

GAM Star China Equity – USD

Emerging Markets - China

USD UCITS (FCA Recognised) / ISA eligible (Reporting fund status) / Price as at 30 Jun 2017 USD 25.6017 (Acc) 24.9370 (Inc)

MARKETING MATERIAL



July 2017

Fund description

Investment strategy: China

Investment objective: Capital appreciation.

Investment style: A portfolio focusing on quoted equity and equity related securities of companies with assets in, or revenues derived from, China and Hong Kong. A fundamental stock-picker with a macro overlay.

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

Manager



Michael Lai

Manager commentary as at 30 Jun 2017

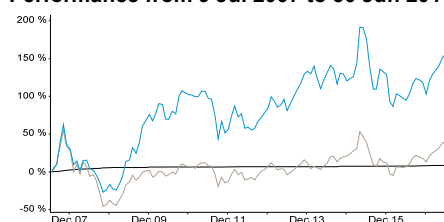
The Chinese equity market climbed higher in the second quarter, powered by a healthy economy and strong company results. Investors shrugged off slightly weaker economic data, which followed the 6.9% growth in first quarter GDP, blaming inventory adjustment while remaining upbeat on firm domestic demand. Sentiment was buoyed by the robust recovery in exports as well as strong industrial profits. Solid company earnings announcements were seen across the board with the materials and industrials sectors delivering good results, as supply side reform and environmental concerns limited supply and kept commodity prices higher than last year. The underperformance of the fund was due to having overweight positions in materials and industrials, which lagged after stellar performances in the first quarter, and because our real estate holdings, which focused more on the Tier 1 cities, underperformed as they bore the brunt of the property cooling measures vis-a-vis lower tiered cities. Although the fund had an underweight position in IT, positive stock selection helped offset the drag on sector positioning. The 10% maximum single holdings limit rule however contributed to dampening our performance. During the quarter, we added to our IT exposure as we detected early in the reporting season that actual top line was running much faster than consensus expectations. We also increased exposure to consumer staples, a branded meat producer and an A-share distillery company, with both companies enjoying a product upgrade cycle which should deliver margin expansion. Our views have not changed, reinforced by company updates and high frequency economic data. The economy remains on a firmer footing and we were pleasantly surprised not to see a marked decline in activity after the strong first quarter GDP showing.

Fund facts

Fund managed by Michael Lai
Fund type UCITS
Stock exchange listing Irish
Currency classes EUR, GBP, USD classes are available
Base currency of the class USD
Inception date of the fund 9 Jul 2007
Inception date of the class 9 Jul 2007
Fund size USD 939.9m
Class size USD 643.3m
Min investment of the class USD 10,000
Dividend policy Net income will be distributed annually. Reporting fund status received.
Dealing day Any business day
Investment manager and sponsor fees* 1.35%
TER 1.63% as at 30 Dec 2016
Bloomberg
 Acc GAMCOAU ID Inc GAMCUOI ID
Reuters
 Acc SCHUA.FND Inc SCHUI.FND
ISIN
 Acc IE00B1W3WR42 Inc IE00B1W3WS58
Valoren
 Acc 3191966 Inc 3191944
SEDOL
 Acc B1W3WR4 Inc B1W3WS5
Authorised for public sale in Austria, Bahrain, Belgium, Bulgaria, Chile (pension funds), Denmark (professional investors), Finland, France, Germany, Hong Kong, Ireland, Lebanon, Liechtenstein, Luxembourg, Macau, Netherlands, Norway (professional investors), Peru (pension funds), Singapore (Institutional & accredited investors only), Spain, Sweden, Switzerland, Taiwan, United Arab Emirates and United Kingdom
Data sources GAM, MSCI, Bloomberg

Fund performance and risk analysis

Performance from 9 Jul 2007 to 30 Jun 2017



Performance summary as at 30 Jun 2017

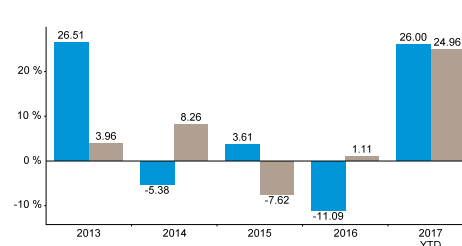
	Fund %	Equity Index %
1 month return	1.93	2.37
3 months' return	9.01	10.66
12 months' return	31.42	32.34
Return since inception	156.02	41.49
Annualised return since inception	9.88	3.54

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 30 Jun 2017

June-June (%)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
GAM Star China Equity – USD	13.95	26.85	19.60	-29.28	31.42
MSCI China Index in USD	5.47	15.94	24.95	-23.20	32.34

Performance history to 30 Jun 2017



Key to charts and tables:

Fund: GAM Star China Equity – USD; Equity Index: MSCI China Index in USD; Cash Index: Average USD 1 Month Deposit Rate

Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	8.80	3.64	2.51	2.06	4.79	1.93	-	-	-	-	-	-	26.00
2016	-15.42	-3.38	8.79	-0.96	-2.04	-1.18	4.35	6.73	3.02	-0.72	-1.66	-6.89	-11.09
2015	1.32	0.97	7.92	19.60	-0.10	-5.33	-13.11	-12.48	0.02	12.53	-1.22	-1.88	3.61
2014	-1.40	4.24	-6.34	-6.30	5.40	3.93	4.45	-1.56	-8.46	6.27	-0.50	-3.78	-5.38
2013	8.16	-2.73	-4.38	1.71	3.70	-7.13	5.36	4.50	5.00	4.06	4.88	1.76	26.51
2012	10.85	7.73	-7.65	2.61	-10.85	0.88	-2.77	1.76	5.77	3.30	3.28	3.56	17.68

Contact details

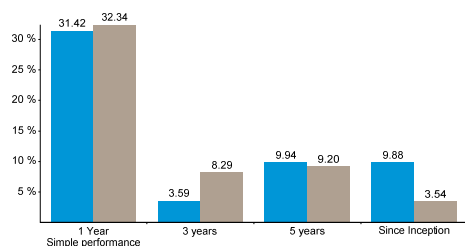
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For daily updates on this fund and a glossary of terms see www.gam.com. Access may be subject to certain restrictions.

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

Fund performance and risk analysis, continued

Compound annual growth rates as at 30 Jun 2017



Risk summary as at 30 Jun 2017

	12 months		5 years	
	Fund	Equity Index	Fund	Equity Index
Maximum drawdown (%) ***	-9.09	-7.07	-35.88	-37.70
Annualised standard deviation (%)	13.56	11.34	20.71	18.38
Sharpe Ratio*	2.26	2.79	0.46	0.48

*** The largest loss, peak to trough based on monthly data

* Risk free rate is Average USD 1 Month Deposit Rate

Relative summary as at 30 Jun 2017

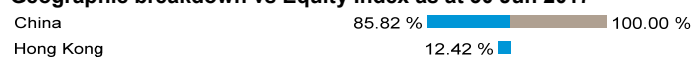
	Relative to Equity Index	
	12 months	5 years
Alpha (%)	-0.42	0.08
Beta	1.16	1.02
Correlation	0.97	0.91

Key to charts and tables:

Fund: **GAM Star China Equity – USD**; Equity Index: MSCI China Index in USD

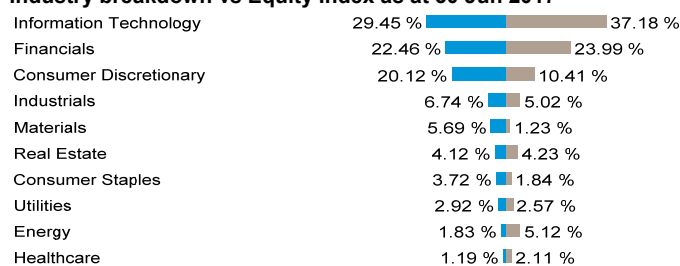
Asset allocation

Geographic breakdown vs Equity Index as at 30 Jun 2017



Net Current Assets 1.76 %

Industry breakdown vs Equity Index as at 30 Jun 2017



Net Current Assets 1.76 %

Currency exposure as at 30 Jun 2017

Name	% of Fund
Hong Kong Dollar	68.6
US Dollar	23.8
China Renminbi (Yuan)	7.5

Top 10 holdings as at 30 Jun 2017

Name	Industry	% of Fund
Tencent Holdings	Information Technology	9.8
Alibaba Group Holding-Sp ADRs	Information Technology	8.8
Galaxy Entertainment Group	Consumer Discretionary	5.1
China Construction Bank	Financials	4.7
Ping An Insurance Group of China	Financials	4.3
Netease Inc-ADRs	Information Technology	4.1
Industrial & Commercial Bank of China	Financials	4.1
Jd.Com ADRs	Consumer Discretionary	4.0
China Resources Land	Real Estate	3.6
China Merchants Bank	Financials	3.5
Total		52.0

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

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

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