

# GAM Star Defensive – GBP Institutional

Multi-Asset - Model Portfolios

GBP UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 31 Oct 2014 GBP 10.7976 (Acc)

November 2014

**GAM**

## Fund description

**Investment strategy:** Multi-Asset

**Investment objective:** Strong focus on capital protection with a limited participation in equity market growth.

**Investment Policy:** GAM Star Defensive will have a meaningful exposure to fixed interest instruments including government, emerging market, corporate and convertible bonds. The portfolio may also have a meaningful allocation to absolute return funds which target positive returns uncorrelated to broader risk markets. The remainder of the holdings will be in select global and UK equity funds and alternative investment funds.

## Manager commentary as at 31 Oct 2014

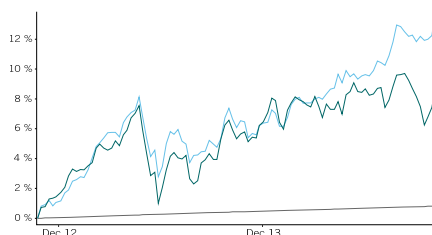
October saw the return of volatility to financial markets as a number of negative factors came to the fore. Weak economic data in Europe, coupled with the withdrawal of quantitative easing in the US, led to steep equity market falls as market participants took a bearish view of the world's major economies. However, the falls witnessed in the first two weeks of the month reversed, as US and UK unemployment figures came in at six-year lows and third-quarter earnings for US companies, including Apple and Caterpillar, beat expectations.

At the underlying fund level, positive performance came from GAM North American Growth. The manager of the fund focuses on the small and mid-cap sections of the market, which are less well covered by analysts and therefore offer unique opportunities and pockets of undiscovered value. The largest positive contributors to October performance were CareFusion, a global medical technology corporation serving the healthcare industry, and ICU Medical, which develops, manufactures, and sells medical technologies. CareFusion's share price rose rapidly following the announcement that it was being taken over by Becton Dickinson, another healthcare company. ICU Medical has performed strongly since mid-August when it announced higher-than-expected second-quarter revenue and profits.

Elsewhere, GAM Global Diversified underperformed the market significantly during the month. The manager's underweight in US equities was negative for performance, though stock selection in that market was also poor. Additionally, sharp declines in gold and oil prices hurt positions in some stocks, including Newmont Mining and Saipem.

## Fund performance and risk analysis

### Performance from 21 Nov 2012 to 31 Oct 2014



### Performance summary as at 31 Oct 2014

	Fund %	Index %
1 month return	-0.34	0.79
3 months' return	-0.45	2.56
12 months' return	1.56	5.63
Return since inception	7.98	12.91
Annualised return since inception	4.03	6.46

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

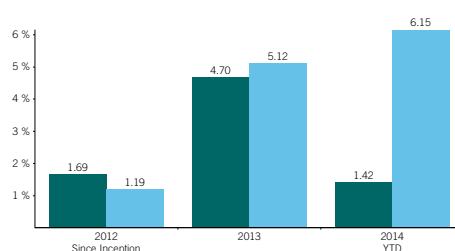
### Standardised past performance to 31 Oct 2014

October-October (%)	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
GAM Star Defensive – GBP Institutional	N/A*	N/A*	N/A*	6.32†	1.56
FTSE WMA Conservative TR Index	N/A*	N/A*	N/A*	6.90†	5.63

\*Please note this fund launched on 21 Nov 2012 and therefore performance data does not exist for these periods.

†Performance from inception date 21 Nov 2012.

### Performance history to 31 Oct 2014



### Key to charts and tables:

Fund: GAM Star Defensive – GBP Institutional; Index: FTSE WMA Conservative TR Index; Cash Index: Average GBP 1 Month Deposit Rate

### Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-0.03	1.66	-0.58	-0.26	1.08	0.02	-0.01	0.76	-0.86	-0.34	-	-	1.42
2013	1.45	0.67	0.72	1.25	-0.45	-3.42	2.18	-1.70	1.51	2.39	-0.46	0.60	4.70
2012	-	-	-	-	-	-	-	-	-	-	1.17	0.51	1.69

## Manager



Charles Hepworth and James McDaid

## Fund facts

**Fund managed by** Charles Hepworth and James McDaid  
**Fund type** UCITS  
**Stock exchange listing** Irish  
**Currency classes** CAD, GBP, USD class is available  
**Base currency of the class** GBP  
**Inception date of the fund** 21 Nov 2012  
**Inception date of the class** 21 Nov 2012  
**Fund size** GBP 9.4m  
**Class size** GBP 6.1m  
**Dividend policy** Net income will be distributed annually. Reporting fund status received.  
**Dealing day** Any business day  
**Purchase fee** Up to 5.00%  
**Investment manager and sponsor fees\*** 0.70%  
**TER** 2.07%(estimate) as at 30 Jun 2014\*\*  
**Bloomberg** Acc GAMDFIA ID  
**Reuters** Acc SDMST.FND  
**ISIN** Acc IE00B7Y9BK82  
**SEDOL** Acc B7Y9BK8  
**Valoren** Acc 19803614  
**Authorised for public sale in** Finland, Ireland, Netherlands, Norway, Sweden, Switzerland and United Kingdom  
**Data sources** GAM, Financial Times, Thomson Reuters  
**IMA Sector** Mixed Investment 0-35% Shares

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

\*\* TER figure includes annual expenses incurred by underlying fund holdings.

### Contact details

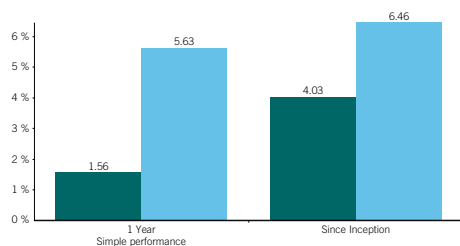
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For daily updates on this fund and a glossary of terms see [www.gam.com](http://www.gam.com). Access may be subject to certain restrictions.

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

Fund performance and risk analysis, continued

Compound annual growth rates as at 31 Oct 2014



Risk summary as at 31 Oct 2014

	12 months		Since Inception	
	Fund	Index	Fund	Index
Maximum drawdown (%) ***	-1.20	-0.84	-3.85	-3.20
Annualised standard deviation (%)	2.48	3.39	4.33	4.38
Sharpe Ratio*	0.47	1.55	0.83	1.38

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

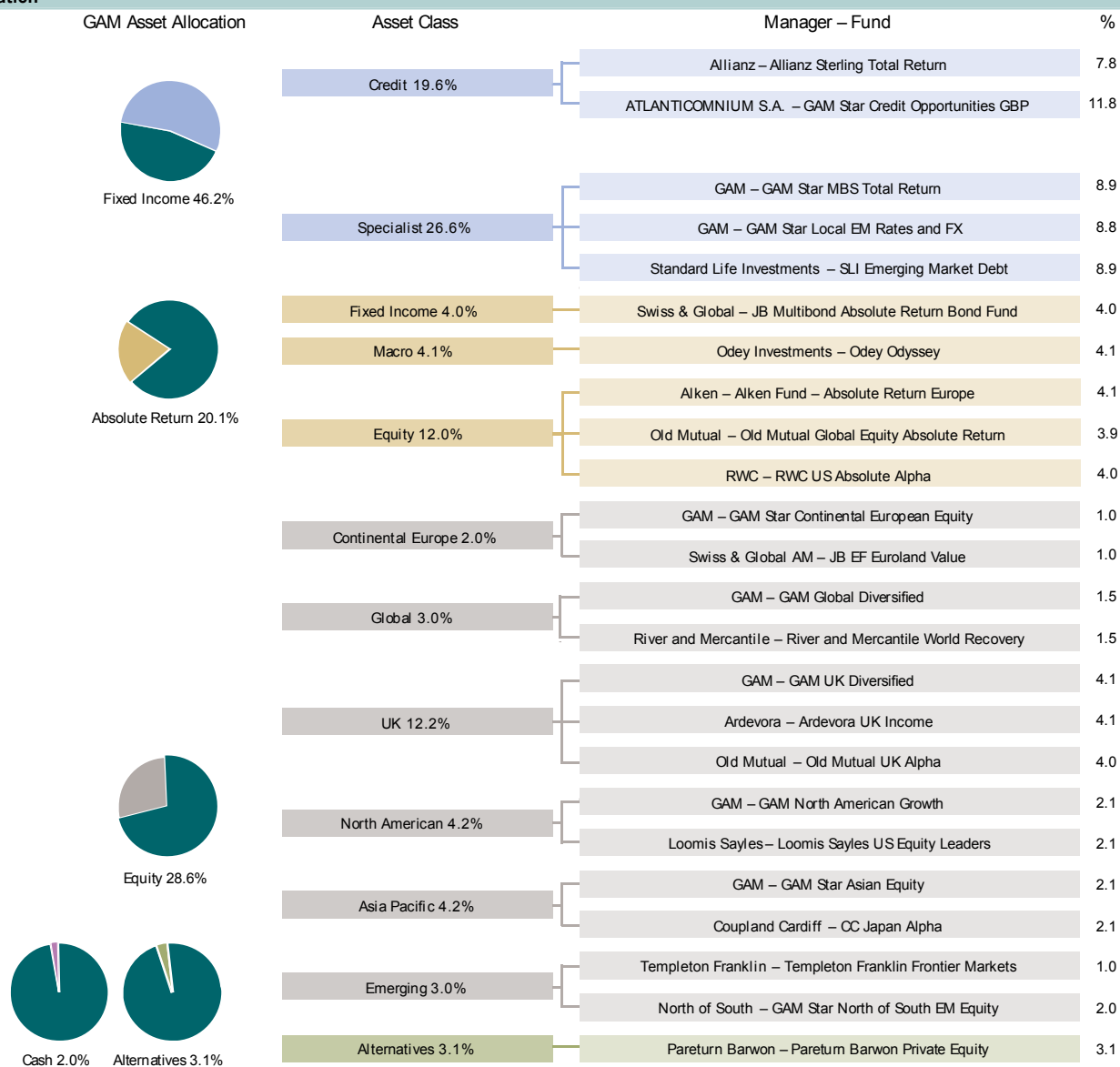
Relative summary as at 31 Oct 2014

	Relative to Index	
	12 months	Since Inception
Alpha (%)	-0.11	-0.12
Beta	0.52	0.87
Correlation	0.71	0.88

Key to charts and tables:

Fund: GAM Star Defensive – GBP Institutional; Index: FTSE WMA Conservative TR Index

Asset allocation



Source: GAM. Model Allocations and holdings are subject to change. Due to rounding differences, the sum of tables may not reconcile exactly to the totals shown. Data as at 31 Oct 2014

Source: GAM, unless otherwise stated. Where applicable and, unless otherwise noted, performance is shown net of fees, on a NAV to NAV basis.

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