 551	-0.09%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Semen Indonesia Persero Tbk PT	-1 069 046	USD	814 673	728 039	84 909	0.12%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Shriram Transport Finance Co. Ltd.	54 270	USD	734 301	682 433	-51 280	-0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Singapore Airlines Ltd.	-182 543	SGD	1 403 977	1 221 839	92 116	0.13%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Soda Sanayii AS	911 286	TRY	1 250 226	1 370 452	313 468	0.45%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Tofas Turk Otomobil Fabrikasi AS	216 937	TRY	1 600 312	1 519 595	163 310	0.23%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Transmissora Alianca de Energia Eletrica S.A.	228 740	USD	1 484 459	1 457 605	-47 565	-0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - VTB Bank PJSC	-530 177	USD	1 123 798	1 265 533	-139 727	-0.20%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - WEG S.A.	-167 077	USD	811 163	795 678	15 075	0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Wistron Corp.	1 579 095	USD	1 132 618	1 222 453	89 699	0.13%
						207 222	0.30%

*CFD = Contract for Difference

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GAM Star (Lux) - European Alpha

Fund Management Report

2016 was characterised by a weak start of the year, with fears on China and waning enthusiasm regarding the effect of monetary policy in Europe, leading to further negative revisions to European earnings. Brexit made this worse. This negative backdrop was reverted however, with a powerful rally started in the aftermath of Mr Trump's election. This allowed main benchmarks to end the year little changed. The new policies Mr Trump may promote, led to a rise in interest rates and a material rotation from defensives, seen as suffering from higher bond yields, to cyclicals and financials. The market behaviour post the US election was typical of a major turning point in macro-economic conditions. During such times stocks react ahead of a change in trend in earnings, driven by changing top-down assumptions.

The sub-fund had a very disappointing performance, losing more than 13%, giving away the gains of the previous year. Earnings revisions strategies are inherently correlated to price momentum. When the stocks leading the markets change so rapidly and materially in response to a macro-political event, price momentum becomes a lagging indicator and the strategy finds its worst possible background. The rotation we witnessed was very similar in its dynamics to the one we saw in March-April 2009, when the strategy had also been under pressure. A few factors impacted the portfolio negatively. Among our longs, many of our a-cyclical stocks among health care, staples and IT failed to rise or even fell as they were used as cash proxy by fund managers scrambling to buy risk. A part of our long portfolio was successful, particularly positions in construction and defence, as both industries stand to gain from Mr Trump's new policies, and some stocks with strong growth characteristics (Aena, Ferrari, Teleperformance). However, we suffered losses on a few UK longs in the aftermath of Brexit. We sold many among them as we fear Brexit will ultimately impact their fundamentals. Our cyclical long book could not offset the damage from the rise in some industrial capex-related shorts, which rallied in sympathy with commodities.

As we recognise that the direction of future economic policy may well imply a turning point in economic trends, and especially in inflation and rates direction, we have intervened on the portfolio as usual during such turning points. We have executed stop-losses on some industrial capex companies that could benefit from surging commodity prices, whilst we are identifying new longs in areas that could benefit from a recovery in pricing and whose valuations do not seem to discount it. We found some banks (ING, BNP, Mediobanca, Bank of Ireland), some oil-related companies (ENI, John Wood), some packaging companies (Smurfit and DS Smith) and some construction companies (Ashtead) trading on low multiples despite improving prospects, whilst most general industrial companies trade on all time high valuations. At the same time we have reduced or sold some of our less interesting longs among defensives, such as some tobacco stocks, or those now with high valuations (Straumann, Symrise) in realisation that the small upgrade potential they can offer could be less important in a rising rate environment. Finally, we introduced new shorts in the global trade area, where we see a contraction in margins, due to rising shipping rates, and potentially disappointing growth related to the introduction of import duties. With these moves we should now have a portfolio that is more immune to changes in sentiment regarding economic growth.

2016 was a very tough year for momentum strategies as explained above. We believe it is unlikely that the same situation occurs again this year. Indeed, the market is now well on its way to have re-priced the likely inflection point in interest rates and economic growth. All risky stocks have risen in tandem to discount such information. This is the same as what happened in March-April 2009. Now like then a new period will start where only the companies among such risky stocks that report improving trends in fundamentals keep rising, whilst those that fail to meet the heightened expectations will retrace. At the same time, many defensive stocks have been left behind, in fear that rates will go up. As any rates increase will certainly not be so material to make free cash flow yields above 5-6% uninteresting, we believe that those companies within this universe that report pleasant surprises will resume rising, whilst the others will fall. As in the period that followed 2009, we intend to benefit from the spread that such divergent trends will allow for stock pickers, after a year in which top-down calls were the dominating factor.

GAM Star (Lux) - European Alpha

STATEMENT OF NET ASSETS as at 31 December 2016

EUR

Assets

Investments at market value (acquisition cost: EUR 506 993 901)	523 645 027
Derivative instruments:	
- Forward foreign exchange contracts	644 758
- Options	768 467
- Swaps	11 925 661
Premium on swaps received	13 133
Bank deposits*	184 387 997
Subscriptions receivable	14 615
Receivables on swaps	87 724
Dividends and interest receivable	719 780
Total Assets	<u>722 207 162</u>

Liabilities

Derivative instruments:	
- Forward foreign exchange contracts	1 704 760
- Options	498 041
- Swaps	40 748 981
Premium from swaps paid	22 420
Bank liability	5 202 460
Payable for redemptions	7 121 167
Management fees payable	788 058
"Taxe d'abonnement" payable	79 364
Interest payable on swaps	296 579
Other liabilities	396 205
Total Liabilities	<u>56 858 035</u>
Net Assets	<u>665 349 127</u>

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - European Alpha

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

EUR

Income

Income on securities	14 003 803
Bank interest	62
Other income	2 862

Total Income

14 006 727

Expenses

Short dividends paid	25 411 573
Management fees	12 492 911
Depository fees and expenses	532 231
Administration fees	1 346 316
"Taxe d'abonnement" and other taxes	425 706
Interest expense on bank liabilities	3 900 465
Interest expense on swaps	352 340
Other expenses*	1 658 222

Total Expenses

46 119 764

Net profit/loss

-32 113 037

Realised profit/loss on:

- Securities	-13 520 609
- Options	-7 572 994
- Swaps	15 136 831
- Forward foreign exchange contracts	-19 517 073
- Futures	-340 972
- Foreign currencies	3 021 641

Net realised profit/loss

-54 906 213

Net change in unrealised appreciation/depreciation on:

- Securities	-27 668 369
- Options	-2 570 514
- Swaps	-62 744 485
- Forward foreign exchange contracts	7 296 027
- Futures	6 856 092
- Foreign currencies	2 811 115

Total profit/loss

-130 926 347

STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015	31 December 2016
	EUR	EUR
Net assets at the beginning of the financial year	680 855 689	931 936 130
Foreign exchange difference – sub-fund	541 073	-2 396 886
Total profit/loss	123 937 668	-130 926 347
Net subscriptions/redemptions	126 601 700	-133 263 770
Net assets at the end of the financial year	931 936 130	665 349 127

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - European Alpha

COMPARATIVE STATEMENT	31 December 2014 Number of shares	31 December 2015 Number of shares	31 December 2016 Number of shares
Number of shares outstanding			
Accumulation shares (Shares C-CHF)	178 222.61	156 964.39	128 026.41
Accumulation shares (Shares C-EUR)	404 791.53	257 087.22	175 456.10
Accumulation shares (Shares C-GBP)	10 123.61	5 391.43	1 012.13
Accumulation shares (Shares C-USD)	140 804.49	115 007.43	84 154.00
Accumulation shares (Shares D-CHF)	42 632.24	76 273.58	117 914.66
Accumulation shares (Shares D-EUR)	234 674.36	614 039.32	661 103.49
Accumulation shares (Shares D-GBP)	344 390.53	332 801.77	7 236.95
Accumulation shares (Shares D-USD)	89 656.81	282 696.90	230 252.55
Accumulation shares (Shares I-CHF)	109 631.39	182 458.24	225 395.59
Accumulation shares (Shares I-EUR)	3 218 400.84	4 010 988.56	3 017 768.74
Accumulation shares (Shares I-GBP)	147 088.71	283 706.61	291 821.28
Accumulation shares (Shares I-USD)	925 516.73	889 523.34	778 148.60
Accumulation shares (Shares Z-JPY)	–	–	500 000.00*
	EUR	EUR	EUR
Net Assets	680 855 689	931 936 130	665 349 127
	In the share class currency	In the share class currency	In the share class currency
NAV per share			
Accumulation shares (Shares C-CHF)	116.04	130.62	112.33
Accumulation shares (Shares C-EUR)	277.17	314.55	272.45
Accumulation shares (Shares C-GBP)	110.10	125.36	109.17
Accumulation shares (Shares C-USD)	108.96	123.98	108.84
Accumulation shares (Shares D-CHF)	101.46	114.12	98.08
Accumulation shares (Shares D-EUR)	101.62	115.30	99.86
Accumulation shares (Shares D-GBP)	101.71	115.87	100.98
Accumulation shares (Shares D-USD)	101.61	115.57	101.47
Accumulation shares (Shares I-CHF)	101.87	115.13	99.54
Accumulation shares (Shares I-EUR)	107.74	122.80	106.90
Accumulation shares (Shares I-GBP)	101.94	116.45	101.95
Accumulation shares (Shares I-USD)	107.06	122.40	108.01
Accumulation shares (Shares Z-JPY)	–	–	9 214.12*

* See Appendix I.

GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal (in 1 000)	Securities	Maturity date	Market value EUR	% of net assets
TOTAL			523 645 027	78.70%
SECURITIES TRADED ON A STOCK EXCHANGE			484 544 777	72.82%
Convertible bonds and bonds with warrants			2 896 984	0.43%
EUR			2 896 984	0.43%
1 742	3.750% AXA S.A. 00	01.01.17	2 896 984	0.43%
Equities			481 647 793	72.39%
France			134 659 405	20.24%
159 261	Atos S.E.		15 965 915	2.40%
468 848	Cie de Saint-Gobain		20 748 868	3.12%
188 714	Eiffage S.A.		12 502 303	1.88%
333 725	Korian S.A.		9 290 904	1.40%
114 085	Nexans S.A.		5 614 123	0.84%
257 630	Nexity S.A.		11 454 230	1.72%
92 165	Orpea		7 074 585	1.06%
117 674	Renault S.A.		9 944 630	1.50%
192 478	Teleperformance		18 343 153	2.76%
421 690	Ubisoft Entertainment S.A.		14 253 122	2.14%
173 367	Valeo S.A.		9 467 572	1.42%
Italy			110 615 378	16.63%
5 031 983	A2A SpA		6 189 339	0.93%
141 556	Brembo SpA		8 139 470	1.22%
164 804	DiaSorin SpA		9 270 225	1.39%
192 588	Enav SpA 144A		632 459	0.10%
3 592 141	Enel SpA		15 043 887	2.26%
728 877	Eni SpA		11 275 727	1.70%
120 738	Ferrari NV		6 676 811	1.00%
1 320 749	FinecoBank Banca Fineco SpA		7 039 592	1.06%
80 665	Industria Macchine Automatiche SpA		4 646 304	0.70%
1 572 092	Infrastrutture Wireless Italiane SpA 144A		6 920 349	1.04%
691 164	Mediobanca SpA		5 359 977	0.81%
615 039	Moncler SpA		10 166 595	1.53%
539 601	Prysmian SpA		13 166 264	1.98%
2 379 779	Saipem SpA		1 273 182	0.19%
1 761 228	UniCredit SpA		4 815 197	0.72%
Germany			71 912 704	10.81%
655 452	Deutsche Post AG		20 473 043	3.08%
342 308	Drillisch AG		13 998 686	2.10%
235 496	Merck KGaA		23 349 429	3.51%
531 270	TAG Immobilien AG		6 672 751	1.00%
181 433	Wirecard AG		7 418 795	1.12%
Spain			46 052 332	6.92%
79 760	Aena S.A. 144A		10 340 884	1.56%
285 612	Amadeus IT Group S.A.		12 329 870	1.85%
598 386	Gamesa Corp. Tecnologica S.A.		11 530 898	1.73%
1 147 210	Merlin Properties Socimi S.A.		11 850 680	1.78%
Denmark			39 874 983	5.99%
3 366	AP Moller - Maersk A/S "B"		5 101 843	0.77%
98 825	Pandora A/S		12 280 834	1.84%
309 338	Topdanmark A/S		7 459 379	1.12%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal (in 1 000)	Securities	Maturity date	Market value EUR	% of net assets
243 524	Vestas Wind Systems A/S		15 032 927	2.26%
Luxembourg			21 382 200	3.21%
1 260 000	Tenaris S.A.		21 382 200	3.21%
Netherlands			16 266 308	2.44%
385 676	ING Groep NV		5 156 488	0.77%
195 046	Koninklijke DSM NV		11 109 820	1.67%
Switzerland			14 354 967	2.16%
48 771	Flughafen Zuerich AG		8 594 108	1.29%
35 029	Lonza Group AG		5 760 859	0.87%
Poland			8 737 683	1.31%
305 808	Bank Pekao S.A.		8 737 683	1.31%
United States			6 620 685	1.00%
66 141	United Rentals, Inc.		6 620 685	1.00%
Finland			6 108 397	0.92%
197 491	Elisa OYJ		6 108 397	0.92%
Austria			5 062 751	0.76%
135 767	voestalpine AG		5 062 751	0.76%
CASH EQUIVALENTS			39 100 250	5.88%
Treasury bills			39 100 250	5.88%
EUR			39 100 250	5.88%
20 000	0.000% German Treasury Bill 16	22.03.17	20 042 300	3.01%
19 000	0.000% German Treasury Bill 16	26.04.17	19 057 950	2.87%

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GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

				Maturity date	Unrealised profit/loss EUR	% of net assets
Purchases		Sales				
CHF	52 010 000	EUR	48 487 085	13.01.17	33 273	0.01%
EUR	3 532 525	CHF	3 804 000	13.01.17	-16 244	-0.00%
EUR	36 221 490	CHF	38 862 000	19.01.17	-38 371	-0.01%
EUR	32 112 560	DKK	238 788 000	19.01.17	-5 614	-0.00%
EUR	1 550 463	GBP	1 312 000	13.01.17	13 908	0.00%
EUR	826 727	JPY	101 292 000	13.01.17	3 280	0.00%
EUR	10 183 362	PLN	45 287 000	19.01.17	-89 383	-0.01%
EUR	19 696 553	USD	20 714 000	13.01.17	69 728	0.01%
EUR	7 215 954	USD	7 542 000	19.01.17	71 671	0.01%
GBP	24 000	EUR	28 232	03.01.17	-116	-0.00%
GBP	29 219	EUR	34 059	04.01.17	172	0.00%
GBP	31 663 600	EUR	37 282 072	13.01.17	-199 088	-0.03%
GBP	13 076 000	USD	16 336 501	19.01.17	-162 840	-0.03%
JPY	4 688 570 000	EUR	39 293 913	13.01.17	-1 178 491	-0.18%
USD	1 039 089	EUR	999 701	03.01.17	-14 549	-0.00%
USD	12 607	EUR	12 017	04.01.17	-64	-0.00%
USD	136 286 000	EUR	128 680 303	13.01.17	452 726	0.07%
					-1 060 002	-0.16%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA or State Street Bank London.

Options

Number	Securities	Commitment on Options	Market value EUR	% of net assets
Equity Optionen				
4 347	CALL Hennes & Mauritz AB 20.01.2017 Str. 275 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	22 683	0.00%
-1 429	CALL Pearson Plc. 20.01.2017 Str. 8 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	8 152 928	-498 041	-0.07%
			-475 358	-0.07%
Index Optionen				
923	PUT EURO STOXX 50 17.02.2017 Str. 3275 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	745 784	0.11%
			745 784	0.11%

Swaps

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Acciona S.A.	-77 904	EUR	5 095 695	5 447 827	-352 126	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Airbus Group S.E.	-210 045	EUR	11 075 803	13 199 228	-2 103 382	-0.32%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Alfa Laval AB	-477 866	SEK	6 788 431	7 520 594	-688 224	-0.10%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Amer Sports OYJ	-102 262	EUR	2 567 956	2 585 183	-17 227	-0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Ashtead Group Plc.	891 910	GBP	13 454 698	16 509 119	2 335 340	0.35%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Azimut Holding SpA	-37 965	EUR	5 001 874	5 978 126	-976 251	-0.15%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - BAE Systems Plc.	1 519 260	GBP	9 243 000	10 527 679	867 299	0.13%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banca Mediolanum SpA	-85 546	EUR	10 485 630	11 919 217	-1 541 890	-0.23%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Bank of Ireland	4 385 206	EUR	5 228 556	5 057 970	-170 586	-0.03%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - BNP Paribas S.A.	171 936	EUR	10 481 219	10 410 725	-70 494	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Bucher Industries AG	-27 527	CHF	6 177 513	6 438 831	-168 193	-0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Burckhardt Compression Holding AG	-11 789	CHF	2 957 039	2 944 514	71 482	0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CarMax, Inc.	-17 431	USD	8 516 868	10 616 491	-1 619 981	-0.24%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - CNH Industrial NV	-1 774 655	EUR	11 262 241	14 667 524	-3 393 467	-0.51%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CYBG Plc.	-351 145	GBP	3 676 508	4 080 411	-364 401	-0.06%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CYBG Plc.	-351 145	GBP	2 231 509	2 463 617	-208 960	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Daily Mail & General Trust Plc.	-370 746	GBP	3 118 075	3 374 763	-226 649	-0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - DCC Plc.	81 326	GBP	6 548 801	5 754 560	-880 018	-0.13%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Deutsche Lufthansa AG	-539 266	EUR	5 261 539	6 616 794	-1 357 265	-0.20%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Diageo Plc.	491 729	GBP	11 630 401	12 154 974	458 905	0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Direct Line Insurance Group Plc.	668 831	GBP	19 291 352	18 784 301	-673 772	-0.10%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - DONG Energy A/S	-233 089	DKK	7 747 057	8 388 745	-642 616	-0.10%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - DS Smith Plc.	2 265 515	GBP	10 771 118	10 831 268	214 634	0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Eiffage S.A.	46 564	EUR	3 051 060	3 084 865	33 805	0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Electricite de France S.A.	-2 027 495	EUR	21 720 632	19 626 152	2 082 871	0.31%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - CSGAMCIL Index	-251 542	EUR	25 320 746	25 717 000	-396 254	-0.06%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - CSGAMAAA Index	-246 924	EUR	25 442 754	25 660 614	-213 582	-0.03%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Euro Stoxx Real Estate Index	-19 916	EUR	5 913 583	6 132 624	-219 042	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Faurecia	-188 879	EUR	6 198 579	6 957 358	-760 468	-0.11%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - FTSE MIB Index	-263	EUR	5 018 457	5 058 695	-40 238	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Glanbia Plc.	-371 863	EUR	5 790 688	5 867 998	-77 310	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Groupe Eurotunnel S.E.	-1 272 723	EUR	11 627 839	11 497 780	19 637	0.00%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Halma Plc.	517 371	GBP	5 740 234	5 439 792	-224 259	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Henderson Group Plc.	-2 233 086	GBP	6 076 999	6 163 487	-44 473	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Hennes & Mauritz AB	-869 578	SEK	22 668 173	22 996 399	-181 503	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - HUGO BOSS AG	-204 930	EUR	10 297 733	11 912 581	-1 614 848	-0.24%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Ingenico Group S.A.	-7 735	EUR	11 567 571	10 713 982	523 398	0.08%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Kuehne + Nagel International AG	-120 351	CHF	15 151 169	15 111 304	64 599	0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Luxottica Group SpA	-224 145	EUR	9 717 007	11 453 810	-1 832 475	-0.28%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Micro Focus International Plc.	310 168	GBP	7 709 828	7 917 717	175 048	0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - MSGAMEUS Index	-193 371	EUR	19 603 681	20 561 138	-728 250	-0.11%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - MSSTUKDO Index	-375 773	GBP	44 393 849	49 634 985	-2 671 832	-0.40%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - National Express Group Plc.	1 665 249	GBP	6 789 273	6 900 174	35 586	0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Ontex Group NV	-169 515	EUR	4 957 466	4 788 799	168 667	0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Panalpina Welttransport Holding AG	-61 553	CHF	7 606 392	7 303 710	454 660	0.07%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Paysafe Group Plc.	140 278	GBP	13 730 873	11 595 866	-2 217 370	-0.33%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Poste Italiane SpA	-256 307	EUR	12 291 900	12 664 034	-412 641	-0.06%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Royal Mail Plc.	-2 096 691	GBP	11 435 059	11 350 531	544 743	0.08%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - RSA Insurance Group Plc.	289 812	GBP	15 858 083	17 255 641	1 219 918	0.18%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Ryanair Holdings Plc.	1 052 710	EUR	14 158 700	15 269 559	1 119 938	0.17%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - SGS S.A.	-6 357	CHF	11 578 315	12 287 093	-711 772	-0.11%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Societa Cattolica di Assicurazioni SCRL	-85 753	EUR	2 397 906	2 638 526	-240 620	-0.04%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Sports Direct International Plc.	-1 621 753	GBP	5 386 967	5 293 118	131 093	0.02%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Stoxx Europe 600 Price Index	-100 634	EUR	36 230 253	36 371 140	-140 888	-0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Swatch Group AG	-29 374	CHF	7 220 282	8 677 974	-1 299 675	-0.20%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Television Francaise 1	-596 855	EUR	5 313 217	5 640 877	-327 660	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Tenaris S.A.	-1 260 000	EUR	14 671 085	21 382 200	-6 677 267	-1.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Thales S.A.	111 750	EUR	9 056 282	10 295 528	1 233 829	0.18%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Travis Perkins Plc.	-400 593	GBP	6 257 370	6 814 214	-274 070	-0.04%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Ultra Electronics Holdings Plc.	248 816	GBP	5 891 802	5 657 826	-212 403	-0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Victrex Plc.	-612 182	GBP	10 936 617	13 848 687	-2 825 118	-0.43%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Viscofan S.A.	-129 436	EUR	6 197 562	6 064 077	133 496	0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Wartsila OYJ Abp	-137 781	EUR	5 539 807	5 880 493	-340 686	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Whitbread Plc.	-304 209	GBP	12 542 160	13 457 048	-303 817	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - YIT OYJ	-76 200	EUR	1 661 091	1 893 811	-220 757	-0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - YIT OYJ	-76 200	EUR	494 157	578 358	-84 201	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - YIT OYJ	-76 200	EUR	2 823 260	2 786 547	36 713	0.01%
						-28 823 320	-4.33%

*CFD = Contract for Difference

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Momentum

Fund Management Report

2016 was characterised by a weak start of the year, with fears on China and waning enthusiasm regarding the effect of monetary policy in Europe, leading to further negative revisions to European earnings. Brexit made this worse. This negative backdrop was reverted however, with a powerful rally started in the aftermath of Mr Trump's election. This allowed main benchmarks to end the year little changed. The new policies Mr Trump may promote, led to a rise in interest rates and a material rotation from defensives, seen as suffering from higher bond yields, to cyclical and financials. The market behaviour post the US election was typical of a major turning point in macro-economic conditions. During such times stocks react ahead of a change in trend in earnings, driven by changing top-down assumptions.

The sub-fund had a very disappointing performance, losing some 6%, giving away part of the relative performance of the previous year. Earnings revisions strategies are inherently correlated to price momentum. When the stocks leading the markets change so rapidly and materially in response to a macro-political event, price momentum becomes a lagging indicator and the strategy finds its worst possible background. The rotation we witnessed was very similar in its dynamics to the one we saw in March-April 2009, when the strategy had also been under pressure. A few factors impacted the portfolio negatively. Many of our a-cyclical stocks among health care, staples and IT failed to rise or even fell as they were used as cash proxy by fund managers scrambling to buy risk. A part of our portfolio was successful, particularly positions in construction and defence, as both industries stand to gain from Mr Trump's new policies, and some stocks with strong growth characteristics (Aena, Ferrari, Teleperformance). However, we suffered losses on a few UK stocks in the aftermath of Brexit. We sold many among them as we fear Brexit will ultimately impact their fundamentals. Our cyclical book could not keep up with the rise in some industrial capex-related companies and commodities that boosted the benchmark.

As we recognise that the direction of future economic policy may well imply a turning point in economic trends, and especially in inflation and rates direction, we have intervened on the portfolio as usual during such turning points. We are identifying new positions in areas that could benefit from a recovery in pricing and whose valuations do not seem to discount it. We found some banks (ING, BNP, Bank of Ireland), some oil related companies (ENI, John Wood), some packaging companies (Smurfit and DS Smith) and some construction companies (Ashtead) trading on low multiples despite improving prospects, whilst most general industrial companies trade on all time high valuations. At the same time we have reduced or sold some of our less interesting positions among defensives, such as some tobacco stocks, or those with now high valuations (Straumann, Symrise) in realisation that the small upgrade potential they can offer could be less important in a rising rate environment. With these moves we should now have a portfolio that is now more immune to changes in sentiment regarding economic growth.

2016 was a very tough year for momentum strategies as explained above. We believe it is unlikely that the same situation occurs again this year. Indeed, the market is now well on its way to have re-priced the likely inflection point in interest rates and economic growth. All risky stocks have risen in tandem to discount such information. This is the same as what happened in March-April 2009. Now like then a new period will start where only the companies among such risky stocks that report improving trends in fundamentals keep rising, whilst those that fail to meet the heightened expectations will retrace. At the same time, many defensive stocks have been left behind, in fear that rates will go up. As any rates increase will certainly not be so material to make free cash flow yields above 5-6% uninteresting, we believe that those companies within this universe that report pleasant surprises will resume rising, whilst the others will fall. As in the period that followed 2009, we intend to benefit from the spread that such divergent trends will allow for stock pickers, after a year in which top-down calls were the dominating factor.

GAM Star (Lux) - European Momentum

STATEMENT OF NET ASSETS as at 31 December 2016

EUR

Assets

Investments at market value (acquisition cost: EUR 48 865 146)	51 719 893
Bank deposits*	2 657 670
Subscriptions receivable	97 198
Dividends and interest receivable	64 226
Total Assets	54 538 987

Liabilities

Bank liability	847 412
Payable for redemptions	187 888
Liabilities on securities purchased	242 204
Management fees payable	55 174
"Taxe d'abonnement" payable	6 632
Other liabilities	13 871
Total Liabilities	1 353 181
Net Assets	53 185 806

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - European Momentum

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

EUR

Income

Income on securities	920 516
Equalisation	46 352
Total Income	966 868

Expenses

Management fees	780 426
Depositary fees and expenses	58 818
Administration fees	84 527
"Taxe d'abonnement" and other taxes	12 316
Interest expense on bank liabilities	22 393
Other expenses*	64 855
Total Expenses	1 023 335

Net profit/loss

Realised profit/loss on:	
- Securities	-1 130 161
- Options	-139 770
- Forward foreign exchange contracts	-1 280 729
- Futures	-1 031
- Foreign currencies	-674 990

Net realised profit/loss	-3 283 148
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Net change in unrealised appreciation/depreciation on:

- Securities	-1 305 911
- Forward foreign exchange contracts	166 688
- Foreign currencies	4 172

Total profit/loss	-4 418 199
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STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015	31 December 2016
	EUR	EUR
Net assets at the beginning of the financial year	22 486 876	61 133 657
Foreign exchange difference – sub-fund	29 318	231
Total profit/loss	6 926 512	-4 418 199
Net subscriptions/redemptions	31 690 951	-3 529 883
Net assets at the end of the financial year	61 133 657	53 185 806

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - European Momentum

COMPARATIVE STATEMENT	31 December 2014	31 December 2015	31 December 2016
	Number of shares	Number of shares	Number of shares
Number of shares outstanding			
Accumulation shares (Shares C-EUR)	60 385.24	29 480.98	12 775.31
Accumulation shares (Shares D-EUR)	86 615.95	235 402.02	121 988.95
Accumulation shares (Shares I-EUR)	25 684.92	171 406.65	276 258.47
	EUR	EUR	EUR
Net Assets	22 486 876	61 133 657	53 185 806
	In the share class currency	In the share class currency	In the share class currency
NAV per share			
Accumulation shares (Shares C-EUR)	175.19	221.22	207.52
Accumulation shares (Shares D-EUR)	105.95	133.76	125.49
Accumulation shares (Shares I-EUR)	106.29	134.90	127.51

GAM Star (Lux) - European Momentum

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal value (in 1000)	Securities	Market value EUR	% of net assets
TOTAL		51 719 893	97.24%
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE		51 719 893	97.24%
Equities		51 719 893	97.24%
France		12 382 025	23.28%
13 525	Atos S.E.	1 355 881	2.55%
28 174	BNP Paribas S.A.	1 705 936	3.21%
27 083	Cie de Saint-Gobain	1 198 558	2.25%
16 194	Eiffage S.A.	1 072 853	2.02%
30 516	Korian S.A.	849 565	1.60%
5 424	Nexans S.A.	266 915	0.50%
42 716	Nexity S.A.	1 899 153	3.57%
6 610	Orpea	507 384	0.95%
11 384	Teleperformance	1 084 895	2.04%
9 467	Thales S.A.	872 195	1.64%
29 435	Ubisoft Entertainment S.A.	994 903	1.87%
10 507	Valeo S.A.	573 787	1.08%
United Kingdom		10 034 497	18.87%
88 344	Ashtead Group Plc.	1 635 234	3.07%
76 051	BAE Systems Plc.	526 994	0.99%
71 227	Diageo Plc.	1 760 649	3.31%
260 582	Direct Line Insurance Group Plc.	1 127 683	2.12%
230 101	DS Smith Plc.	1 100 097	2.07%
41 051	Halma Plc.	431 622	0.81%
44 552	Micro Focus International Plc.	1 137 287	2.14%
56 011	NEX Group Plc.	304 793	0.57%
178 793	RSA Insurance Group Plc.	1 227 422	2.31%
45 771	TP ICAP Plc.	232 341	0.44%
24 204	Ultra Electronics Holdings Plc.	550 375	1.04%
Italy		6 383 855	12.00%
14 598	Brembo SpA	839 385	1.58%
8 721	DiaSorin SpA	490 556	0.92%
7 045	Enav SpA 144A	23 136	0.04%
109 032	Eni SpA	1 686 725	3.17%
11 068	Ferrari NV	612 060	1.15%
114 703	Infrastrutture Wireless Italiane SpA 144A	504 923	0.95%
34 193	Moncler SpA	565 210	1.06%
25 719	Prysmian SpA	627 544	1.18%
248 649	Saipem SpA	133 027	0.25%
123 158	Technogym SpA 144A	545 836	1.03%
130 012	UniCredit SpA	355 453	0.67%
Germany		5 086 450	9.57%
54 351	Deutsche Post AG	1 697 654	3.19%
24 099	Drillisch AG	985 529	1.86%
18 863	Merck KGaA	1 870 266	3.52%
13 035	Wirecard AG	533 001	1.00%
Ireland		3 767 409	7.08%
2 145 274	Bank of Ireland	504 140	0.95%
2 177 180	Bank of Ireland	509 460	0.96%
469 903	Cairn Homes Plc.	634 369	1.19%

The statements of changes in the securities portfolio may be obtained free of charge from the local paying agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - European Momentum

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal value (in 1000)	Securities	Market value EUR	% of net assets
113 777	Dalata Hotel Group Plc.	500 050	0.94%
8 349	DCC Plc.	590 768	1.11%
70 915	Ryanair Holdings Plc.	1 028 622	1.93%
Spain		2 871 607	5.40%
6 824	Aena S.A. 144A	884 732	1.66%
19 042	Amadeus IT Group S.A.	822 043	1.55%
29 763	Gamesa Corp. Tecnologica S.A.	573 533	1.08%
57 241	Merlin Properties Socimi S.A.	591 299	1.11%
Denmark		2 815 616	5.30%
169	AP Moeller - Maersk A/S "B"	256 153	0.48%
9 677	Pandora A/S	1 202 546	2.26%
43 594	Topdanmark A/S	1 051 226	1.98%
4 952	Vestas Wind Systems A/S	305 691	0.58%
Netherlands		2 594 533	4.88%
153 426	ING Groep NV	2 051 306	3.86%
9 537	Koninklijke DSM NV	543 227	1.02%
Switzerland		1 788 600	3.36%
3 495	Flughafen Zuerich AG	615 866	1.16%
3 446	Lonza Group AG	566 728	1.06%
1 614	Syngenta AG	606 006	1.14%
Finland		1 108 115	2.08%
54 024	DNA OYJ	548 344	1.03%
18 098	Elisa OYJ	559 771	1.05%
Russian Federation		927 029	1.74%
7 533	Novatek PJSC—GDR	927 029	1.74%
Isle of Man		729 894	1.37%
167 799	Paysafe Group Plc.	729 894	1.37%
United States		660 757	1.24%
6 601	United Rentals, Inc.	660 757	1.24%
Poland		569 506	1.07%
19 932	Bank Pekao S.A.	569 506	1.07%

The statements of changes in the securities portfolio may be obtained free of charge from the local paying agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Financials Alpha

Fund Management Report

GAM Star (Lux) - Financials Alpha the C-EUR share class had a 6.25% negative performance in 2016 and this marked the worst annual performance of the product in five years. The majority of the loss concentrated in the first six months of the year and was caused by three specific trades: our short in emerging markets, mainly Brazil; our short in Texas and Oklahoma regional banks; and finally the long position we held at the beginning of the year in Italian banks. Regarding the short in emerging markets, we overlooked the fact that the sector entered the year in an oversold status, whilst our short in Texas and Oklahoma regional banks went against us because of the sharp rebound of the oil price and we were too slow in adjusting the positioning accordingly.

Moving to the 2017 outlook, we believe that the financial sector is at a turning point. Following the election of Donald Trump as President of the United States we see the world moving away from monetary expansion towards fiscal expansion and we expect protectionism and deregulation. Interest rates are very low on historical standards while inflation expectations are picking up. Such an environment should mark a significant change from the recent past and finally fundamentals of financial stocks should regain centre stage, allowing greater effectiveness of stock picking based on bottom-up analysis.

We are adjusting our positioning according to this new environment. We see European banking as one of the most interesting areas to consider: valuations are still quite attractive, both in absolute and relative terms and fundamentals are showing the first signs of improvement. In this area we see Unicredit and Bank of Ireland as two interesting stocks. In the US one of the most intriguing themes is financial deregulation: during the Obama administration, we had some material reforms - which could now be watered down by the new administration. Specifically we see the student lending and the mortgage insurance businesses as possibly the most favourably impacted. Here we have long positions in SLM Corp and MGIC Investment respectively. In emerging markets we see major risks around the Chinese region, because the high level of financial leverage is a threat in a period of strong US dollar and increasing interest rates. On the other hand we are constructive on Eastern European countries that are already reporting good economic numbers and should be positively impacted by a recovery in Russia, supported by the stabilisation of the oil price and by a more constructive relationship with the US. In this region we have long positions in Bank of Georgia and Banca Transilvania.

Overall we see the global equity market as fully valued – If not already expensive – and for this reason we keep the beta of the sub-fund close to zero. Such stance penalised us so far but we believe it is the right choice to protect our investors from the risk of a market sell-off. On the other hand following the election of Donald Trump as President of the United States, we believe the wind of change will blow strongly in the financial sector, and the arising differentiation will make it the place to be. Because of that we target to keep the gross exposure of the product at the upper end of the 100-200% range.

GAM Star (Lux) - Financials Alpha

STATEMENT OF NET ASSETS as at 31 December 2016

USD

Assets

Investments at market value (acquisition cost: USD 57 185 660)	61 894 622
Derivative instruments:	
- Forward foreign exchange contracts	34 427
- Options	1 123 475
- Swaps	3 044 731
Bank deposits*	15 605 441
Subscriptions receivable	156 423
Receivables on securities sold	25 704
Receivables on swaps	7 217
Dividends and interest receivable	84 560
Total Assets	81 976 600

Liabilities

Derivative instruments:	
- Forward foreign exchange contracts	430 072
- Swaps	5 835 083
Bank liability*	125
Payable for redemptions	571 556
Liabilities on securities purchased	25 704
Management fees payable	90 551
"Taxe d'abonnement" payable	9 295
Interest payable on swaps	56 400
Other liabilities	33 365
Total Liabilities	7 052 151
Net Assets	74 924 449

* Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Financials Alpha

PROFIT AND LOSS ACCOUNT

from 1 January 2016 until 31 December 2016

USD

Income

Income on securities	1 457 889
Bank interest	369
Total Income	1 458 258

Expenses

Short dividends paid	1 332 775
Management fees	1 181 872
Depository fees and expenses	88 723
Administration fees	116 390
"Taxe d'abonnement" and other taxes	39 318
Interest expense on bank liabilities	180 701
Interest expense on swaps	61 354
Other expenses*	98 792
Total Expenses	3 099 925

Net profit/loss

-1 641 667

Realised profit/loss on:

- Securities	2 306 362
- Options	224 851
- Swaps	-3 922 072
- Forward foreign exchange contracts	-1 237 748
- Futures	-63 063
- Foreign currencies	-631 149
Capital gains tax on realised gains/losses on securities	-15 613

Net realised profit/loss

-4 980 099

Net change in unrealised appreciation/depreciation on:

- Securities	3 725 626
- Options	-613 327
- Swaps	-3 849 402
- Forward foreign exchange contracts	-1 748 191
- Foreign currencies	-20 395

Total profit/loss

-7 485 788

STATEMENT OF CHANGES IN NET ASSETS

	31 December 2015	31 December 2016
	USD	USD
Net assets at the beginning of the financial year	42 415 168	59 614 085
Foreign exchange difference – sub-fund	78 426	-109 329
Total profit/loss	-560 129	-7 485 788
Net subscriptions/redemptions	17 680 620	22 905 481
Net assets at the end of the financial year	59 614 085	74 924 449

*See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Financials Alpha

COMPARATIVE STATEMENT	31 December 2014	31 December 2015	31 December 2016
	Number of shares	Number of shares	Number of shares
Number of shares outstanding			
Accumulation shares (Shares C-CHF)	20 276.83	17 311.83	7 091.84
Accumulation shares (Shares C-EUR)	136 704.41	101 140.92	54 416.80
Accumulation shares (Shares C-USD)	20 862.27	18 708.74	13 920.00
Accumulation shares (Shares D-CHF)	3 700.00	16 589.40	4 514.09
Accumulation shares (Shares D-EUR)	28 462.73	107 390.35	105 930.88
Accumulation shares (Shares D-USD)	10 270.89	12 573.07	9 375.87
Accumulation shares (Shares I-CHF)	81 715.71	103 331.46	43 005.29
Accumulation shares (Shares I-EUR)	54 819.41	136 533.71	463 569.61
	USD	USD	USD
Net Assets	42 415 168	59 614 085	74 924 449
	In the share class	In the share class	In the share class
	currency	currency	currency
NAV per share			
Accumulation shares (Shares C-CHF)	107.98	115.30	107.48
Accumulation shares (Shares C-EUR)	111.24	118.96	111.53
Accumulation shares (Shares C-USD)	100.53	108.00	102.60
Accumulation shares (Shares D-CHF)	98.42	104.95	97.87
Accumulation shares (Shares D-EUR)	98.90	105.83	99.20
Accumulation shares (Shares D-USD)	98.89	106.36	101.04
Accumulation shares (Shares I-CHF)	100.96	108.28	101.70
Accumulation shares (Shares I-EUR)	100.04	107.38	101.39

GAM Star (Lux) - Financials Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal (in 1 000)	Securities	Maturity date	Market value USD	% of net assets
TOTAL			61 894 622	82.61%
SECURITIES TRADED ON A STOCK EXCHANGE			37 503 384	50.06%
Equities			37 503 384	50.06%
United States			25 712 595	34.32%
43 676	American Financial Group, Inc.		3 848 729	5.14%
44 655	Cathay General Bancorp		1 698 230	2.27%
26 549	Cullen/Frost Bankers, Inc.		2 342 418	3.13%
42 723	Great Western Bancorp, Inc.		1 862 296	2.48%
25 202	Hanover Insurance Group, Inc.		2 293 634	3.06%
28 893	Hartford Financial Services Group, Inc.		1 376 751	1.84%
374 120	MGIC Investment Corp.		3 812 283	5.09%
15 060	Reinsurance Group of America, Inc.		1 895 000	2.53%
261 185	SLM Corp.		2 878 259	3.84%
18 954	State Street Corp.		1 473 105	1.96%
30 755	Wintrust Financial Corp.		2 231 890	2.98%
Italy			3 596 720	4.80%
1 514 731	Beni Stabili SpA SIIQ		867 531	1.16%
205 188	FinecoBank Banca Fineco SpA		1 153 529	1.54%
183 799	Infrastrutture Wireless Italiane SpA 144A		853 380	1.14%
44 753	Mediobanca SpA		366 061	0.49%
123 529	UniCredit SpA		356 219	0.47%
Spain			2 390 047	3.19%
47 398	Grupo Catalana Occidente S.A.		1 555 283	2.08%
76 615	Merlin Properties Socimi S.A.		834 764	1.11%
Denmark			2 157 994	2.88%
84 846	Topdanmark A/S		2 157 994	2.88%
Netherlands			1 634 000	2.18%
115 870	ING Groep NV		1 634 000	2.18%
Poland			1 214 543	1.62%
40 301	Bank Pekao S.A.		1 214 543	1.62%
Germany			765 621	1.02%
17 752	Wirecard AG		765 621	1.02%
Ireland			31 864	0.05%
22 378	Cairn Homes Plc.		31 864	0.05%
CASH EQUIVALENTS			24 391 238	32.55%
Treasury bills			24 391 238	32.55%
USD			24 391 238	32.55%
15 000	0.000% United States Treasury Bill 16	12.01.17	14 997 942	20.02%
9 400	0.000% United States Treasury Bill 16	23.02.17	9 393 296	12.53%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Financials Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

				Maturity date	Unrealised profit/loss EUR	% of net assets
Purchases		Sales				
CHF	6 337 000	USD	6 250 846	13.01.17	-11 563	-0.01%
EUR	468 803	USD	487 274	04.01.17	7 196	0.01%
EUR	74 655	USD	78 320	05.01.17	428	0.00%
EUR	67 811 000	USD	71 826 198	13.01.17	-259 000	-0.35%
USD	752 421	CHF	763 000	13.01.17	1 186	0.00%
USD	2 177 364	DKK	15 500 000	20.01.17	-23 614	-0.03%
USD	85 608	EUR	82 363	04.01.17	-1 264	-0.00%
USD	70 825	EUR	67 510	05.01.17	-387	-0.00%
USD	4 853 681	EUR	4 584 000	13.01.17	15 763	0.02%
USD	9 180 417	EUR	8 790 000	20.01.17	-99 319	-0.13%
USD	373 348	INR	25 425 000	20.01.17	-701	-0.00%
USD	708 451	KRW	843 765 000	20.01.17	9 854	0.01%
USD	1 336 122	PLN	5 670 000	20.01.17	-21 762	-0.03%
USD	2 296 885	RON	9 940 000	20.01.17	-12 383	-0.02%
USD	378 364	SAR	1 420 000	23.01.17	-79	-0.00%
					-395 645	-0.53%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA, Merrill Lynch International, Morgan Stanley or State Street Bank London.

Options

Number	Securities	Commitment on Options	Market value EUR	% of net assets
Index Optionen				
10	PUT S+P 500 30.12.2016 Str. 2075 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	50	0.00%
20	PUT S+P 500 30.12.2016 Str. 2100 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	100	0.00%
18	PUT S+P 500 17.03.2017 Str. 2175 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	64 890	0.09%
15	PUT S+P 500 15.09.2017 Str. 2200 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	159 000	0.21%
22	PUT S+P 500 15.12.2017 Str. 2150 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	255 200	0.34%
14	PUT S+P 500 15.12.2017 Str. 2250 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	218 400	0.29%
15	PUT S+P 500 19.01.2018 Str. 2150 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	175 485	0.24%
15	PUT S+P 500 15.06.2018 Str. 2200 - MERRILL LYNCH PIERCE FENNER + SMITH INC	—	250 350	0.33%
			1 123 475	1.50%

Swaps

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Allstate Corp.	-36 851	USD	2 510 127	2 731 396	-221 269	-0.30%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Assurant, Inc.	-9 157	USD	778 929	850 319	-71 390	-0.09%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Azimut Holding SpA	-37 965	EUR	562 765	635 091	-103 713	-0.14%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banca Mediolanum SpA	-85 546	EUR	569 533	616 268	-78 500	-0.10%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banca Transilvania S.A.	952 680	USD	2 467 037	2 301 002	-166 035	-0.22%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Banco do Brasil S.A.	-142 408	USD	2 833 373	3 067 909	-211 679	-0.28%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Financials Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Bank of East Asia Ltd.	-280 737	HKD	1 371 125	1 244 760	126 781	0.17%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Bank of Ireland	4 385 206	EUR	1 106 141	1 082 319	-36 502	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - BB&T Corp.	-48 364	USD	1 930 163	2 274 075	-343 913	-0.46%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - BGEO Group Plc.	17 852	GBP	1 104 114	1 048 633	-52 361	-0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - BlackRock, Inc.	-6 176	USD	2 209 436	2 350 215	-140 779	-0.19%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - BOK Financial Corp.	-9 799	USD	672 701	813 709	-141 008	-0.19%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Cairn Homes Plc.	1 402 289	EUR	1 691 741	1 996 737	399 347	0.53%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - Capital One Financial Corp.	-26 313	USD	2 359 485	2 295 546	63 941	0.09%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CarMax, Inc.	-17 431	USD	952 081	1 122 382	-170 301	-0.23%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - China Life Insurance Co. Ltd.	-133 393	HKD	346 989	347 541	-353	-0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - CYBG Plc.	-351 145	GBP	1 167 933	1 217 501	-103 266	-0.14%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Direct Line Insurance Group Plc.	668 831	GBP	3 212 517	3 052 872	-53 481	-0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Dongbu Insurance Co. Ltd.	22 458	USD	757 802	625 466	-132 337	-0.18%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Ellie Mae, Inc.	-14 497	USD	1 178 763	1 213 109	-34 346	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Euro Stoxx Insurance Index	-16 225	EUR	3 869 786	4 218 946	-508 753	-0.68%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Euro Stoxx Real Estate Index	-19 916	EUR	4 562 887	4 728 541	-243 806	-0.33%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - KBW Bank Index	8 691	USD	618 365	797 755	179 390	0.24%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Flagstar Bancorp, Inc.	-42 225	USD	1 174 247	1 137 542	36 705	0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - GRENKE AG	-9 146	EUR	1 717 330	1 437 365	194 199	0.26%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Hong Kong Exchanges & Clearing Ltd.	-26 200	HKD	699 842	619 083	81 102	0.11%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - HSBC Holdings Plc.	-188 522	GBP	1 392 934	1 530 230	-210 067	-0.28%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - HSBC Holdings Plc. (Hong Kong)	-110 566	HKD	829 194	887 734	-57 775	-0.08%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Ingenico Group S.A.	-7 735	EUR	689 516	618 985	33 858	0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - InvesCo Ltd.	-23 646	USD	732 092	717 420	14 672	0.02%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Itau Unibanco Holding S.A.	110 499	USD	2 692 674	2 868 644	175 970	0.24%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Janus Capital Group, Inc.	-67 861	USD	1 065 418	900 515	164 902	0.22%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Kemper Corp.	-39 429	USD	1 512 891	1 746 705	-233 814	-0.31%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Financials Alpha

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type*	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Korea Exchange	6 729	USD	621 686	748 312	97 931	0.13%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Moody's Corp.	-15 409	USD	1 642 120	1 452 606	161 566	0.22%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - National Australia Bank Ltd.	-77 285	AUD	1 610 904	1 716 356	-172 038	-0.23%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - New York Community Bancorp, Inc.	-89 713	USD	1 432 474	1 427 334	5 141	0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - NEX Group Plc.	223 681	GBP	2 395 066	1 283 838	-1 092 160	-1.46%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Nexity S.A.	33 085	EUR	1 751 821	1 551 494	-101 598	-0.14%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Paysafe Group Plc.	140 278	GBP	777 805	643 591	-73 962	-0.10%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Poste Italiane SpA	-256 307	EUR	1 696 095	1 704 492	-23 254	-0.03%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Progressive Corp.	-25 093	USD	821 610	890 802	-69 191	-0.09%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - RSA Insurance Group Plc.	289 812	GBP	2 041 982	2 098 501	150 405	0.20%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - S&P Supercomposite Property & Casual Insurance Sub Industry Index	-4 034	USD	2 026 663	2 217 942	-191 280	-0.25%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Samba Financial Group	113 952	USD	379 734	398 778	19 045	0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Shriram Transport Finance Co. Ltd.	54 270	USD	404 224	375 671	-28 553	-0.04%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Societa Cattolica di Assicurazioni SCRL	-85 753	EUR	484 699	503 795	-46 128	-0.06%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Stoxx Europe Small 200 Index	-3 054	EUR	843 132	828 816	-34 965	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Stoxx Europe 600 Financial Services Index	-3 673	EUR	1 623 881	1 606 627	-71 458	-0.10%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Stoxx Europe 600 Insurance Index	-7 249	EUR	1 959 104	2 061 789	-125 902	-0.17%
CFD	CREDIT SUISSE SECURITIES (EUROPE) LTD. - TAG Immobilien AG	154 922	EUR	2 011 770	2 052 354	129 089	0.17%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - TP ICAP Plc.	182 789	GBP	965 705	978 665	978 665	1.31%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - TP ICAP Plc.	-185 935	GBP	990 179	995 509	-13 228	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Tryg A/S	-34 203	DKK	686 457	619 575	32 022	0.04%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Webster Financial Corp.	-16 163	USD	616 079	877 328	-253 060	-0.34%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Wells Fargo & Co.	-47 605	USD	2 402 258	2 623 512	-221 253	-0.29%
CFD	MERRILL LYNCH - STXE 600 Insurance	-3 347	EUR	937 927	951 967	-1 605	-0.00%
						-2 790 352	-3.72%

*CFD = Contract for Difference

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Merger Arbitrage*

Fund Management Report

GAM Star (Lux) - Merger Arbitrage was launched on 15 July 2016 and is up +0.91% (I-EUR share class) at the end of the year.

During the second part of the year, political themes drove the markets. Firstly, Brexit caught most investors by surprise in June 2016, and was then quickly ignored by the markets, which recovered completely in the summer. Later on, US elections took the centre stage and Mr Trump's victory, unexpected and deemed by many a source of instability for the markets, led instead to an equity rally that stretched until the end of the year.

A rather sustained flow of new M&A deals in the second part of the year, culminated in the record month of October, made 2016 a busy year in terms of deal making. Besides on-going consolidation in specific industries, like the global pharmaceutical sector, the semiconductor sector, or mid/small size banks in the US, M&A activity could be explained by contingent factors: Brexit, JPY strength, private equity resurgence. Brexit and a weaker GBP have been an opportunistic deal-making factor in the counterbid on Premier Farnell Plc by Avnet (US) and in the acquisition of ARM Holdings Plc by Softbank (JP). The strong JPY was a driver, as well, of the announced takeover of Joy Global Inc. (US) by Komatsu (JP). The comeback of liquidity-rich private equity buyers, an established phenomenon since the beginning of 2016, triggered the acquisitions of many small and mid-cap companies like Outerwall Inc., Imprivata Inc., Epiq Systems Inc., Rackspace Hosting Inc., Accuride Corp., Infoblox Inc., Team Health Holdings Inc., Inteligent Inc. in which the sub-fund bought participations.

A few notable big transactions have also been agreed in late 2016: Spectra Energy/Enbridge, Time Warner/AT&T, NXP Semiconductors/Qualcomm, Level 3 Communications/CenturyLink., all still undergoing antitrust review.

Performance of the sub-fund has been positively driven by the orderly completion of M&A transactions, with some notable exceptions. In August 2016 the KLA Tencor/Lam Research deal in the IT sector run into troubles: companies declared that getting all necessary authorisations for their planned business combination could take longer than expected, specifically may extend beyond 20 October 2016, the outside date set forth in the merger agreement. The statement, without any clear commitment from the companies to extend the outside date, caused the shares of KLA-Tencor to drop substantially. The sub-fund held a small position in the deal (long KLA Tencor, short LAM Research). In early October 2016 the deal had been called off, but without any further downside in the stocks.

The most adverse event for the sub-fund in 2016 was the termination of the Aixtron SE acquisition by Fujian Grand Chip. The deal already received the required authorisation from the German Federal Ministry of Economics and Energy (BMWi) in September 2016, but in October 2016, in an unprecedented move, BMWi withdrew the authorisation and reopened the review of the deal, arguing that Aixtron's know-how included security-related technologies, relating in particular to the defence sector. The surprising about-turn of BMWi finds a partial explanation in the growing protectionist stance of German politics, stirred by a string of Chinese acquisitions. We sold the long position in the shares of Aixtron SE after the news that also US regulators had security concerns regarding the deal. The transaction had been cancelled in December 2016, after the negative ruling of CFIUS.

Some volatility in the sub-fund during Q4 2016 was due to the long position in Syngenta, the Swiss chemical company being acquired by China National Chemical Corp. In October the review by the EU antitrust commission had been pushed to Phase II, meaning that the closing of the deal had been delayed by 3-4 months. Furthermore, China later released new capital control measures, aimed at curbing outbound M&A transactions that involve international Renminbi payments. The potential impact of this set of rules is big, but it is difficult to estimate how they will be interpreted by the authorities, like MOFCOM, SAFE and NDRC, ruling on these kinds of deals. The first impact on cross-country deals with a Chinese buyer was of course negative, including Syngenta/ChemChina, but also Ingram Micro (US) and Gategroup (CH).

A number of pending M&A transactions have been settled before year end, in December 2016, thus slightly decreasing the diversification of the sub-fund portfolio of deals, but causing, as well, a positive mark-to-market effect. At the same time the completion of troubled transactions like Virgin America/Alaska Air, and of a landmark deal like LinkedIn/Microsoft brought some confidence to the market and caused the merger arbitrage spreads to shrink: this translated into a tailwind for the sub-fund.

The overall macroeconomic framework remains supportive for the strategy, notwithstanding risk factors like the growing share of M&A originated by Chinese buyers and related approval risk. The continuing easing bias in the global monetary policy provides cheap funds for acquisitions and a moderate economic growth makes M&A an attractive and quick solution to expand revenues. Availability of new deals is helpful in diversifying the portfolio, and thus controlling the potential drawdown of the sub-fund.

On other special situations, the sub-fund took part in the squeeze-outs of Gameloft SE and USG People NV and was able to invest in index review situations on Nikkei225 and Ixex due to replacements of acquired companies or fast-exit rules. Besides those opportunities, August and November are when the quarterly regular re-balancings of major indices take place. Index arbitrage was performed on the announcements of MSCI, STOXX and FTSE reviews. A number of names have been added to the portfolio, mostly as long positions vs short position in the index; just in residual cases short names vs long positions in the index. During Q4 we expanded the number of spin-off arbitrage trades and raised the gross exposure of this portfolio component to more than 10%. On average these trades have performed positively, with top gainers Advansix (spin-off of Honeywell), Lamb Weston (spin-off of Conagra Brands) and Versum Materials (spin-off of Air Products).

* See Appendix I.

The information in this report is based on historical data and is no indication of future performance.

GAM Star (Lux) - Merger Arbitrage*

STATEMENT OF NET ASSETS as at 31 December 2016

EUR

Assets

Investments at market value (acquisition cost: EUR 169 682 846)	177 402 544
Derivative instruments:	
- Forward foreign exchange contracts	1 862 886
- Options	212 462
- Swaps	650 382
Bank deposits**	40 240 525
Subscriptions receivable	415 102
Receivables on securities sold	33 978
Receivables on swaps	4 745
Dividends and interest receivable	148 965
Total Assets	220 971 589

Liabilities

Derivative instruments:	
- Forward foreign exchange contracts	291 405
- Options	27 333
- Swaps	4 156 047
Premium from swaps paid	236 193
Bank liability**	12 896 286
Payable for redemptions	932 830
Liabilities on securities purchased	4 381 635
Management fees payable	135 614
"Taxe d'abonnement" payable	20 267
Performance fees payable	12 950
Interest payable on swaps	51 073
Other liabilities	38 925
Total Liabilities	23 180 558
Net Assets	197 791 031

* See Appendix I.

** Also includes bank deposits/bank liabilities at brokers.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Merger Arbitrage*

PROFIT AND LOSS ACCOUNT

from 15 July 2016 (launch date) until 31 December 2016

EUR

Income

Income on securities	391 423
Interest income on swaps	65
Other income	210

Total Income	391 698
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Expenses

Short dividends paid	246 912
Management fees	362 094
Depository fees and expenses	32 838
Administration fees	68 825
"Taxe d'abonnement" and other taxes	30 082
Interest expense on bank liabilities	16 836
Interest expense on swaps	1 173
Other expenses**	36 681
Equalisation	25 997

Total Expenses	821 438
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Net profit/loss

-429 740

Realised profit/loss on:

- Securities	582 664
- Options	-67 732
- Swaps	53 867
- Forward foreign exchange contracts	-4 215 451
- Futures	-11 991
- Foreign currencies	886 072

Net realised profit/loss	-3 202 311
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Net change in unrealised appreciation/depreciation on:

- Securities	7 719 698
- Options	-56 326
- Swaps	-3 505 665
- Forward foreign exchange contracts	1 571 481
- Foreign currencies	127 580

Total profit/loss	2 654 457
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STATEMENT OF CHANGES IN NET ASSETS

31 December 2016

EUR

Net assets at the beginning of the financial period	0
Total profit/loss	2 654 457
Net subscriptions/redemptions	195 136 574
Net assets at the end of the financial period	197 791 031

* See Appendix I.

**See page 20.

The accompanying notes form an integral part of the financial statements.

GAM Star (Lux) - Merger Arbitrage*

COMPARATIVE STATEMENT

31 December 2016
Number of shares

Number of shares outstanding	
Accumulation shares (Shares D-EUR)	65 831.07*
Accumulation shares (Shares Dh-CHF)	45 702.63*
Accumulation shares (Shares Dh-GBP)	8 885.85*
Accumulation shares (Shares Dh-USD)	45 114.55*
Accumulation shares (Shares I-EUR)	574 924.83*
Accumulation shares (Shares Ih-CHF)	163 770.17*
Accumulation shares (Shares Ih-GBP)	289 005.05*
Accumulation shares (Shares Ih-USD)	301 531.57*
Accumulation shares (Shares V-EUR)	100.59*
Accumulation shares (Shares Z-EUR)	444 990.14*

Net Assets

EUR
197 791 031

In the share class
currency

NAV per share	
Accumulation shares (Shares D-EUR)	100.66*
Accumulation shares (Shares Dh-CHF)	100.32*
Accumulation shares (Shares Dh-GBP)	101.04*
Accumulation shares (Shares Dh-USD)	101.42*
Accumulation shares (Shares I-EUR)	100.91*
Accumulation shares (Shares Ih-CHF)	100.60*
Accumulation shares (Shares Ih-GBP)	101.24*
Accumulation shares (Shares Ih-USD)	101.64*
Accumulation shares (Shares V-EUR)	99.92*
Accumulation shares (Shares Z-EUR)	100.61*

* See Appendix I.

GAM Star (Lux) – Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016

Number/ Nominal (in 1 000)	Securities	Market value EUR	% of net assets
TOTAL		177 402 544	89.69%
SECURITIES TRADED ON A STOCK EXCHANGE		177 383 417	89.68%
Equities		177 383 417	89.68%
United States		129 383 516	65.41%
38 702	Advansix, Inc.	812 384	0.41%
22 097	AEP Industries, Inc.	2 432 294	1.23%
174 643	American Capital Ltd.	2 967 151	1.50%
11 788	Apollo Education Group, Inc.	110 643	0.06%
355 889	Applied Micro Circuits Corp.	2 783 678	1.41%
62 549	Arconic, Inc.	1 099 463	0.56%
70 806	B/E Aerospace, Inc.	4 040 591	2.04%
115 156	Bats Global Markets, Inc.	3 658 571	1.85%
10 942	Blackhawk Network Holdings I	390 841	0.20%
114 344	Blue Nile, Inc.	4 404 643	2.23%
321 523	Brocade Communications Systems, Inc.	3 807 369	1.92%
71 521	Cabela's, Inc.	3 970 187	2.01%
646 660	Cascade Bancorp	4 978 317	2.52%
144 031	Chemtura Corp.	4 533 614	2.29%
12 455	CLARCOR, Inc.	973 846	0.49%
99 241	CST Brands, Inc.	4 530 414	2.29%
111 768	Datalink Corp.	1 193 181	0.60%
93 316	EarthLink Holdings Corp.	498 983	0.25%
53 228	Empire District Electric Co.	1 720 353	0.87%
50 831	Equity One, Inc.	1 479 027	0.75%
92 782	EverBank Financial Corp.	1 710 936	0.87%
167 215	FairPoint Communications, Inc.	2 964 608	1.50%
14 852	Fortive Corp.	755 167	0.38%
46 500	G & K Services, Inc. "A"	4 252 122	2.15%
29 489	GCP Applied Technologies	747 884	0.38%
43 538	Harman International Industries, Inc.	4 588 466	2.32%
42 356	Headwaters, Inc.	944 502	0.48%
14 828	Ingevity Corp	771 239	0.39%
145 907	Inteliquent, Inc.	3 170 598	1.60%
192 855	Isle of Capri Casinos, Inc.	4 514 425	2.28%
182 750	Janus Capital Group, Inc.	2 299 211	1.16%
169 718	Joy Global, Inc.	4 505 432	2.28%
11 268	Keysight Technologies, Inc.	390 681	0.20%
33 400	Lamb Weston Holdings, Inc.	1 198 568	0.61%
54 779	Level 3 Communications, Inc.	2 927 087	1.48%
86 915	LifeLock, Inc.	1 971 090	1.00%
75 732	Linear Technology Corp.	4 476 786	2.26%
5 233	Lumentum Holdings, Inc.	191 757	0.10%
2 360	Madison Square Garden Co. "A"	383 753	0.19%
45 443	Manitowoc Foodservice, Inc.	832 817	0.42%
130 177	Mentor Graphics Corp.	4 552 955	2.30%
222 828	Metaldyne Performance Group, Inc.	4 848 450	2.45%
36 244	Middleburg Financial Corp.	1 194 102	0.60%
39 722	Parkway, Inc.	837 937	0.42%
244 288	Rite Aid Corp.	1 908 446	0.96%
5 559	Spectra Energy Corp.	216 563	0.11%
60 267	St Jude Medical, Inc.	4 581 949	2.32%
103 529	Stillwater Mining Co.	1 581 277	0.80%
26 942	Suffolk Bancorp	1 093 772	0.55%
24 232	Team Health Holdings, Inc.	998 228	0.50%
5 385	Time Warner, Inc.	492 832	0.25%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal (in 1 000)	Securities	Market value EUR	% of net assets
128 570	Universal American Corp.	1 212 867	0.61%
8 690	Valspar Corp.	853 634	0.43%
46 063	Versum Materials, Inc.	1 225 872	0.62%
204 411	WCI Communities, Inc.	4 544 620	2.30%
35 255	Westar Energy, Inc.	1 883 498	0.95%
103 869	Yadkin Financial Corp.	3 373 835	1.71%
Japan		10 953 244	5.54%
251 400	Accordia Golf Co. Ltd.	2 456 356	1.24%
98 000	Calsonic Kansei Corp.	1 425 142	0.72%
137 600	Coca-Cola East Japan Co. Ltd.	2 881 283	1.46%
106 000	Ichikoh Industries Ltd.	324 839	0.16%
386 000	TonenGeneral Sekiyu KK	3 865 624	1.96%
Netherlands		6 916 263	3.50%
377 360	Cnova NV	1 960 590	0.99%
186 863	Delta Lloyd NV	993 551	0.50%
42 639	NXP Semiconductors NV	3 962 122	2.01%
Canada		5 321 202	2.69%
855 791	Canexus Corp.	986 191	0.50%
175 746	DirectCash Payments, Inc.	2 358 235	1.19%
73 659	Manitoba Telecom Services, Inc.	1 976 776	1.00%
France		4 624 357	2.34%
39 140	Ausy	2 146 829	1.09%
587 092	Etablissements Maurel et Prom	2 477 528	1.25%
Bermuda Island		4 528 060	2.29%
51 688	Endurance Specialty Holdings Ltd.	4 528 060	2.29%
Switzerland		3 360 440	1.70%
8 950	Syngenta AG	3 360 440	1.70%
Singapore		2 793 755	1.41%
1 984 800	Innovalues Ltd.	1 296 023	0.65%
1 783 000	Super Group Ltd.	1 497 732	0.76%
Australia		2 540 945	1.28%
1 087 713	Bradken Ltd.	2 404 469	1.21%
103 003	Cover-More Group Ltd.	136 476	0.07%
China		2 297 747	1.16%
14 566 000	Chinalco Mining Corp International	2 297 747	1.16%
Spain		1 973 328	1.00%
469 840	Tecnocom Telecomunicaciones y Energia S.A.	1 973 328	1.00%
Italy		1 218 734	0.61%
326 039	Italgas SpA	1 218 734	0.61%
Luxembourg		982 530	0.50%
39 028	BRAAS Monier Building Group S.A.	982 530	0.50%

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Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Number/ Nominal (in 1 000)	Securities	Market value EUR	% of net assets
Germany		489 296	0.25%
11 278	GFK S.E.	489 296	0.25%
UNLISTED SECURITIES		19 127	0.01%
Equities		19 127	0.01%
Netherlands		19 127	0.01%
1 112	USG People NV	19 127	0.01%

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GAM Star (Lux) - Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Purchases		Sales		Maturity date	Unrealised profit/loss EUR	% of net assets
CHF	21 344 000	EUR	19 887 271	13.01.17	24 641	0.01%
EUR	9 037 346	AUD	12 806 000	19.01.17	256 976	0.13%
EUR	5 787 638	CAD	8 076 000	19.01.17	81 996	0.04%
EUR	355 205	CHF	382 000	13.01.17	-1 164	-0.00%
EUR	7 758 419	CHF	8 324 000	19.01.17	-8 219	-0.00%
EUR	407 337	GBP	346 000	13.01.17	2 118	0.00%
EUR	2 818 244	GBP	2 360 000	19.01.17	54 651	0.03%
EUR	3 424 693	HKD	27 774 000	19.01.17	31 079	0.02%
EUR	8 821 091	JPY	1 084 000 000	19.01.17	8 676	0.00%
EUR	2 809 595	SGD	4 229 000	19.01.17	36 905	0.02%
EUR	122 186	USD	127 000	04.01.17	1 778	0.00%
EUR	1 879 298	USD	1 980 000	13.01.17	3 218	0.00%
EUR	118 360 021	USD	123 708 000	19.01.17	1 175 584	0.59%
GBP	4 699	EUR	5 528	04.01.17	-23	-0.00%
GBP	30 295 000	EUR	35 759 611	13.01.17	-279 469	-0.14%
USD	2 546 349	CAD	3 400 000	19.01.17	9 993	0.01%
USD	180 659	EUR	173 810	04.01.17	-2 530	-0.00%
USD	36 908 400	EUR	34 820 649	13.01.17	150 613	0.08%
USD	2 473 713	GBP	1 980 000	19.01.17	24 658	0.01%
					1 571 481	0.80%

The forward foreign exchange contracts listed in the table above were entered into with Bank of America NA or State Street Bank London.

Options

Number	Securities	Commitment on Options	Market value EUR	% of net assets
Equity Optionen				
70	PUT AT&T, Inc. 20.10.2017 Str. 40 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	15 065	0.01%
-161	PUT NeuStar, Inc. 20.01.2017 Str. 33 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	-4 579	-0.00%
-1 200	PUT Rite Aid Corp. 20.01.2017 Str. 5 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	-22 754	-0.01%
500	PUT Rite Aid Corp. 20.01.2017 Str. 7 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	14 695	0.01%
700	PUT Rite Aid Corp. 20.01.2017 Str. 8 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	29 865	0.01%
300	PUT Syngenta AG 16.06.2017 Str. 360 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	57 090	0.03%
180	PUT WhiteWave Foods Co. 20.01.2017 Str. 50 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	1 706	0.00%
763	PUT Windstream Holdings, Inc. 19.05.2017 Str. 8 - MERRILL LYNCH PIERCE FENNER & SMITH, INC.	—	94 041	0.04%
			185 129	0.09%

Swaps

Type**	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Abbott Laboratories	-52 480	USD	1 940 410	1 911 123	97 588	0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Access National Corp.	-48 255	USD	1 103 370	1 270 025	-141 391	-0.07%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - American Axle & Manufacturing Holdings, Inc.	-111 414	USD	1 528 851	2 038 673	-465 065	-0.24%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type**	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Analog Devices, Inc.	-17 577	USD	1 064 781	1 210 184	-105 437	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Ares Capital Corp.	-84 352	USD	1 251 702	1 318 762	-35 877	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - BCE, Inc.	-27 370	CAD	1 124 589	1 122 879	10 449	0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Berry Plastics Group, Inc.	-27 632	USD	1 120 046	1 276 613	-91 431	-0.05%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CBOE Holdings, Inc.	-36 861	USD	2 221 682	2 582 280	-271 546	-0.14%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - CenturyLink, Inc.	-78 257	USD	1 751 979	1 764 353	13 909	0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Coca-Cola West Co. Ltd.	-103 200	JPY	2 693 297	2 889 951	-342 639	-0.17%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Consolidated Communications Holdings, Inc.	-122 066	USD	3 180 989	3 107 345	65 468	0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - e2v technologies Plc.	123 690	GBP	396 543	395 588	-228	-0.00%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Eldorado Resorts, Inc.	-132 675	USD	1 617 292	2 132 108	-442 321	-0.22%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Enbridge, Inc.	-61 353	CAD	2 413 984	2 450 698	58 828	0.03%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Enel SpA	-97 751	EUR	384 663	409 381	-24 718	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - First Interstate BancSystem, Inc.	-96 119	USD	3 329 093	3 877 567	-532 139	-0.27%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - FNB Corp.	-224 357	USD	2 905 012	3 409 759	-445 142	-0.23%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Fyffes Plc.	932 502	EUR	2 078 071	2 107 455	29 384	0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Henderson Group Plc.	-2 233 086	GBP	2 392 993	2 380 281	118 678	0.06%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Indra Sistemas S.A.	-81 141	EUR	815 479	844 678	-29 198	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Intersil Corp.	141 858	USD	2 861 349	2 999 226	34 147	0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - JX Holdings, Inc.	-984 300	JPY	3 564 264	3 958 138	-624 331	-0.32%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - KB Financial Group, Inc.	4	USD	125	134	4	0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - LG Chem Ltd.	-9 776	USD	1 855 692	2 002 890	-102 728	-0.05%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - LG Life Sciences Ltd.	37 505	USD	1 828 802	1 987 231	114 371	0.06%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Lions Gate Entertainment Corp.	-263 119	USD	236 193	385 504	-13 268	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - MACOM Technology Solutions Holdings, Inc.	-38 756	USD	1 768 396	1 700 524	82 462	0.04%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - People's United Financial, Inc.	-59 945	USD	845 902	1 100 294	-206 873	-0.10%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Regency Centers Corp.	-22 873	USD	1 450 814	1 495 230	-43 030	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Rockwell Collins, Inc.	-11 458	USD	906 834	1 007 674	-66 012	-0.03%

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

GAM Star (Lux) - Merger Arbitrage*

SECURITIES PORTFOLIO AS AT 31 DECEMBER 2016 (continued)

Swaps (continued)

Type**	Counterparty - Underlying	Number of the underlying	Currency of the underlying	Nominal value of the underlying	Commitment EUR	Unrealised profit/loss EUR	% of net assets
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - S&P 400 Information Technology Sector Index	-552	USD	987 016	973 064	4 954	0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - S&P 500 Consumer Staples Index	-2 317	USD	1 159 395	1 168 192	-6 206	-0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - S&P 500 Industrial Sector Index	-5 235	USD	2 665 313	2 670 563	3 449	0.00%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - S&P 500 Materials Sector Index	-11 550	USD	3 369 923	3 418 287	-26 753	-0.01%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - S&P 500 Media Industry Group Index	-793	USD	395 150	385 354	4 045	0.00%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - S&P 500 REITS Industry Index	-4 351	USD	778 430	788 753	-4 725	-0.00%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Snam SpA	-106 397	EUR	386 610	416 438	-29 828	-0.02%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - Spectra Energy Corp.	56 802	USD	2 170 878	2 212 841	-83 885	-0.04%
CFD	MERRILL LYNCH INTERNATIONAL LONDON - Terna Rete Elettrica Nazionale SpA	-94 118	EUR	388 325	409 602	-21 276	-0.01%
CFD	MORGAN STANLEY AND CO. INTERNATIONAL - WhiteWave Foods Co.	42 868	USD	2 142 784	2 259 740	12 646	0.01%
						-3 505 665	-1.77%

* See Appendix I.

**CFD = Contract for Difference

The statements of changes in the securities portfolio may be obtained free of charge from the respective Paying Agents and from the representative in Switzerland.

Any inconsistencies in the net asset percentages are the result of rounding differences.

Appendix I – Launches, liquidations, mergers and name changes of Sub-funds and/or share classes (unaudited)

During the year, the following Sub-fund was launched:

Sub-Fund	Launch date
GAM Star (Lux) - Merger Arbitrage	15 July 2016

During the year, the following share classes were launched:

Sub-Fund	Share class	Launch date
GAM Star (Lux) - Merger Arbitrage	D-EUR	15 July 2016
Merger Arbitrage	Dh-CHF	15 July 2016
Merger Arbitrage	Dh-GBP	15 July 2016
Merger Arbitrage	Dh-USD	15 July 2016
Merger Arbitrage	I-EUR	15 July 2016
Merger Arbitrage	Ih-CHF	15 July 2016
Merger Arbitrage	Ih-GBP	15 July 2016
Merger Arbitrage	Ih-USD	15 July 2016
Merger Arbitrage	V-EUR	20 September 2016
Merger Arbitrage	Z-EUR	2 November 2016

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