

**GAM fund celebrates three-year anniversary with 77% outperformance**

London, 14 July 2010: GAM Star China Equity, managed by in-house Investment Director, Michael Lai celebrates its three year anniversary this month. The fund, which is A (New) rated by S&P, has returned 74.9% since inception vs. -2.6% from the MSCI China Free Index in USD, an average outperformance of more than 20% per annum<sup>1</sup>.

Michael Lai, Investment Director for the fund, remains positive on the outlook for China: “We remain positive on China's economic outlook due to its strong fiscal position. In addition, its rising domestic consumption should mitigate the negative impact from weaker economies elsewhere. China's monetary policy will likely move back to neutral after a series of tightening measures since January this year. Our core holdings of industry consolidators should be able to benefit from this credit cycle and gain market share through acquisitions.”

Michael and his team believe that China's stock markets, like the rest of the Asian equity markets, are relatively inefficient. Securities are often mis-priced, especially in the mid-cap space where analyst coverage is poor. The team recognises the unique characteristics of the local economies that make up the Greater China region. They seek to understand the key drivers of these economies and find investment opportunities that capture China's rapid growth potential and the developing market inefficiencies.

Commenting on the fund, Standard & Poor's said: “Relative performance since launch has been impressive, with strong returns in the down market of 2008 helped by the team's judicious use of cash and index put options to position the portfolio defensively. A timely move later in the year to return to a fully invested stance via increased exposure to the domestic economy provides evidence of the team's skill in portfolio management.”

<sup>1</sup> Data as at 9 July 2010. USD Acc Class.

Ends

**For further information please contact:**

Janine Bunker  
Public Relations Manager, GAM  
[janine.bunker@gam.com](mailto:janine.bunker@gam.com)  
+ 44 (0) 20 7393 8656

**Notes to Editors****GAM**

GAM delivers active investment management to private clients, institutions and intermediaries. Its goal is to produce outstanding results for clients by providing access to great investment talent throughout the world. All of GAM's fund managers, whether employed by GAM or contracted to GAM, are unconstrained in their investment management process and decisions. As well as active management within funds, GAM uses active asset allocation to combine funds in managed portfolios that meet clients' diverse needs.

GAM's funds and strategies cover a broad range of asset classes, currencies and market conditions. It has long experience of hedge funds and funds of hedge funds. With rigorous attention to detail and client-friendly technology, GAM provides excellent service to its clients. It manages some CHF 54.1 billion<sup>2</sup> of clients' assets.

<sup>2</sup> Data as at 31 March 2010