

INVESTING WITH GAM





Who is GAM?

Founded in 1983, GAM is an independent active manager that seeks to achieve strong investment returns over the long term. GAM invests in a wide variety of assets, including stocks, bonds and other investments.

Our investment specialists are active investors. That means they aim to seek out investments that will help us meet and – wherever possible – outperform your long-term investment objectives. You should remember that stock market investments are not guaranteed and you may not get back the amount invested.

Accordingly, all our investment managers have the freedom to think for themselves. This freedom allows them to embrace new ideas and spot opportunities to achieve stronger returns.

At the same time, they are required to take a disciplined approach to risk. We have a dedicated risk team that makes sure our investment managers do all they can to minimise the chance of losses.

GAM is a member of the GAM Holding Group, which has assets under management of GBP 101.4 billion and employs around 1,000 staff in 12 countries. We've been investing for more than 30 years and in that time, we've developed a reputation for quality, integrity and reliability.



**Active management
is central to our
investment philosophy”**

What approach do we take to investing?

Active management

GAM's investment specialists are active managers, meaning they continuously seek out investment opportunities, while trying to minimise the risk of losses.

This active approach is designed to help you achieve your particular investment goals. It differs from passive management, where the goal is simply to match the performance of a particular market or index.

Actively managed funds can cost more than passively managed ones. The reason is that you're paying for someone to handpick your investments, while mitigating the chance of losses as global markets change and develop.

Active asset allocation

In any portfolio, it is wise to include a variety of assets (stocks, bonds, cash etc). This is because different assets can involve different levels of risk, and they may also perform differently at different times. A mix of assets may therefore increase the potential for returns, while reducing the possibility of losses.

At GAM, we don't see allocating assets in a portfolio as a one-off task. Instead, we continually assess and adjust the proportions of assets our clients hold. That way, we can help them take advantage of short-term opportunities with a view to meeting their long-term investment goals.

Active selection of investment managers

At GAM, we don't invest your money directly in stocks, bonds and other investments. Instead, we seek out the best investment managers in the world and build portfolios out of their funds.

Doing so allows us to draw on the expertise of people with proven investment skills and first-hand knowledge of particular markets. As a result, they can respond quickly to developments and seek out the best opportunities to grow your money.

Why invest your money?

When you invest, you take a greater risk with your money than if you'd simply kept it in cash. Cash is one of the safer assets, but unless you have it in a savings account that's designed to beat inflation, you run the risk of its value being eroded over time. It may be particularly hard to outstrip inflation when interest rates are low, as they have been for some years now.

If you want to grow your money, you should probably consider investing in other assets (such as equities and bonds). Over the longer term, a diversified portfolio of investments like these may perform better than cash. That said, stock market investments are not guaranteed and you may not get back the amount invested.

Understanding your attitude to risk

Before you invest, you should establish the level of risk you're willing to take. Some questions you might want to ask yourself include: Can I afford to lose some or significant amounts of my money? Where does this investment fit with my other assets, such as property? What returns am I hoping for? And how long do I plan to invest?

The answers to these questions will probably depend on where you are in life and your current circumstances. For example, the longer you're planning to invest, the more risk you may be willing to take. That's because you may be able to afford to ride out short-term losses in pursuit of longer-term gains.

You should discuss your goals and attitude to risk with your financial adviser to decide upon your investment objectives.



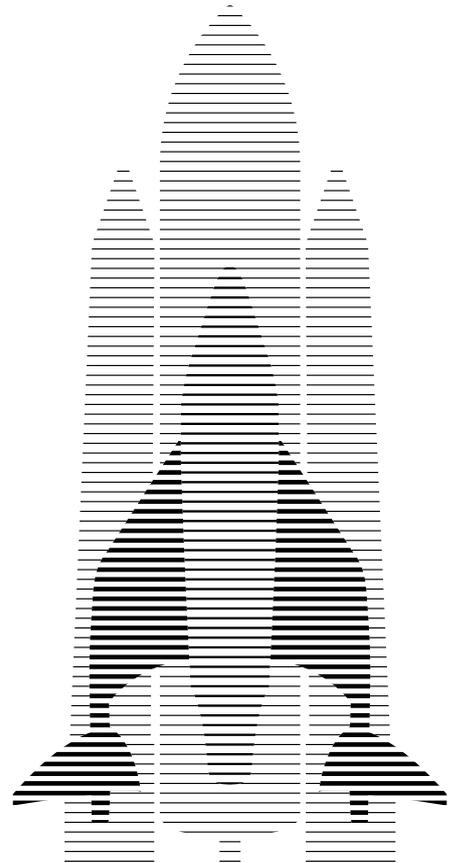
**Multi-asset investing:
Diversified investments
for more consistent returns”**

Why invest across multiple asset classes?

In recent years, professional investors have begun to realise that markets are no longer as predictable as was once thought.

To mitigate such uncertainty, all our portfolios contain a range of assets. Such variety can make a portfolio more stable, because if one asset starts to fall, another may rise and compensate for any losses.

It can be hard to predict how the various assets will perform in any given year, so this approach maximises your chances of consistent returns.



How do we manage market unpredictability?

At GAM, we don't just consider returns when selecting assets to invest in. We also seek to maintain a predetermined level of risk in each portfolio. Such an approach makes it much easier for us to predict how an investment is likely to perform.

That's because in any given year, it can be hard to foresee which asset class will deliver the best returns. In contrast, certain asset classes prove, over and over again, to be more risky than others.

Consequently, we believe you can create a much more predictable portfolio by allocating assets according to their expected level of risk rather than their expected level of return. That said, as risk and return are two sides of the same coin, a steady level of risk should generate a corresponding level of return.



Which asset class will be tomorrow's winner is beyond our control as investors, but by managing portfolios according to risk, we can help reduce uncertainty”



Which asset classes should you consider?

By investing across five major asset classes, we have the flexibility to build portfolios that match clients' needs, be they conservative or adventurous.

Fixed income

These are bonds – loans to companies or governments for which you are paid a regular fixed rate of interest. Bonds' stability has traditionally made them popular with investors seeking low-risk investments. However, they generally offer limited returns. Of our five portfolios, the Defensive portfolio contains the highest proportion of fixed income, while the Global Equity portfolio contains none at all.

Equities

Equities are shares in a company that are traded on the stock market. A company's share price depends on a variety of factors, making equities a higher-risk investment than fixed income, but with greater potential for returns. As its name suggests, our Global Equity portfolio is largely made up of equities, while our Defensive portfolio contains the lowest proportion of this asset.

Absolute return

Absolute return strategies contain a mixture of assets, such as bonds and equities. These funds are actively managed to navigate the peaks and troughs in the market to generate a consistent, stable return over time. GAM has a reputation for particular expertise in this area, and all our portfolios except the Global Equity portfolio contain some exposure to absolute return strategies.

Alternatives

Alternative investments include currencies, commodities and property. These assets can help diversify a portfolio as well as offer the potential for short-term gains. However, they may be riskier than equities and bonds. That's because their prices might fluctuate greatly in response to geopolitical issues (as is particularly the case with currencies and commodities). All our portfolios contain some alternative investments.

Cash

Cash – for example, savings in your bank account – is generally safer than other assets. However, it usually offers much lower returns and its value may be eroded over time by inflation. All our portfolios contain some cash.

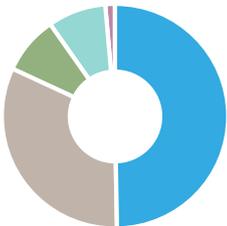
What's the right portfolio for you?

When you invest with GAM, you can choose from five different portfolios.

The one you pick will depend on the amount of risk you're willing to take – and the potential returns you're seeking.

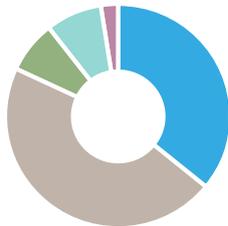
Each of these portfolios may contain up to five different asset classes. Different assets entail different levels of risk and return, so their proportions differ in each portfolio. That way, you can choose a portfolio that strikes the right balance between safeguarding your original investment and helping it to grow.

GAM's five portfolios



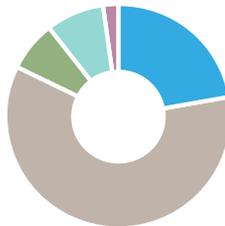
Defensive

A strong focus on safeguarding your original investment, with limited exposure to the stock market.



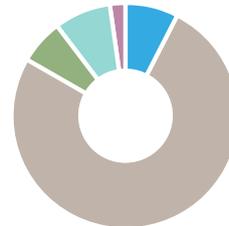
Cautious

A focus on safeguarding your original investment, with moderate exposure to stock market growth.



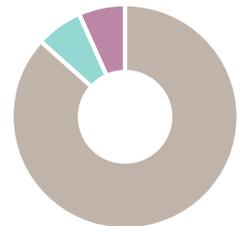
Balanced

A balance between safeguarding your original investment and gaining exposure to the stock market.



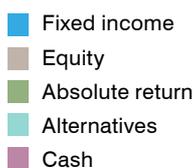
Growth

A strong focus on the stock market with some consideration of the need to safeguard your original investment.



Global Equity

A focus on capturing returns available from global stock markets.



How do we invest your money?

As an investor, you'll want to strike the right balance between safeguarding your money and growing your capital.

At GAM, we've developed a rigorous investment process that's designed to maintain that balance.

Pick the best managers

Our global team of dedicated researchers has detailed information on thousands of investment managers around the globe. This information gives us a clear view of each manager's special expertise – and how well they're performing.

We evaluate in-depth every manager we choose to work with. That allows us to be confident we have the best people looking after your investment.

Build strong portfolios

When building our portfolios, we aim to bring together the knowledge of the world's top managers with our own view of how markets and assets are performing. This combined expertise allows us to build portfolios that reflect the right levels of risk and return for our clients.

Maintain the right level of risk

We seek to minimise risk by continually monitoring our investments. We keep a constant eye on how different assets are performing, and what our managers are investing in.

Why choose GAM?

For 30 years GAM has been providing investment services to clients across the globe.

We base our success on our commitment to personal service and the virtues of quality, integrity and reliability.

Actively taking care of your wealth

At GAM, we've always been champions of active management. This approach means we can take advantage of investment opportunities the moment we spot them. It also means we're constantly working to maintain the right level of risk for you.

Our active approach also extends to identifying the best investment managers in the world – experts you wouldn't normally have access to

The best research team in the business

At GAM, we're known for having one of the largest and some of the most admired research teams in the investment industry.

Each of our researchers specialises in a particular investment sector or market, allowing us to draw on a pool of knowledge as broad as it is deep.

Based across the globe, our researchers provide us with a global view of where to find the best opportunities to invest your money.

Bigger is better

The scale of our operation gives us strong purchasing power when we're investing on your behalf. As a result, less of your money gets spent on management fees.

Our scale also allows us to invest in smaller funds that are normally closed to the individual investor. That means you may benefit from the quick and independent thinking of specialist fund managers with an informed view on their particular market.

Who's on our investment team?



Larry Hatheway is group head of GAM Investment Solutions and group chief economist. He oversees GAM's private clients, charities, multi asset and alternative investment solutions teams. He is also a member of the GAM Group Management Board. Prior to joining GAM in September 2015 he was managing director and chief economist at UBS Investment Bank. Larry Hatheway also served as UBS's global head of macro strategy from 2008 to 2012 and global head of asset allocation from 2000 to 2012. Earlier in his career he held roles at Citibank and Manufacturers Hanover Trust. Larry Hatheway holds a PhD in Economics from the University of Texas, a MA from the Johns Hopkins University, and a BA from Whitman College.



Charles Hepworth, Investment Director

Charles has 22 years industry experience. Before joining GAM in May 2012, he managed portfolios at Quilter and Albert E. Sharp, where he specialised in looking after the money of private clients. He began his career at SG Warburg and is a chartered financial analyst (CFA).



James McDaid, Investment Manager

James has 14 years industry experience. Before joining GAM in 2012 he managed portfolios for private clients at Quilter. He has a BA in Accountancy and Finance and is a CFA charterholder.

GAM's investment team has experience of investing in the full range of assets.

They come from a variety of backgrounds and investment specialisms.

GAM's Investment Advisory Board

On top of conducting their own research, our investment team has access to the expertise of GAM's Investment Advisory Board.

Made up of investment experts from inside and outside GAM, the Investment Advisory Board meets monthly. At these meetings, our investment team can discuss the latest market and economic trends, as well as practical investment ideas, with leading thinkers from across the investment world. These discussions then inform the team's approach to allocating assets in their portfolios.



Source: GAM unless otherwise stated.

For more information, please visit www.gam.com

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November 2017

