

**SHINING A LIGHT ON THE.....
GAM Star Disruptive Growth Fund**

AT A GLANCE

| Investment Objective | |
|--|--|
| <p>The investment objective of the Fund is to achieve long-term capital appreciation. It will be the policy of the Fund to invest primarily in a globally diversified portfolio of technology related companies. The Fund seeks to achieve this objective through investing primarily in equity and equity related securities (such as warrants and rights issues) of companies listed on or dealt in Recognised Markets worldwide, and up to 10% of its net assets in unlisted equities, in each case which demonstrate long term growth opportunities within sectors or whose business models are driven by new technologies. The Fund may also seek to gain exposure to such companies through the use of financial derivative instruments described below. The Fund has no specified limits on investing in any geographical region or single country and may take a geographically diversified approach and up to 30% of net assets of the Fund may be exposed to Emerging Markets.</p> | |

| | |
|----------------------------|---|
| Inception Date | 1 st February 2011 |
| Fund Factsheet Link | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000LZ0J |

| Management | |
|---------------------|-------------------------------|
| Manager Name | Start Date |
| Mark Hawtin | 1 st February 2011 |

FUND PERFORMANCE

Performance from 1st January 2016 to 31st October 2021:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| GAM Star Disruptive Growth Fund | 23.00% | 22.81% | 8.45% | 33.00% | 57.38% | 14.98% |
| MSCI ACWI Growth NR | 23.18% | 18.75% | -2.42% | 27.60% | 29.47% | 15.89% |

Performance over 12 months, 3 years, 5 years and since launch:

| | 1 year | 3 years | 5 years | Since Launch |
|--|---------------|----------------|----------------|---------------------|
| GAM Star Disruptive Growth Fund | 32.88% | 126.22% | 217.07% | 589.71% |
| MSCI ACWI Growth NR | 27.05% | 80.84% | 120.35% | 321.13% |

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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| Tracking Error | Information Ratio | Active Share | Upside Capture Ratio | Downside Capture Ratio | Batting Average | Beta | Alpha | Equity Style |
|----------------|-------------------|--------------|----------------------|------------------------|-----------------|------|-------|--------------|
| 8.14 | 1.16 | - | 113.63 | 77.70 | 55.56 | 1.08 | 5.78 | Growth/Large |

| Volatility Measurements | |
|----------------------------|--------|
| 3-Yr Std Dev (volatility) | 17.49% |
| 3-Yr Mean Return (average) | 31.27% |

| Investment Style Details | |
|--------------------------|--------|
| Giant | 36.41% |
| Large | 25.07% |
| Medium | 25.52% |
| Small | 3.62% |
| Micro | 0.00% |

| Top 5 Holdings – 50 Equity Holdings | | |
|-------------------------------------|------------------------|-------|
| Alphabet Inc Class A | Communication Services | 5.71% |
| Facebook Inc Class A | Communication Services | 5.16% |
| United States Treasury Bills 0% | - | 4.88% |
| Marvell Technology Inc | Technology | 4.64% |
| Microsoft Corp | Technology | 4.01% |

| Top 5 Sectors | |
|------------------------|--------|
| Technology | 55.26% |
| Communication Services | 20.27% |
| Healthcare | 10.64% |
| Financial Services | 7.42% |
| Consumer Cyclical | 6.07% |

| Top 5 Regions | |
|---------------|--------|
| United States | 77.35% |
| China | 12.51% |
| Singapore | 3.24% |
| Japan | 3.09% |
| Germany | 1.63% |

UPDATE....

This was a brief update to the strategy, which is a pure long only fund. The manager also runs a long / short strategy which provides additional insight to the types of stocks he wishes to hold. The fund is looking to pay a fair price for sustainable long-term businesses. They believe technology is at the core of many of these businesses and it is this that delivers profitable and sustainable disruptive growth.

They are open minded and are therefore sector agnostic. They look to invest as business owners and look to understand businesses intimately. This is an actively managed portfolio and invests across themes like transportation, healthcare, fintech and consumer internet. They see enablers as important and this includes hyper-automation, automation of knowledge, next generation disruption and digital 4.0.

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Digital 4.0 is important as this is about the connectivity of everything and covers areas like AI, cybersecurity etc. Where Facebook and Google have been winners over the last ten years, they are unlikely to be in the future. Digital advertising went from zero to over 50% and has reached a level of maturity which means these companies can't grow at the same pace. So, they are looking for those companies that are in the same place as Google and Facebook ten years ago. An example would be identifying those companies at the forefront of digital advertising within apps.

They avoid incumbent companies who have not embraced disruptive technology as they are in danger of being left behind. The strategy has a strong valuation discipline which focuses on whether they would be happy to hold the company for 10 to 15 years. An example might be Adobe, where the market didn't appreciate the switch to the subscription model, and it took the market two years to recognise this. It has been a great position for them, but they had to be patient for the market to catch up. This reflects that often the holdings they have are misunderstood by the market.

They added that, just because you have a great product, it doesn't mean you offer value for clients, and for this reason they don't own Tesla.

In summary, this is probably seen more as a "tech" fund but with a specific focus on disruption, and that goes across all industries and sectors. With the comments on Facebook and Alphabet (Google) it will be interesting to see how long these remain within the fund. We were impressed by the team but would want to do more work around the process. We would be happy to add to our watchlist.

The source of information in this note has been provided by GAM Star and is correct as of November 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.