
GAM Funds

Interim Report

for the period ended 30 June 2019 (unaudited)

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*These reports with the addition of the fund review section and portfolio statement of each sub-fund comprise the Authorised Director's Report.

Directory

Board of the Authorised Corporate Director

Douglas Branson

Director, GAM Sterling Management Limited

Daniel Caplan

Director, GAM Sterling Management Limited
(Resigned 22 July 2019)

Tom Dowd

Director, GAM Sterling Management Limited
(Resigned 1 May 2019)

Darren Nicholls

Head of Risk (UK), GAM Sterling Management Limited

Matthew Beesley

Director, GAM Sterling Management Limited

Authorised Corporate Director and Registrar**GAM Sterling Management Limited**

8 Finsbury Circus, London EC2M 7GB, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Investment Adviser**GAM International Management Limited**

8 Finsbury Circus, London EC2M 7GB, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Delegate Investment Adviser**Atlanticomnium SA**

24 Route de Malagnou, Case Postale 330
CH-1211 Geneva 17
Switzerland
(regulated by the Swiss FINMA)

Depository

State Street Trustees Limited
20 Churchill Place, London E14 5HJ, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock, North Wall Quay, Dublin 1, Ireland

Administrator

State Street Bank and Trust Company, London Branch
20 Churchill Place, London E14 5HJ, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Transfer Agent and Facilities Agent in Ireland

GAM Fund Management Limited
54-62 Townsend Street, Dublin 2, Ireland

Authorised Corporate Director's Report

The Authorised Corporate Director ("ACD") presents its report and unaudited interim report for the period to 30 June 2019.

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

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

Prices are published daily on www.gam.com.

In accordance with the Statement of Recommended Practice ("SORP"), for Financial Statements of Authorised Funds issued by the Investment Association ("IA"), comparative figures for the Statement of Total Return and Statement of Change in Net Assets attributable to Shareholders and the related notes are for the interim ended 30 June 2018 and the comparative figures for the Balance Sheet, the related notes and the Portfolio Statement are for the year ended 31 December 2018.

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

Darren Nicholls
Director

Matthew Beesley
Director

GAM Sterling Management Limited
28 August 2019

Investment Objectives and Policy

The investment objective and policy of each sub-fund is set out below. The base currency of each sub-fund is Pound Sterling.

GAM Global Diversified

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

GAM North American Growth

The objective of the Fund is to provide capital growth, through investment primarily in North American equities.

GAM UK Diversified

(Merged into GAM UK Equity Income on 2 August 2018)

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

GAM Credit Opportunities (GBP)

The objective of the Fund is to provide capital appreciation by investing at least 85 per cent of its net assets in the master fund, GAM Star Credit Opportunities (GBP), the investment objective of which is to achieve long-term capital gain in Sterling.

GAM Continental European Equity

The objective of the Fund is to provide capital appreciation by investing at least 85 per cent of its net assets in the master fund, GAM Star Continental European Equity, the investment objective of which is to achieve long-term capital appreciation through investing primarily in quoted equity and equity related securities (including but not limited to warrants), listed on or dealt in Recognised Markets within the EU which are issued by companies with principal offices in Europe other than the United Kingdom.

GAM Emerging Equity

The objective of the Fund is to provide capital appreciation by investing at least 85 per cent of its net assets in the master fund, GAM Multistock – Emerging Equity Fund, the investment objective of which is to achieve longterm capital growth by investing at least two thirds of the assets in a portfolio of carefully selected shares and other equity securities of companies with their registered office or the major part of their business activities in emerging market countries.

GAM UK Equity Income

The objective of the Fund is to provide income generation through investments primarily in UK equities. The Fund also seeks to achieve capital appreciation.

GAM Global Eclectic Equity Fund

The objective of the Fund is to provide capital appreciation, mainly through investment in equities on a worldwide basis.

General

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

In addition to GAM North American Growth and GAM UK Equity Income, where the investment objectives and policy of a Fund state that investments are made “mainly”, “primarily”, “predominantly”, etc. in a particular continent, country or region, that Fund will invest at least two thirds of its total assets in investments of issuers that have their registered office in the relevant territory or that have the predominant part of their commercial activity in that territory or, as holding companies, must predominantly hold stakes in companies with their registered office in such territory.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

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

As at 30 June 2019 none of the Funds held holdings of another Fund of the Company.

Commentary

The Fund rose 16.7% for the six months to 30 June 2019 (as measured by the A share class), compared to its benchmark the MSCI World index in sterling terms which rose by 17.5%.

The first quarter of 2019 saw a strong recovery for global equities. There were, as ever, a number of factors behind the rise. US Federal Reserve (Fed) Governor Powell made some comments which have been interpreted by many to suggest that the Fed may be closer to the end of its interest rate hikes than had previously been expected. Also, the People's Bank of China cut the reserve requirement ratio which has encouraged hopes of stimulus in the world's second-largest economy. However, the biggest reason for the rally, in our view, was the oversold nature of equity markets after a miserable fourth quarter last year and a material de-rating of global equity valuations. What underlies this recovery in equity markets? Investor positioning had become very negative during the second half of last year and there is some degree of correction to activity so far this year. However positioning is ultimately a short term phenomenon – it is economic and company fundamentals that drive returns. The most important fundamental change of 2019 so far has been in the outlook for long-term interest rates. At one point last year US 10 year Treasury yields broke upward through 3% and there was some hope that the global economy had finally broken out of the post GFC malaise. Since then however economic indicators in most of the world have slowed, the Federal Reserve and ECB have tempered their forecasts and long term rates have consequently fallen lower.

The start of the second quarter continued with global equity markets move higher, extending their strong start to the year. Technology was among the strongest individual sectors during this initial period. The recovery of global equities, which has been an underlying theme of the first four months of the year, reversed abruptly in May. The narrative of the month was, on the surface, largely driven by commentary around potential disruption to global trade driven by hints of change from the US Administration. The month began with a renewed attack on China through the threat of higher and more wide-ranging tariffs (a threat that was soon reciprocated), was followed up with a six-month suspension on threatened higher tariffs on EU exports to the US and concluded with a side-swipe at Mexico. While everyone has their own opinion on the likely end-game to these threats, it is already clear that growth in global trade volumes is slowing, some investment decisions are being delayed and the tenor of overall global economic forecasts is slightly negative. This has led to sharply lower global government bond yields and the expectation of even more accommodative monetary policy from the world's central banks. For equities, at the most general level, this presents a tension in the debate – on the one hand slowing growth and a reduced risk appetite is a negative for global equities, but on the other hand an ever-decreasing alternative in the shape of bond yields makes the relative attractiveness of an asset class that is still reasonable value even more glaring.

June was a very strong month for global equities. The benchmark MSCI World index rose 5.6% on the month. While this makes for an impressive first-half absolute return for global equities, it only takes the MSCI World back to where it was at the end of last September, before the sharp sell-off to the fourth quarter. The movement of the headline indices comes against a backdrop of generally disappointing economic data and enduring low yields in both government bond and credit markets. Perhaps equities are anticipating a reacceleration in economic growth in the second-half of the year? There is certainly a large body of commentary now expecting a resumption of more accommodative monetary policy from both the Federal Reserve and the European Central Bank. What is certainly the case, however, is that, on a cross-asset perspective, a comparison in the valuations between bonds, prime property and equities, reveals that the best relative value can be found in equities. The "hunt for yield" is having innumerable ripple effects across financial markets as investors search out intriguing asset classes, such as 'alternative risk premia', 'illiquidity premia' and complex long-duration credit instruments. This development also serves to highlight that more traditional metrics, such as reasonable free cash flow yields and dividend yields, can be found in equity markets.

Within equities, there is an expanding differentiation between the valuation of companies that are expected to continue to grow and those that are perceived to offer less growth potential. Strategists show that the valuation gap between higher and lower growth companies as measured by price-to-earnings ratios continues to expand. Our process is deeply fundamental and stock-picking driven and such dichotomies in the internal dynamics of the market present both challenges and opportunities to our approach. On the one hand, valuations of some of our financial holdings are now extremely low. The price-to-earnings ratios and dividend yields of our European bank holdings are now broadly speaking the same, which is something only previously witnessed during times of extreme stress. On the other hand, we have to be appropriately suspicious about the valuations of our holdings which are perceived to have higher growth characteristics. Our aim is to own shares available at the deepest discounts to our estimates of long-term intrinsic value, whether this is driven by transparently low valuations, ongoing growth in operating performance, or a combination of the two. In this sense we aim to both have our cake and eat it, which should be achievable in a portfolio of only around 40 holdings when compared to the universe of potential holdings.

The top holdings contributing to performance over the period were Lennar, Afterpay Touch Group and Deutsche Konsum REIT. The bottom holdings contributing to performance were Guyana Goldfields, Halliburton and Flex LNG.

Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
United States	37.04	34.87
Germany	8.17	6.14
France	6.86	6.71
Canada	5.85	6.54
China	5.46	4.07
United Kingdom	4.82	6.94
Belgium	4.60	3.23
Italy	4.32	5.78
Netherlands	4.13	3.86
Ireland	3.55	2.99
Switzerland	3.43	2.65
Japan	2.22	5.12
India	1.90	3.47
Sweden	1.83	–
Australia	1.82	0.92
Norway	1.02	1.00
Net other assets	2.98	5.71
Total net assets	100.00	100.00

Portfolio Analysis

Analysis, by industry sector	30 June 2019 %	31 December 2018 %
Banks	12.34	12.13
Energy	12.04	13.89
Materials	11.16	9.53
Consumer Durables & Apparel	8.34	7.96
Food Beverage & Tobacco	8.21	7.34
Health Care Equipment & Services	7.18	4.56
Media & Entertainment	7.03	5.64
Transportation	6.73	4.41
Software & Services	5.33	3.62
Household & Personal Products	4.99	6.01
Capital Goods	3.09	2.53
Real Estate	2.70	6.05
Telecommunication Services	2.10	6.05
Insurance	1.90	1.26
Retailing	1.55	–
Diversified Financials	1.21	0.95
Semiconductors & Semiconductor Equipment	0.81	–
Technology Hardware & Equipment	0.31	0.25
Consumer Services	–	1.13
Automobiles & Components	–	0.98
Net other assets	2.98	5.71
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Quoted	95.12	90.82
Participatory Note	1.90	3.47
Net other assets	2.98	5.71
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Currency Risk – Non Base Currency Share Class:** non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.
- **Investment Positions:** positions may increase in size relative to the size of the Fund. The risk is monitored by regularly adapting positions.
- **Equity:** investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
United States 37.04% (December 2018: 34.78%)			
149,751	Lennar	5,701	4.91
21,623	Becton Dickinson	4,282	3.69
38,719	Microsoft	4,075	3.51
87,054	Mondelez International	3,687	3.17
158,540	Apache	3,609	3.11
194,827	Halliburton	3,481	3.00
42,470	United Parcel Service	3,446	2.97
30,913	PepsiCo	3,185	2.74
61,151	Bunge	2,677	2.30
60,078	CVS Health	2,572	2.21
17,874	FedEx	2,306	1.98
38,423	Colgate-Palmolive	2,164	1.86
127,406	Golar LNG	1,850	1.59
		43,035	37.04
Germany 8.17% (December 2018: 6.14%)			
212,245	Deutsche Konsum REIT *	3,134	2.70
32,153	HeidelbergCement	2,047	1.76
76,051	Deutsche Post	1,967	1.69
23,367	Creditshelf	1,411	1.21
67,409	Infineon Technologies	938	0.81
		9,497	8.17
France 6.86% (December 2018: 6.71%)			
117,352	BNP Paribas	4,386	3.77
117,051	Cie de Saint-Gobain	3,589	3.09
		7,975	6.86
Canada 5.85% (December 2018: 6.54%)			
122,534	Nutrien	5,161	4.44
1,388,535	Guyana Goldfields	860	0.74
21,632	West Fraser Timber	777	0.67
		6,798	5.85
China 5.46% (December 2018: 4.07%)			
128,000	Tencent	4,539	3.91
13,546	Alibaba ADR	1,804	1.55
		6,343	5.46
United Kingdom 4.82% (December 2018: 6.94%)			
74,231	Unilever	3,633	3.13
273,872	Auto Trader	1,500	1.29
719,874	Thomas Murray Network **	360	0.31
6,361,528	Fastjet	100	0.09
1,117,128	Fastjet Warrants Expiry date 31/07/2021	–	–
670,754	Ludorum **	–	–
45,557	Thomas Murray Systems **	–	–
		5,593	4.82

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Belgium 4.59% (December 2018: 3.23%)		
522,969	Euronav	3,849	3.32
124,819	Ion Beam Applications	1,490	1.28
		5,339	4.60
	Italy 4.32% (December 2018: 5.78%)		
265,876	UniCredit	2,576	2.22
5,995,662	Telecom Italia Savings Shares	2,446	2.10
		5,022	4.32
	Netherlands 4.13% (December 2018: 3.86%)		
526,370	ING	4,802	4.13
		4,802	4.13
	Ireland 3.55% (December 2018: 2.99%)		
161,176	CRH	4,129	3.55
		4,129	3.55
	Switzerland 3.43% (December 2018: 2.65%)		
59,730	Cie Financiere Richemont	3,988	3.43
		3,988	3.43
	Japan 2.22% (December 2018: 5.12%)		
92,718	Sumitomo Mitsui Financial	2,574	2.22
		2,574	2.22
	India 1.90% (December 2018: 3.47%)		
497,054	ICICI Prudential Life Insurance Participatory Note	2,204	1.90
		2,204	1.90
	Sweden 1.83% (December 2018: 0.00%)		
115,491	Nordic	2,132	1.83
		2,132	1.83
	Australia 1.82% (December 2018: 0.92%)		
153,344	Afterpay Touch	2,120	1.82
		2,120	1.82
	Norway 1.02% (December 2018: 1.00%)		
128,039	FLEX LNG	1,187	1.02
		1,187	1.02
	Total Investments	112,738	97.02
	Net other assets	3,464	2.98
	Total net assets	116,202	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

Stocks shown as ADR's represent American Depositary Receipts.

* Real Estate Investment Trust (REIT).

** Unquoted investments.

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Total purchases	Cost £'000	Major sales	Proceeds £'000
CVS Health	2,714	Mitsui Fudosan	4,648
Halliburton	2,667	Frontline	3,512
FedEx	2,644	Lennar	3,506
Nordic	2,093	Bharti Airtel Participatory Note	3,300
Smurfit Kappa	1,833	Telecom Italia	3,032
HeidelbergCement	1,755	Patterson-UTI Energy	2,878
Alibaba ADR	1,749	TAG Immobilien	2,554
Infineon Technologies	862	Coty	2,393
Afterpay Touch	801	Nutrien	2,136
Apache	276	BNP Paribas	1,982
Total purchases for the period	17,394	Tencent	1,973
		Greene King	1,966
		Royal Dutch Shell	1,909
		Smurfit Kappa	1,885
		Colgate-Palmolive	1,717
		Continental	1,484
		United Parcel Service	1,467
		Afterpay Touch	1,389
		PepsiCo	1,264
		Becton Dickinson	1,215
		ING	1,146
		Golar LNG	1,122
		CRH	1,010
		Auto Trader	993
		Total sales for the period	58,209

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		18,302		(18,986)
Revenue	1,987		3,028	
Expenses	(652)		(1,469)	
Interest payable and similar charges	(5)		(181)	
Net revenue before taxation	1,330		1,378	
Taxation	(135)		(139)	
Net revenue after taxation		1,195		1,239
Total return before equalisation		19,497		(17,747)
Equalisation		(44)		(30)
Change in net assets attributable to shareholders from investment activities		19,453		(17,777)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		143,440		463,970
Amounts receivable on creation of shares	1,371		4,989	
Less: Amounts payable on cancellation of shares	(48,091)		(313,547)	
		(46,720)		(308,558)
Dilution levy		29		–
Change in net assets attributable to shareholders from investment activities		19,453		(17,777)
Closing net assets attributable to shareholders		116,202		137,635

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	112,738	135,254
Current assets:		
Debtors	2,785	2,619
Cash and bank balances	1,627	6,949
Total assets	117,150	144,822
Liabilities:		
Creditors:		
Bank overdrafts	(638)	–
Distribution payable	–	(657)
Other creditors	(310)	(725)
Total other liabilities	(948)	(1,382)
Net Assets Attributable to Shareholders	116,202	143,440

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
A Class – Income Shares			
Closing net asset value (£'000)	9,805	9,252	12,877
Closing number of shares	273,966	301,771	330,748
Closing net asset value per share (p)	3,578.92	3,065.99	3,893.23
Operating charges	1.58%	1.52%	1.52%
	June 2019	December 2018	December 2017
A Class – Accumulation Shares			
Closing net asset value (£'000)	27,875	27,286	76,500
Closing number of shares	577,625	659,994	1,470,934
Closing net asset value per share (p)	4,825.83	4,134.19	5,200.77
Operating charges	1.58%	1.52%	1.52%
	June 2019	December 2018	December 2017
Z Class – Income Shares⁽¹⁾			
Closing net asset value (£'000)	5,154	4,527	–
Closing number of shares	530,220	546,430	–
Closing net asset value per share (p)	971.97	828.39	–
Operating charges	0.53%	0.47%	–%
	June 2019	December 2018	December 2017
Z Class – Accumulation Shares⁽¹⁾			
Closing net asset value (£'000)	28,508	25,729	–
Closing number of shares	2,915,351	3,086,875	–
Closing net asset value per share (p)	977.86	833.51	–
Operating charges	0.53%	0.47%	–%
	June 2019	December 2018	December 2017
II Class – Accumulation Shares⁽¹⁾			
Closing net asset value (£'000)	10,692	9,590	–
Closing number of shares	1,097,361	1,152,608	–
Closing net asset value per share (p)	974.35	832.05	–
Operating charges	0.93%	0.87%	–%

(1) Share class launched on 26 July 2018.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Institutional Class – Income Shares			
Closing net asset value (£'000)	7,946	36,764	47,586
Closing number of shares	431,336	2,334,767	2,377,956
Closing net asset value per share (p)	1,842.15	1,574.63	2,001.14
Operating charges	1.13%	1.07%	1.07%
	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares			
Closing net asset value (£'000)	26,222	30,292	327,007
Closing number of shares	1,362,165	1,841,064	15,869,952
Closing net asset value per share (p)	1,925.00	1,645.35	2,060.53
Operating charges	1.13%	1.07%	1.07%

Commentary

The Fund rose 16.3% for the six months to 30 June 2019 (as measured by the A class), compared to its benchmark the S&P 500 Index in GBP which rose 18.6%.

The first quarter of 2019 was a strong quarter for the S&P 500 Index which was up by 13.6%. While, as ever, there were multiple reasons behind the move, in our view two stand out. Much market commentary focused on guidance from Chairman Powell at the Federal Reserve, which was interpreted to suggest the US may be closer to a peak in the rate hike cycle than previously expected. However, a larger force was the derating of the stock market last year – as stock prices did not keep pace with the rise in earnings – and, in particular, the miserable fourth quarter for equity markets which left positioning overly defensive at the beginning of the year. It is highly likely that economic growth in the US this year will be slower than last year, as we lap the implementation of tax cuts. Nevertheless, equities are more reasonably valued than this time last year – the analytical question for investors is to find those companies whose valuations have more than priced in a slowing in the general environment.

April was a strong month for US equities. Strong US macro data as well as expectations of a resolution to the US-China trade war buoyed markets. The resumption of lower long-term government bond yields combined with the reversal of overly-defensive equity positioning have been, in our view, the main triggers for the strong start to the year seen in most global equity markets so far. Decent aggregate earnings numbers have also helped. Global growth is slowing in many major economies and some developed economies are technically in recession. There has been a marked change in economic expectations during the quarter, especially since the March meeting of the Federal Open Market Committee (FOMC), in anticipation of a slowdown or even recession in the US.

The recovery of US equities, which has been an underlying theme of the first four months of the year, reversed abruptly in May. The S&P500 Index fell by 6.3% during the month. The narrative of the month was, on the surface, largely driven by commentary around potential disruptions to global trade driven by hints of changes from the US Administration. The month began with a renewed attack on China through the threat of higher and more wide-ranging tariffs (a threat that was soon reciprocated), was followed up with a six-month suspension on threatened higher tariffs on EU exports to the US and concluded with a side-swipe at Mexico. In a month in which market sentiment shifted dramatically as a response to escalating trade tensions, it is no surprise that the Fund's overweight exposure to consumer discretionary businesses exerted the most detrimental on relative returns, having proved a strong contributor in preceding months.

June saw a strong bounce in US equities, with the S&P 500 index gaining 7.0% to reach a new all-time high, after May's weakness. The two headline justifications for overall market strength were renewed optimism over US-China trade relations allied to a growing consensus that the US Federal Reserve has reached the apex of its tightening cycle. There is certainly a large body of commentary now expecting a resumption of more accommodative monetary policy from both the US Federal Reserve and the European Central Bank. What is certainly the case, however, is that, on a cross-asset perspective, a comparison in the valuations between bonds, prime property and equities, reveals that the best relative value can be found in equities.

In our view, the biggest drivers though are the comparison between a US corporate landscape, which is still delivering earnings growth and dividends, and a long-term government interest rate of just 2%.

While the valuations of equities looked at against their own history do not look low, cross-asset relative value in equities is more appealing and it seems as though asset allocators are responding accordingly.

Lockheed Martin, WR Berkley and AutoZone were the top contributors to performance over the period, while Insys Therapeutics, Conns and Fred's were the top detractors.

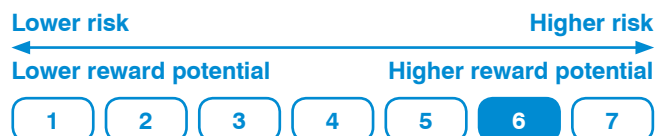
Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
United States	90.03	88.06
Canada	1.40	–
Net other assets	8.57	11.94
Total net assets	100.00	100.00

Analysis, by industry sector	30 June 2019 %	31 December 2018 %
Capital Goods	27.60	26.19
Retailing	13.28	15.06
Insurance	12.10	11.21
Health Care Equipment & Services	9.38	9.18
Energy	8.58	7.57
Food Beverage & Tobacco	7.06	6.14
Household & Personal Products	5.26	4.81
Materials	6.15	5.91
Semiconductors & Semiconductor Equipment	1.27	1.05
Commercial & Professional Services	0.43	0.51
Real Estate	0.16	0.14
Diversified Financials	0.15	0.16
Pharmaceuticals & Biotechnology	0.01	0.13
Net other assets	8.57	11.94
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Quoted	91.43	88.06
Net other assets	8.57	11.94
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Concentration Risk:** concentration in a limited number of securities and industry sectors may result in more volatility than investing in broadly diversified funds.
- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Currency Risk – Non Base Currency Share Class:** non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.
- **Investment Positions:** positions may increase in size relative to the size of the Fund. The risk is monitored by regularly adapting positions.
- **Equity:** investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
United States			
Capital Goods 27.60% (December 2018: 26.19%)			
200,000	ESCO Technologies	12,983	7.24
35,000	Northrop Grumman	8,886	4.95
30,000	Lockheed Martin	8,569	4.77
285,000	Quanta Services	8,552	4.77
200,000	DXP Enterprises	5,954	3.32
100,000	Owens Corning	4,573	2.55
		49,517	27.60
Retailing 13.28% (December 2018: 15.06%)			
230,000	Penske Automotive	8,548	4.76
9,500	AutoZone	8,207	4.57
475,000	Conn's	6,651	3.71
1,126,000	Fred's	435	0.24
75,000	Christopher & Banks	7	–
		23,848	13.28
Insurance 12.10% (December 2018: 11.21%)			
195,000	WR Berkley	10,102	5.63
120,000	Kemper	8,136	4.53
30,000	Chubb	3,472	1.94
		21,710	12.10
Health Care Equipment & Services 9.38% (December 2018: 9.18%)			
85,000	ICU Medical	16,824	9.38
		16,824	9.38
Energy 8.58% (December 2018: 7.57%)			
115,000	Phillips 66	8,452	4.71
300,000	Williams Companies	6,610	3.68
20,845	WPX Energy	189	0.11
180,000	Superior Drilling Products	143	0.08
35,341	Halcon Resources	5	–
		15,399	8.58
Food Beverage & Tobacco 7.06% (December 2018: 6.14%)			
155,000	Post	12,662	7.06
		12,662	7.06
Household & Personal Products 5.26% (December 2018: 4.81%)			
164,491	Church & Dwight	9,443	5.26
		9,443	5.26
Materials 4.75% (December 2018: 4.66%)†			
415,000	Huntsman	6,665	3.72
150,000	Synalloy	1,841	1.03
		8,506	4.75

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Semiconductors & Semiconductor Equipment 1.27% (December 2018: 1.05%)		
143,750	ON Semiconductor	2,283	1.27
		2,283	1.27
	Commercial & Professional Services 0.43% (December 2018: 0.51%)		
20,000	Willdan	585	0.33
66,666	RR Donnelley & Sons	103	0.06
25,000	LSC Communications	72	0.04
		760	0.43
	Real Estate 0.16% (December 2018: 0.14%)		
6,000	Consolidated Tomoka Land	281	0.16
		281	0.16
	Diversified Financials 0.15% (December 2018: 0.16%)		
25,000	Donnelley Financial Solution	262	0.15
		262	0.15
	Pharmaceuticals & Biotechnology 0.01% (December 2018: 0.13%)		
83,940	Insys Therapeutics	20	0.01
		20	0.01
	Software & Services 0.00% (December 2018: 0.00%)		
88,000	Clarent *	–	–
229,449	SoftBrands *	–	–
		–	–
	Canada		
	Materials 1.40% (December 2018: 1.25%)‡		
60,000	Nutrien	2,520	1.40
		2,520	1.40
	Total Investments	164,035	91.43
	Net other assets	15,370	8.57
	Total net assets	179,405	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

* Unquoted investments

‡ Prior year comparatives restated.

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

The Fund made no purchases during the period

Total sales	Proceeds £'000
AutoZone	3,964
Lockheed Martin	3,689
Northrop Grumman	3,205
Kemper	2,582
ESCO Technologies	1,657
Quanta Services	1,169
Penske Automotive	1,082
WR Berkley	1,008
ICU Medical	975
Conn's	125
Total sales for the period	19,456

GAM North American Growth

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		27,624		9,645
Revenue	1,206		1,304	
Expenses	(957)		(1,111)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	248		192	
Taxation	(173)		(190)	
Net expenses after taxation		75		2
Total return before equalisation		27,699		9,647
Equalisation		(3)		–
Change in net assets attributable to shareholders from investment activities		27,696		9,647

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		176,703		224,220
Amounts receivable on creation of shares	10,164		8,465	
Less: Amounts payable on cancellation of shares	(35,158)		(32,657)	
		(24,994)		(24,192)
Change in net assets attributable to shareholders from investment activities		27,696		9,647
Closing net assets attributable to shareholders		179,405		209,675

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	164,035	155,608
Current assets:		
Debtors	1,254	93
Cash and bank balances	15,334	21,837
Total assets	180,623	177,538
Liabilities:		
Creditors:		
Distribution payable	–	(99)
Other creditors	(1,218)	(736)
Total other liabilities	(1,218)	(835)
Net Assets Attributable to Shareholders	179,405	176,703

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Income Shares			
Closing net asset value (£'000)	8,812	8,285	10,158
Closing number of shares	210,398	229,993	270,618
Closing net asset value per share (p)	4,188.09	3,602.33	3,753.48
Operating charges	1.59%	1.60%	1.59%
	June 2019	December 2018	December 2017
Accumulation Shares			
Closing net asset value (£'000)	20,768	21,301	26,690
Closing number of shares	397,665	474,192	570,225
Closing net asset value per share (p)	5,222.53	4,492.10	4,680.59
Operating charges	1.59%	1.60%	1.59%
	June 2019	December 2018	December 2017
Institutional Class – Income Shares			
Closing net asset value (£'000)	82,791	83,173	105,582
Closing number of shares	3,039,907	3,560,943	4,359,402
Closing net asset value per share (p)	2,723.47	2,335.68	2,421.93
Operating charges	0.99%	1.00%	0.99%
	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares			
Closing net asset value (£'000)	67,034	63,944	81,791
Closing number of shares	2,431,093	2,704,061	3,339,592
Closing net asset value per share (p)	2,757.34	2,364.73	2,449.13
Operating charges	0.99%	1.00%	0.99%

GAM UK Diversified merged into GAM UK Equity Income on 2 August 2018.

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		–		(2,539)
Revenue	–		1,200	
Expenses	–		(417)	
Interest payable and similar charges	–		(2)	
Net revenue before taxation	–		781	
Taxation	–		(10)	
Net expenses after taxation		–		771
Total return before equalisation		–		(1,768)
Equalisation		–		(81)
Change in net assets attributable to shareholders from investment activities		–		(1,849)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		–		92,964
Amounts receivable on creation of shares	–		535	
Less: Amounts payable on cancellation of shares	–		(39,793)	
		–		(39,258)
Dilution levy/adjustment		–		13
Change in net assets attributable to shareholders from investment activities		–		(1,849)
Closing net assets attributable to shareholders		–		51,870

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

GAM UK Diversified merged into GAM UK Equity Income on 2 August 2018.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets		
Fixed Assets:	–	–
Current assets:		
Cash and bank balances	153	153
Total assets	153	153
Liabilities:		
Creditors:		
Distribution payable	–	–
Other creditors	(153)	(153)
Total other liabilities	(153)	(153)
Net Assets Attributable to Shareholders	–	–

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

GAM UK Diversified merged into GAM UK Equity Income on 2 August 2018.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
A Class – Income Shares			
Closing net asset value (£'000)	–	–	5,894
Closing number of shares	–	–	435,188
Closing net asset value per share (p)	–	–	1,354.39
Operating charges	–%	–%	1.64%
	June 2019	December 2018	December 2017
A Class – Accumulation Shares			
Closing net asset value (£'000)	–	–	20,826
Closing number of shares	–	–	982,955
Closing net asset value per share (p)	–	–	2,118.70
Operating charges	–%	–%	1.64%
	June 2019	December 2018	December 2017
Institutional Class – Income Shares			
Closing net asset value (£'000)	–	–	13,187
Closing number of shares	–	–	841,678
Closing net asset value per share (p)	–	–	1,566.70
Operating charges	–%	–%	1.19%
	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares			
Closing net asset value (£'000)	–	–	53,057
Closing number of shares	–	–	3,130,179
Closing net asset value per share (p)	–	–	1,695.01
Operating charges	–%	–%	1.18%

GAM Credit Opportunities (GBP)

Manager: Anthony Smouha, Gregoire Mivelaz & Patrick Smouha, ATLANTICOMNIUM S.A.

Commentary

The Fund's NAV rose 8.1% (as measured by GBP Institutional Acc. class) for the six months to 30 June 2019, versus a 6.9% gain by its benchmark, the Barclays Sterling Aggregate Corporate Total Return Index.

During the first quarter, financial markets had a positive trend, as reflected by the prices of the securities within our fund. Positive developments on trade wars, as well as the fact that a no-deal Brexit scenario seems to be extremely unlikely, have provided support to the markets and spreads for our securities consequently tightened. However, we feel our securities are still very cheap and should continue to benefit going forward from the strong credit fundamentals of the companies in which we are invested. Moreover, the spread tightening that we have experienced this year is only a partial recovery of last year's spread widening. There have been concerns regarding a potential slowdown in growth and central banks have become much more dovish than expected. This last factor is good for credit, although maybe less so for equity. There was extremely strong demand for new issues during the quarter. The new issues came at very attractive levels, as most of them were priced between 400bps to 615 bps above government rates. This included an issue from Coventry 6.875% which is callable in five and a half years. This new issue was very interesting as Coventry tendered their old AT1 CoCo two points above market levels and issued the new bond at approximately 200 bps above their old bond. This was a very positive technical factor for the AT1 market and it seems to demonstrate that the UK regulator looks at a number of different factors when considering the refinancing of AT1 CoCos. Spreads are still significantly wider than a year ago. Therefore, we believe that our securities remain extremely cheap.

During the second quarter, financial markets gained, as reflected by the performance of the fund. Dovishness from Central Banks contributed to stronger markets. However, we feel valuations are still very attractive and should continue to benefit going forward from the strong credit fundamentals of the companies in which we are invested. Moreover, the spread tightening that we have experienced this year is only a partial recovery of last year's spread widening. There was extremely strong demand for new issues during the quarter. For example, Barclays came with a new AT1 GBP deal in early June, in part to refinance outstanding bonds which have call dates within the next year. They issued GBP 1 billion at a coupon of 7.125%, callable in six years. This means that it came at a spread of 6.579% above gilts. If it is not called in six years it refixes at a spread of 6.579%. There was approximately GBP 5 billion of demand for that deal and it is currently trading higher. Spreads are still more than significantly wider than a year ago. Therefore, we believe that our securities remain attractive. We will continue to capture the highly predictable income from the companies we are invested in. We also believe that we should benefit from further recovery in prices during the year and have already seen a small part of this during the first half of the year. This might not necessarily happen in a straight line. Given the cheapness of securities in our area, we believe that there should be further spread tightening during the rest of this year.

Positioning

The fund invests predominantly in investment grade issuers, but we are prepared to go down a company's capital structure to find the best combination of yield, value and capital preservation. One feature of the fund is the bias towards financials, at 83.57%. For some time we have positioned the fund to benefit from the continual improvement of credit metrics within European financials. Moreover, regulations are forcing financials to build up capital and strengthen their balance sheets, all of which are supportive from a credit perspective. We expect holders of financials' subordinated debt to benefit the most from this. Furthermore, with spreads of these securities currently above 450 bps, valuations remain extremely attractive. To put this into context, this is more than four times the spread that was being captured from the Tier 1 securities of HSBC issued before the global financial crisis in 2007. This is despite the fact that, as mentioned above, financials have become much stronger from a credit quality standpoint.

Outlook

We invest in the bonds of high quality issuers and therefore we believe the fund will not only keep on capturing the steady income of more than 5.5% per annum, but we should also see additional capital gains as our base case is for spreads to tighten further during the rest of the year. During the second quarter, from a credit standpoint, the issuers we hold have behaved as expected. We have not changed anything in terms of the positioning of the fund, including the sub-sectors, types of securities, capital structures, and issuers. The continuation of the multi-year process of capital strengthening for European financials, makes us feel very confident in the strong and improving credit fundamentals of our issuers. Furthermore, spreads are still significantly wider than a year ago and this makes us believe the valuations of our securities are attractive. Regarding legacy capital securities, regulatory changes should lead to bonds being taken out and hence we see upside potential from early calls and tenders. As issuers need to manage their excess capital position, and there is increasing pressure from regulators to clean up capital structures, issuers are incentivised to redeem capital securities that are increasingly inefficient. We expect this to be an additional positive driver for future performance. We continue to believe that yields on GBP-denominated securities that we own at close to, or above, 5.5% remain very attractive, particularly when they concern investment-grade-rated securities. With a yield to maturity of 5.32%, income will continue to be a strong driver of performance going forward. We also expect to continue benefiting from some capital gains and, therefore, feel that we are in a strong position regarding future performance.

The top holdings contributing to performance during the year were Royal Bank of Scotland, Burford Capital and Rothschild. The bottom holdings were General Accident, Aviva and HSBC.

Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
Ireland	100.14	100.48
Net other liabilities	(0.14)	(0.48)
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Bond Fund	100.14	100.48
Net other liabilities	(0.14)	(0.48)
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

Liquidity Risk: some investments can be difficult to sell quickly which may affect the value of the Fund and, in extreme market conditions, its ability to meet redemption requests.

Credit Risk/Debt Securities: bonds may be subject to significant fluctuations in value. Bonds are subject to credit risk and interest rate risk.

Brexit Risk: the regulatory regime to which certain of the Investment Managers are subject to in the UK could be materially and adversely affected. The decision to leave the EU could also result in substantial volatility in foreign exchange markets and a sustained period of uncertainty for the UK, the EU and the global markets in general.

Concentration Risk: concentration in a limited number of securities and industry sectors may result in more volatility than investing in broadly diversified funds.

Credit Risk/Non-Investment Grade: non-investment grade securities, which will generally pay higher yields than more highly rated securities, will be subject to greater market and credit risk, affecting the performance of the Fund.

Capital at Risk: all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

Interest Rate Risk: a rise or fall in interest rates causes fluctuations in the value of fixed income securities, which may result in a decline or an increase in the value of such investments.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

GAM Credit Opportunities (GBP)

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Collective Investment Schemes 100.14% (December 2018: 100.48%)		
2,472,225	GAM Star Credit Opportunities Fund GBP Z Acc †	27,285	100.14
	Total Investments	27,285	100.14
	Net other liabilities	(38)	(0.14)
	Total net assets	27,247	100.00

All investments are Collective Investment Schemes unless otherwise stated.

† A related party to the Fund.

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Total purchases	Cost £'000
GAM Star Credit Opportunities Fund GBP Z Acc	5,796
Total purchases for the period	5,796

Total sales	Proceeds £'000
GAM Star Credit Opportunities Fund GBP Z Acc	5,453
Total sales for the period	5,453

GAM Credit Opportunities (GBP)

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		2,136		(954)
Revenue	–		–	
Expenses	(133)		(143)	
Interest payable and similar charges	–		–	
Net revenue before taxation	(133)		(143)	
Taxation	–		–	
Net expenses after taxation		(133)		(143)
Total return before equalisation		2,003		(1,097)
Equalisation		–		–
Change in net assets attributable to shareholders from investment activities		2,003		(1,097)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		24,682		20,233
Amounts receivable on creation of shares	5,781		16,384	
Less: Amounts payable on cancellation of shares	(5,219)		(2,652)	
		562		13,732
Change in net assets attributable to shareholders from investment activities		2,003		(1,097)
Closing net assets attributable to shareholders		27,247		32,868

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	27,285	24,800
Current assets:		
Debtors	417	284
Cash and bank balances	–	2
Total assets	27,702	25,086
Liabilities:		
Creditors:		
Distribution payable	–	(104)
Other creditors	(455)	(300)
Total other liabilities	(455)	(404)
Net Assets Attributable to Shareholders	27,247	24,682

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

GAM Credit Opportunities (GBP)

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Institutional Class – Income Shares ⁽¹⁾			
Closing net asset value (£'000)	24,896	2,195	58
Closing number of shares	2,309,843	237,931	5,614
Closing net asset value per share (p)	1,077.82	922.57	1,033.54
Operating charges	1.15%	1.14%	1.17%
	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares ⁽²⁾			
Closing net asset value (£'000)	2,351	22,487	20,175
Closing number of shares	235,678	2,255,523	1,892,075
Closing net asset value per share (p)	997.37	996.99	1,066.26
Operating charges	1.15%	1.14%	1.26%

(1) Share class launched on 25 September 2017.

(2) Share class launched on 24 May 2017.

Commentary

The Fund rose 20.3% for the six months to 30 June 2019 (as measured by the Institutional share class), compared to its benchmark the MSCI Europe ex-UK Net Index in GBP which rose by 16.9%.

Global equity markets recovered their poise in the first quarter of 2019 – very strong quarterly returns in most markets offset a very weak fourth quarter. That just about got the European equities market back to where it was six months prior, i.e. at the beginning of the fourth quarter of 2018. It is hard to pin down exact reasons for the overall strong market performance – other than a reversal of a brutal sell off in the fourth quarter which seemed excessive at the time – as there was no change in the tenor of most of the economic news flow. The pattern of gains by sectors and factors in the first quarter of 2019, however, was not quite the inverse of losses in the fourth quarter. Higher beta and cyclical sectors outperformed strongly in the first quarter, reversing the losses of the fourth quarter, but many of the interest rate sensitive sectors followed a different path. This highlights the importance of interest rate expectations and the inflation/deflation narrative in the way that markets' price individual stocks and sectors – the stocks perceived to suffer from sustained low interest rates did badly (banks) while some, but not all, bond proxies performed well (consumer staples but not telecoms).

European equity markets had another strong performance in Q2 2019 following strong performance in Q1 recovering the losses of Q4 2018. There are a number of generic factors behind the market's rise this year. As was clear in our commentaries throughout 2018, we were much more sanguine on the state of European economies than many commentators and did not see convincing signs of the significant slowdown, or recessionary conditions, that some spoke of beyond some quite specific and time-limited areas of weakness (e.g. German autos, German industrial production). This remains our view and, as best we can tell the evidence from the bottom-up analysis of our investee companies and our perusing of macro data, economic conditions are broadly supportive of continued earnings growth. We believe a large part of the European equity market's performance this year reflects the market coming round to this point of view, reversing the losses of the latter half of 2019.

It is also worth commenting on the intra-quarter market volatility driven, we believe, by concerns over trade disputes between the US and China. A deepening fall out between the US and China remains the most significant risk to further progress by global equity markets and continued global economic growth and, in our view, the risks go beyond a trade skirmish with risks of a global realignment of the 'global trading system'. At the heart of this dispute is a view in the US that is bi-partisan, embedded into the 'permanent bureaucracy' and shared by policymakers in other OECD democracies that continued technology transfers, and alleged IP theft, reflect an uneven playing field in the conduct of global trade. A deeper breakdown of trust between China and the US creates the risk of further trade tariffs and technology restrictions imposed on China and a cycle of tit-for-tat reprisals. This, in our view, is the key risk to monitor.

Market Outlook

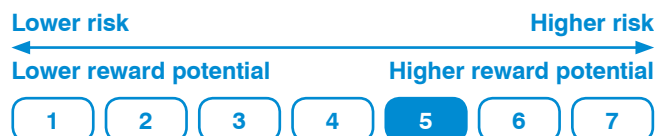
We remain fundamentally positive on the prospects for European equities based on supportive economies in Europe and abroad, moderate valuations, attractive earnings growth and the relative valuation of other assets. The key risk in our view is a prolonged disturbance to the global trading regime caused by 'reset' of trading relations between the US and China.

Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
Ireland	100.02	99.67
Net other (liabilities)/assets	(0.02)	0.33
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Funds	100.02	99.67
Net other (liabilities)/assets	(0.02)	0.33
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Currency Risk – Non Base Currency Share Class:** non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.
- **Equity:** investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Collective Investment Schemes 100.02% (December 2018: 99.67%)		
2,345,939	GAM Star Continental European Equity Fund GBP Z Acc †	23,298	100.02
	Total Investments	23,298	100.02
	Net other liabilities	(4)	(0.02)
	Total net assets	23,294	100.00

All investments are Collective Investment Schemes unless otherwise stated.

† A related party to the Fund.

GAM Continental European Equity

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Total purchases	Cost £'000	Total sales	Proceeds £'000
GAM Star Continental European Equity Fund GBP Z Acc	8,793	GAM Star Continental European Equity Fund GBP Z Acc	1,387
Total purchases for the period	8,793	Total sales for the period	1,387

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		3,364		299
Revenue	–		–	
Expenses	(77)		(37)	
Net revenue before taxation	(77)		(37)	
Taxation	–		–	
Net expenses after taxation		(77)		(37)
Total return before equalisation		3,287		262
Equalisation		–		–
Change in net assets attributable to shareholders from investment activities		3,287		262

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		12,567		4,566
Amounts receivable on creation of shares	8,758		11,028	
Less: Amounts payable on cancellation of shares	(1,318)		(6,818)	
		7,440		4,210
Change in net assets attributable to shareholders from investment activities		3,287		262
Closing net assets attributable to shareholders		23,294		9,038

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

GAM Continental European Equity

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	23,298	12,525
Current assets:		
Debtors	109	158
Cash and bank balances	8	9
Total assets	23,415	12,692
Liabilities:		
Creditors:		
Other creditors	(121)	(125)
Total other liabilities	(121)	(125)
Net Assets Attributable to Shareholders	23,294	12,567

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares ⁽¹⁾			
Closing net asset value (£'000)	23,294	12,567	4,566
Closing number of shares	2,335,599	1,516,225	450,598
Closing net asset value per share (p)	997.35	828.80	1,013.26
Operating charges	0.94%	0.93%	1.07%

(1) Share class launched on 24 May 2017.

Commentary

The Fund rose 13.9% for the six months to 30 June 2019 (as measured by the Institutional share class), compared to its benchmark, the MSCI Emerging Markets Index in GBP which rose 10.7%

The first quarter of 2019 has proved less challenging than the calendar year of 2018, with solid gains recorded, but we believe this is the first leg of the recovery and that there is more to come. In our view, we are in fascinating territory for emerging markets (EM).

During the second quarter, Emerging Markets' (EM) relative risk return versus developed market equities remained favourable due to the relative attraction of EM equity, value, momentum and growth. Its present level of enhanced volatility gives it a cushion in the face of any shocks. Our overall approach is style agnostic – we seek to buy quality stocks at cheap valuations in the context of a disciplined risk management framework. We think it is essential to capture the upside (as well as aiming to deliver some downside insulation) and, in order to achieve this, we need to be prepositioned for rebounds from the troughs. We feel we are at the beginning of a strong upturn for the asset class, and there is a lot more positivity to come, in our view. We believe institutional investors are not yet up to their full weightings in EM, so we anticipate significant asset inflows ahead. On risks, our biggest concern is a widespread disease outbreak, which trumps terrorism and geopolitics.

We remain overweight on the following countries:

Russia: The country has excellent creditworthiness and corporate fundamentals are strong as well as increasing yield and good coverage ratios. We had increased our exposure last month to selected steel sector and selected oils. Russia is one of our top plays with reasonable absolute valuations and improving ROEs (return on equity). However the earnings momentum has been weak recently and post strong moves in Gazprom and other large index heavy weights the risk / reward has deteriorated a bit, but it does not materially change our view.

VARP (Vietnam, Argentina, Romania and Pakistan): Vietnam underperformed after it was added to the US Treasury watch list for FX rate manipulation and US President Donald Trump referred to it as an “almost the single worst abuser” on trade, both factors that offset ongoing strong economic data (GDP growth of 6.7% yoy in the second quarter, above 6.6% consensus forecast and full year inflation target still below 4%). At this juncture, the key liquid stocks to which we are exposed have consolidated well over the past year and are now at stronger valuation support levels. We continue to monitor the foreign ownership levels to give a guideline on the probable MSCI EM Equity Index inclusion.

Argentina has outperformed well year-to-date versus the MSCI EM index, on the back of a more benign US rate, decelerating inflation, narrowing current account deficit (FX rate appreciated 5%) and better unofficial polling figures for incumbent President Macri. Furthermore, the MSCI EM index-related inflows and the announcement of candidates for the October 2019 presidential election have further helped the market, as has the reduction in the stubborn CPI (consumer price index) statistics.

We remain underweight Taiwan, Malaysia, Philippines, Peru and Qatar. These markets look expensive with no strong earnings momentum on a relative basis, in our opinion.

Outlook

We believe the highest probability in terms of outcome will be that the US Federal Reserve (Fed) will maintain a dovish bias (post a July cut), perhaps until after next year's elections. Equity and bond markets are priced for subdued but sustained growth over the next year, as we believe President Trump will not jeopardise his 2020 chances with a trade war. We feel the Fed and other central banks will still take advantage of the current soft patch to provide additional stimulus. Hence, a slight bias (post a July cut), perhaps until after next year's elections. Equity and bond markets are priced for subdued but sustained growth over the next year, as we feel President Trump will not jeopardise his 2020 chances with a trade war. The Fed and other central banks will still take advantage of the current soft patch to provide additional stimulus, in our view.

Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
Luxembourg	97.99	96.76
Net other assets	2.01	3.24
Total net assets	100.00	100.00

Analysis, by industry sector	30 June 2019 %	31 December 2018 %
Collective Investment Schemes	97.99	96.76
Net other assets	2.01	3.24
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Quoted	97.99	96.76
Net other assets	2.01	3.24
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Liquidity Risk:** some investments can be difficult to sell quickly which may affect the value of the Fund and, in extreme market conditions, its ability to meet redemption requests.
- **Leverage Risk:** derivatives may multiply the exposure to underlying assets and expose the Fund to the risk of substantial losses.
- **Counterparty/Derivatives Risk:** if a counterparty to a financial derivative contract were to default, the value of the contract, the cost to replace it and any cash or securities held by the counterparty to facilitate it, may be lost.
- **Special Country Risk/China:** changes in China's political, social or economic policies may significantly affect the value of the Fund's investments. China's tax law is also applied under policies that may change without notice and with retrospective effect.
- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Market Risk/Emerging Markets:** emerging markets will generally be subject to greater political, market, counterparty and operational risks.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Collective Investment Schemes 97.99% (December 2018: 96.76%)		
5,539	GAM MultiStock – Emerging Markets Equity GBP Ia1 †	586	97.99
	Total Investments	586	97.99
	Net other assets	12	2.01
	Total net assets	598	100.00

All investments are Collective Investment Schemes unless otherwise stated.

† A related party to the Fund.

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Total purchases	Cost £'000
GAM MultiStock – Emerging Markets Equity GBP Ia1	252
Total purchases for the period	252

Total sales	Proceeds £'000
GAM MultiStock – Emerging Markets Equity GBP Ia1	25
Total sales for the period	25

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		59		(29)
Revenue	–		–	
Expenses	(2)		(2)	
Net revenue before taxation	(2)		(2)	
Taxation	–		–	
Net expenses after taxation		(2)		(2)
Total return before equalisation		57		(31)
Equalisation		–		–
Change in net assets attributable to shareholders from investment activities		57		(31)

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		309		110
Amounts receivable on creation of shares	257		360	
Less: Amounts payable on cancellation of shares	(25)		(4)	
		232		356
Change in net assets attributable to shareholders from investment activities		57		(31)
Closing net assets attributable to shareholders		598		435

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	586	299
Current assets:		
Debtors	12	1
Cash and bank balances	1	10
Total assets	599	310
Liabilities:		
Creditors:		
Other creditors	(1)	(1)
Total other liabilities	(1)	(1)
Net Assets Attributable to Shareholders	598	309

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares ⁽¹⁾			
Closing net asset value (£'000)	598	309	110
Closing number of shares	55,583	32,741	10,000
Closing net asset value per share (p)	1,076.74	945.07	1,096.29
Operating charges	1.10%	1.10%	1.25%

(1) Share class launched on 26 June 2017.

Commentary

The Fund rose 5.7% for the six months to 30 June 2019 (as measured by the Institutional share class), compared to its benchmark, the FTSE All-Share Index in GBP which rose 13.0%.

When we launched the Fund we were cognisant that some areas of the market, like consumer staples, house builders and the miners appeared fully valued. We continue to avoid these popular areas, instead preferring to concentrate on those cash generative companies where management has articulated to us a clear and sensible strategy of growing the business and funding a progressive dividend. While we continue to believe this is the right approach, the Fund's relative performance lagged during January due to its underweight stance towards the miners and negative return from food producer Greencore. Right at the end of the month, Greencore announced an encouraging trading update. Away from the portfolio, there were some sizeable share price moves. Carillion fell into liquidation and the new CEO of Capita launched a rights issue to shore up the balance sheet. Thankfully, our focus on cash flow steered us clear of both names.

The market fell in February and March sparked by expectations of rising inflation. This stemmed from strong employment data and the first tangible evidence of wage growth, which led to a reassessment of the outlook for interest rates and bond yields. Looking at the performance of individual sectors suggests the market behaved relatively rationally, as those areas with bond-like characteristics sold off while beneficiaries of rising interest rates held up better.

April was a strong month for UK equities with the FTSE All-Share returning its best monthly performance for almost five years. The Fund performed ahead of the Index. Notable contributions came from Greencore, Total, FirstGroup, QinetiQ and Babcock. The Fund's underweight stance towards consumer goods also proved helpful. Having met the management, we bought a new position in BT towards the end of March and added to it in April. We consider the shares to offer good value versus European peers and they pay a meaningful dividend, which is backed up by a strong balance sheet. We believe clarity on pension-fund contributions and the BT Openreach strategy should propel the shares higher. The purchase was financed by inflows into the strategy.

The FTSE All-Share index had another positive month, returning 2.8% in May. This was a good outcome considering Europe ex-UK fell on the back of political uncertainty, and emerging markets suffered as a strong US dollar amplified country-specific problems.

Despite the rollercoaster ride, the UK market ended June close to where it started the year. Trade tensions, tighter financial conditions globally and political uncertainties are behind the current market volatility. This has been most pronounced in emerging markets, where some equity indices are well below where they started the year. The UK market continues to be sensitive to currency swings, with the recent fall in sterling helping to boost the miners and other overseas earners. Also, the resumption of sanctions on Iran has provided added support to the oil companies. In light of this unsettled backdrop, it is reassuring to deliver performance ahead of the benchmark on a quarter and year-to-date basis. The Fund has achieved this despite having a domestic tilt, no exposure to miners, and an underweight stance to the energy sector.

In terms of other activity, we are pleased to report the fund generated a yield of 2.0% at the interim stage, which will be paid to shareholders at the end of August.

While some parts of the market look extended, we have found, and continue to find, some exciting opportunities. A strong sell discipline has also helped to realise gains from the likes of Royal Mail and Dignity. Some of our names have also been boosted by corporate activity and we expect this to continue as we are unearthing some genuinely cheap, cash-generative companies that are reinvesting in the business while paying a progressive dividend.

The top holdings contributing to performance during the period were Tarsus Group, Devro and British American Tobacco. The bottom performing holdings were BT Group, Imperial Brands and PROACTIS Holdings.

Portfolio Analysis

Analysis, by geographical area	30 June 2019 %	31 December 2018 %
United Kingdom	82.26	86.90
France	3.97	4.06
Ireland	1.56	2.20
Guernsey	0.84	0.71
Forward currency contracts	–	(0.09)
Net other assets	11.37	6.22
Total net assets	100.00	100.00

Analysis, by industry sector	30 June 2019 %	31 December 2018 %
Food Beverage & Tobacco	14.75	14.77
Insurance	8.41	4.94
Utilities	7.99	6.03
Banks	7.04	7.40
Transportation	6.39	6.15
Capital Goods	6.34	6.49
Telecommunication Services	6.07	6.84
Commercial & Professional Services	5.18	9.31
Energy	4.73	4.79
Food & Staples Retailing	2.84	2.25
Pharmaceuticals & Biotechnology	2.79	2.01
Diversified Financials	2.79	1.18
Retailing	2.77	3.16
Technology Hardware & Equipment	2.47	2.51
Real Estate	1.77	4.73
Household & Personal Products	1.36	0.84
Materials	1.15	0.74
Fixed Interest	1.12	1.41
Consumer Services	1.03	1.20
Non-sector specific	0.84	0.71
Software & Services	0.75	4.04
Health Care Equipment & Services	0.05	–
Media & Entertainment	–	2.36
Forward Currency Contracts	–	(0.08)
Net other assets	11.37	6.22
Total net assets	100.00	100.00

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Quoted	88.63	92.46
Corporate Bonds	–	1.41
Forward currency contracts	–	(0.09)
Net other assets	11.37	6.22
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Brexit Risk:** the regulatory regime to which certain of the Investment Managers are subject to in the UK could be materially and adversely affected. The decision to leave the EU could also result in substantial volatility in foreign exchange markets and a sustained period of uncertainty for the UK, the EU and the global markets in general.
- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Investment Positions:** positions may increase in size relative to the size of the Fund. The risk is monitored by regularly adapting positions.
- **Equity:** investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
United Kingdom			
Food Beverage & Tobacco 13.19% (December 2018: 12.57%)			
510,887	Imperial Tobacco	9,435	4.70
330,111	British American Tobacco	9,075	4.53
2,228,607	Devro	4,613	2.30
2,792,065	Bakkavor	3,339	1.66
		26,462	13.19
Insurance 8.41% (December 2018: 4.94%)			
1,747,805	Legal & General	4,710	2.35
616,904	RSA Insurance	3,558	1.77
500,183	Phoenix	3,546	1.77
699,500	Aviva	2,912	1.45
1,100,112	Hastings	2,152	1.07
		16,878	8.41
Utilities 7.99% (December 2018: 6.03%)			
859,613	National Grid	7,184	3.58
759,515	Pennon	5,642	2.81
285,588	SSE	3,204	1.60
		16,030	7.99
Banks 7.04% (December 2018: 7.40%)			
14,007,432	Lloyds Banking	7,927	3.95
1,708,651	OneSavings Bank	6,195	3.09
		14,122	7.04
Transportation 6.39% (December 2018: 6.15%)			
1,424,783	National Express	5,719	2.85
1,926,270	Wincanton	5,124	2.54
195,119	easyJet	1,860	0.93
8,299,837	Fastjet	131	0.07
1,509,491	Fastjet Warrants Expiry date 31/07/2021	–	–
		12,834	6.39
Capital Goods 6.34% (December 2018: 6.49%)			
1,168,389	Morgan Crucible	3,248	1.62
1,551,888	Volusion	2,793	1.39
567,100	Cohort	2,538	1.26
1,258,843	Chemring	2,324	1.16
864,612	Eurocell	1,833	0.91
		12,736	6.34
Commercial & Professional Services 5.18% (December 2018: 9.31%)			
2,243,825	Wilmington	4,420	2.19
6,929,413	Arena Events	2,754	1.37
863,764	De La Rue	2,634	1.31
1,124,080	GYG	629	0.31
		10,437	5.18

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	Telecommunication Services 4.11% (December 2018: 4.53%)		
4,199,765	BT	8,251	4.11
		8,251	4.11
	Food & Staples Retailing 2.84% (December 2018: 2.25%)		
2,513,261	Tesco	5,698	2.84
		5,698	2.84
	Pharmaceuticals & Biotechnology 2.79% (December 2018: 2.01%)		
355,445	GlaxoSmithKline	5,604	2.79
		5,604	2.79
	Diversified Financials 2.79% (December 2018: 1.18%)		
1,607,466	Premier Asset Management	3,143	1.57
902,058	River & Mercantile	2,454	1.22
		5,597	2.79
	Retailing 2.77% (December 2018: 3.16%)		
1,717,645	Shoe Zone	3,075	1.53
1,109,847	Halfords	2,493	1.24
		5,568	2.77
	Energy 2.72% (December 2018: 3.04%)		
693,675	BP	3,806	1.90
364,360	John Wood	1,647	0.82
		5,453	2.72
	Technology Hardware & Equipment 2.47% (December 2018: 2.51%)		
3,096,799	Strix	4,949	2.47
		4,949	2.47
	Real Estate 1.77% (December 2018: 4.73%)		
3,258,050	Grit Real Estate Income*	3,546	1.77
		3,546	1.77
	Household & Personal Products 1.36% (December 2018: 0.84%)		
3,235,795	Warpaint London	2,734	1.36
		2,734	1.36
	Materials 1.15% (December 2018: 0.74%)		
637,663	DS Smith	2,312	1.15
		2,312	1.15
	Fixed Interest 1.12% (December 2018: 1.41%)		
2,625,000	AA Bond 5.5% 31/07/2043	2,256	1.12
		2,256	1.12
	Consumer Services 1.03% (December 2018: 1.20%)		
1,337,828	William Hill	2,068	1.03
		2,068	1.03

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets			
Software & Services 0.75% (December 2018: 4.04%)						
5,011,444	Proactis	1,503	0.75			
		1,503	0.75			
Health Care Equipment & Services 0.05% (December 2018: 0.00%)						
75,000	Medica	92	0.05			
		92	0.05			
Media & Entertainment 0.00% (December 2018: 2.36%)						
France						
Energy 2.01% (December 2018: 1.75%)						
91,377	Total	4,029	2.01			
		4,029	2.01			
Telecommunication Services 1.96% (December 2018: 2.31%)						
316,281	Orange	3,924	1.96			
		3,924	1.96			
Ireland						
Food Beverage & Tobacco 1.56% (December 2018: 2.20%)						
657,156	Origin Enterprises	3,131	1.56			
		3,131	1.56			
Guernsey						
Non-sector specific 0.84% (December 2018: 0.71%)						
1,608,391	Hipgnosis Songs Fund	1,689	0.84			
		1,689	0.84			
Forward Currency Contracts (0.00%) (December 2018: (0.09%))						
Purchase Currency	Contractual Amount	Sale Currency	Contractual Amount	Maturity Date	Market Value £'000	% of Net Assets
EUR	384,748	GBP	345,338	2019-07-02	(1)	(0.00)
~EUR	310,988	GBP	278,480	2019-07-03	–	(0.00)
					(1)	(0.00)
Sale Currency	Contractual Amount	Purchase Currency	Contractual Amount	Maturity Date	Market Value £'000	% of Net Assets
EUR	12,236,484	GBP	10,927,264	2019-07-15	(26)	(0.01)
USD	4,512,399	GBP	3,562,408	2019-07-15	19	0.01
					(7)	(0.00)
Total Investments ^					177,895	88.63
Net other assets					22,821	11.37
Total net assets					200,716	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

^ Including derivative liabilities.

~ The market value of the holding is below £500 and is therefore rounded down to £0.

*Real Estate Investment Trust (REIT).

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Major purchases	Cost £'000	Total sales	Proceeds £'000
Imperial Tobacco	4,332	Tarsus	5,861
British American Tobacco	3,401	Land Securities REIT	4,993
RSA Insurance	3,336	Greencore	3,622
SSE	3,219	Babcock International	2,685
Origin Enterprises	3,058	G4S	2,645
Aviva	2,927	Micro Focus International	2,595
BT	2,772	Saga	2,247
OneSavings Bank	2,657	Barclays	2,147
GlaxoSmithKline	2,435	Senior	1,635
River & Mercantile	2,272	St James's Place	1,504
Hastings	2,008	Cohort	1,464
Lloyds Banking	1,838	BP	885
Chemring	1,834	RPS	868
easyJet	1,780	Tyman	764
Tesco	1,695	William Hill	363
Warpaint London	1,686	De La Rue	21
Pennon	1,591	Fastjet	2
National Grid	1,391		
Arena Events	1,321		
BP	1,311		
Total purchases for the period	66,604	Total sales for the period	34,301

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		4,761		1,389
Revenue	4,064		913	
Expenses	(517)		(142)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	3,547		770	
Taxation	–		(13)	
Net expenses after taxation		3,547		757
Total return before equalisation		8,308		2,146
Equalisation		(3,453)		(800)
Change in net assets attributable to shareholders from investment activities		4,855		1,346

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		149,960		21,463
Amounts receivable on creation of shares	88,194		71,135	
Less: Amounts payable on cancellation of shares	(43,141)		(453)	
		45,053		70,682
Dilution levy/adjustment		122		88
Change in net assets attributable to shareholders from investment activities		4,855		1,346
Retained distribution on accumulation shares		726		597
Closing net assets attributable to shareholders		200,716		94,176

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	177,922	140,765
Current assets:		
Debtors	52,667	9,563
Cash and bank balances	7,764	5,676
Total assets	238,353	156,004
Liabilities:		
Investment liabilities	(27)	(136)
Creditors:		
Distribution payable	(3,863)	(2,240)
Other creditors	(33,747)	(3,668)
Total other liabilities	(37,637)	(6,044)
Net Assets Attributable to Shareholders	200,716	149,960

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Z Distribution – Income Shares			
Closing net asset value (£'000)	150,691	79,432	221
Closing number of shares	16,453,723	8,965,676	21,898
Closing net asset value per share (p)	915.84	885.95	1,009.72
Operating charges	0.63%	0.64%	0.64%
	June 2019	December 2018	December 2017
Z Distribution – Accumulation Shares			
Closing net asset value (£'000)	14,830	32,213	21,221
Closing number of shares	1,505,712	3,462,007	2,091,359
Closing net asset value per share (p)	984.95	930.48	1,014.71
Operating charges	0.60%	0.67%	0.64%
	June 2019	December 2018	December 2017
Institutional Class – Income Shares			
Closing net asset value (£'000)	10,668	11,979	10
Closing number of shares	1,169,967	1,355,974	1,000
Closing net asset value per share (p)	911.83	883.42	1,009.82
Operating charges	0.82%	0.84%	0.84%
	June 2019	December 2018	December 2017
Institutional Class – Accumulation Shares			
Closing net asset value (£'000)	24,408	26,336	10
Closing number of shares	2,486,625	2,837,074	1,000
Closing net asset value per share (p)	981.55	928.27	1,014.34
Operating charges	0.82%	0.84%	0.84%
	June 2019	December 2018	December 2017
E Class – Accumulation Shares(2)			
Closing net asset value (£'000)	119	–	–
Closing number of shares	12,019	–	–
Closing net asset value per share (p)	989.24	–	–
Operating charges	0.18%	–%	–%

(1) Share class launched 9 August 2018 and closed 23 October 2018.

(2) Share class launched 5th March 2019.

Distribution Table

Distribution in pence per share

Group 1 Interim Shares purchased prior to 1 January 2019

Group 2 Interim Shares purchased on or between 1 January 2019 and 30 June 2019

Z Distribution – Income Shares

	Net revenue	Equalisation	Distribution payable to 2019	Distribution paid 2018
Group 1	(p)	(p)	(p)	(p)
Interim	21.8900	–	21.8900	20.8500
Group 2	(p)	(p)	(p)	(p)
Interim	2.1500	19.7400	21.8900	20.8500

Z Distribution – Accumulation Shares

	Net revenue	Equalisation	Distribution payable to 2019	Distribution paid 2018
Group 1	(p)	(p)	(p)	(p)
Interim	18.8400	–	18.8400	17.9400
Group 2	(p)	(p)	(p)	(p)
Interim	–	18.8400	18.8400	17.9400

Institutional Class – Income Shares

	Net revenue	Equalisation	Distribution payable to 2019	Distribution paid 2018
Group 1	(p)	(p)	(p)	(p)
Interim	22.3000	–	22.3000	21.2400
Group 2	(p)	(p)	(p)	(p)
Interim	10.9800	11.3200	22.3000	21.2400

Institutional Class – Accumulation Shares

	Net revenue	Equalisation	Distribution payable to 2019	Distribution paid 2018
Group 1	(p)	(p)	(p)	(p)
Interim	17.8000	–	17.8000	16.9500
Group 2	(p)	(p)	(p)	(p)
Interim	8.4300	9.3700	17.8000	16.9500

Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of income included in the purchase price of Group 2 shares and is treated as being refunded to the holders of these shares as a return of capital. Being capital, it is not liable to Income Tax but should be deducted from the cost of shares for tax on capital gains purposes.

Manager: Andrew Green

Commentary

The Fund rose 14.7% for the six months to 30 June 2019 (as measured by the GBP Institutional class), compared to its benchmark, the MSCI World Index in GBP which rose 17.5%.

While lagging a generally strong market buoyed by seemingly perpetual low inflation and interest rates, it has been somewhat surprising to find precious metals as the outstanding performers YTD. Goldfields, Impala Platinum, Newmont and Sibanye have all made substantial contributions.

Italy and Greece, while in perpetual crisis mode has yielded good gains from Saipem, Leonardo and National Bank of Greece.

At the other end of the scale, the ex US banking sector has continued to be a drag on the portfolio with Sabadell still suffering from its botched IT upgrade and Resona, a Japanese regional bank, while in good shape, is now yielding 5%, a rarity in that country.

The additional headwind has been sterling and clearly no representation in the U.K. for a global fund has meant easy gains. The Brexit conundrum continues but the almost universal view that sterling is toxic will prove tempting at some point.

The decision by the Fed to cut rates for the first time since the crisis of 2008 at a time of booming US markets lends a piquancy to the outlook. Clearly the maverick political climate is making policy even more difficult in the US, but the high wire act may yet require a sudden reversal of policy if the present slowdown is temporary. Inflation is never dead, it is sleeping and like universal sin, only a miracle can expiate it.

The top holdings contributing to performance during the period were Gold Fields, Impala Platinum and National Bank of Greece. The bottom holdings were Banco de Sabadell, J Sainsbury and Reasona.

Portfolio Analysis

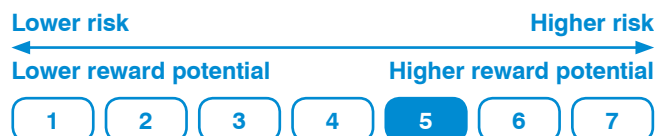
Analysis, by geographical area	30 June 2019 %	31 December 2018 %
Japan	21.66	17.55
United Kingdom	12.60	15.04
United States	11.45	10.92
Italy	9.44	8.65
Germany	5.54	3.61
South Africa	5.42	8.29
Greece	2.53	0.81
Spain	2.21	1.46
Switzerland	2.14	1.49
France	2.01	2.99
Netherlands	1.02	–
Ireland	0.46	0.38
Chile	–	0.63
Net other assets	23.52	28.18
Total net assets	100.00	100.00

Analysis, by industry sector*	30 June 2019 %	31 December 2018 %
Banks	22.90	24.35
Materials	14.00	12.27
Energy	7.21	5.65
Capital Goods	5.96	3.79
Diversified Financials	4.91	2.38
Telecommunication Services	3.51	5.10
Insurance	2.99	1.79
Utilities	2.94	1.95
Food & Staples Retailing	2.40	1.04
Commercial & Professional Services	2.10	2.16
Software & Services	1.70	4.07
Real Estate	1.67	3.58
Consumer Durables & Apparel	1.38	–
Transportation	1.07	0.67
Automobiles & Components	1.04	–
Retailing	0.47	0.49
Media & Entertainment	0.23	0.96
Household & Personal Products	–	0.94
Food Beverage & Tobacco	–	0.63
Net other assets	23.52	28.18
Total net assets	100.00	100.00

*Prior year figures have been restated.

Analysis, by investment	30 June 2019 %	31 December 2018 %
Equity Quoted	76.48	71.82
Net other assets	23.52	28.18
Total net assets	100.00	100.00

Risk and Reward Profile



The risk indicator is based on the volatility of the Fund's performance over the last 5 years. Where 5 years' performance history is not available the data is supplemented by proxy fund, benchmark data or a simulated historical series as appropriate.

- The Fund does not offer any capital guarantee or assurance that the investor will receive a fixed amount when redeeming.
- This profile is determined using historical data, as such may not be a reliable indication for the future risk profile. It is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

Further risks that may have a significant effect on the net asset value of the Fund include:

- **Currency Risk:** the value of investments in assets that are denominated in currencies other than the base currency will be affected by changes in the relevant exchange rates which may cause a decline.
- **Brexit Risk:** the regulatory regime to which certain of the Investment Managers are subject to in the UK could be materially and adversely affected. The decision to leave the EU could also result in substantial volatility in foreign exchange markets and a sustained period of uncertainty for the UK, the EU and the global markets in general.
- **Capital at Risk:** all financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.
- **Currency Risk – Non Base Currency Share Class:** non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.
- **Investment Positions:** positions may increase in size relative to the size of the Fund. The risk is monitored by regularly adapting positions.
- **Equity:** investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

The "Investment Objectives and Policy" section of the Prospectus for this Fund gives you more details about all the risks for the Fund – see under "Practical Information" for how to obtain a copy.

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
Japan 21.66% (December 2018: 17.55%)			
1,812,300	Mitsubishi UFJ Financial	6,767	3.66
223,900	Sumitomo Mitsui Financial	6,215	3.36
1,468,600	Resona	4,804	2.60
274,300	Nippon Steel & Sumitomo Metal	3,699	2.00
263,000	LIXIL	3,268	1.77
57,100	Fujitsu	3,128	1.70
210,900	Mitsubishi Estate	3,084	1.67
1,101,500	Nomura	3,048	1.65
296,400	Sharp	2,555	1.38
223,900	Credit Saison	2,059	1.12
136,500	Isetan Mitsukoshi	870	0.47
27,900	Mitsui OSK Lines	525	0.28
		40,022	21.66
United Kingdom 12.60% (December 2018: 15.04%)			
3,518,276	Royal Bank of Scotland	7,733	4.18
2,262,154	J Sainsbury	4,433	2.40
3,681,660	Capita	3,882	2.10
629,491	RSA Insurance	3,631	1.97
1,963,210	Centrica	1,724	0.93
1,285,171	Firstgroup	1,256	0.68
51,341	Pearson	421	0.23
12,403,392	Fastjet	195	0.11
1,973,381	Fastjet Warrants Expiry date 31/07/2021	–	–
		23,275	12.60
United States 11.45% (December 2018: 10.92%)			
302,173	Newmont Goldcorp	9,134	4.94
261,155	Apache	5,944	3.22
264,979	General Electric	2,186	1.18
63,103	Schlumberger	1,970	1.07
160,203	Goodyear Tire & Rubber	1,926	1.04
		21,160	11.45
Italy 9.44% (December 2018: 8.65%)			
15,111,185	Telecom Italia	6,493	3.51
558,288	Leonardo	5,567	3.01
1,376,848	Saipem	5,390	2.92
		17,450	9.44
Germany 5.54% (December 2018: 3.61%)			
1,274,563	Commerzbank	7,207	3.90
263,480	thyssenkrupp	3,024	1.64
		10,231	5.54

GAM Global Eclectic Equity Fund

Portfolio Statement

as at 30 June 2019

Holdings	Description	Market Value £'000	% of Net Assets
	South Africa 5.42% (December 2018: 8.29%)		
1,470,490	Gold Fields	6,289	3.40
3,991,909	Sibanye Gold	3,728	2.02
		10,017	5.42
	Greece 2.53% (December 2018: 0.81%)		
2,168,445	National Bank of Greece	4,676	2.53
		4,676	2.53
	Spain 2.21% (December 2018: 1.46%)		
5,006,093	Banco de Sabadell	4,081	2.21
		4,081	2.21
	Switzerland 2.14% (December 2018: 1.49%)		
420,264	Credit Suisse	3,964	2.14
		3,964	2.14
	France 2.01% (December 2018: 2.99%)		
312,012	Engie	3,724	2.01
		3,724	2.01
	Netherlands 1.02% (December 2018: 0.00%)		
479,446	Aegon	1,878	1.02
		1,878	1.02
	Ireland 0.46% (December 2018: 0.38%)		
267,309	AIB	860	0.46
		860	0.46
	Total Investments	141,338	76.48
	Net other assets	43,456	23.52
	Total net assets	184,794	100.00

All holdings are equities and represent securities quoted on a Listed Securities Market, unless otherwise stated.

Statement of Material Portfolio Changes

for the period 1 January 2019 to 30 June 2019

Major purchases	Cost £'000	Major sales	Proceeds £'000
J Sainsbury	5,505	Impala Platinum	8,863
Goldcorp	4,396	Land Securities REIT	7,015
Nomura	3,626	AngloGold Ashanti	6,197
Fresnillo	3,369	International Business Machines	5,082
E.ON	3,340	Citigroup	4,608
LIXIL	3,259	Coty	4,466
thyssenkrupp	3,009	Standard Chartered	4,148
Sharp	2,850	E.ON	3,420
Centrica	2,521	Marks & Spencer	3,343
Land Securities REIT	2,283	Vodafone	3,300
Newmont Goldcorp	2,271	Fresnillo	3,105
Marks & Spencer	2,189	Apache	3,023
Banco de Sabadell	1,986	Gold Fields	2,788
Bunge	1,900	Saipem	2,551
Bayer	1,860	Newmont Goldcorp	2,512
Schlumberger	1,822	Carrefour	2,457
Aegon	1,819	Tokyo Broadcasting System	2,301
Goodyear Tire & Rubber	1,819	Bunge	2,109
Apache	1,481	Sumitomo Mitsui Financial	2,002
Mitsubishi UFJ Financial	1,415	General Electric	1,783
Total purchases for the period	64,383	Total sales for the period	102,098

GAM Global Eclectic Equity Fund

Statement of Total Return

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		26,295		288
Revenue	3,027		2,756	
Expenses	(671)		(560)	
Interest payable and similar charges	(1)		(5)	
Net revenue before taxation	2,355		2,191	
Taxation	(111)		(254)	
Net expenses after taxation		2,244		1,937
Total return before equalisation		28,539		2,225
Equalisation		(354)		(68)
Change in net assets attributable to shareholders from investment activities		28,185		2,157

Statement of Change in Net Assets Attributable to Shareholders

for the period 1 January 2019 to 30 June 2019

	30 June 2019		30 June 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		213,650		–
Amounts receivable on creation of shares	3,857		263,926	
Less: Amounts payable on cancellation of shares	(60,898)		(18,736)	
		(57,041)		245,190
Change in net assets attributable to shareholders from investment activities		28,185		2,157
Closing net assets attributable to shareholders		184,794		247,347

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

as at 30 June 2019

	30 June 2019 £'000	31 December 2018 £'000
Assets:		
Fixed Assets:		
Investments	141,338	153,437
Current assets:		
Debtors	351	444
Cash and bank balances	43,199	63,693
Total assets	184,888	217,574
Liabilities:		
Creditors:		
Distribution payable	–	(390)
Other creditors	(94)	(3,534)
Total other liabilities	(94)	(3,924)
Net Assets Attributable to Shareholders	184,794	213,650

Notes to the Financial Statements

Basis for preparation

The financial statements comprise the interim financial statements for each of the Funds and have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014.

GAM Global Eclectic Equity Fund

Net Asset Value and Comparative Tables

	June 2019	December 2018	December 2017
Institutional USD Income Shares ⁽¹⁾			
Closing net asset value (\$'000)	37,226	32,657	—
Closing number of shares	3,918,864	3,918,864	—
Closing net asset value per share (c)	949.92	833.32	—
Operating charges	0.65%	0.65%	—%
	June 2019	December 2018	December 2017
Institutional GBP Accumulation Shares ⁽¹⁾			
Closing net asset value (£'000)	155,544	188,008	—
Closing number of shares	14,729,119	20,308,705	—
Closing net asset value per share (p)	1,056.03	925.75	—
Operating charges	0.65%	0.65%	—%

(1) Share class launched on 28 February 2018.

General Information

The Company

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

The Authorised Corporate Director ("ACD")

The ACD is the sole director of GAM Funds and is responsible for all aspects of administration and management within the OEIC. The ACD is GAM Sterling Management Limited (authorised and regulated by the FCA), 8 Finsbury Circus, London EC2M 7GB, United Kingdom.

The Depositary

The Depositary acts as the custodian for all assets relating to the Company. The Depositary is State Street Trustees Limited (Authorised and Regulated by the FCA), 20 Churchill Place, London E14 5HJ, United Kingdom.

Minimum initial investment

The minimum initial investment in all Funds except GAM Global Eclectic Equity Fund is £6,000 for the A and R classes, £20,000,000 for the Z and Z II classes and £12,000,000 for the Institutional classes. The minimum initial investment in GAM Global Eclectic Equity Fund is £10,000 for the A and R classes and £20,000,000 for the Z, ZII and Institutional classes.

Distributions

The annual income allocation date of each sub-fund is on or before 28 February. Semi-annual income payment date for relevant classes is on or before 31 August. Distributions from each sub-fund consist of investment income net of expenses and is allocated between income and accumulation shares according to the respective shares of each sub-fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period. For more details on the distribution policy, refer to the Prospectus.

Accumulation and Income Shares

Investors may choose to hold either income or accumulation shares (including fractions of a share) in any of the sub-funds. Each income share represents one undivided share in the property of the respective sub-fund. Where both income and accumulation shares are in existence in a sub-fund, the number of shares (including fractions) in the property of the sub-fund represented by each accumulation share increases as income is accumulated.

Holders of income shares receive distributions (net of the tax which corresponds to the advance corporation tax borne by the sub-fund).

Holders of accumulation shares do not receive payments of income. Any income (net of the tax which corresponds to the advance corporation tax borne by the Fund) arising in respect of an accumulation share is automatically accumulated and is reflected in the price of each accumulation share. No preliminary charge is levied on this accumulation.

Where both types of shares are in existence, the income of the sub-fund is allocated between income shares and accumulation shares according to the respective shares in the property of the sub-fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Subscription Days

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

Application for Shares

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

Repurchase of Shares

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

Dilution Levy

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

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

- redeemed on a dealing day on which the net redemptions exceed 5% in value (calculated on the current price) of the issued shares linked to that sub-fund;
- sold on a dealing day on which net sales of shares linked to a sub-fund exceed the same percentage.

Charges

An initial charge of 5% for 'A' shares is included in the price of the shares. Out of this the ACD pays commission to recognised agents. An annual charge as listed below is deducted out of the property of the Company.

Sub-Fund	A	Institutional & R	Z & ZII
GAM Credit Opportunities (GBP)	Up to 1.50%	Up to 1.10%	Up to 1.50%
GAM Continental European Equity	Up to 1.50%	Up to 1.00%	Up to 1.50%
GAM Emerging Equity	Up to 1.50%	Up to 1.15%	Up to 1.50%
GAM UK Equity Income	Up to 1.50%	Up to 0.75%	Up to 1.50%
GAM Global Eclectic Equity Fund	Up to 1.50%	Up to 1.05%	Up to 1.50%
GAM Global Diversified	Up to 1.50%	Up to 1.05%	Up to 1.50%
GAM North American Growth	Up to 1.50%	Up to 0.90%	Up to 1.50%
GAM UK Diversified	Up to 1.50%	Up to 1.05%	Up to 1.50%

The Investment Adviser's periodic charge is calculated on each business day based on the value of the Property of the Fund on the immediate preceding business day and is paid monthly in arrears on the first business day of the calendar month immediately following.

The Depositary's fee is charged in accordance with the provisions of the Prospectus and is paid out of the assets of the Company. Certain other costs, such as dealing costs, Auditors' fees, administration fees, registration fees and custodian fees are also payable out of the assets of the Company.

Taxation for UK Shareholders

An individual shareholder who is resident (for tax purposes) in the United Kingdom is entitled to a £2,000 (2018/2019: £2,000) tax free dividend allowance. Dividends above this level are taxed at 7.5% (basic rate), 32.5% (higher rate) and 38.1% (additional rate).

Any gains arising to individual shareholders who are resident or ordinarily resident (for tax purposes) in the UK on disposal of their shares are, depending on their personal circumstances, subject to capital gains tax at 18% and 28% (the tax rate used depends on the total amount of taxable income). For 2019/2020 the first £12,000 (2018/2019: £11,700) of chargeable gains from all sources will be exempt from tax.

Corporate shareholders are subject to different treatment.

Prospectus

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

The net asset value per share of each Fund shall be published on each day on which shares are issued or redeemed, therefore daily, with the reference "exclusive commissions" on the www.fundsinfo.com website.

Risks

The sub-funds are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other sub-fund, and shall not be available for any such purpose.

Reports and Accounts

The annual report of the Company will be published within four months of the year end and the half-yearly report within two months of the half year end in each year. Copies of the reports are available upon request from the ACD or via the internet at www.gam.com. The audited annual reports of the various Master funds that are held by relevant sub-fund are available via the internet at www.gam.com.

Additional Information for Shareholders from Switzerland

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

1. Distribution in Switzerland

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

The address of the Swiss Representative is:

GAM Investment Management (Switzerland) Ltd.
Hardstrasse 201
P.O. Box
CH 8005 Zurich
Switzerland

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

2. Paying Agent

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

3. Taxation in Switzerland

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

4. Publications

Publication media of the Company for Switzerland, in particular regarding the publication of changes to the Articles of Association and the Prospectus is on the website www.fundinfo.com.

The net asset value per share of each sub-fund shall be published on each day on which shares are issued or redeemed, therefore daily, with the reference "exclusive commissions" on the www.fundinfo.com website.

5. Purchases and Sales

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

6. Fees

Sub-Fund	A	Institutional & R	Z & ZII
GAM Credit Opportunities (GBP)	Up to 1.50%	Up to 1.10%	Up to 1.50%
GAM Continental European Equity	Up to 1.50%	Up to 1.00%	Up to 1.50%
GAM Emerging Equity	Up to 1.50%	Up to 1.15%	Up to 1.50%
GAM UK Equity Income	Up to 1.50%	Up to 0.75%	Up to 1.50%
GAM Global Eclectic Equity Fund	Up to 1.50%	Up to 1.05%	Up to 1.50%
GAM Global Diversified	Up to 1.50%	Up to 1.05%	Up to 1.50%
GAM North American Growth	Up to 1.50%	Up to 0.90%	Up to 1.50%
GAM UK Diversified	Up to 1.50%	Up to 1.05%	Up to 1.50%

In general, the periodic charge of 1.5% charged to the property of the 'A' shares of the sub-fund can be apportioned as follows:

"A" Shares

Administration (ACD, Administrator) up to 0.15% p.a.

Asset management (Investment Adviser) up to 1.35% p.a.

The above listed fees for administration and asset management may be charged to the property of the sub-fund in accordance with the combined limits set out in the prospectus.

7. Trailer Fees and Reimbursements

The ACD and its agents may pay retrocessions as remuneration for distribution activity in respect of fund shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

Distribution and Sales activities are activities whose objective is to promote the distribution and sales of fund shares, such as organisation of road shows, the participation in events and fairs, the production of marketing material, the training of sales employees, etc.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

In respect of distribution in or from Switzerland, the ACD and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

8. Place of Performance and Court of Jurisdiction

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

Contact Details

Enquiries

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