

GAM FUNDS: **ASSESSMENT OF** **VALUE REPORT**



**FOR GAM FUNDS WITH THE ACCOUNTING
YEAR-END AT 31 DECEMBER 2019**

GAM CREDIT OPPORTUNITIES (GBP)

GAM CONTINENTAL EUROPEAN EQUITY

GAM EMERGING EQUITY

GAM GLOBAL ECLECTIC EQUITY

GAM GLOBAL DIVERSIFIED

GAM NORTH AMERICAN GROWTH

GAM UK EQUITY INCOME



EXECUTIVE SUMMARY

As an asset manager we recognise our business's tangible impact on society, the environment and the communities in which we operate, both through our corporate actions and, more importantly, through our investment decisions. How, where and to whom we deploy our clients' capital are some of the critical questions we seek to answer when exercising our fiduciary¹ duties on behalf of clients and helping them achieve their long-term investment goals.

For this reason the Board of GAM Sterling Management Limited, the Authorised Corporate Director of GAM Funds, (the Board), welcomes the UK regulator's, the Financial Conduct Authority (FCA), decision to introduce regulation that requires asset managers to produce a 'statement of value' for each fund they offer to investors in the UK, which assesses seven key aspects of value on at least an annual basis.

- **Quality of service** – an assessment of the range and quality of services being provided to investors.
- **AFM (authorised fund manager) costs** – consideration of whether the fees paid by investors are reasonable in comparison to the cost of the service the fund is receiving.
- **Economies of scale** – the extent to which an asset manager is able to pass on economies of scale to investors and how they have been achieved.
- **Comparable services** – an analysis of how charges compare against other comparable services provided by the asset manager in relation to mandates of a similar size and with comparable investment objectives.
- **Classes of units** – a review of existing share classes to ensure investors are being offered the most suitable share class in terms of value.
- **Performance** – an assessment of whether a fund delivered on its stated performance objectives within an appropriate timescale, taking benchmarks and relevant peer group / sector performance into consideration.
- **Comparable market rates** – a comparison of the charges applied by the fund in relation to the wider market place (ie an appropriate peer group / sector).

The Board², which includes two independent non-executive directors to ensure both rigour and impartiality, assumed collective responsibility for this assessment and ultimately determined the value rating for each fund, as well as

¹ Fiduciary: the responsibilities of a person or organisation that manages property or money belonging to another person or organisation

² Biographies of all Board members are available in the Appendix

identifying areas for improvement where applicable. I, as chairman, agree with the conclusions of the Board.

As part of the wider GAM Investment's business, we have focused on looking after our investors' best interests throughout our 35+ year heritage by providing truly active management³ across a range of differentiated investment strategies by bringing together the finest talent to help investors around the world achieve their financial objectives. This aim is reflected in GAM's values:

OUR PURPOSE, VALUES AND BEHAVIOURS

We bring together the finest talent to deliver truly distinctive investments and services, helping our clients around the world to achieve their financial objectives.

WE ACT WITH INTEGRITY

We always aim to do the right thing by our clients and by each other.

Earning and keeping trust is a priority.

We are honest, transparent and always accountable.

We promote open communication and respect for each other, creating a workplace where everyone can contribute, grow and be successful.

WE ARE DRIVEN BY EXCELLENCE

We take great pride in delivering the best for our clients, holding ourselves and each other to the highest standards.

We empower our employees to challenge the status quo, and we encourage them to be bold, determined and original.

We are responsible and diligent investors, managing our impact on the environment and society, on behalf of our clients and other stakeholders.

WE DELIVER THROUGH COLLABORATION

We believe that by working closely with our clients and with each other we can achieve great results.

We value the skills, expertise and knowledge of our colleagues, supporting each other to fully leverage our strengths.

We support an inclusive workplace, where different ideas, perspectives and backgrounds enrich our decision-making.

We believe this assessment is in keeping with these values and highlights how GAM aims to provide value to our investors across all areas of our business. Here we offer a summary of our value assessments and trust you will find this a comprehensive, thorough and a fair assessment of the value we are providing.

Kaspar Boehni

Chairman of GAM Sterling Management Limited
The Authorised Corporate Director of GAM Funds

April 2020

³ Active management consists of making buy and sell investment decisions based on research, conviction and other factors. This approach is in contrast with passive management, which generally seeks to mirror an established index, such as the S&P 500.

OUR APPROACH

The Board's approach to assessing whether the seven funds incorporated in the United Kingdom within the GAM Funds umbrella provide value to investors was to try and put ourselves in our investors' shoes and think about the questions they would ask. Our two independent, non-executive Directors were a critical part of this process, regularly challenging our evidence and making sure we were focusing on our investors' concerns rather than business considerations.

To strengthen the independence of our assessment, we also partnered with third party organisations to gather evidence, access reports, utilise external surveys and select relevant peer groups, as well as using direct feedback from our clients and investors.

In compiling this report, we have considered each of the FCA's criteria in detail from both a company perspective – for example what are the applicable services being offered by GAM Investments – as well as at an individual fund level. This means that the conclusions shown are divided into two sections – those criteria we felt were most applicable to a business-wide response that encompasses all of the funds collectively (unless otherwise indicated) and those which we felt were best addressed at an individual fund level.

The following table provides an easy to follow summary of our assessments across each of the seven criteria, as well as our final overall rating.

Our assessment has been measured using three distinct ratings:

- **Provides Value** – where we feel the value provided is of at least a fair standard
- **Requires Action** – where we have identified areas of improvement that have impacted the level of value delivered
- **Poor** – where we feel fair value has not been offered

Where any rating decisions are given below that of Provides Value, we will outline the actions that have already been concluded in this report. Where these actions are still in progress, the Board will monitor these actions closely and will update in future reports.

GAM Funds Value Assessment – Overall Rating

	GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity#	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
Quality of Service	●	●	●	●	●	●	●
AFM Costs	●	●	●	●	●	●	●
Economies of Scale	●	●	●	●	●	●	●
Comparable Services	●	●	●	●	●	●	●
Classes of Units	●	●	●	●	●	●	●
Performance*	●	●	●	n/a	●	●	n/a
Comparable Market Rates	●	●	●	●	●	●	●
Overall (weighted average)							
Provides Value	●						
Requires Action	●						
Poor	●						

Source: GAM

* With regards to performance, we believe it is right to evaluate this over the appropriate timescales relevant to the risk profile of the product in question; where the fund's track record is of an insufficient duration we believe it is unfair to make an assessment at this time and is therefore marked as "n/a" (not applicable).

#GAM Global Eclectic Equity is not available to new investors and is not marketed externally



QUALITY OF SERVICE

An assessment of the range and quality of services being provided to investors.

When addressing the concept of the quality of our service, we asked ourselves which areas have most impact for our investors. This highlighted three key areas of our business which are on the frontline of the service we provide:

- Distribution and Marketing
- Operational Services
- Investment Management

DISTRIBUTION AND MARKETING

Distribution and Marketing are the terms we use to convey how our products are promoted and sold externally and the information we provide to keep our clients and underlying investors informed about our investment products. This means they are at the forefront of our activity with investors and represent the investor-facing aspect of our service. As we have already stated, GAM's corporate values put our clients at the heart of everything we do. GAM's business in the UK means that our Distribution and Marketing services are largely conducted via third party intermediaries, rather than directly to our end investors. We rely on these strong relationships with our third party partners to make sure their clients (our underlying investors) have access to key product information.

The GAM Investments' website (www.gam.com) is also a useful tool for providing information to our clients and investors. The website offers access to a wealth of educational, product and corporate information, in an easily navigable format. Additionally, we also actively support a selection of third party, market leading data vendors and online intermediary services to ensure information on our UK fund range is also available on applicable external platforms.

For the purposes of this report, we asked a third party to help validate our Distribution and Marketing activity and the Board was satisfied that the level of service provides value.

OPERATIONAL SERVICES

Operational services represent the administration of business services and aim to establish the highest level of efficiency possible. The operational setup of the UK domiciled funds is embedded within GAM's global product framework and the Board has chosen to work with a comprehensive range of high quality external service providers, including State Street Bank and Trust Company for the administration services in respect of the funds, while transfer agency services are delegated to GAM Fund Management Ltd, Dublin. GAM has established consistent processes to oversee and re-assess these relationships on a regular basis.

The Board concluded that the combination of group resources and external expertise were appropriate to ensure the provision of operational services provides value.

INVESTMENT MANAGEMENT SERVICES

Investment management services refers to the handling of financial assets and other investments by professionals, usually by devising investment strategies and executing trades within a portfolio.

GAM applies an active approach to its investment management process and focuses on the delivery of superior investment returns in a bid to help our clients and underlying investors achieve their financial objectives. We also aim to incorporate sustainability and the integration of environmental, social and governance (ESG) factors into our investment decisions. Our Governance and Responsible Investment (GRI) team is committed to addressing ESG-related factors systematically and seeking to expand our understanding of the investment challenges related to systemic issues – such as climate change, inequality and ecological degradation, among others – and champion the broader sustainability mindset throughout our business.

For GAM Funds, the investment management of each fund has been delegated to specialised teams within GAM Investments and in the case of GAM Credit Opportunities (GBP) to Atlanticomnum SA⁴.

The management of all funds is monitored via rigorous internal processes to ensure ongoing effectiveness, cost efficiencies and portfolio construction standards are maintained. Such monitoring highlighted some areas of improvement for GAM North American Growth and the Board, in conjunction with the investment manager, has pledged to ensure appropriate actions are taken.

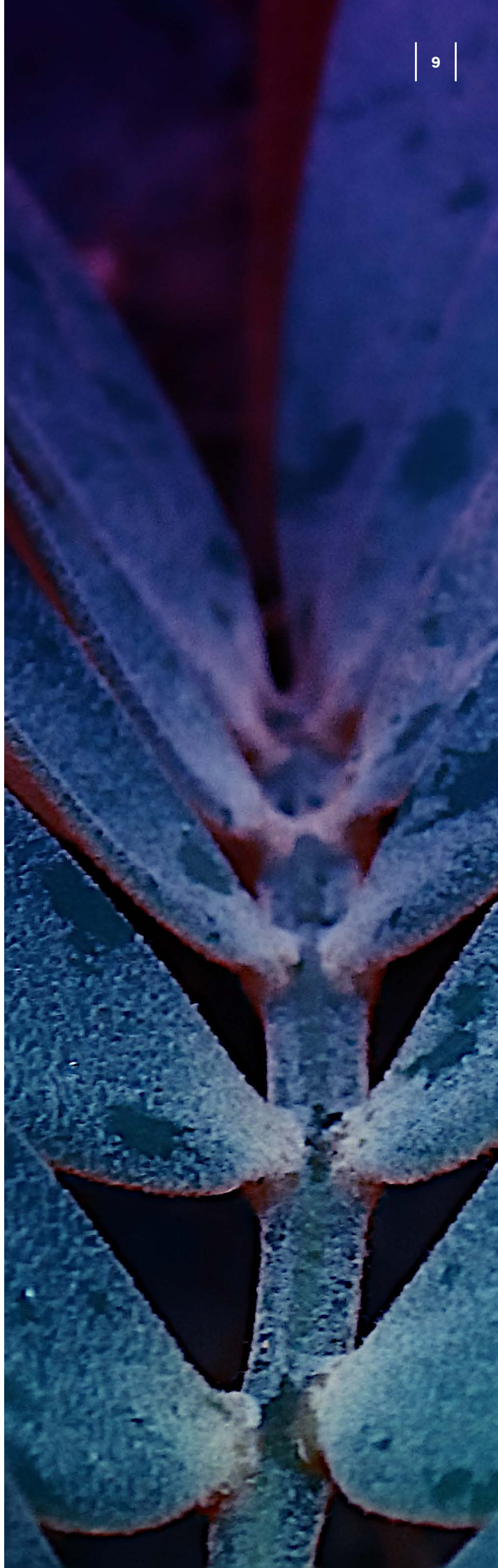
Other than this exception, the Board is satisfied that the provision of investment services provides value.

⁴Domiciled and regulated in Switzerland

GAM Funds Value Assessment – Quality of Service

GAM Credit Opportunities (GBP)	●
GAM Continental European Equity	●
GAM Emerging Equity	●
GAM Global Eclectic Equity	●
GAM Global Diversified	●
GAM North American Growth	●
GAM UK Equity Income	●

Source: GAM



AFM (AUTHORISED FUND MANAGER) COSTS

The consideration of whether the fees paid by investors are reasonable in comparison to the cost of the service the fund is receiving.

Our approach here was to consider whether the total internal costs per fund were reasonable in the context of the respective total charges paid by investors of these funds. We considered a number of charges for services provided by both internal and external partners. We wish to highlight that any third party research costs have been absorbed as part of GAM Investments' wider business since 3 January 2018. Additionally, there are no performance fees applied by these funds and, while the prospectus does include the possibility of initial charges to subscriptions, this cost element is not applied to any of these funds.

The Board was satisfied that the fund fees in comparison to the AFM costs are fair and reasonable in terms of expectations.

A table showing the range of fees for each fund and share class can be found in the Appendix.

GAM Funds Value Assessment – AFM Costs

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	●	●	●	●

Source: GAM



ECONOMIES OF SCALE

The extent to which an asset manager is able to pass on economies of scale to investors and how they have been achieved.

In terms of economies of scale we considered two potential sources of cost savings:

- Those that could be sourced from GAM Funds being part of a larger financial organisation (in this instance GAM Investments)
- Those that could be achieved within the funds themselves.

The Board was satisfied that GAM Funds is benefitting from the economies of scale available to GAM Investments through the scale of its Dublin and Luxembourg-domiciled fund ranges and its process of rigorous negotiations with third party service providers.

At an individual fund level, the Board found that at present none of the funds within the GAM Funds umbrella currently has sufficient size to truly benefit from the available economies of scale, but was satisfied that these were available should the funds' sizes grow in future.

The Board pledged to remain vigilant in pursuing the potential for economies of scale as the size of the funds grow.

GAM Funds Value Assessment – Economies of Scale

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	●	●	●	●

Source: GAM

COMPARABLE SERVICES

An analysis of how charges compare against other comparable services provided by the asset manager in relation to mandates of a similar size and with comparable investment objectives.

In this section, the Board sought to consider whether investors are being offered fair investment terms in comparison to other investors, such as institutional and overseas investors. To do this the costs of all comparable funds were reviewed and the Board found them to be in line with the cost structure of the UK-domiciled GAM Funds.

The exceptions to this conclusion were individual share classes of GAM Global Diversified. The Board has initiated a review into these specific share classes and is satisfied that this action is in progress; however, for the purposes of this report this fund is categorised as Requires Action.

GAM Funds Value Assessment – Comparable Services

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	●	●	●	●

Source: GAM

CLASSES OF UNITS

A review of existing share classes to ensure investors are being offered the most suitable share class in terms of value.

The nature of this section is for asset managers to review the available share classes across their UK fund ranges to make sure that investors were getting the best value available from their investments in funds. This aligns with one of the recommendations in the FCA’s Asset Management Market Study.

Our analysis identified that certain share classes of GAM Global Diversified and GAM North American Growth were not offering best value for investors. An exercise to convert applicable shareholders into better value share classes has been undertaken and for that reason the Board has determined that these funds should be categorised as Requires Action for the purposes of this report, although the Board is satisfied that this action has now been concluded.

In addition GAM Investments regularly reviews its share class offering in a bid to ensure best value is being offered to all applicable investors.

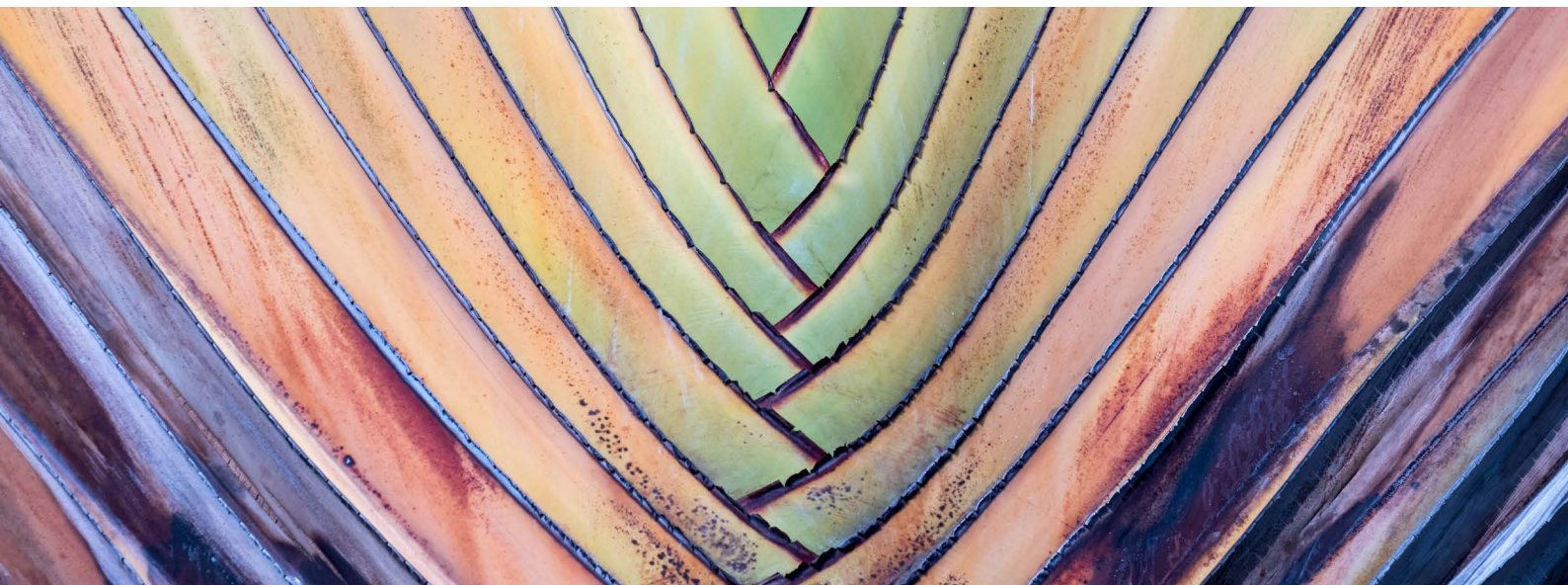
The Board concluded that, other than those funds indicated above, the current share class offering is reasonably valued.

A table showing the range of fees for each fund and share class can be found in the Appendix.

GAM Funds Value Assessment – Classes of Units

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	●	●	●	●

Source: GAM



PERFORMANCE

The consideration of whether a fund has delivered on its stated performance objectives within an appropriate timescale, taking benchmarks and relevant peer group / sector performance into consideration.

The Board felt that the assessments of value concerning performance needed to be considered at a fund level. Our key consideration was whether the funds provide a good level of performance in terms of their stated investment objectives, policy and strategy. In order to assess this, we focused on two distinct areas. Firstly, how have the funds performed in relation to their stated benchmarks and a relevant sector peer group (in our analysis we used the UK Investment Associations (IA) sector averages), as well as cash, over a fair investment market cycle (we have adopted a time horizon of five years as being most applicable to the risk levels typically associated with these investment asset types). When considering long-term performance it is important to note that three of the funds within the umbrella are managed using a master / feeder structure⁵.

Secondly, given our funds apply an active and often differentiated investment approach we wanted to measure whether this aim was being achieved. For this, we measured the 'active share' (a calculation which determines the extent of active management employed) for the funds, as we believe this is an effective indicator of whether a fund is truly deviating from its benchmark and presenting investors with a genuinely active investment proposition.

For this element, we consulted third party experts to provide us with an independent view on the performance of the GAM Funds range to validate our findings.

GAM CREDIT OPPORTUNITIES (GBP):

The investment objective of the fund is to achieve capital gains through investment principally on a worldwide basis in fixed income securities. The fund manager adopts a flexible approach seeking opportunities globally across the whole credit spectrum, regardless of index weights but with a strong emphasis on the financial sector.

The fund is in the IA sector "Sterling Strategic Bond" and is benchmarked against the Bloomberg Barclays Sterling Aggregate Corporate Index.

The track record for GAM Credit Opportunities (GBP) is less than the five year time horizon. However, as this is a feeder fund we have referenced the performance of its master fund (GAM Star Credit Opportunities, launched in July 2011) given the feeder fund seeks to replicate the master fund's performance on a like for like cost basis and therefore provides a fair indication of the performance over the longer term.

Performance: The Board determined the fund has provided value given the long-term performance of the master fund (GAM Star Credit Opportunities) was higher than the IA sector and the benchmark. Its active and differentiated process has been acknowledged by several independent ratings agencies and the master fund is currently rated ★★★★★ by Morningstar (source Morningstar as at 31 December 2019).

GAM CONTINENTAL EUROPEAN EQUITY:

The investment objective of the fund is to achieve capital appreciation by investing primarily in equity related securities listed on Recognised Markets within the EU and issued by companies with principal offices in Europe other than the UK. Company fundamentals will be considered in determining the allocation of investments and the fund manager will select investments using a fundamental, bottom-up investment approach.

The fund is in the IA sector "Europe excluding UK" and is benchmarked against the MSCI Europe ex UK Index.

The track record for GAM Continental European Equity is less than the five year time horizon. However, as this is a feeder fund we have referenced the performance of its master fund (GAM Star Continental European Equity, launched in 2005) given the feeder fund seeks to replicate the master fund's performance on a like for like cost basis and therefore provides a fair indication of the performance over the longer term.

Performance: The Board determined the fund has provided value given the long-term performance of the master fund (GAM Star Continental European Equity) was higher than the IA sector and the benchmark. The fund was found to be managed on an active basis and the master fund is currently rated ★★★★★ by Morningstar (source Morningstar as at 31 December 2019).

GAM EMERGING EQUITY:

The aim of the fund is to achieve long-term capital growth by investing at least 70% of its assets in selected shares of companies in emerging economies. The highly experienced team uses a proven and repeatable process to profit from market inefficiencies and the inherent growth potential of emerging market economies.

The fund is in the IA sector "Global Emerging Markets" and is benchmarked against the MSCI Emerging Markets Index.

The track record for GAM Emerging Equity is less than the five year time horizon. However, as this is a feeder fund we have referenced the performance of its master fund (GAM Multistock – Emerging Markets Equity, launched in February 2015) given the feeder fund seeks to replicate the master fund's performance on a like for like cost basis and therefore provides a fair indication of the performance over the longer term.

Performance: The Board determined the fund has provided value given the long-term performance of the master fund (GAM Multistock – Emerging Markets Equity) was higher than the IA sector and the benchmark. The fund was found to be managed on an active basis and the master fund is currently rated ★★★★★ by Morningstar (source Morningstar as at 31 December 2019).

⁵A master-feeder fund is a type of fund structure. Investors place their money into a feeder fund which then invests into a master fund. It is the master fund that actually invests in the market. All the market trading occurs at the master fund level. This approach reduces the costs to UK investors of being in a smaller fund which duplicates the same investment strategy.

GAM GLOBAL ECLECTIC EQUITY:⁶

The objective of the fund is to provide capital appreciation, mainly through investment in equities on a worldwide basis. Through the use of fundamental and technical analysis of listed companies globally, the fund aims to identify those that appear to be priced significantly below their intrinsic value.

The fund is in the IA sector “Global” and is benchmarked against the MSCI World Index.

Performance: The track record for GAM Global Eclectic is significantly less than the five year time horizon mentioned earlier, having only been launched in February 2018. Therefore the Board felt this limited time period was insufficient for a fair assessment of performance over a market cycle.

GAM GLOBAL DIVERSIFIED:

The investment objective of the fund is to provide capital appreciation through investing at least two thirds of its assets in shares and other equity-orientated assets anywhere in the world. The fund manager selects companies on the basis of macroeconomic, fundamental and technical analysis seeking value in overlooked companies and identifying catalysts for change⁷.

The fund is in the IA sector “Global” and is benchmarked against the MSCI World Index.

Performance: The fund has underperformed the IA sector and the benchmark over the long term, although the fund was found to be managed on an active basis. The fund is currently rated ★★ by Morningstar (source Morningstar as at 31 December 2019).

The Board concluded that while the team’s value approach has not been rewarded by markets in recent years, where growth-orientated⁸ strategies have outperformed, the level of underperformance meant that a rating of Requires Action was warranted. The Board will remain vigilant in terms of the fund’s ongoing performance over the next 12 months and will seek to ensure appropriate measures are undertaken with the investment manager.

GAM NORTH AMERICAN GROWTH:

The investment objective of the fund is to provide capital growth through investing primarily in North American equities. The fund manager selects companies on the basis of rigorous company research and will not employ any industry or market cap bias. Companies are selected on merit, regardless of market outlook.

The fund is in the IA sector “North America” and is benchmarked against the S&P 500 Index.

Performance: The fund has underperformed the IA sector and the benchmark over the long term, although the fund was found to be managed on an active basis. The fund is currently rated ★★★ by Morningstar (source Morningstar as at 31 December 2019).

⁶ GAM Global Eclectic Equity is not available to new investors and is not marketed externally.

⁷ Value investing: selecting stocks that appear to be trading for less than their apparent book value.

⁸ Growth investing: a stock buying strategy that aims to profit from companies whose earnings are expected to increase at an above average rate compared to the overall market.

The Board concluded that the team’s approach has not been rewarded by markets in recent years and the level of underperformance meant that a rating of Requires Action was warranted. The Board will remain vigilant in terms of the fund’s ongoing performance over the next 12 months and will seek to ensure appropriate measures are undertaken with the investment manager.

GAM UK EQUITY INCOME:

The investment objective of the fund is to provide income and achieve capital appreciation through investing at least two thirds of its assets in UK equities including ordinary shares and preference shares without restrictions either by company, size or industry.

The fund is in the IA sector “UK Equity Income” and is benchmarked against the FTSE All-Share Index.

Performance: The track record for GAM UK Equity Income is significantly less than the five year time horizon mentioned earlier, having only been launched in February 2018. Therefore the Board felt this limited time period was insufficient for a fair assessment of performance over a market cycle.

GAM Funds Value Assessment – Performance*

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	n/a	●	●	n/a

Source: GAM

* With regards to performance, we believe it is right to evaluate this over the appropriate timescales relevant to the risk profile of the product in question; where the fund’s track record is of an insufficient duration we believe it is unfair to make an assessment at this time and is therefore marked as “n/a” (not applicable).



COMPARABLE MARKET RATES

A comparison of the charges applied by the fund in relation to the wider market place (ie an appropriate peer group / sector).

The Board felt that the assessments of value concerning comparable market rates needed to be considered at a fund level. When considering comparable market rates, the Board recognised the importance to investors of our funds being priced fairly in comparison with other comparable funds. The Board believes we have taken reasonable steps to ensure our funds are priced at a level that reflects the active and differentiated offering they provide. With this in mind, we have again considered how the funds are priced in line with their relevant sector peer group (again using the UK Investment Association’s (IA) sector averages) while also being mindful that these universes of funds also include those taking a more passive approach. Therefore, we have also considered whether the funds delivered fair value in terms of cost per unit of performance⁹.

For this element, we consulted third party experts to provide us with an independent view on the costs of the GAM Funds range to validate our findings.

GAM CREDIT OPPORTUNITIES (GBP):

The Board concluded that the higher cost of this fund is reflective of the tasks given to the fund management team, to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM CONTINENTAL EUROPEAN EQUITY:

The Board concluded that the higher cost of this fund is reflective of the tasks given to the fund management team, to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM conducts regular product reviews in line with its regulatory obligations where a number of factors, including the level of fees, are assessed in terms of our product offering versus the broader market. In late 2019, we made the decision to reduce the annual management charge for the GAM Continental European Equity Fund by 10bps. This change became effective on 1 January 2020.

GAM EMERGING EQUITY:

The Board concluded that the higher cost of this fund is reflective of the tasks given to the fund management team, to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM GLOBAL ECLECTIC EQUITY:¹⁰

The Board concluded that the cost of this fund is lower than the sector average even though the tasks given to the fund management team are to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM GLOBAL DIVERSIFIED:

The Board concluded that while the higher cost of this fund is reflective of the tasks given to the fund management team, to be active, exercise good judgement and secure the best returns for investors. In this instance, the Board concluded that further action would be required and will seek to ensure appropriate measures are undertaken with the investment manager.

GAM NORTH AMERICAN GROWTH:

The Board concluded that the average cost of this fund is reflective of the tasks given to the fund management team, to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM UK EQUITY INCOME:

The Board concluded that the cost of this fund is in line with the sector average even though the tasks given to the fund management team are to be active, exercise good judgement and secure the best returns for investors. The Board is satisfied that these costs are appropriate.

GAM Funds Value Assessment – Comparable Markets Rates

GAM Credit Opportunities (GBP)	GAM Continental European Equity	GAM Emerging Equity	GAM Global Eclectic Equity	GAM Global Diversified	GAM North American Growth	GAM UK Equity Income
●	●	●	●	●	●	●

| Source: GAM

⁹ The cost per unit of performance seeks to determine whether the cost of the fund is justified in terms of the excess performance achieved.

¹⁰ GAM Global Eclectic Equity is not available to new investors and is not marketed externally.

NOTE FROM THE CHAIRMAN

We, as a Board, are satisfied that our value assessments show that the funds within GAM Sterling Management Limited offer value overall, but that a small number of action items have been identified. Some of these actions have already been anticipated and resolved between the financial year-end and the completion of this report and others are being addressed individually. The Board has plans in place to monitor these actions over the next annual cycle and will relate their progress in the next report.





APPENDIX

Overview of share classes for GAM Funds

Fund Name	Accumulating Yes/No	Max Subscription fee	Periodic Charge	Custodian Fee	OCF
GAM Continental European Equity					
GAM Continental European Equity Inst GBP Acc	Yes	5.00%	0.8000%	0.0160%	0.9300%
GAM Credit Opportunities (GBP)					
GAM Credit Opportunities (GBP) Inst Acc	Yes	5.00%	1.0000%	0.0160%	1.1400%
GAM Credit Opportunities (GBP) Inst Inc	No	5.00%	1.0000%	0.0160%	1.1400%
GAM Emerging Equity					
GAM Emerging Equity Inst GBP Acc	Yes	5.00%	1.0000%	0.0160%	1.1000%
GAM Global Diversified					
GAM Global Diversified - GBP Inst Acc	Yes	5.00%	1.0500%	0.0160%	1.0700%
GAM Global Diversified - GBP Inst Inc	No	5.00%	1.0500%	0.0160%	1.0700%
GAM Global Diversified Acc	Yes	5.00%	1.5000%	0.0160%	1.5200%
GAM Global Diversified GBP Z Inc	No	5.00%	0.4500%	0.0160%	0.4700%
GAM Global Diversified GBP Z Acc	Yes	5.00%	0.4500%	0.0160%	0.4700%
GAM Global Diversified - ZII GBP Acc	Yes	5.00%	0.8500%	0.0160%	0.8700%
GAM Global Diversified Inc	No	5.00%	1.5000%	0.0160%	1.5200%
GAM Global Eclectic Equity					
GAM Global Eclectic Equity - GBP Inst Acc	Yes	N/A	0.631%	0.0160%	0.6500%
GAM Global Eclectic Equity - USD Inst Inc	No	N/A	0.631%	0.0160%	0.6500%
GAM North American Growth					
GAM North American Growth Acc	Yes	5.00%	1.5000%	0.0160%	1.6000%
GAM North American Growth - GBP Inst	Yes	5.00%	0.9000%	0.0160%	1.0000%
GAM North American Growth - GBP Inst Inc	No	5.00%	0.9000%	0.0160%	1.0000%
GAM North American Growth Inc	No	5.00%	1.5000%	0.0160%	1.6000%
GAM UK Equity Income					
GAM UK Equity Income GBP Inst Semi-Annual Acc	Yes	5.00%	0.7500%	0.0160%	0.8400%
GAM UK Equity Income GBP Inst Semi-Annual Incs	No	5.00%	0.7500%	0.0160%	0.8400%
GAM UK Equity Income GBP Z Semi-Annual Acc	Yes	5.00%	0.5500%	0.0160%	0.6300%
GAM UK Equity Income GBP Z Semi-Annual Inc	No	5.00%	0.5500%	0.0160%	0.6300%
GAM UK Equity Income GBP Income Z II GBP Acc	Yes	5.00%	0.075%*	0.0160%	-

Source: GAM

* This share class is for internal use only

BIOGRAPHIES FOR THE BOARD OF GAM STERLING MANAGEMENT LIMITED, THE AUTHORISED CORPORATE DIRECTOR (ACD) OF GAM FUNDS



Kaspar Boehni
Chairman for GAM Sterling Management Limited

KASPAR BOEHNI

is the Chairman for GAM Sterling Management Limited. He is also Head of Product & Fund Development at GAM Investments. He is responsible for the design and development of new products and he works closely with GAM's client facing teams to identify and develop innovative product opportunities in order to meet the diverse and evolving needs of our clients. Prior to joining GAM Investments in March 2014, he worked at LGT Capital Management as head of product development. Prior to that, he

was a senior portfolio manager at ifund services AG. He started his career in 2003 as a senior portfolio consultant at Clariden Leu. Kaspar holds a MSc in Economics and Finance from St. Gallen University.



Tim Rainsford
Chief Executive of GAM Sterling Management Limited

TIM RAINSFORD

is the Chief Executive of GAM Sterling Management Limited. He is group Head of Sales and Distribution at GAM Investments and became a member of GAM Holding AG's Group Management Board in 2017. Before joining GAM, he was global co-head of sales and marketing at Man Group and member of Man Group's Executive Committee. Prior to this role, which he held from 2013, he was senior managing director and head of European sales at Man. Tim joined Man in 2003 in Australia,

where he was responsible for key bank relationships and helped to build up the company's large retail distribution presence, taking over full responsibility for the market in 2005. In 2007, he became Man's managing director for Asia, leading the distribution efforts in Hong Kong, China, Korea, Taiwan, Singapore and all smaller ASEAN (Association of Southeast Asian Nations) countries. Before working for Man, he held senior roles at JP Morgan in Japan and Korea. Tim holds a Master in applied finance from the Macquarie University in Sydney and a Bachelor of Business from the University of Technology in Sydney. He is a member of the Australian Institute of Chartered Accountants.



Simon Ellis
Non-executive director
of GAM Sterling
Management Limited

SIMON ELLIS

is a non-executive director of GAM Sterling Management Limited. He has over 35 years' experience in financial services and has held various managing director and CEO roles in retail asset management organisations and global financial institutions. During his extensive career, Simon has acquired board level experience and a strong understanding of the investment, regulatory and risk relating to the operation of a financial institution and the needs of its clients, investors and stakeholders.

Simon acted as the Chief Executive Officer during his time at AXA Investment Managers (2004-2005) and at Fidelity International (2006-2009). He then moved to a Managing Director role at Legal and General Investments from 2009-2013 shortly before moving to HSBC as the Global Head of Client Segments where he was responsible for aligning the asset management client strategy with that of the broader bank. Simon was appointed as a Non-Executive Director and was also a member of the Global Product Committee, the leader of the UK Mentoring Programme and founder of the Innovation Forum.

In addition to his GAM appointment, Simon currently holds the following non-executive director positions:

- HSBC Retirement Services Ltd
- Morgan Stanley Investment Management (ACD) Limited



Dr Sybille Hofman
Non-executive director
of GAM Sterling
Management Limited

DR SYBILLE HOFMANN

is a non-executive director of GAM Sterling Management Limited. She has more than 25 years' experience as a senior executive in financial services and over 17 years in the global asset management industry with focus on the UK, Germany, Ireland and Luxembourg. During her extensive career at Deutsche Bank and Invesco, she has headed Operations and a number of control functions including Operational and Investment Risk Management, Anti-Money Laundering and Outsourcing

Oversight. She was also responsible for the supervision of client assets and led major change initiatives.

Sybille has served on various boards at Invesco as an executive director in the UK, Ireland and Continental Europe and held various approved functions across Europe. Through her career, Sybille has acquired broad experience and extensive knowledge of the regulatory framework and the required governance structures in asset management to ensure good client outcomes.

In addition to her GAM appointment, Sybille currently acts as independent director on the supervisory board for two German entities of La Française Group.



Darren Nicholls
Director of GAM Sterling
Management Limited

DARREN NICHOLLS

is a director of GAM Sterling Management Limited. He is UK Head of Risk at GAM Investments. He is responsible for the oversight of risk management and a member of various boards and committees within the organisation. He provides oversight and challenge of the company's systems and controls, and seeks to ensure the adequacy of information, analysis, reporting and training surrounding material risks for the company. Prior to joining GAM Investments in September

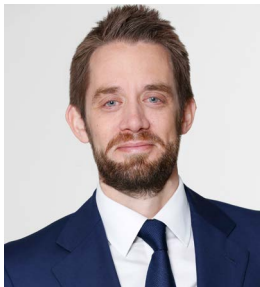
2013, he was chief risk officer – UK at AllianceBernstein. Prior to that, he was vice president – risk management at State Street Investment Manager Solutions Ltd and a consultant at Scudder Threadneedle Investments. He began his career at Assets International Management Plc. Darren holds a BSc (Hons) in Biophysics from Leeds University.



Andrew Pratt
Director of GAM Sterling
Management Limited

ANDREW PRATT

is a director of GAM Sterling Management Limited. He is UK Group Financial Controller and is responsible for the financial and regulatory reporting of the UK Group and has over 20 years of Financial Services experience. Andrew joined GAM in July 2019, before that he was Head of Finance for Sanlam Private Investments for 9 years. He has previously held Senior Finance positions with Merchant Securities Ltd, PYV Ltd, Alliance Capital Ltd, Matrix Securities Ltd and Hermes Medical Solutions Ltd.



Douglas Branson
Director of GAM Sterling
Management Limited

DOUGLAS BRANSON

is a director of GAM Sterling Management Limited. He is Head of UK distribution at GAM Investments. He was appointed to this role in February 2017. He is responsible for GAM Investments' UK business through the distribution of the GAM product range and investment capabilities to intermediaries, advisers, private banks and investment managers across the UK, Ireland, Channel Islands and Isle of Man. He is also responsible for the distribution of GAM's products in the Caribbean and

South Africa and, specifically, the GAM Model Portfolio Service range to international advisers in a number of different regions. Prior to joining GAM Investments in April 2004, he spent five years at Merrill Lynch Investment Managers (formerly Mercury Asset Management) as a private client portfolio manager. Douglas holds a BA (Hons) in European Philosophy and Literature from Anglia University, the Investment Administration Qualification and the Investment Management Certificate.

For more on information on our responsible investment approach, please see the relevant section of our website www.gam.com

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