GAM Star Credit Opportunities (EUR)

MARKETING MATERIAL

Specialist - Credit Opportunities

EUR UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 31 Oct 2017 EUR 18.5613 (Acc) 17.0844 (Inc)

November 2017

Fund description

Investment strategy: Credit Opportunities

Investment objective: Income generation with capital appreciation

Investment style: Seeks to produce high income, investing predominantly in investment grade or high quality issuers. Will participate in issues lower down the company's capital structure in order to capture higher returns. Expertise in the financial sector and other niche areas such as undated, floating rate and fixed to floater debt instruments

Currency hedging: May be employed to protect against exchange rate risk.

Manager



Anthony Smouha, ATLANTICOMNIUM S.A.

Manager commentary as at 31 Oct 2017

The fund posted good gains in October by virtue of price gains among both fixed-rate and floating-rate bonds. During the month a wide variety of securities were purchased including both fixed-rate and floating-rate securities. Throughout the month investments were increased in contingent capital fixed-to-floater securities of HSBC, BBVA and Banco Santander. Investments were also made in old Royal Bank of Scotland floating-rate notes with an interest margin of 233bp over Libor at a price of around 97%, and we added to our largest holding of 6.5% Rabobank old undated securities as the price increased towards 125%. At this level, we like the income that it generates and we believe that the valuation is still very attractive. The fundamental results for our companies, both the banks and the insurance, continue to show progress in the multi-year process of capital strengthening. This reinforces their value in the context of historically wide interest spreads. We continue to monitor the possibility of rising generic yields and have added to some of our short-dated floating-rate notes. For example, we have added both the Ageas and BNP Fortis issues which pay respectively three month Euribor +135bp and three month Euribor +200bp. They are priced at 62.8% and 86% respectively. We continue to believe our blend of fixed-rate bonds, fixed-to-floating securities and deeply discounted floating-rate notes provides an attractive return as well as the prospect for selected capital gains.

Fund facts

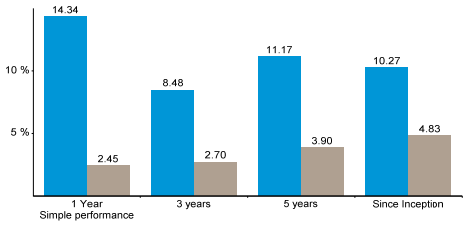
Fund managed by Anthony Smouha and Gregoire Mivelaz, ATLANTICOMNIUM S.A.
Fund type UCITS
Stock exchange listing Irish
Currency classes CHF, EUR classes are available
Base currency of the class EUR
Inception date of the fund 5 Jul 2011
Inception date of the class 5 Jul 2011
Fund size EUR 4,497.7m
Class size EUR 1,096.4m
Min investment of the class EUR 10,000
Dividend policy Monthly, quarterly and semi-annual distributing classes are available. Reporting fund status received.
Dealing day Any business day.
Investment manager and sponsor fees* 1.35%
TER 1.55% as at 30 Jun 2017
Bloomberg
Acc GAMSCOE ID Inc GAMSCEI ID
Reuters
Acc SECEA.FND Inc SECEI.FND
ISIN
Acc IE00B567SW70 Inc IE00B55JGJ70
Valoren
Acc 12422043 Inc 12422042
SEDOL
Acc B567SW7
Authorised for public sale in Austria, Belgium, Bulgaria, Denmark (professional investors), Finland, France, Germany, Ireland, Liechtenstein, Luxembourg, Netherlands, Norway (professional investors), Singapore (Institutional & accredited investors only), Spain, Sweden, Switzerland and United Kingdom
Data sources GAM, Bloomberg

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

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

Fund performance and risk analysis

Compound annual growth rates as at 31 Oct 2017



Performance summary as at 31 Oct 2017

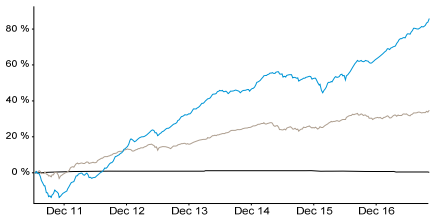
	Fund %	Bond Index %
1 month return	2.41	1.10
3 months' return	3.20	1.45
12 months' return	14.34	2.45
Return since inception	85.61	34.73
Annualised return since inception	10.27	4.83

Portfolio statistics (bond portfolio) as at 31 Oct 2017

	Fund%	Bond Index%
Average coupon	4.76	2.24
Average yield to maturity	4.05	0.62
Duration	4.81	5.21
Distribution yield	2.61	
Average security rating**	BB	
Average company-issuer rating**	BBB	

** If a guarantee is in place, the credit rating relates to the guarantor. Otherwise, the credit rating of the parent or ultra-parent is used. Priority is given to rating providers as follows: SP>Moody's>Fitch.

Performance from 5 Jul 2011 to 31 Oct 2017



Key to charts and tables:
Fund: GAM Star Credit Opportunities (EUR); **Bond Index: Barclays EuroAgg Corporate Total Return Index in EUR;** **Cash Index: Average EUR 1 Month Deposit Rate**

Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.54	1.78	0.58	1.55	1.51	1.00	1.70	0.25	0.52	2.41	-	-	**13.59**
2016	-1.98	-2.08	2.83	1.98	0.72	-1.13	2.92	2.84	0.20	0.21	-0.73	1.40	**7.23**
2015	2.31	1.69	1.09	0.34	0.77	-2.03	0.88	-0.93	-1.33	0.90	0.78	-0.79	**3.65**
2014	2.10	1.39	1.61	1.68	1.42	1.08	-0.28	0.21	0.16	-0.26	0.59	0.52	**10.68**
2013	2.97	0.60	1.07	1.66	1.42	-2.11	1.80	1.43	1.82	2.19	1.68	0.48	**15.96**
2012	5.40	3.71	2.48	-0.49	-2.09	0.71	2.69	2.40	2.67	3.39	2.37	2.38	**28.59**

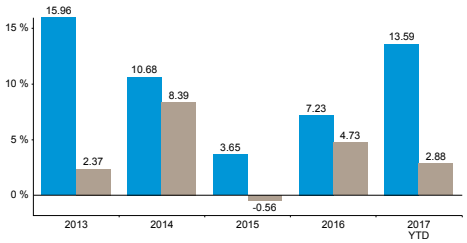
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For daily updates on this fund and a glossary of terms see **www.gam.com**. Access may be subject to certain restrictions.

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

Fund performance and risk analysis, continued

Performance history to 31 Oct 2017



Standardised past performance to 31 Oct 2017

October-October (%)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
GAM Star Credit Opportunities (EUR)	18.96	11.83	4.82	6.51	14.34
Barclays EuroAgg Corporate Total Return Index in EUR	4.47	7.00	0.68	5.03	2.45

Risk summary as at 31 Oct 2017

	12 months		5 years	
	Fund	**Bond Index**	**Fund**	**Bond Index**
Maximum drawdown (%) ***	-0.73	-1.05	-6.45	-3.30
Annualised standard deviation (%)	2.81	2.41	4.39	2.75
Sharpe Ratio*	5.21	1.17	2.57	1.46

*** The largest loss, peak to trough based on monthly data
* Risk free rate is Average EUR 1 Month Deposit Rate

Key to charts and tables:
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Asset allocation

Portfolio allocation as at 31 Oct 2017

Asset type	**Weight%**
Fixed-to-Floater Perpetual	36.7
Fixed Perpetual	16.7
Fixed-Dated Bond	14.7
Cash	13.8
Undated FRN	13.1
Fixed-to-Floater Bond	3.3
Dated FRN	1.7
Other	0.0
FX Forwards Derivatives Hedging	-0.1
Total	**100.0**

Top 10 holdings as at 31 Oct 2017

Name	**% of Fund**
Stichting AK Rabobank Certificaten 6.5% Perp	7.4
HSBC Holdings FRN Perp	3.1
Groupama FRN Perp	3.0
Royal Bank of Scotland Group 5.5% Perp	2.9
HSBC Holdings FRN Perp	2.9
Banco Santander FRN Perp	2.5
Barclays FRN Perp	2.0
Societe Generale FRN Perp	1.9
BNP Paribas Fortis FRN Cnv Perp	1.8
Royal Bank of Scotland Group 5.25% Perp	1.8
Total	**29.3**

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

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