GAM SYSTEMATIC ALTERNATIVE RISK PREMIA

Marketing material for professional/institutional/acredited investors

GAM Systematic Alternative Risk Premia* seeks to harvest systematic returns from alternative risk premia strategies across markets. The fund aims to deliver consistent returns, with low correlation to equities and bonds and a focus on capital preservation. Managed by GAM Systematic's Alternative Risk Premia team, systematic models are combined with bottom-up research to create a highly liquid portfolio of 12-25 risk premia.

Reasons to invest

- **Portfolio diversifier:** alternative risk premia are the rewards for taking non-traditional risk, typically employing unconventional investment techniques, aiming for low correlation to traditional asset classes.
- **Breadth of opportunity:** ability to invest in a range of asset classes globally, maximising the opportunity set and aiming for access to multiple sources of return, regardless of market environment.
- **Liquid and transparent:** liquid and transparent holdings make the asset class an attractive, long-term proposition, and provide investors with a solid understanding of the return and risk sources.
- **Cost effectiveness:** alternative risk premia are a robust alternative to equities and bonds without paying hedge fund fees, while accessing similar return sources.

Our edge

- **Solid credentials:** the team has a strong reputation as pioneers of alternative risk premia investing having traded alternative risk premia for 15 years, with extensive academic and quantitative research experience. They currently manage over USD 2 billion in assets under management.
- **Sophisticated, innovative approach:** proprietary models have been developed to support the identification of risk premia opportunities by tracking correlation, as well as seeking to limit downside risk.
- **Active risk management:** the strategy aims to benefit from a high degree of liquidity and transparency, enabling tight operational and risk management on a continuous basis.
- **Quality and cost:** diligent cost analysis, a focus on the self-execution of risk premia via a world-class trading platform, saves on implementation costs and seeks to ensure excellent quality of underlying strategies.

Investment team

The Alternative Risk Premia team, led by Dr Lars Jaeger, comprises seven investment professionals. The team benefits from industry-leading expertise, built over a long history of leadership in risk premia research, design and systematic implementation.

The varied background of the team members encompasses theoretical physics, mathematics and mathematical science. This strong quantitative orientation, combined with many years of trading experience in global capital markets, enables the team to evaluate, build and execute a broad range of risk premia strategies optimally.

The team is part of GAM Systematic, a leading quantitative platform offering a range of solutions across the systematic investing spectrum.

Find out more gam.com/en/funds/featured-funds

* Full legal name: GAM Star Fund plc. – GAM Systematic Alternative Risk Premia

GAM Investments

Investment philosophy

The team believes the identification of risk premia investing has fundamentally changed the way investors approach alpha generation. Alternative risk premia returns are not driven by systematic long equity or bond risks, but can be extracted systematically, using unconventional techniques beyond buy and hold. Such alternative risk premia offer low correlation to traditional assets and thus the opportunity for diversification.

Investment process

The team bases its process on a diversified risk approach, investing in alternative risk premia across the breadth of asset classes and trading styles globally. Their research has identified three main investment styles – value, momentum and carry – across four broad asset classes – equities, fixed income, FX and commodities. Firstly, distinct and diverse risk premia are identified using proprietary Cluster Map Analysis, followed by rigorous quantitative and qualitative investment due diligence on each premium and on the implementation path. The portfolio of selected premia is then constructed and actively managed using Expected Drawdown Analysis – a proprietary tool focused on capital preservation – in order to understand the contribution of each risk premium to expected drawdown. Risk management is embedded throughout the process, and monitored independently by GAM's Quantitative Analysis Team.

Fund facts

Fund type	UCITS
Fund manager	GAM Systematic's Alternative Risk Premia investment team
Inception date	9 Mar 2012
Currency classes [1]	USD (base), CHF, EUR, GBP classes are available
Index for comparison	3 month Libor
Dealing	Each business day (the cut-off time for the receipt of subscription and redemption orders is 12:00 (UK time) on the dealing day).
Investment manager and sponsor fees [2]	Institutional class: 0.55% Ordinary class: 1.10%

[1] Currency hedging may be employed to protect against exchange rate risk. Please contact your client manager for an exhaustive list of currency classes available.

[2] Excludes administration and custodian fees – please see the Prospectus for further details on fees.

1 Identify premia

- Original research identifies highest quality premia
- 'Cluster map' verifies correlation profile

2 Structure premia

- Full research, design and evaluation
- Cost analysis of implementation

3 Portfolio construction

- Sizing focused on capital preservation
- Expected Drawdown Analysis tool manages risk

4 Trading and risk

- Efficient execution platform and post-trade oversight
- Ongoing independent risk monitoring

"Our decade plus of experience researching, designing and improving risk premia models gives our clients a clear advantage as evidenced by our track record."

Dr Lars Jaeger
Investment Director and Head of Alternative Risk Premia

For more information, please visit www.gam.com

Please read the legal information on the following pages.

Important legal information:

Counterparty / Derivatives Risk: if a counterparty to a financial derivative contract were to default, the value of the contract, the cost to replace it and any cash or securities held by the counterparty to facilitate it, may be lost.

Leverage Risk: derivatives may multiply the exposure to underlying assets and expose the Fund to the risk of substantial losses.

Credit Risk / Debt Securities: bonds may be subject to significant fluctuations in value. Bonds are subject to credit risk and interest rate risk.

Interest Rate Risk: a rise or fall in interest rates causes fluctuations in the value of fixed income securities, which may result in a decline or an increase in the value of such investments.

Market Risk / Emerging Markets: emerging markets will generally be subject to greater political, market, counterparty and operational risks.

Capital at risk: All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

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