

Press release

GAM launches GAM Star MBS Total Return Fund

- **The GAM Star MBS Total Return Fund offers investors an actively managed portfolio of mortgage backed securities (MBS) assets, primarily agency and non-agency US RMBS.**
- **The fund is the regulated, UCITS-compliant version of an investment strategy with an outstanding 12-year performance track record**
- **The US MBS market offers attractive, consistent returns relative to other high quality fixed income assets**
- **Broad industry expertise, demonstrated by a team that has successfully navigated a number of different market, interest rate and credit cycles, including both rising and falling interest rate environments**

London, 27 August 2014: GAM, the independent active investment manager, has launched the GAM Star MBS Total Return Fund – a UCITS-compliant version of a proven institutional investment strategy. The fund invests in the US asset-backed securities market, mainly in residential MBS, issued both by US government agencies and by non-agency entities. In the current environment, the fund aims to deliver returns of the three-month Libor rate +4 to +6% per annum.

The GAM Star MBS Total Return Fund invests in MBS of all maturities: interest rate risk is actively managed in line with the team's macroeconomic outlook. The fund is managed by Gary Singleterry and Tom Mansley who joined GAM in June 2014 as part of an acquisition. They have approximately 60 years' combined experience in MBS, including successfully managing dedicated MBS mandates for US institutions since 2002. During this time, Gary Singleterry and Tom Mansley have achieved an average annual return of 13.7% while the benchmark returned 4.8%*. Additionally, their managed account composite delivered positive returns in every calendar year.

With the launch of this fund, GAM is adding to its successful specialist fixed income investment offering. It already manages assets of approximately USD 2 billion in the GAM catastrophe bond strategy and around USD 1.5 billion in the GAM Star Credit Opportunities family of funds.

Tom Mansley said: "The US market for mortgage-backed securities has been in a slow recovery mode over the past six years. It constitutes a highly liquid, diversified market with USD 7 trillion in assets and accounts for more than 30% of the US fixed income market. Our experience shows that the asset class is suited to virtually every stage of the economic cycle. We believe that in addition to careful security selection and portfolio construction, the key to successful investing lies in anticipating and positioning for changes in the interest rate, prepayment and credit environment."

Craig Wallis, Global Head of Institutional and Fund Distribution at GAM, said: "In the current environment of yield compression in so many fixed income assets, we are seeing growing client interest in more specialised forms of fixed income. Many investors overlook the MBS asset class despite it being an interesting form of fixed income with an attractive risk/reward profile. Active managers can add value versus the market, and the approach applied by our team has proven to deliver consistent returns and capital appreciation for the highly discerning US institutional client segment over many years. We are pleased that our UCITS fund now makes these skills accessible to a much broader group of investors worldwide."

For further information please contact:

Stacey Coglan

GAM

0207 393 8656

stacey.coglan@gam.com

Notes to Editors

GAM

GAM is an independent, active asset manager and member of the GAM Holding Group. GAM delivers investment solutions to institutions, intermediaries, private clients and charities from offices in financial centres around the world. Its capabilities span investment strategies across equity, fixed income, absolute return, alternative investments, discretionary portfolio management and tailored investment solutions. Its aim is to deliver strong, long-term returns for its clients through some of the world's most talented investment managers. GAM's focus on performance, risk management, uncompromising investment standards and partnership with its clients enables it to achieve that objective. GAM Holding AG has assets under management of CHF 119.6 billion* (USD 134.9 billion)* and employs over 1,000 staff with offices in 11 countries.

¹ GAM Holding as at 30 June 2

* The JP Morgan MBS index, performance from 30 September 2002 – 30 June 2014, net of fees.

*Source: AbsolutResearch GmbH, AbsolutMonitor – Alternative UCITS Q2 2014; all figures as at 30 June 2014.

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

This material is confidential and intended solely for the use of the person or persons to whom it is given, or sent, and may not be reproduced, copied or given, in whole or in part, to any other person. Nothing contained herein constitutes investment, legal, tax or other advice, nor is it to be solely relied on in making an investment or other decision. It is not an invitation to subscribe and is by way of information only.

The fund is a sub-fund of GAM Star Fund plc. GAM Star Fund plc is an Irish umbrella fund with segregated liability between sub-funds. GAM Star Fund plc is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No.352 of 2011) and is a recognised scheme in the UK under the Financial Services and Markets Act 2000. The fund is managed by GAM Fund Management Limited which is regulated by the Central Bank of Ireland.

Some of the products mentioned herein may not be registered for public sale in all jurisdictions. Therefore, no public marketing must be carried out for them. GAM products are not available for sale in any state or jurisdiction in which such sale would be prohibited and are not aimed at persons in those jurisdictions and in those cases where the law prohibits this type of information from being provided. Investors in such products will not be eligible for the specific investor protection given under the Swiss Collective Investment Schemes Act, the German Capital Investment Act or the Austrian Collective Investments Schemes Act, in contrast to investors in products that are regulated under said acts.

Subscriptions will only be received and shares or units ('Shares') issued on the basis of the current prospectus for the fund. Copies of fund's prospectus, Key Investor Information Document (KIID) and financial statements can be obtained free of charge from GAM Fund Management Ltd, George's Court, 54-62 Townsend Street, Dublin 2, from the centralising agent for France, BNP Paribas Securities Services, 66 rue de la Victoire, 75009 Paris, from its representative in Switzerland GAM Anlagefonds AG, Hardstrasse 201, CH - 8005 Zurich, from the information agent in Germany Bank Julius Baer Europe AG, An der Welle 1, D-60322 Frankfurt am Main, from the information agent in Austria, UniCredit Bank Austria, Schottengasse 6 - 8, A-1010 Vienna. Paying Agent in Switzerland is State Street Bank GmbH, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich.

Shares of the fund have not been registered under the US Securities Act of 1933, as amended (the "Securities Act") and the fund is not registered under the US Investment Company Act of 1940, as amended (the "Company Act"). Accordingly, unless an exemption is available, such Shares may not be offered, sold or distributed in the United States or to US persons. However, pursuant to an exemption from registration under the Securities Act and the Company Act, the Shares may be sold or resold in the United States, or to certain qualified US investors in transactions which do not constitute a public offering.

*The views expressed herein are those of the manager at the time and are subject to change. **The price of shares may go down as well as up and the price will depend on fluctuations in financial markets outside GAM's control. As a result, an investor may not get back the amount invested. Past performance is not indicative of future performance** and reference to a security is not a recommendation to buy or sell that security. Holdings and allocations are subject to change. Prices quoted refer to accumulation shares, unless otherwise stated. Historic data may be subject to restatement from time to time.*

Within the UK, this material has been issued and approved by GAM London Ltd, 20 King Street, London SW1Y 6QY, authorised and regulated by the Financial Conduct Authority.