GAM

GAM Funds

Annual Report

December 2015

This document is not an invitation to subscribe for shares in the Company described herein and is by way of information only.

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Board of the Authorised Corporate Director

Richard Cull
Director
GAM Sterling Management Limited

Andrew Hanges
Director
GAM Sterling Management Limited

Clementa Monedero
Director
GAM Sterling Management Limited

Darren Nicholls
Director
GAM Sterling Management Limited

Nora O'Mahony (appointed on 8 March 2016)
Director
GAM Sterling Management Limited

Craig Wallis (resigned on 8 March 2016)
Director
GAM Sterling Management Limited

Authorised Corporate Director
GAM Sterling Management Limited
20 King Street, London SW1Y 6QY, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Depositary
J.P. Morgan Europe Limited*
25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

State Street Trustees Limited*
20 Churchill Place, London E14 5HJ, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

*Effective from 1 February 2016, J.P. Morgan Europe Limited was replaced by State Street Trustees Limited as Depositary for the Company.

Investment Adviser
GAM International Management Limited
20 King Street, London SW1Y 6QY, United Kingdom
(Authorised and Regulated by the Financial Conduct Authority)

Independent Auditors
PricewaterhouseCoopers
One Spencer Dock, North Wall Quay, Dublin 1, Ireland

Administrator
GAM Fund Management**
Georges Court, 54-62 Townsend Street, Dublin 2, Ireland

State Street Bank and Trust Company, London Branch**
20 Churchill Place, London E14 5HJ, United Kingdom

**Effective from 1 February 2016, GAM Fund Management Limited was replaced by State Street Bank and Trust Company, London Branch as Administrator for the Company.

Transfer Agent and Facilities Agent in Ireland
GAM Funds Management Limited
George's Court
54-62 Townsend Street, Dublin 2, Ireland

Authorised Corporate Director's Report

The Authorised Corporate Director ("ACD") presents its report and audited financial statements for the year.

GAM Funds (the "Company") was authorised by The Financial Conduct Authority ("FCA") on 2 May 1997 and was incorporated on 6 May 1997. GAM Funds qualifies as a wider-range investment under the Trustee Investments Act, 1961 and is an Open-Ended Investment Company ("OEIC") with variable capital. GAM Funds is structured as an umbrella company, consisting of various sub-funds ("Funds"). The shareholders will not be liable for the debts of the Company.

The ACD of the Company is GAM Sterling Management Limited, which is authorised and regulated by the FCA. The ACD is a subsidiary of GAM (U.K.) Limited, whose ultimate parent company is GAM Holding AG.

Prices are published daily in the Financial Times.

In accordance with the Statement of Recommended Practice ("SORP"), for Financial Statements of Authorised Funds issued by the Investment Management Association ("IMA"), comparatives for the Statement of Total Return, Portfolio Analysis, Statement of Change in Net Assets attributable to Shareholders, Balance Sheet and related notes are for the year ended 31 December 2014.

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the FCA.

GAM Sterling Management Limited

28 April 2016

Investment Objectives and Policy

The investment objective and policy of each Fund is set out below. The base currency of each Fund is Pound sterling.

GAM Global Diversified

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities on a worldwide basis.

GAM North American Growth

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities in the USA and Canada.

GAM UK Diversified

The objective of the Fund is to provide capital appreciation, primarily through investment in quoted securities in the UK.

GAM European Systematic Value & Income

(Ceased trading on 28 September 2009)

The objective of the Fund was to provide capital appreciation and income generation, primarily through investment in quoted securities in Europe (excluding UK) and financial derivative instruments which gave exposure to such securities.

General

Each of GAM Global Diversified and GAM North American Growth will invest at least 51% of its total assets in shares and other equity securities and equity rights. The remaining part (up to a maximum of 49% of the total assets of the Fund) may be invested in bonds and other debt securities and debt rights.

Where the investment objectives and policy of a Fund state that investments are made "mainly", "primarily", "predominantly", etc. in a particular continent, country or region, that Fund will invest at least two thirds of its total assets in investments of issuers that have their registered office in the relevant territory or that have the predominant part of their commercial activity in that territory or, as holding companies, must predominantly hold stakes in companies with their registered office in such territory.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

Unless indicated to the contrary on the Portfolio Statement of each Fund, all equity investments referred to in this report are securities admitted to an official stock exchange listing.

Aggregated Statement of Total Return

for the year ended	Notes	31 December 2015 £	£	31 December 2014 £	£
Income					
Net gains on investments during the year	4		14,670,582		20,725,567
Other losses	5		(6,000,471)		(4,461,171)
Revenue	6	21,698,474		19,662,946	
Expenses	7	(13,424,036)		(13,880,730)	
Finance costs: Interest	9	(30,408)		–	
Net revenue before taxation		8,244,030		5,782,216	
Taxation	8	(1,749,198)		(1,438,742)	
Net revenue after taxation			6,494,832		4,343,474
Total return before distributions			15,164,943		20,607,870
Finance costs: Distribution	9		(6,520,130)		(5,005,056)
Change in net assets attributable to shareholders from investment activities			8,644,813		15,602,814

Aggregated Statement of Change in Net Assts Attributable to Shareholders

for the year ended	31 December 2015 £	£	31 December 2014 £	£
Net assets attributable to shareholders at the start of the year		1,191,936,439		934,189,026
Movement due to issue/(cancellation) of shares				
Amounts receivable on issue of shares	227,095,398		605,787,106	
Less: Amounts payable on cancellation of shares	(432,095,714)		(367,577,985)	
		(205,000,316)		238,209,121
Dilution levy		–		79,599
Stamp duty reserve tax		–		(67,762)
Change in net assets attributable to shareholders from investment activities (see above)		8,644,813		15,602,814
Retained distribution on accumulation units		4,841,221		3,923,641
Net assets attributable to shareholders at the end of the year		1,000,422,157		1,191,936,439

Aggregated Balance Sheet

as at	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Assets					
Portfolio of investments	2(b)		845,451,977		1,046,503,899
Debtors	10	3,321,963		5,772,468	
Amounts receivable on forward currency contracts	16(e)	839,463		–	
Cash and bank balances	11	161,580,576		147,014,326	
Total other assets			165,742,002		152,786,794
Total assets			1,011,193,979		1,199,290,693
Liabilities:					
Creditors	12	5,980,149		5,500,702	
Amounts payable on forward currency contracts	16(e)	3,281,465		191,801	
Distribution payable on income shares		1,510,208		1,661,751	
Total other liabilities			10,771,822		7,354,254
Total liabilities			10,771,822		7,354,254
Net assets attributable to shareholders at the end of the year			1,000,422,157		1,191,936,439

This report is signed in accordance with the requirements of the New Collective Investment Scheme Sourcebook as issued and amended by the FCA.

Richard Cull

Clementa Monedero

For and on behalf of
GAM Sterling Management Limited
Authorised Corporate Director
28 April 2016

Notes to the Aggregated Financial Statements

1. GAM Funds

As at 31 December 2015 GAM Funds consists of the following funds:

GAM Global Diversified
GAM North American Growth
GAM UK Diversified
GAM European Systematic Value & Income
(ceased trading on 28 September 2009)

2. Accounting policies

(a) The financial statements, which comprise the Statement of Total Return, Statement of Change in Net Assets attributable to Shareholders, Balance Sheet, Portfolio Statements, notes to the financial statements thereon, for both the aggregated Company and the individual Funds have been prepared under the historical cost basis, as modified by the revaluation of investments, except for GAM European Systematic Value & Income which has been prepared on a non-going concern basis, and in accordance with United Kingdom generally accepted accounting principles, the SORP for Authorised Funds issued by the IMA in May 2014, and Collective Investment Scheme Sourcebook as issued and amended by the FCA.

(b) The investments of the Company have been valued at bid prices as at 23:00 (GMT) on 31 December 2015. For unquoted securities, where no market quotation is available, such investments will be valued based on the probable realisation value estimated by the ACD on a basis which it considers fair and reasonable. Any unquoted securities have been ruled as such on the portfolio statement of each Fund.

(c) All dividends on investments quoted ex dividend up to the accounting date are included in the Statement of Total Return. Bank and other interest receivable is accrued up to this date. Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in note 8 and net of attributable tax credits.

(d) Amounts in overseas currencies are translated at the exchange rate ruling at the end of the accounting period. Foreign currency transactions completed during the year are translated at the rate ruling at the date of the transaction.

Assets and liabilities in foreign currencies are expressed in Pound sterling at the rate of exchange ruling at the balance sheet date.

The following rates of exchange have been used at the year end:

	31 December 2015	31 December 2014
Australian dollar	2.0258	1.9071
Canadian dollar	2.0474	1.8111
Euro	1.3568	1.2878
Japanese yen	177.3028	186.4813
New Zealand dollar	1.5868	1.9969
Norwegian krone	13.0460	11.6448
South African rand	22.8388	18.0288
Thai baht	53.0383	51.2459
US dollar	1.4739	1.5581

(e) Management expenses are charged against income and used in determining any distribution. All net income will be distributed after expenses at year end.

(f) All the income of the Funds after deduction of expenses, will be allocated between holders of income and accumulation shares in accordance with their respective interests. Scrip dividends form part of income for tax purposes but are not included in the year end distribution calculations in accordance with the Collective Investment Scheme Sourcebook.

(g) Deferred tax is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

(h) Where the Company buys or sells underlying investments in either the general market or over the counter e.g. in order to satisfy portfolio requirements in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of some or all of dealing costs, Stamp Duty or Stamp Duty Reserve Tax (SDRT) on the purchase of investments (if applicable) and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder. A charge to UK Stamp Duty at a rate of 0.50 per cent. should only arise when the buy or sell is effected through the use of a physical instrument of transfer e.g. a stock transfer form. The more common UK stamp tax, SDRT, arises on agreements to transfer Chargeable Securities in any form and is also charged at a rate of 0.50 per cent. (the “Primary Charge”). With a view to reducing this cost (which, if it is material, disadvantages continuing shareholders) the ACD is entitled to require payment of a dilution levy, to be added to the sale price or deducted from the redemption price of shares as appropriate. The ACD will normally charge a dilution levy of up to 1 (one) per cent. of the price of a share:

Notes to the Aggregated Financial Statements

– redeemed on a Dealing Day on which the net redemptions of shares linked to a Fund exceed 5 per cent. in value (calculated by reference to their current price) of the issued shares linked to that Fund.

– sold on a Dealing Day on which net sales of shares linked to a Fund exceed the same percentage.

(i) A forward currency contract obligates the Fund to receive or deliver a fixed quantity of foreign currency at a specified price on an agreed future date. These contracts are valued at the forward rate and the Fund's equity therein, representing unrealised gains or losses on the contracts is included in investments. Realised gains and losses are included in the Statement of Total Return.

(j) Underwriting commissions is accounted for when the issue underwritten takes place.

(k) The rate of corporation tax for the year ended 31 December 2015 was 20% (2014: 20%).

3. Investments at Fair Value

Fair Value Hierarchy
SORP requires disclosures of financial instruments measured at fair value to be based on four classifications of hierarchy that reflects the significance of the inputs in such fair value measurements.

The hierarchy gives the highest priority to quoted prices for identical instruments in active markets and lowest priority to valuation techniques using non-observable data. The four classifications of the fair value hierarchy are as follows:

(i) Quoted prices for identical instruments in active markets. Inputs will generally include equities, some highly liquid bonds and exchange traded funds.

(ii) Prices of recent transactions for identical instruments. Inputs are based on the price of a recent transaction for an identical instrument will generally include holdings in other schemes.

(iii) Valuation techniques using observable data. Inputs will generally include evaluated pricing techniques using inputs such as quoted prices for similar instruments, interest rates, yield curves or credit spreads.

(iv) Valuation techniques using non-observable data. Inputs will be based on values not primarily derived from observable market data.

Each Fund uses the "market approach" valuation technique to value its investments. Inputs are determined by observable data. A financial instrument's classification within the fair value hierarchy is based on the lowest classification of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" may require significant judgment but can generally be considered as that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the risk of that instrument.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014:

As at 31 December 2015	Assets £	Liabilities £
Valuation technique		
– Quoted prices for identical instruments in active markets	845,451,977	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	839,463	(3,281,465)
– Valuation techniques using non-observable data	–	–
	846,291,440	(3,281,465)

Notes to the Aggregated Financial Statements

As at 31 December 2014	Assets £	Liabilities £
Valuation technique		
– Quoted prices for identical instruments in active markets	1,046,503,899	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	(191,801)
– Valuation techniques using non-observable data	–	–
	1,046,503,899	(191,801)

4. Net gains on investments

	31 December 2015 £	31 December 2014 £
The net gains on investments during the year comprise:		
Non-derivative securities	17,151,808	14,974,943
Derivative securities	(2,481,226)	5,750,624
	14,670,582	20,725,567

5. Other losses

	31 December 2015 £	31 December 2014 £
Other losses comprise:		
Realised currency losses	(6,000,471)	(4,461,171)
	(6,000,471)	(4,461,171)

6. Revenue

	31 December 2015 £	31 December 2014 £
UK dividends	8,150,496	8,513,248
Overseas dividends	13,443,203	11,102,138
Bank interest	104,775	40,328
Bond interest	–	7,232
	21,698,474	19,662,946

7. Expenses

	31 December 2015 £	31 December 2014 £
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	12,759,825	13,254,177
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	42,858	84,569
Safekeeping charge	172,910	134,123
Other expenses:		
Audit fees	38,758	33,198
Registration fees	33,003	30,274
FCA	1,260	1,260
Other	375,422	343,129
Total expenses	13,424,036	13,880,730

Notes to the Aggregated Financial Statements

8. Taxation

	31 December 2015 £	31 December 2014 £
a) Analysis of tax charge in the year		
UK Tax		–
Overseas tax	1,749,198	1,438,742
Double tax relief	–	–
Income tax recovered	–	–
Total	1,749,198	1,438,742
b) Factors affecting tax charge for the year		
Net income before taxation	8,244,030	5,782,215
Net income at the applicable rate of UK corporation tax of 20% (2014: 20%)	1,648,805	1,156,444
Effects of:		
Overseas tax (net of UK relief)	1,749,198	1,438,742
Non-taxable UK dividends	(1,592,131)	(1,663,249)
Non taxable overseas dividends	(2,688,640)	2,220,428
Movement in accrued income	–	–
Movement in excess tax losses	2,631,966	2,727,233
Double tax relief	–	–
Tax charge for the year	1,749,198	1,438,742

c) Factors that may affect future tax charges
At 31 December 2015, the sub-funds has estimated unrecognised excess tax losses of £113,136,121 (31 December 2014: £100,103,388)

9. Finance costs

	31 December 2015 £	31 December 2014 £
The distribution takes account of income received on the issue of shares and income deducted on cancellation of shares, and comprises:		
Final	6,351,429	5,585,392
Add: Income deducted on cancellation of units	1,229,158	744,174
Deduct: Income received on issue of units	(1,060,457)	(1,324,510)
Net distribution for year	6,520,130	5,005,056
Interest	30,408	–
Total finance costs	6,550,538	5,005,056

10. Debtors

	31 December 2015 £	31 December 2014 £
Amounts receivable for shares issued	886,307	1,476,512
Sales awaiting settlement	1,714,406	2,869,985
Accrued income	721,250	1,425,971
	3,321,963	5,772,468

Notes to the Aggregated Financial Statements

11. Cash and bank balances

	31 December 2015 £	31 December 2014 £
Cash and bank balances	161,580,576	147,014,326
	161,580,576	147,014,326

12. Creditors

	31 December 2015 £	31 December 2014 £
Amounts payable for shares cancelled	2,931,380	1,165,228
Purchases awaiting settlement	1,802,153	2,884,198
Accrued expenses	1,246,616	1,451,276
	5,980,149	5,500,702

There were no contingent liabilities as at 31 December 2015.

13. Related Party Transactions

All material related party transactions, as set out in Financial Reporting Standard 8 "Related Party Disclosures", have been disclosed in the notes to the financial statements.

GAM Sterling Management Limited as ACD, is a related party, and acts as principal in respect of transactions of shares in the Company. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets attributable to Shareholders.

At the year end accrued expenses included amounts owing to the ACD of £953,046 (31 December 2014: £1,257,404). The charge for the year is disclosed in Note 7.

All other material related party transactions have been disclosed in the notes to the financial statements.

14. Events after the Balance Sheet date

With effect from 1 February 2016, depositary and administration responsibilities were transferred to State Street Trustees Limited and State Street Bank and Trust Company (London Branch) respectively. Full details of address are as outlined on page 2.

Subject to FCA approval, Depositary's fee will increase and will be tiered based on the net asset value of the Company at a rate of (a) 0.0160 per cent. on the first GBP 500,000,000 under management; and (b) 0.0130 per cent above GBP 500,000,000 under management. It is expected that FCA approval will be obtained by the end of June 2016. In the event that FCA approval is not forthcoming, fees will not increase and shareholders shall be notified of same in the next report.

15. Share classes

The Company has two share classes; A shares and Institutional shares. At the year end A shares and Institutional shares have been allocated. The annual management charge on these share classes is 1.50% for A shares, 1.05% for the institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for the institutional shares of GAM North American Growth. The net asset value of each share class, the net asset value per share, and the number of shares are given in the comparative tables on pages 26, 41, 57 and 66.

16. Derivatives and other financial instruments

The main risks arising from the Funds' financial instruments are market price, foreign currency, liquidity, redemption, credit and interest rate risk.

(a) Market price risk

Market price risk arises from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Investment Adviser takes into consideration the asset allocation of the portfolio when assessing the risk profile associated with particular countries or industry sectors whilst continuing to follow the investment objectives of the Funds and by regularly reviewing and evaluating the Funds' potential exposure to market risk using the Value at Risk (VaR) approach.

The VaR is an estimate of the maximum loss the Funds may experience over any one week, with a probability of 95%. The VaR is calculated by an external price provider using the historical simulation method using weekly historical pricing data for the underlying securities. The VaR of the portfolio is stress tested on a fortnightly basis by running the VaR using

Notes to the Aggregated Financial Statements

current holdings against historical events. The VaR cannot take account of the fact that future market price movements may bear no relation to historical patterns as future market conditions could vary significantly from those experienced in the past.

For GAM Global Diversified the VaR as at 31 December 2015 and 31 December 2014 was 2.26% and 4.56% respectively and the average VaR for the year to 31 December 2015 and year to 31 December 2014 was 2.41% and 2.39% respectively (expressed as a % of NAV).

For GAM North American Growth the VaR as at 31 December 2015 and 31 December 2014 was 3.24% and 3.15% respectively and the average VaR for the year to 31 December 2015 and year to 31 December 2014 was 3.40% and 2.44% respectively (expressed as a % of NAV).

For GAM UK Diversified the VaR as at 31 December 2015 and 31 December 2014 was 2.69% and 2.45% respectively and the average VaR for the year to 31 December 2015 and year to 31 December 2014 was 2.81% and 2.28% respectively (expressed as a % of NAV).

For GAM European Systematic Value & Income the VaR as at 28 September 2009 (the date the fund ceased trading) was 0.03%. The average VaR for the period to 28 September 2009 was 5.31% (expressed as a % of NAV).

(b) Foreign currency risk

A substantial portion of the financial assets of the Funds may be denominated in currencies other than the base currency of the Funds with the effect that the balance sheet and total return can be significantly affected by currency movements. The Funds may enter into forward foreign currency exchange contracts in order to hedge against currency movements. However, it is not always possible to precisely match the forward foreign exchange amount and the value of such securities may vary as a consequence of market movements over the life of the forward exchange contract.

The tables in note 16(i) set out the Funds total exposure to foreign currency risk.

(c) Liquidity risk

Liquidity risk may arise when not all securities invested in by the Funds will be listed or rated and consequently liquidity may be low. However, the assets of the Funds comprise mainly realisable securities, which can be readily sold.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual settlement date. Balances as set out in the table below have not been discounted, as the impact of discounting is not significant.

As at 31 December 2015:

	<1 month **£**
Amounts payable on forward contracts	86,478,608
Amounts payable for shares cancelled	2,931,380
Purchases awaiting settlement	1,802,153
Accrued expenses	1,246,616
Distribution payable on income shares	1,510,208
Net assets attributable to shareholders	1,000,422,157
	1,094,391,122

As at 31 December 2014:

	<1 month **£**
Amounts payable on forward contracts	92,975,357
Amounts payable for shares cancelled	1,165,228
Purchases awaiting settlement	2,884,198
Accrued expenses	1,451,276
Distribution payable on income shares	1,661,751
Net assets attributable to shareholders	1,191,936,439
	1,292,074,249

(d) Redemption risk

The main liability of the Funds is the redemption of any shares that investors wish to sell. Large redemptions of shares in any of the Funds might result in a Fund being forced to sell assets at a time, under circumstances and at a price where it would, instead, normally prefer not to dispose of those assets.

(e) Credit risk

The Funds are exposed to a credit risk on parties with whom they trade and may bear the risk of settlement default. The Funds minimise the concentration of credit risk by undertaking transactions with counterparties on recognised and reputable exchanges.

At 31 December 2015 the Company held cash deposits of £85,710,242 (31 December 2014: £70,905,766) with J.P. Morgan Europe Limited, £75,870,334 (31 December 2014: £2,439) with ABN AMRO and £nil (31 December 2014: £76,106,121) with UBS AG. The credit risk to the Funds is the risk that the counterparties default on their obligation to repay the funds. The Funds manage this credit risk by only holding deposits with approved brokers that belong to an internationally recognised financial services firm.

The Investment Adviser manages credit risk for derivative transactions by only using approved brokers that belong to an internationally recognised financial services firm or alternatively command a high market share in a given market segment.

Notes to the Aggregated Financial Statements

GAM Global Diversified held the following forward foreign exchange contracts (with J.P. Morgan) at the year end.

As at 31 December 2015:

Purchase currency	Contractual amount	Sale currency	Contractual amount	Maturity date	Unrealised gain/(loss) US$
GBP	(28,636,413)	JPY	5,225,000,000	2016/01/14	839,463
GBP	57,842,195	JPY	(10,835,000,000)	2016/01/14	(3,281,465)
					(2,442,002)

As at 31 December 2014:

Purchase currency	Contractual amount	Sale currency	Contractual amount	Maturity date	Unrealised loss US$
GBP	84,243,771	JPY	(15,738,000,000)	2015/01/29	(188,894)
GBP	(8,731,586)	JPY	1,627,000,000	2015/01/29	(2,907)
					(191,801)

There were no forward foreign exchange transactions open at 31 December 2015 or 31 December 2014 for any other Funds.

(f) Interest rate risk

The Funds may hold cash balances which are subject to a floating rate of interest. At the year end, floating rates were tracked against the Bank of England base rate -0.5% and for any overdrafts the Bank of England base rate +1%. The amount of the cash balances are set out in the notes to the financial statements for each Fund. Otherwise, the majority of the assets of the Funds are equity shares and other investments which neither pay interest nor have a maturity date.

(g) Fair value

All the assets of the Funds are held at fair value as determined in accordance with the accounting policies.

(h) Gains and losses on financial assets

The net gains from trading in financial assets and financial liabilities shown in the Statement of Total Return are analysed in notes 4 and 5 to the aggregated financial statements.

(i) Net currency hedging on financial assets

The following tables set out the Funds' total exposure to foreign currency risk, the value to be received under the foreign currency contracts designed to hedge this exposure and the resulting net unhedged amounts invested in assets denominated in foreign currency.

	Non Monetary Assets	Monetary Assets	Hedging	31 December 2015 Net Currency Exposure	31 December 2014 Net Currency Exposure
GAM Global Diversified	£000's	£000's	£000's	£000's	£000's
Euro	80,524	–	–	80,524	112,148
Japanese yen	129,237	–	(29,206)	100,031	51,360
New Zealand dollar	–	0	–	0	0
Noregian Krone	–	–	–	–	6,933
Swiss franc	2,848	–	–	2,848	–
South African rand	10,873	0	–	10,873	11,711
US dollar	125,908	133,016	–	258,924	239,854
	349,390	133,016	(29,206)	453,200	422,006

Notes to the Aggregated Financial Statements

	Non Monetary Assets	Monetary Assets	Hedging	31 December 2015 Net Currency Exposure	31 December 2014 Net Currency Exposure
GAM UK Diversified	£000's	£000's	£000's	£000's	£000's
Canadian dollar	212	–	–	212	298
Euro	–	0	–	0	307
Japanese yen	18,859	0	–	18,859	26,458
	19,071	0	–	19,071	27,063

GAM North American Growth	£000's	£000's	£000's	£000's	£000's
US dollar	256,879	14	–	256,893	282,594
	256,879	14	–	256,893	282,594

17. Portfolio transaction costs

Analysis of total purchase costs	**£000's**	**31 December 2015 £000's**	**£000's**	**31 December 2014 £000's**
Purchases in year before transaction costs		511,907		706,660
Commissions	693		1,006	
Taxes	–		68	
Total purchases costs		693		1,074
Gross purchases total		512,600		707,734
Analysis of total sales costs				
Sales in year before transaction costs		716,983		442,264
Commissions	933		613	
Total sales costs		933		613
Gross sales total		717,916		442,877

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Manager: Andrew Green

Commentary

The Fund's NAV rose 2.02% (as measured by the A Class) during 2015 versus the MSCI World Index rise of 5.45%.

2015 confounded consensus expectations for market performance. At the start of the year, the influential Bank of America Merrill Lynch fund manager survey noted that global investors were reducing their cash holdings and adding exposure to US equities and bonds. Two thirds of those surveyed believed that equities would outperform other major asset classes. Many were overweight European equities while allocations to oil and emerging markets remained cautious. As we now know, global equities as measured by the MSCI AC World index were down on the year – investor optimism proved largely misplaced.

Regionally, the US call worked in absolute terms but predictions of a US profit rebound were not validated. Hopes for European equities were fulfilled, but not enough emphasis was placed on Japan, whose equity market turned out to be the strongest of the three regions. Investors' avoidance of energy and emerging market equities proved wiser.

Consensus expectations regarding the world economy were also confounded. China slowed more than expected and global growth probably dipped below 3.0% for 2015, flirting with common definitions of a 'growth recession'. In the US, growth was predicted to be 2.5%, much lower than the average 3.3% rate recorded from 1950 to 2014. Collapsing energy and commodity prices also pushed rates of inflation well below consensus estimates. Finally, investors predicted a first US rate hike in the third quarter of 2015, but weaker data, low inflation and market turmoil postponed the Fed's move until December.

Equities

After a strong start, global equities slumped in the third quarter of 2015, prompted by weaker growth, collapsing commodity prices and China's mini currency devaluation. Hardest hit were emerging markets and commodities. In the US, corporate profits came under pressure from a stronger dollar, falling commodity prices, reduced investment in the energy sector and some upward pressure on labour costs. Higher real wages and cheaper oil should have translated into more spending, but the US savings rate remained high and consumption ex autos was muted.

European equities enjoyed stronger gains, given an improved earnings outlook and the benefits of a weaker euro. Expectations for ECB easing and signs of improved credit growth were also supportive factors. The UK market was unable to escape the commodity downdraft, although mid-caps fared better. Japan did well on the back of earnings optimism as well as renewed emphasis on governance and shareholders' rights.

The overall picture for global equities remains mixed. Elevated valuations, stuttering profits growth and narrow market leadership are worrisome signs for US equities. Earnings potential is greater in Europe and Japan. Despite compelling valuations, fundamentals in most emerging and commodity markets remain challenging. Hence, a repetition of the strong returns posted since 2009 seems unlikely for global equities. But regional and sector dispersion offers opportunities, while themes such as quality and secular growth should also be differentiators in 2016.

Fixed Income and Credit

Bonds, as measured by the Barclays Global Aggregate Index hedged to USD, posted marginally positive returns in 2015. But dispersion of performance was significant. US high yield fared significantly worse, dragged down by the energy sector and liquidity concerns. Emerging market bonds were a further source of concern. According to the Bank for International Settlements (BIS), emerging market non-financial private sector borrowing has jumped from 60% of GDP in 1997 to 120% at the end of 2014. With an era of "abundant bond financing" (BIS) coming to an end and given the prospect of further Fed 'normalisation' a reassessment of emerging market risk has commenced.

Currencies

A defining feature of 2015 was dollar strength. Following gains of nearly 10% in trade-weighted terms, the question is how much further can the dollar appreciate? Many observers have noted that the dollar tends to weaken during Fed tightening cycles. Yet history may not be a reliable guide, given highly expansionary monetary policies underway in Europe and Japan, as well as latent weakness in emerging currencies. Widening yield gaps between the US and Europe or Japan may also support the dollar. Much depends, of course, on the resilience of the US economy to the tandem of global economic weakness and dollar strength. Any faltering of expectations for Fed normalisation could undermine the dollar.

Conclusion

Uncertainty and volatility will probably define 2016. Expected returns in both stocks and bonds are likely to be subdued compared to the performance achieved from 2009-2015. For equities, valuations and earnings growth are less attractive in the US, with modest potential in Europe and Japan. Fundamentals remain challenging in emerging and commodity markets, particularly given the probability of further deceleration of China's growth. A tighter labour market accompanied by trend-like growth will prompt the Fed to proceed with policy normalisation, putting modest upward pressure on long-term US interest rates. Corporate credit spreads have limited scope to narrow and some deterioration of credit quality is likely.

The top holdings contributing to performance were Nippon Telegraph & Telephone, General Electric and Finmeccanica. The bottom holdings were Anglo American, National Bank of Greece and E.ON.

Portfolio Analysis

Analysis, by geographical area	31 December 2015 %	31 December 2014 %
Japan	23.36	22.16
United States	22.34	25.73
United Kingdom	13.71	11.29
Germany	5.08	7.19
France	3.32	3.64
Netherlands	3.13	4.58
Italy	3.01	2.55
South Africa	2.39	2.76
Switzerland	1.06	0.86
Greece	0.01	0.73
Norway	–	1.21
Net current assets	22.59	17.30
	100.00	100.00

Analysis, by industry sector	31 December 2015 %	31 December 2014 %
Banks	14.52	13.59
Materials	13.29	13.10
Telecommunication Services	11.57	10.32
Capital Goods	8.66	6.13
Diversified Financials	4.92	4.68
Pharmaceuticals & Biotechnology	3.98	2.08
Insurance	3.41	3.01
Energy	3.31	3.61
Technology Hardware & Equipment	2.86	1.10
Consumer Durables & Apparel	2.31	2.93
Utilities	2.04	3.79
Media	2.00	2.10
Food Beverage & Tobacco	1.60	1.30
Commercial & Professional Services	1.26	2.11
Retailing	0.97	1.05
Transportation	0.71	–
Food & Staples Retaining	–	5.14
Software & Services	–	4.20
Equipment	–	1.98
Household & Personal Products	–	0.41
Consumer Services	–	0.07
Net current assets	22.59	17.30
	100.00	100.00

Analysis, by investment	31 December 2015 %	31 December 2014 %
Equity quoted	77.41	82.70
Net current assets	22.59	17.30
	100.00	100.00

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	Japan 23.36% (December 2014: 22.16%)		
5,279,335	Mitsubishi UFJ Financial Group	22,552,198	4.08
846,768	Sumitomo Mitsui Financial Group	22,011,797	3.98
534,500	Nippon Telegraph & Telephone	14,583,207	2.64
953,900	Kirin Holdings	8,870,376	1.60
746,600	Tokyo Broadcasting System Holdings	8,124,883	1.47
470,105	Sony	7,957,587	1.44
1,968,190	Nomura Holdings	7,534,618	1.36
150,455	SECOM	6,989,300	1.26
414,200	LIXIL Group	6,308,682	1.14
413,940	Nippon Steel & Sumitomo Metal	5,643,432	1.02
1,655,400	Resona Holdings	5,525,381	1.00
1,819,200	Yamada Denki Company	5,366,195	0.97
962,600	Misawa Homes	4,818,353	0.87
498,800	Kamigumi	2,951,116	0.53
		129,237,125	23.36
	United States 22.34% (December 2014: 25.73%)		
1,179,250	General Electric Company	24,922,744	4.51
3,402,555	Alcoa	22,762,188	4.11
1,780,525	Newmont Mining	21,720,494	3.93
832,716	AT&T	19,435,122	3.51
476,155	Citigroup	16,719,858	3.02
861,614	Hewlett Packard Enterprise	8,885,631	1.61
861,614	HP	6,918,516	1.25
484,900	Freeport-McMoRan	2,223,980	0.40
405,462	Enova Systems	0	0.00
177,818	Enova Systems	0	0.00
		123,588,533	22.34
	United Kingdom 13.71% (December 2014: 11.29%)		
31,100,559	Vernalis	22,042,522	3.98
5,177,730	BP	18,338,225	3.31
4,458,594	Royal Bank of Scotland Group	13,473,871	2.44
3,078,954	RSA Insurance Group	13,130,199	2.37
1,658,307	Anglo American	4,964,971	0.90
397,991	Pearson	2,928,219	0.53
1,384,104	Fastjet	975,793	0.18
		75,853,800	13.71
	Germany 5.08% (December 2014: 7.19%)		
1,012,870	Deutsche Bank	16,815,130	3.04
1,309,370	RWE	11,300,587	2.04
		28,115,717	5.08

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	France 3.32% (December 2014: 3.64%)		
1,610,693	Orange	18,376,612	3.32
		18,376,612	3.32
	Netherlands 3.13% (December 2014: 4.58%)		
4,497,377	Koninklijke KPN	11,584,791	2.10
1,487,055	Aegon	5,725,480	1.03
		17,310,271	3.13
	Italy 3.01% (December 2014: 2.55%)		
1,751,938	Finmeccanica	16,650,290	3.01
		16,650,290	3.01
	South Africa 2.39% December (2014: 2.76%)		
1,265,757	AngloGold Ashanti	5,909,572	1.07
2,686,693	Gold Fields	4,963,110	0.90
3,679,235	Harmony Gold Mining ADRs	2,319,024	0.42
		13,191,706	2.39
	Switzerland 1.06% (December 2014: 0.86%)		
3,316,100	Glencore	2,998,584	0.55
193,700	Credit Suisse Group	2,848,309	0.51
		5,846,893	1.06
	Greece 0.01% (December 2014: 0.73%)		
281,986	National Bank of Greece	70,974	0.01
		70,974	0.01
	Total investments	428,241,921	77.41
	Net current assets	124,957,970	22.59
	Total net assets	553,199,891	100.00

The average portfolio dealing spread at 31 December 2015 is 0.23% (31 December 2014: 0.42%).

This spread is the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Statement of Material Portfolio Changes

for the year ended 31 December 2015

Major Purchases	Cost £000's
Deutsche Bank	27,258
Anglo American	21,461
Alcoa	21,057
RWE	20,625
Hewlett-Packard	16,325
E.ON	16,245
RSA Insurance	15,860
BP	13,844
Nippon Steel & Sumitomo Metal	11,686
Kirin	11,149
AEGON	9,389
Orange	8,534
Tokyo Broadcasting System	8,327
Sumitomo Mitsui Financial	8,282
JC Penney	7,878
Mitsubishi UFJ Financial	7,168
Royal Bank of Scotland	6,499
Citigroup	5,979
Sony	5,933
LIXIL	5,800
Total for year	350,914

Major Sales	Proceeds £000's
E.ON	27,091
Walgreens Boots Alliance	20,980
Deutsche Bank	20,194
RWE	13,697
Sony	13,002
Nomura	12,870
AT&T	12,262
PayPal	12,118
AEGON	11,931
Metro	11,566
eBay	10,946
MS&AD Insurance	10,294
Nippon Telegraph & Telephone	9,840
Vivendi	9,793
BP	9,619
Akzo Nobel	9,535
Anglo American	8,674
Sumitomo Mitsui Financial	8,507
STMicroelectronics	8,386
Unilever	8,254
Total for year	403,454

Statement of Total Return

for the year ended	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Net gains on investments during the year	19		20,155,855		1,003,514
Other losses	20		(9,385,614)		(4,531,626)
Revenue	21	11,274,800		7,885,063	
Expenses	22	(7,132,849)		(6,360,044)	
Net revenue before taxation		4,141,951		1,525,019	
Taxation	23	(1,050,188)		(679,976)	
Net revenue after taxation			3,091,763		845,043
Total return before distribution			13,862,004		(2,683,069)
Finance costs: Distribution	24		(2,904,316)		(974,389)
Change in net assets attributable to shareholders from investment activities			10,957,688		(3,657,458)

Statement of Changes in Shareholders' Net Assets

for the year ended	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Net assets attributable to shareholders at the start of the year		573,429,287		371,728,983
Movement due to issue/(redemption) of shares				
Amounts received on issue of shares	110,696,401		288,254,797	
Less: Amounts paid on redemption of shares	(144,599,556)		(84,153,946)	
		(33,903,155)		204,100,851
Stamp duty reserve tax		–		(17,782)
Dilution Levy		–		79,599
Change in net assets attributable to the shareholders		10,957,688		(3,657,458)
Retained distribution on accumulation shares		2,716,071		1,195,094
Net assets attributable to shareholders at end of the year		553,199,891		573,429,287

Balance Sheet

as at	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Portfolio of investments	2(b)		428,241,921		474,234,123
Debtors	25	649,911		4,285,221	
Amounts receivible on forward currency contracts	16(e)	839,463		–	
Cash and bank balances	26	129,578,278		98,983,321	
Total other assets			131,067,652		103,268,542
Total assets			559,309,573		577,502,665
Creditors	27	2,487,603		3,736,476	
Amounts payable on forward contracts	16(e)	3,281,465		191,801	
Distribution payable on income shares		340,614		145,101	
Total other liabilities			6,109,682		4,073,378
Total liabilities			6,109,682		4,073,378
Net assets attributable to shareholders at end of the year			553,199,891		573,429,287

Notes to the Financial Statements

18. Investments at Fair Value

The following table analyses within the fair value hierarchy the Funds's financial assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014:

As at 31 December 2015	**Assets £**	**Liabilities £**
Valuation technique		
– Quoted prices for identical instruments in active markets	428,241,921	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	839,463	(3,281,465)
– Valuation techniques using non-observable data	–	–
	429,081,384	(3,281,465)

As at 31 December 2014	**Assets £**	**Liabilities £**
Valuation technique		
– Quoted prices for identical instruments in active markets	474,234,123	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	(191,801)
– Valuation techniques using non-observable data	–	–
	474,234,123	(191,801)

19. Net gains on investments during the year

The net gains on investments during the year comprise:

Non-derivative securities	22,637,081	(4,747,110)
Derivative securities	(2,481,226)	5,750,624
	20,155,855	1,003,514

20. Other losses

Other losses comprise:

Realised currency losses	(9,385,614)	(4,531,626)
	(9,385,614)	(4,531,626)

21. Revenue

UK dividends	2,606,818	2,004,364
Overseas dividends	8,634,437	5,861,661
Bond Interest	–	7,232
Bank interest	33,545	11,806
	11,274,800	7,885,063

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £
22. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	6,882,422	6,067,170
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	27,830	50,734
Safekeeping charge	91,757	64,421
Other expenses:		
Audit fees	13,406	11,483
Registration fees	11,001	9,765
FCA	420	420
Other	106,013	156,051
Total expenses	7,132,849	6,360,044

23. Taxation

	31 December 2015 £	31 December 2014 £
a) Analysis of tax charge in the year		
Overseas tax	1,050,188	679,976
Total	1,050,188	679,976
b) Factors affecting tax charge for the period		
Net income before taxation	4,141,951	1,525,018
Net income at the applicable rate of UK corporation tax of 20% (2014: 20%)	828,390	305,004
Effects of:		
Overseas tax (net of UK relief)	1,050,188	679,976
Non-taxable UK dividends	(521,364)	(400,873)
Non-taxable Overseas dividends	(1,726,887)	(1,172,332)
Movement in accrued income	–	–
Movement in excess tax losses	1,419,861	1,268,201
Double tax relief	–	–
Tax charge for the year	1,050,188	679,976

c) Factors that may affect future tax charges

At 31 December 2015, the Fund has estimated unrecognised excess tax losses of £40,391,522 (31 December 2014: £33,292,218).

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £

24. Finance Costs

The distribution takes account of income received on the issue of shares and income dedeucted on cancellation of shares, and comprises:

	31 December 2015 £	31 December 2014 £
Final	3,056,685	1,340,195
Add: Income deducted on cancellation of shares	371,173	103,584
Deduct: Income received on issue of shares	(523,542)	(469,390)
Net distribution for year	2,904,316	974,389
Interest	–	–
Total finance costs	2,904,316	974,389

25. Debtors

	31 December 2015 £	31 December 2014 £
Amounts receivable for shares issued	122,670	843,530
Sales awaiting settlement	–	2,869,985
Accrued income	527,241	571,706
Accrued income	649,911	4,285,221

26. Cash and bank balances

	31 December 2015 £	31 December 2014 £
Cash and bank balances	129,578,278	98,983,321
	129,578,278	98,983,321

27. Creditors

	31 December 2015 £	31 December 2014 £
Amounts payable for shares cancelled	1,802,153	148,382
Purchases awaiting settlement	–	2,884,198
Accrued expenses	685,450	703,896
	2,487,603	3,736,476

Notes to the Financial Statements

	Number of Shares
28. Reconciliation of Shares	
A Class – Income Shares	
At 1 January 2015	816,892.92
Issued	13,659.30
Redeemed	(182,760.59)
At 31 December 2015	647,791.63
A Class – Accumulation Shares	
At 1 January 2015	4,585,694.70
Issued	104,173.28
Redeemed	(1,748,673.29)
At 31 December 2015	2,941,194.69
Institutional Class – Income Shares	
At 1 January 2015	2,774,055.35
Issued	331,327.44
Redeemed	(60,931.87)
At 31 December 2015	3,044,450.92
Institutional Class – Accumulation Shares	
At 1 January 2015	22,713,928.78
Issued	6,546,175.65
Redeemed	(4,491,384.43)
At 31 December 2015	24,768,720.00

The capital of the Fund is represented by the net assets attributable to Shareholders. The amount of net assets attributable to Shareholders can change significantly on a regular basis as the Fund is subject to regular subscriptions and redemptions at the discretion of Shareholders subject to the notice periods per the Prospectus.

Notes to the Financial Statements

29. Net Asset Value and Comparative tables

	A Class Income units 2015	A Class Accumulation units 2015	Institutional Class Income units 2015	Institutional Class Accumulation units 2015
a) Change in net asset value per unit				
Opening net asset value per unit	2,852.21p	3,784.03p	1,470.40p	1,479.08p
Return before operating charges*	100.64p	121.29p	65.31p	58.35p
Operating charges	(37.36p)	(45.02p)	(24.24p)	(21.66p)
Return after operating charges*	63.28p	76.27p	41.07p	36.69p
Distribution on income units	(5.79p)	–	(9.96p)	–
Closing net asset value per unit	2,909.70p	3,860.30p	1,501.51p	1,515.77p
Retained distributions on accumulation units	–	7.71p	–	10.05p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	2.22%	2.02%	2.79%	2.48%
c) Prices				
Highest share price	3,193.43p	4,236.72p	1,642.93p	1,658.53p
Lowest share price	2,745.08p	3,641.90p	1,414.94p	1,428.37p
	31 December 2015	**31 December 2015**	**31 December 2015**	**31 December 2015**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	647,791.63		3,044,450.92	
Accumulation		2,941,194.69		24,768,720.00

	Fund 31 December 2015
Closing net asset value of the Fund at the year ended:	£553,199,891
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.54%
TER for the Institutional Class for the year ended:	1.09%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The PTR for the year ended:	86.00%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements

29. Net Asset Value and Comparative tables (continued)

	A Class Income units 2014	A Class Accumulation units 2014	Institutional Class Income units 2014	Institutional Class Accumulation units 2014
a) Change in net asset value per unit				
Opening net asset value per unit	2,874.34p	3,807.07p	1,481.38p	1,481.38p
Return before operating charges*	35.94p	37.41p	9.34p	3.73p
Operating charges	(58.07p)	(60.45p)	(15.09p)	(6.03p)
Return after operating charges*	(22.13p)	(23.04p)	(5.75p)	(2.30p)
Distribution on income units	–	–	(5.23p)	–
Closing net asset value per unit	2,852.21p	3,784.03p	1,470.40p	1,479.08p
Retained distributions on accumulation units	–	–	–	5.26p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	(0.77%)	(0.61%)	(0.39%)	(0.16%)
c) Prices				
Highest share price	2,971.45p	3,942.35p	1,529.70p	1,538.73p
Lowest share price	2,714.19p	3,601.04p	1,397.99p	1,406.23p
	31 December 2014	**31 December 2014**	**31 December 2014**	**31 December 2014**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	816,892.92		2,774,055.00	
Accumulation		4,585,694.70		22,713,928.78

	Fund 31 December 2014
Closing net asset value of the Fund at the year ended:	£573,429,287
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.56%
TER for the Institutional Class for the year ended:	1.11%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	76.65%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements

29. Net Asset Value and Comparative tables (continued)

	A Class Income units 2013	A Class Accumulation units 2013	Institutional Class Income units 2013	Institutional Class Accumulation units 2013
a) Change in net asset value per unit				
Opening net asset value per unit	2,164.47p	2,866.85p	1,000.00p	1,110.98p
Return before operating charges*	757.34p	996.27p	519.34p	392.48p
Operating charges	(42.61p)	(56.05p)	(29.22p)	(22.08p)
Return after operating charges*	714.73p	940.22p	490.12p	370.40p
Distribution on income units	(4.86p)	–	(8.74p)	–
Closing net asset value per unit	2,874.34p	3,807.07p	1,481.38p	1,481.38
Retained distributions on accumulation unit	–	6.43p	–	8.74p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	33.02%	32.80%	49.01%	33.34%
c) Prices				
Highest share price	2,876.68p	3,810.23p	1,482.60p	1,482.60p
Lowest share price	2,189.27p	2,866.85p	1,110.98p	1,110.98p

	31 December 2013	31 December 2013	31 December 2013	31 December 2013
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	844,841.40		2,737,432.83	
Accumulation		4,717,116.67		8,612,732.13

	Fund 31 December 2013
Closing net asset value of the Fund at the year ended:	£371,728,983
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.57%
TER for the Institutional Class for the year ended:	1.14%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	55.68%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Manager: Gordon Grender

Commentary

The Fund's NAV rose 2.88% (as measured by the A class) during 2015 versus the S&P500 Index rise of 7.25%.

2015 confounded consensus expectations for market performance. At the start of the year, the influential Bank of America Merrill Lynch fund manager survey noted that global investors were reducing their cash holdings and adding exposure to US equities and bonds. Two thirds of those surveyed believed that equities would outperform other major asset classes. Many were overweight European equities while allocations to oil and emerging markets remained cautious. As we now know, global equities as measured by the MSCI AC World index were down on the year – investor optimism proved largely misplaced.

Regionally, the US call worked in absolute terms but predictions of a US profit rebound were not validated. Hopes for European equities were fulfilled, but not enough emphasis was placed on Japan, whose equity market turned out to be the strongest of the three regions. Investors' avoidance of energy and emerging market equities proved wiser.

Consensus expectations regarding the world economy were also confounded. China slowed more than expected and global growth probably dipped below 3.0% for 2015, flirting with common definitions of a 'growth recession'. In the US, growth was predicted to be 2.5%, much lower than the average 3.3% rate recorded from 1950 to 2014. Collapsing energy and commodity prices also pushed rates of inflation well below consensus estimates. Finally, investors predicted a first US rate hike in the third quarter of 2015, but weaker data, low inflation and market turmoil postponed the Fed's move until December.

Equities

After a strong start, global equities slumped in the third quarter of 2015, prompted by weaker growth, collapsing commodity prices and China's mini currency devaluation. Hardest hit were emerging markets and commodities. In the US, corporate profits came under pressure from a stronger dollar, falling commodity prices, reduced investment in the energy sector and some upward pressure on labour costs. Higher real wages and cheaper oil should have translated into more spending, but the US savings rate remained high and consumption ex autos was muted.

European equities enjoyed stronger gains, given an improved earnings outlook and the benefits of a weaker euro. Expectations for ECB easing and signs of improved credit growth were also supportive factors. The UK market was unable to escape the commodity downdraft, although mid-caps fared better. Japan did well on the back of earnings optimism as well as renewed emphasis on governance and shareholders' rights.

The overall picture for global equities remains mixed. Elevated valuations, stuttering profits growth and narrow market leadership are worrisome signs for US equities. Earnings potential is greater in Europe and Japan. Despite compelling valuations, fundamentals in most emerging and commodity markets remain challenging. Hence, a repetition of the strong returns posted since 2009 seems unlikely for global equities. But regional and sector dispersion offers opportunities, while themes such as quality and secular growth should also be differentiators in 2016.

Fixed Income and Credit

Bonds, as measured by the Barclays Global Aggregate Index hedged to USD, posted marginally positive returns in 2015. But dispersion of performance was significant. US high yield fared significantly worse, dragged down by the energy sector and liquidity concerns. Emerging market bonds were a further source of concern. According to the Bank for International Settlements (BIS), emerging market non-financial private sector borrowing has jumped from 60% of GDP in 1997 to 120% at the end of 2014. With an era of "abundant bond financing" (BIS) coming to an end and given the prospect of further Fed 'normalisation' a reassessment of emerging market risk has commenced.

Currencies

A defining feature of 2015 was dollar strength. Following gains of nearly 10% in trade-weighted terms, the question is how much further can the dollar appreciate? Many observers have noted that the dollar tends to weaken during Fed tightening cycles. Yet history may not be a reliable guide, given highly expansionary monetary policies underway in Europe and Japan, as well as latent weakness in emerging currencies. Widening yield gaps between the US and Europe or Japan may also support the dollar. Much depends, of course, on the resilience of the US economy to the tandem of global economic weakness and dollar strength. Any faltering of expectations for Fed normalisation could undermine the dollar.

Conclusion

Uncertainty and volatility will probably define 2016. Expected returns in both stocks and bonds are likely to be subdued compared to the performance achieved from 2009-2015. For equities, valuations and earnings growth are less attractive in the US, with modest potential in Europe and Japan. Fundamentals remain challenging in emerging and commodity markets, particularly given the probability of further deceleration of China's growth. A tighter labour market accompanied by trend-like growth will prompt the Fed to proceed with policy normalisation, putting modest upward pressure on long-term US interest rates. Corporate credit spreads have limited scope to narrow and some deterioration of credit quality is likely.

The top holdings contributing to performance were ICU Medical, Northrop Grumman and Lockheed Martin. The bottom holdings were Halcon Resources, Mallinckrodt and Huntsman Corporation.

Portfolio Analysis

Analysis, by geographical area	31 December 2015 %	31 December 2014 %
United States	98.43	91.18
Canada	0.67	1.02
Net current assets	0.90	7.80
	100.00	100.00

Analysis, by industry sector	31 December 2015 %	31 December 2014 %
Capital Goods	27.74	22.23
Retailing	17.55	13.12
Insurance	14.97	9.89
Health Care Equipment & Services	10.04	10.5
Energy	6.62	8.88
Pharmaceuticals & Biotechnology	6.29	7.54
Materials	5.68	7.00
Food Beverage & Tobacco	4.68	2.41
Household & Personal Products	4.22	2.88
Commercial & Professional Services	0.85	0.70
Semiconductors & Semiconductor Equipment	0.37	0.28
Real Estate	0.08	0.06
Software & Services	0.01	0.01
Technology Hardware & Equipment	0.00	0.00
Banks	–	3.16
Automobiles & Components	–	1.79
Diversified Financials	–	1.75
Net current assets	0.90	7.80
	100.00	100.00

Analysis, by investment	31 December 2015 %	31 December 2014 %
Equity Quoted	99.10	92.20
Net current assets	0.90	7.80
	100.00	100.00

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	United States		
	Capital Goods 27.74% (December 2014: 22.23%)		
190,000	Northrop Grumman	24,341,370	9.39
140,000	Lockheed Martin	20,626,227	7.96
450,000	ESCO Technologies	11,029,410	4.26
700,000	Quanta Services	9,619,715	3.71
100,000	Owens Corning	3,190,854	1.23
200,000	DXP Enterprises	3,093,832	1.19
		71,901,408	27.74
	Retailing 17.55% (December 2014: 13.12%)		
1,175,000	Fred's A	13,054,225	5.03
25,000	AutoZone	12,586,081	4.86
375,000	Penske Automotive Group	10,772,439	4.16
564,758	Conn's	8,991,142	3.47
75,000	Christopher & Banks	84,215	0.03
		45,488,102	17.55
	Insurance 14.97% (December 2014: 9.89%)		
400,000	WR Berkley	14,858,537	5.74
142,000	Chubb Corp/The	12,778,939	4.93
200,000	Infinity Property & Casualty	11,157,472	4.30
		38,794,948	14.97
	Health Care Equipment & Services 10.04% (December 2014: 10.50%)		
340,000	ICU Medical	26,016,145	10.04
		26,016,145	10.04
	Energy 6.62% (December 2014: 8.88%)		
150,000	Phillips 66	8,324,342	3.20
300,000	Williams Companies	5,231,019	2.02
75,000	Conoco Phillips	2,375,585	0.92
1,200,000	Halcon Resources	1,029,921	0.40
180,000	Superior Drilling Products	126,399	0.05
20,845	WPX Energy	81,109	0.03
		17,168,375	6.62
	Pharmaceuticals & Biotechnology 6.29% (December 2014: 7.54%)		
290,000	Mallinckrodt	14,685,934	5.66
83,940	Insys Therapeutics	1,630,505	0.63
		16,316,439	6.29

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	Materials 5.01% (December 2014: 5.98%)		
100,000	Monsanto	6,684,645	2.58
725,000	Huntsman	5,595,274	2.16
150,000	Synalloy	698,657	0.27
		12,978,576	5.01
	Food Beverage & Tobacco 4.68% December (2014: 2.41%)		
290,000	Post Holdings	12,139,900	4.68
		12,139,900	4.68
	Household & Personal Products 4.22% (December 2014: 2.88%)		
190,000	Church & Dwight	10,941,854	4.22
		10,941,854	4.22
	Commercial & Professional Services 0.85% (December 2014: 0.70%)		
200,000	R.R. Donnelley & Sons	1,998,100	0.77
10,500	Viad	201,109	0.08
		2,199,209	0.85
	Semiconductors & Semiconductor Equipment 0.37% (December 2014: 0.28%)		
143,750	ON Semiconductor	955,310	0.37
		955,310	0.37
	Real Estate 0.08% (December 2014: 0.06%)		
6,000	Consolidated Tomoka Land	214,899	0.08
		214,899	0.08
	Software & Services 0.01% (December 2014: 0.01%)		
5,250	MoneyGram	22,316	0.01
88,000	Clarent	0	0.00
229,449	SoftBrands *Contra Line*	0	0.00
		22,316	0.01
	Technology Hardware & Equipment 0.00% (December 2014: 0.00%)		
85,000	Gerber Scientific Contingent Shares	0	0.00
		0	0.00

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	Canada		
	Materials 0.67% (December 2014: 1.02%)		
150,000	Potash of Saskatchewan	1,741,807	0.67
		1,741,807	0.67
	Total investments	256,879,288	99.10
	Net current assets	2,332,154	0.90
	Total net assets	259,211,442	100.00

The average portfolio dealing spread at 31 December 2015 is 0.22% (31 December 2014: 0.13%).

This spread is the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Statement of Material Portfolio Changes

for the year ended 31 December 2015

Major Purchases	Cost £000's
The Fund made no purchases during the year.	

Major Sales	Proceeds £000's
Wells Fargo & Co.	10,996
CareFusion	9,968
ICU Medical	8,228
Ford Motor	6,629
Apollo Investment	6,046
Pfizer	5,530
Owens Corning	5,240
ConocoPhillips	2,776
Becton Dickinson & Co.	2,173
AutoZone	1,471
Lockheed Martin	1,320
Northrop Grumman	1,077
Conns	920
Chubb	723
Post	430
Mallinckrodt	420
Fred's	251
Total for year	64,198

Statement of Total Return

for the year ended	Notes	31 December 2015 £	£	31 December 2014 £	£
Net gains on investments during the year	31		10,075,591		17,519,182
Other gains	32		3,497,003		85,893
Revenue	33	4,395,853		4,726,737	
Expenses	34	(3,349,028)		(3,975,273)	
Finance costs: Interest	36	(30,408)		–	
Net revenue before taxation		1,016,417		751,464	
Taxation	35	(654,399)		(708,219)	
Net revenue after taxation			362,018		43,245
Total return before distribution			13,934,612		17,648,320
Finance costs: Distribution	36		(618,798)		(592,218)
Change in net assets attributable to shareholders from Investment Activities			13,315,814		17,056,102

Statement of Changes in Shareholders' Net Assets

for the year ended	31 December 2015 £	£	31 December 2014 £	£
Net assets attributable to shareholders at start of the year		334,086,907		310,900,022
Movement due to issue/(redemption) of shares				
Amounts received on issue of shares	67,414,016		208,319,110	
Less: Amounts paid on redemption of shares	(155,895,826)		(202,507,006)	
		(88,481,810)		5,812,104
Change in net assets attributable to the shareholders		13,315,814		17,056,102
Retained distribution on accumulation shares		290,531		318,679
Net assets attributable to shareholders at end of the year		259,211,442		334,086,907

Balance Sheet

as at	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Portfolio of investments	2(b)		256,879,288		308,040,644
Debtors	37	2,311,518		716,546	
Cash and bank balances	38	3,393,087		26,635,334	
Total other assets			5,704,605		27,351,880
Total assets			262,583,893		335,392,524
Creditors	39	3,071,152		1,015,067	
Distribution payable on income shares		301,299		290,550	
Total other liabilities			3,372,451		1,305,617
Total liabilities			3,372,451		1,305,617
Net assets attributable to shareholders at end of the year			259,211,442		334,086,907

Notes to the Financial Statements

30. Investments at Fair Value

The following table analyses within the fair value hierarchy the Funds's financial assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014:

As at 31 December 2015	Assets £	Liabilities £
Valuation technique		
– Quoted prices for identical instruments in active markets	256,879,288	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	–
– Valuation techniques using non-observable data	–	–
	256,879,288	–

As at 31 December 2014	Assets £	Liabilities £
Valuation technique		
– Quoted prices for identical instruments in active markets	308,040,644	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	–
– Valuation techniques using non-observable data	–	–
	308,040,644	–

	31 December 2015 £	31 December 2014 £

31. Net gains on investments during the year

The net gains on investments during the year comprise:		
Non-derivative securities	10,075,591	17,519,182
	10,075,591	17,519,182

32. Other gains

Other gains comprise:		
Realised currency gains	3,497,003	85,893
	3,497,003	85,893

33. Revenue

Overseas dividends	4,362,659	4,721,459
Bank interest	33,194	5,278
	4,395,853	4,726,737

Notes to the Financial Statements

for the period ended	31 December 2015 £	31 December 2014 £
34. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	3,100,664	3,794,386
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	8,640	17,115
Safekeeping charge	45,136	47,042
Other expenses:		
Audit fees	11,946	10,232
Registration fees	11,001	9,856
FSA	420	420
Other	171,221	96,222
Total expenses	3,349,028	3,975,273
35. Taxation		
a) Analysis of tax charge in the year		
Overseas tax	654,399	708,219
Total	654,399	708,219
b) Factors affecting tax charge for the year		
Net income before taxation	1,016,417	751,464
Net income at the applicable rate of UK corporation tax of 20% (2014: 20%)	203,283	150,293
Overseas tax (net of UK relief)	654,399	708,219
Non-taxable UK dividends	–	–
Non-taxable Overseas dividends	(872,532)	(944,292)
Movement in accrued income	–	–
Movement in excess tax losses	669,249	793,999
Double tax relief	–	–
Tax charge for the year	654,399	708,219

c) Factors that may affect future tax charges

At 31 December 2015, the Fund has estimated unrecognised excess tax losses of £18,495,217 (31 December 2014: £15,148,975).

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £

36. Finance costs

The distribution takes account of income received on the issue of shares and income dedeucted on cancellation of shares, and comprises:

	31 December 2015 £	31 December 2014 £
Final	591,830	609,229
Add: Income deducted on cancellation of shares	120,856	42,227
Deduct: Income received on issue of shares	(93,888)	(59,238)
Net distribution for year	618,798	592,218
Interest	30,408	–
Total finance costs	649,206	592,218

37. Debtors

	31 December 2015 £	31 December 2014 £
Amounts receivable for shares issued	514,706	463,155
Sales awaiting settlement	1,714,406	–
Accrued income	82,406	253,391
	2,311,518	716,546

38. Cash and bank balances

	31 December 2015 £	31 December 2014 £
Cash and bank balances	3,393,087	26,635,334
	3,393,087	26,635,334

39. Creditors

	31 December 2015 £	31 December 2014 £
Amounts payable for shares cancelled	2,759,614	638,732
Accrued expenses	311,538	376,335
	3,071,152	1,015,067

Notes to the Financial Statements

40. Reconciliation of Shares

	Number of Shares
A Class – Income Shares	
At 1 January 2015	1,281,462.79
Issued	43,898.90
Redeemed	(778,340.98)
At 31 December 2015	547,020.71
A Class – Accumulation Shares	
At 1 January 2015	1,894,774.02
Issued	80,645.77
Redeemed	(874,569.83)
At 31 December 2015	1,100,849.96
Institutional Class – Income Shares	
At 1 January 2015	7,343,226.45
Issued	2,007,172.75
Redeemed	(2,801,256.05)
At 31 December 2015	6,549,143.15
Institutional Class – Accumulation Shares	
At 1 January 2015	8,047,722.05
Issued	1,792,023.97
Redeemed	(3,545,428.12)
At 31 December 2015	6,294,317.90

The capital of the Fund is represented by the net assets attributable to Shareholders. The amount of net assets attributable to Shareholders can change significantly on a regular basis as the Fund is subject to regular subscriptions and redemptions at the discretion of Shareholders subject to the notice periods per the Prospectus.

Notes to the Financial Statements

41. Net Asset Value and Comparative tables

	A Class Income units 2015	A Class Accumulation units 2015	Institutional Class Income units 2015	Institutional Class Accumulation units 2015
a) Change in net asset value per share				
Opening net asset value per unit	2,476.25p	3,087.88p	1,585.57p	1,586.84p
Return before operating charges*	91.95p	114.67p	72.39p	71.79p
Operating charges	(20.64p)	(25.74p)	(16.25p)	(16.12p)
Return after operating charges*	71.31p	88.93p	56.14p	55.67p
Distribution on income units	–	–	(4.60p)	–
Closing net asset value per unit	2,547.56p	3,176.81p	1,637.11p	1,642.51p
Retained distributions on accumulation units	–	–	–	4.62p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	2.88%	2.88%	3.54%	3.51%
c) Prices				
Highest share price	2,843.30p	3,545.65p	1,819.09p	1,825.10p
Lowest share price	2,370.57p	2,956.13p	1,521.07p	1,526.10p
	31 December 2015	**31 December 2015**	**31 December 2015**	**31 December 2015**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	547,020.71		6,549,143.15	
Accumulation		1,100,849.96		6,294,317.90

	Fund 31 December 2015
Closing net asset value of the Fund at the year ended:	£259,211,442
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.58%
TER for the Institutional Class for the year ended:	0.98%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	(53.64%)

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements

41. Net Asset Value and Comparative tables (continued)

	A Class Income units 2014	A Class Accumulation units 2014	Institutional Class Income units 2014	Institutional Class Accumulation units 2014
a) Change in net asset value per unit				
Opening net asset value per unit	2,367.44p	2,952.20p	1,507.37p	1,507.98p
Return before operating charges*	137.69p	171.69p	103.96p	99.79p
Operating charges	(28.88p)	(36.01p)	(21.80p)	(20.93p)
Return after operating charges*	108.81p	135.68p	82.16p	78.86p
Distribution on income units	–	–	(3.96p)	–
Closing net asset value per unit	2,476.25p	3,087.88p	1,585.57p	1,586.84p
Retained distributions on accumulation units	–	–	–	3.96p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	4.60%	4.60%	5.45%	5.23%
c) Prices				
Highest share price	2,565.72p	3,199.46p	1,641.82p	1,643.05p
Lowest share price	2,240.20p	2,793.53p	1,432.64p	1,433.71p
	31 December 2014	**31 December 2014**	**31 December 2014**	**31 December 2014**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	1,281,462.79		7,343,226.45	
Accumulation		1,894,774.02		8,047,722.05

	Fund 31 December 2014
Closing net asset value of the Fund at the year ended:	£334,086,907
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.55%
TER for the Institutional Class for the year ended:	0.95%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	(106.16%)

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements

41. Net Asset Value and Comparative tables (continued)

	A Class Income units 2013	A Class Accumulation units 2013	Institutional Class Income units 2013	Institutional Class Accumulation units 2013
a) Change in net asset value per unit				
Opening net asset value per unit	1,857.77p	2,316.64p	1,175.98p	1,176.50p
Return before operating charges*	547.82p	683.13p	356.77p	356.29p
Operating charges	(38.15p)	(47.57p)	(24.85p)	(24.81p)
Return after operating charges*	509.67p	635.56p	331.92p	331.48p
Distribution on income units	–	–	(0.53p)	–
Closing net asset value per unit	2,367.44p	2,952.20p	1,507.37p	1,507.98p
Retained distributions on accumulation units	–	–	–	0.53p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	27.43%	27.43%	28.22%	28.18%
c) Prices				
Highest share price	2,394.66p	2,986.14p	1,520.84p	1,521.51p
Lowest share price	1,889.78p	2,356.56p	1,196.23p	1,196.75p
	31 December 2013	**31 December 2013**	**31 December 2013**	**31 December 2013**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	2,774,847.39		4,356,915.27	
Accumulation		3,433,496.09		5,185,086.93

	Fund 31 December 2013
Closing net asset value of the Fund at the year ended:	£310,900,022
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.58%
TER for the Institutional Class for the year ended:	0.99%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	(72.11%)

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

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Manager: Andrew Green

Commentary

The Fund's NAV fell (7.35%) (as measured by the A class) during 2015 versus the FTSE All-Share Index rise of 0.98%.

2015 confounded consensus expectations for market performance. At the start of the year, the influential Bank of America Merrill Lynch fund manager survey noted that global investors were reducing their cash holdings and adding exposure to US equities and bonds. Two thirds of those surveyed believed that equities would outperform other major asset classes. Many were overweight European equities while allocations to oil and emerging markets remained cautious. As we now know, global equities as measured by the MSCI AC World index were down on the year – investor optimism proved largely misplaced.

Regionally, the US call worked in absolute terms but predictions of a US profit rebound were not validated. Hopes for European equities were fulfilled, but not enough emphasis was placed on Japan, whose equity market turned out to be the strongest of the three regions. Investors' avoidance of energy and emerging market equities proved wiser.

Consensus expectations regarding the world economy were also confounded. China slowed more than expected and global growth probably dipped below 3.0% for 2015, flirting with common definitions of a 'growth recession'. In the US, growth was predicted to be 2.5%, much lower than the average 3.3% rate recorded from 1950 to 2014. Collapsing energy and commodity prices also pushed rates of inflation well below consensus estimates. Finally, investors predicted a first US rate hike in the third quarter of 2015, but weaker data, low inflation and market turmoil postponed the Fed's move until December.

Equities

After a strong start, global equities slumped in the third quarter of 2015, prompted by weaker growth, collapsing commodity prices and China's mini currency devaluation. Hardest hit were emerging markets and commodities. In the US, corporate profits came under pressure from a stronger dollar, falling commodity prices, reduced investment in the energy sector and some upward pressure on labour costs. Higher real wages and cheaper oil should have translated into more spending, but the US savings rate remained high and consumption ex autos was muted.

European equities enjoyed stronger gains, given an improved earnings outlook and the benefits of a weaker euro. Expectations for ECB easing and signs of improved credit growth were also supportive factors. The UK market was unable to escape the commodity downdraft, although mid-caps fared better. Japan did well on the back of earnings optimism as well as renewed emphasis on governance and shareholders' rights.

The overall picture for global equities remains mixed. Elevated valuations, stuttering profits growth and narrow market leadership are worrisome signs for US equities. Earnings potential is greater in Europe and Japan. Despite compelling valuations, fundamentals in most emerging and commodity markets remain challenging. Hence, a repetition of the strong returns posted since 2009 seems unlikely for global equities. But regional and sector dispersion offers opportunities, while themes such as quality and secular growth should also be differentiators in 2016.

Fixed Income and Credit

Bonds, as measured by the Barclays Global Aggregate Index hedged to USD, posted marginally positive returns in 2015. But dispersion of performance was significant. US high yield fared significantly worse, dragged down by the energy sector and liquidity concerns. Emerging market bonds were a further source of concern. According to the Bank for International Settlements (BIS), emerging market non-financial private sector borrowing has jumped from 60% of GDP in 1997 to 120% at the end of 2014. With an era of "abundant bond financing" (BIS) coming to an end and given the prospect of further Fed 'normalisation' a reassessment of emerging market risk has commenced.

Currencies

A defining feature of 2015 was dollar strength. Following gains of nearly 10% in trade-weighted terms, the question is how much further can the dollar appreciate? Many observers have noted that the dollar tends to weaken during Fed tightening cycles. Yet history may not be a reliable guide, given highly expansionary monetary policies underway in Europe and Japan, as well as latent weakness in emerging currencies. Widening yield gaps between the US and Europe or Japan may also support the dollar. Much depends, of course, on the resilience of the US economy to the tandem of global economic weakness and dollar strength. Any faltering of expectations for Fed normalisation could undermine the dollar.

Conclusion

Uncertainty and volatility will probably define 2016. Expected returns in both stocks and bonds are likely to be subdued compared to the performance achieved from 2009-2015. For equities, valuations and earnings growth are less attractive in the US, with modest potential in Europe and Japan. Fundamentals remain challenging in emerging and commodity markets, particularly given the probability of further deceleration of China's growth. A tighter labour market accompanied by trend-like growth will prompt the Fed to proceed with policy normalisation, putting modest upward pressure on long-term US interest rates. Corporate credit spreads have limited scope to narrow and some deterioration of credit quality is likely.

The top holdings contributing to performance were Vernalis, Novae Group and Rentokil Initial. The bottom holdings were Anglo American, Lonmin and Royal Bank of Scotland.

Portfolio Analysis

Analysis, by geographical area	31 December 2015 %	31 December 2014 %
United Kingdom	74.59	79.50
Japan	10.03	9.31
Switzerland	0.55	1.88
Canada	0.11	0.10
Ireland	–	2.01
France	–	0.10
Net current assets	14.72	7.10
	100.00	100.00

Analysis, by industry sector	31 December 2015 %	31 December 2014 %
Banks	20.48	17.00
Insurance	15.71	9.43
Commercial & Professional Services	6.54	2.14
Materials	5.63	13.90
Energy	5.43	7.90
Pharmaceuticals & Biotechnology	4.74	4.61
Retailing	4.08	5.87
Capital Goods	4.06	3.58
Health Care Equipment & Services	3.85	5.73
Media	3.63	5.77
Food & Staples Retailing	3.36	2.65
Software & Services	2.90	1.88
Diversified Financials	2.31	1.75
Utilities	0.84	0.00
Transportation	0.75	1.97
Consumer Services	0.43	0.10
Technology Hardware & Equipment	0.40	0.00
External Funds (Other)	0.14	0.06
Food Beverage & Tobacco	–	3.27
Telecommunication Services	–	3.00
Real Estate	–	2.29
Net current assets	14.72	7.10
	100.00	100.00

Analysis, by investment	31 December 2015 %	31 December 2014 %
Equity Quoted	85.14	92.84
Exchange Traded Fund	0.14	0.06
Net current assets	14.72	7.10
	100.00	100.00

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	United Kingdom		
	Insurance 15.71% (December 2014: 9.43%)		
2,759,492	RSA Insurance Group	11,767,854	6.27
2,148,935	Aviva	11,099,249	5.90
745,881	Novae Group	6,662,582	3.54
		29,529,685	15.71
	Banks 13.78% (December 2014: 9.44%)		
2,262,317	HSBC Holdings	12,129,413	6.45
3,623,842	Royal Bank of Scotland Group	10,951,250	5.82
1,297,936	Barclays	2,844,751	1.51
		25,925,414	13.78
	Comercial & Professional Services 6.54% (December 2014: 2.14%)		
5,526,692	Rentokil Initial	8,820,600	4.69
2,533,990	Serco Group	2,399,689	1.28
1,100,949	Shanks Group	1,070,673	0.57
		12,290,962	6.54
	Energy 5.43% (December 2014: 7.90%)		
2,880,637	BP	10,202,496	5.43
		10,202,496	5.43
	Materials 5.09% (December 2014: 10.01%)		
3,297,131	Acacia Mining	5,915,053	3.15
568,880	Anglo American	1,703,227	0.91
2,173,720	Hochschild Mining	1,046,103	0.56
1,076,848	Lonmin PLC Ord USD 0.0001	880,323	0.47
		9,544,706	5.09
	Pharmaceuticals & Biotechnology 4.62% (December 2014: 4.51%)		
12,132,844	Vernalis	8,599,153	4.57
54,682	Premier Veterinary Group	94,873	0.05
		8,694,026	4.62
	Retailing 4.08% (December 2014: 5.87%)		
823,500	Marks & Spencer	3,726,338	1.98
424,399	Dixons Carphone	2,121,358	1.13
173,267	Caffyns	944,305	0.50
286,309	N Brown Group	887,844	0.47
		7,679,845	4.08

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	Capital Goods 4.06% December (2014: 3.58%)		
812,401	Smiths Group	7,638,600	4.06
		7,638,600	4.06
	Health Care Equipment & Services 3.85% (December 2014: 5.73%)		
318,425	Smith & Nephew	3,844,982	2.05
1,080,200	Spire Healthcare Group	3,390,748	1.80
		7,235,730	3.85
	Food & Staples Retailing 3.36% (December 2014: 2.65%)		
3,006,057	WM Morrison Supermarkets	4,457,983	2.37
1,242,600	Tesco	1,858,308	0.99
		6,316,291	3.36
	Software & Services 2.90% (December 2014: 1.88%)		
1,458,794	Xchanging	2,808,179	1.49
439,470	Sage Group	2,653,300	1.41
		5,461,479	2.90
	Media 2.61% (December 2014: 5.77%)		
666,719	Pearson	4,905,385	2.61
		4,905,385	2.61
	Utilities 0.84% (December 2014: 0.00%)		
726,229	Centrica	1,582,816	0.84
		1,582,816	0.84
	Transportation 0.75% (December 2014: 1.97%)		
918,000	Firstgroup	985,932	0.52
606,596	Fastjet	427,650	0.23
		1,413,582	0.75
	Consumer Services 0.43% (December 2014: 0.00%)		
574,800	Cambian Group	799,691	0.43
		799,691	0.43
	Technology Hardware & Equipment 0.40% (December 2014: 0.00%)		
768,952	Premier Farnell	750,689	0.40
		750,689	0.40

Portfolio Statement
at 31 December 2015

Holdings	Description	Bid value £	% of Net Assets
	External Funds 0.14% (December 2014: 0.06%)		
39,409	Oryx International Growth	255,173	0.14
		255,173	0.14
	Japan		
	Banks 6.70% (December 2014: 7.56%)		
1,491,300	Mitsubishi UFJ Financial Group	6,370,517	3.39
239,172	Sumitomo Mitsui Financial Group	6,217,294	3.31
		12,587,811	6.70
	Diversified Financials 2.31% (December 2014: 1.75%)		
1,135,000	Nomura Holdings	4,345,003	2.31
		4,345,003	2.31
	Media 1.02% (December 2014: 0.00%)		
177,000	Tokyo Broadcasting System Holdings	1,926,205	1.02
		1,926,205	1.02
	Switzerland		
	Material 0.55% (December 2014: 1.88%)		
1,142,900	Glencore	1,033,467	0.55
		1,033,467	0.55
	Canada		
	Pharmaceuticals & Biotechnology 0.11% (December 2014: 0.10%)		
728,500	Epicore Bionetworks	211,712	0.11
		211,712	0.11
	Total investments	160,330,768	85.28
	Net current assets	27,680,056	14.72
	Total net assets	188,010,824	100.00

The average portfolio dealing spread at 31 December 2015 is 0.85% (31 December 2014: 0.91%).

This spread is the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Statement of Material Portfolio Changes

for the year ended 31 December 2015

Major Purchases	Cost £000's
HSBC	22,938
Tesco	9,088
Royal Dutch Shell	9,034
Barclays	8,667
J Sainsbury	7,958
Anglo American	5,822
WM Morrison Supermarkets	5,567
Aviva	5,384
Pearson	5,142
TSB Banking	4,991
Unilever	4,801
Smiths	4,728
Serco	4,692
CRH	4,612
Marks & Spencer	4,219
Sumitomo Mitsui Financial	4,089
RSA Insurance	3,988
Mitsubishi UFJ Financial	3,941
Lonmin PLC	3,851
BP	3,842
Total for year	160,992

Major Sales	Proceeds £000's
Unilever	14,404
Barclays	14,078
HSBC	12,861
Smith & Nephew	11,467
CRH	11,443
Marks & Spencer	11,240
Sumitomo Mitsui Financial	10,660
Mitsubishi UFJ Financial	9,752
J Sainsbury	9,280
BG	9,236
Tesco	7,834
Aviva	7,817
Royal Dutch Shell	7,607
ITV	6,802
TSB Banking	6,791
Intu Properties	6,699
WM Morrison Supermarkets	6,483
BP	6,360
Cable & Wireless	5,897
Royal Mail	5,645
Total for year	249,331

Statement of Total Return

for the year ended	Notes	31 December 2015 £	£	31 December 2014 £	£
Net (losses)/gains on investments during the year	43		(15,560,864)		2,202,871
Other losses	44		(111,860)		(15,438)
Revenue	45	6,027,821		7,051,146	
Expenses	46	(2,942,159)		(3,545,413)	
Net revenue before taxation		3,085,662		3,505,733	
Taxation	47	(44,611)		(50,547)	
Net revenue after taxation			3,041,051		3,455,186
Total return before distribution			(12,631,673)		5,642,619
Finance costs: Distribution	48		(2,997,016)		(3,438,449)
Change in net assets attributable to shareholders from investment activities			(15,628,689)		2,204,170

Statement of Changes in Shareholders' Net Assets

for the year ended	31 December 2015 £	£	31 December 2014 £	£
Net assets attributable to shareholders at start of the year		284,420,245		251,560,021
Movement due to issue/(redemption) of shares				
Amounts received on issue of shares	48,984,981		109,213,199	
Less: Amounts paid on redemption of shares	(131,600,332)		(80,917,033)	
		(82,615,351)		28,296,166
Stamp duty reserve tax		–		(49,980)
Change in net assets attributable to the shareholders		(15,628,689)		2,204,170
Retained distribution on accumulation shares		1,834,619		2,409,868
Net assets attributable to shareholders at end of the year		188,010,824		284,420,245

Balance Sheet

as at	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Portfolio of investments	2(b)		160,330,768		264,229,132
Debtors	49	360,534		770,701	
Cash and bank balances	50	28,606,772		21,393,232	
Total other assets			28,967,306		22,163,933
Total assets			189,298,074		286,393,065
Creditors	51	418,955		746,720	
Distribution payable on income shares		868,295		1,226,100	
Total other liabilities			1,287,250		1,972,820
Total liabilities			1,287,250		1,972,820
Net assets attributable to shareholders at end of the year			188,010,824		284,420,245

Notes to the Financial Statements

42. Investments at Fair Value

The following table analyses within the fair value hierarchy the Funds's financial assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014:

As at 31 December 2015	**Assets £**	**Liabilities £**
Valuation technique		
– Quoted prices for identical instruments in active markets	160,330,768	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	–
– Valuation techniques using non-observable data	–	–
	160,330,768	–

As at 31 December 2014	**Assets £**	**Liabilities £**
Valuation technique		
– Quoted prices for identical instruments in active markets	264,229,132	–
– Prices of recent transactions for identical instruments	–	–
– Valuation techniques using observable data	–	–
– Valuation techniques using non-observable data	–	–
	264,229,132	–

	31 December 2015 £	**31 December 2014 £**
43. Net (losses)/gains on investments during the year		
The net (losses)/gains on investments during the period comprise:		
Non-derivative securities	(15,560,864)	2,202,871
	(15,560,864)	2,202,871
44. Other losses		
Other losses comprise:		
Realised currency losses	(111,860)	(15,438)
	(111,860)	(15,438)
45. Revenue		
UK dividends	5,543,678	6,508,884
Overseas dividends	446,107	519,018
Bank interest	38,036	23,244
	6,027,821	7,051,146

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £
46. Expenses		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,776,739	3,392,621
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	6,388	16,720
Safekeeping charge	36,017	22,660
Other expenses:		
Audit fees	13,406	11,483
Registration fees	11,001	10,653
FCA	420	420
Other	98,188	90,856
Total expenses	2,942,159	3,545,413

47. Taxation

	31 December 2015 £	31 December 2014 £
a) Analysis of tax charge in the year		
Overseas tax	44,611	50,547
Total	44,611	50,547

	31 December 2015 £	31 December 2014 £
b) Factors affecting tax charge for the year		
Net income before taxation	3,085,662	3,505,733
Net income at the applicable rate of UK corporation tax of 20% (2014: 20%)	617,132	701,147
Effects of:		
Overseas tax (net of UK relief)	44,611	50,547
Non-taxable UK dividends	(1,070,767)	(1,262,376)
Non-taxable Overseas dividends	(89,221)	(103,804)
Movement in accrued income	–	–
Movement in excess tax losses	542,856	665,033
Double tax relief	–	–
Tax charge for the year	44,611	50,547

c) Factors that may affect future tax charges

At 31 December 2015, the Fund has estimated unrecognised excess tax losses of £54,249,382 (31 December 2014: £51,662,195).

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £

48. Finance costs

The distribution takes account of income received on the issue of shares and income dedeucted on cancellation of shares, and comprises:

Final	2,702,914	3,635,968
Add: Income deducted on cancellation of shares	737,129	598,363
Deduct: Income received on issue of shares	(443,027)	(795,882)
Net distribution for year	2,997,016	3,438,449
Interest	–	–
Total finance costs	2,997,016	3,438,449

49. Debtors

Amounts receivable for shares issued	248,931	169,827
Accrued income	111,603	600,874
	360,534	770,701

50. Cash and bank balances

Cash and bank balances	28,606,772	21,393,232
	28,606,772	21,393,232

51. Creditors

Amounts payable for shares cancelled	171,766	378,114
Accrued expenses	247,189	368,606
	418,955	746,720

Notes to the Financial Statements

52. Reconciliation of Shares

	Number of Shares
A Class – Income Shares	
At 1 January 2015	2,291,535.75
Issued	9,736.74
Redeemed	(1,648,410.38)
At 31 December 2015	652,862.11
A Class – Accumulation Shares	
At 1 January 2015	3,728,486.52
Issued	408,594.65
Redeemed	(1,895,825.43)
At 31 December 2015	2,241,255.74
Institutional Class – Income Shares	
At 1 January 2015	4,687,989.98
Issued	1,693,588.10
Redeemed	(2,491,611.73)
At 31 December 2015	3,889,966.35
Institutional Class – Accumulation Shares	
At 1 January 2015	8,398,599.23
Issued	1,220,685.88
Redeemed	(2,788,851.74)
At 31 December 2015	6,830,433.37

The capital of the Fund is represented by the net assets attributable to Shareholders. The amount of net assets attributable to Shareholders can change significantly on a regular basis as the Fund is subject to regular subscriptions and redemptions at the discretion of Shareholders subject to the notice periods per the Prospectus.

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Notes to the Financial Statements

53. Net Asset Value and Comparative tables

	A Class Income units 2015	A Class Accumulation units 2015	Institutional Class Income units 2015	Institutional Class Accumulation units 2015
a) Change in net asset value per unit				
Opening net asset value per unit	1,226.08p	1,841.69p	1,424.91p	1,453.55p
Return before operating charges*	(68.41p)	(103.36p)	(74.03p)	(76.71p)
Operating charges	(21.19p)	(32.01p)	(22.93p)	(23.75p)
Return after operating charges*	(89.60p)	(135.37p)	(96.96p)	(100.46p)
Distribution on income units	(11.61p)	–	(20.37p)	–
Closing net asset value per unit	1,124.87p	1,706.32p	1,307.58p	1,353.09p
Retained distributions on accumulation units	–	17.61p	–	21.08p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	(7.31%)	(7.35%)	(6.80%)	(6.91%)
c) Prices				
Highest share price	1,335.41p	2,025.70p	1,547.84p	1,601.78p
Lowest share price	1,083.93p	1,644.22p	1,259.66p	1,303.55p
	31 December 2015	**31 December 2015**	**31 December 2015**	**31 December 2015**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	652,862.11		3,889,966.35	
Accumulation		2,241,255.74		6,830,433.37

	Fund 31 December 2015
Closing net asset value of the Fund at the year ended:	£188,010,824
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.57%
TER for the Institutional Class for the year ended:	1.12%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	98.49%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements

53. Net Asset Value and Comparative tables (continued)

	A Class Income units 2014	A Class Accumulation units 2014	Institutional Class Income units 2014	Institutional Class Accumulation units 2014
a) Change in net asset value per unit				
Opening net asset value per unit	1,219.78p	1,811.02p	1,416.62p	1,422.71p
Return before operating charges*	29.91p	50.22p	46.81p	50.49p
Operating charges	(11.64p)	(19.55p)	(18.22p)	(19.65p)
Return after operating charges*	18.27p	30.67p	28.59p	30.84p
Distribution on income units	(11.97p)	–	(20.30p)	–
Closing net asset value per unit	1,226.08p	1,841.69p	1,424.91p	1,453.55p
Retained distributions on accumulation units	–	17.98p	–	20.71p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	1.50%	1.69%	2.02%	2.17%
c) Prices				
Highest share price	1,251.17p	1,879.43p	1,453.05p	1,482.32p
Lowest share price	1,152.40p	1,731.06p	1,337.78p	1,364.73p

	31 December 2014	31 December 2014	31 December 2014	31 December 2014
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	2,291,535.75		4,687,989.98	
Accumulation		3,728,486.52		8,398,599.23

	Fund 31 December 2014
Closing net asset value of the Fund at the year ended:	£284,420,245
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.55%
TER for the Institutional Class for the year ended:	1.11%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	56.97%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

Notes to the Financial Statements (unaudited)

53. Net Asset Value and Comparative tables (continued)

	A Class Income units 2013	A Class Accumulation units 2013	Institutional Class Income units 2013	Institutional Class Accumulation units 2013
a) Change in net asset value per unit				
Opening net asset value per unit	953.85p	1,416.16p	1,103.82p	1,108.60p
Return before operating charges*	296.82p	418.45p	354.81p	332.88p
Operating charges	(16.73p)	(23.59p)	(20.00p)	(18.77p)
Return after operating charges*	280.09p	394.86p	334.81p	314.11p
Distribution on income units	(14.16p)	–	(22.01p)	–
Closing net asset value per unit	1,219.78p	1,811.02p	1,416.62p	1,422.71p
Retained distributions on accumulation units	–	21.02p	–	22.10p
*after direct transactions costs of :	–	–	–	–
b) Performance				
Return after charges	29.36%	27.88%	30.33%	28.33%
c) Prices				
Highest share price	1,219.82p	1,811.06p	1,416.63p	1,422.71p
Lowest share price	968.68p	1,438.20p	1,121.03p	1,125.80p
	31 December 2013	**31 December 2013**	**31 December 2013**	**31 December 2013**
d) Other information				
Total equivalent shares deemed in issue at the year ended:				
Income	2,921,355.50		3,413,955.17	
Accumulation		4,975,566.31		5,525,527.54

	Fund 31 December 2013
Closing net asset value of the Fund at the year ended:	£251,560,021
Total expense ratio ("TER")*	
TER for the A Class for the year ended:	1.62%
TER for the Institutional Class for the year ended:	1.17%
Direct transaction costs	0
e) Portfolio Turnover Rate ("PTR")**	
The Portfolio Turnover Rate for the year ended:	29.90%

*The TER is a fee based calculation showing the fees charged to a Fund as a percentage of average NAV for the year.
The TER calculation for the Fund is made up of:
(1) 1.5% per annum, payable to the ACD for "A" shares and 1.05% per annum for Institutional shares.
(2) Depositary fees of 0.0125% (plus Value Added Tax) per annum. Additional charges to the depositary include custody and transaction charges and safekeeping fees.
(3) Registrar fees made up of a charge per shareholder and a charge per share movement and;
(4) Other expenses covers a number of items such as marketing costs, directors' meeting costs and costs of printing financial reports.
**The PTR is calculated as the total security transactions (purchases and sales) less the total subscriptions and redemptions, divided by the average net assets of the relevant Fund.

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GAM European Systematic Value and Income ceased trading on 28 September 2009.

Statement of Total Return

for the year ended	Notes	31 December 2015 £	£	31 December 2014 £	£
Net (losses)/gains on investments during the year			–		–
Other losses			–		–
Revenue			–		–
Expenses		–		–	
Finance costs: Interest		–		–	
Net revenue before taxation		–		–	
Taxation		–		–	
Net revenue after taxation			–		–
Total return before distribution			–		–
Finance costs: Distribution			–		–
Change in net assets attributable to shareholders from investment activities			–		–

Statement of Changes in Shareholders' Net Assets

for the year ended	31 December 2015 £	£	31 December 2014 £	£
Net assets attributable to shareholders at the start of the year		–		–
Movement due to sales/(redemption) of shares				
Amounts received on issue of shares	–		–	
Less: Amounts paid on cancellation of shares	–		–	
			–	–
Dilution Levy		–		–
Change in net assets attributable to the shareholders		–		–
Retained distribution on accumulation shares		–		–
Net assets attributable to shareholders at the end of the year		–		–

Balance Sheet

as at	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
Assets					
Portfolio of investments	2(b)				
Debtors		–		–	
Cash and bank balances	54	2,439		2,439	
Total other assets			2,439		2,439
Total assets			2,439		2,439
Creditors	55	2,439		2,439	
Distribution payable on income shares		–		–	
Total other liabilities			2,439		2,439
Total liabilities			2,439		2,439
Net assets attributable to shareholders at the end of the year			–		–

Notes to the Financial Statements

	31 December 2015 £	31 December 2014 £

54. Cash and bank balances

Cash and bank balances	2,439	2,439
	2,439	2,439

55. Creditors

Accrued Expenses	2,439	2,439
	2,439	2,439

56. Net Asset Value and Comparative tables

The subfund ceased trading on 28 September 2009.

Notes to the Financial Statements

	Net Income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Net Income 2014 pence per share
GAM Global Diversified				
Income shares				
Group 1	5.7900	–	5.7900	–
Group 2	–	5.7900	5.7900	–
Accumulation shares				
Group 1	7.7100	–	7.7100	–
Group 2	4.0629	3.6471	7.7100	–
Institutional Income shares				
Group 1	9.9600	–	9.9600	5.2300
Group 2	2.0472	7.9128	9.9600	3.0556
Institutional Accumulation shares				
Group 1	10.0500	–	10.0500	5.2600
Group 2	2.5232	7.5268	10.0500	2.7049
GAM UK Diversified				
Income shares				
Group 1	11.6100	–	11.6100	11.9700
Group 2	1.9034	9.7066	11.6100	5.3360
Accumulation shares				
Group 1	17.6100	–	17.6100	17.9800
Group 2	8.7782	8.8318	17.6100	7.8081
Institutional Income shares				
Group 1	20.3700	–	20.3700	20.3000
Group 2	6.3854	13.9846	20.3700	11.3813
Institutional Accumulation shares				
Group 1	21.0800	–	21.0800	20.7100
Group 2	7.2629	13.8171	21.0800	9.0492
GAM North American Growth				
Income shares				
Group 1	–	–	–	–
Group 2	–	–	–	–
Accumulation shares				
Group 1	–	–	–	–
Group 2	–	–	–	–
Institutional Income shares				
Group 1	4.6000	–	4.6000	3.9600
Group 2	1.8146	2.7854	4.6000	3.4707
Institutional Accumulation shares				
Group 1	4.6200	–	4.6200	3.9600
Group 2	2.5009	2.1191	4.6200	3.3274

Notes to the Financial Statements

	Net Income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution payable 2014 pence per share
GAM European Systematic Value & Income				
Interim				
Income shares				
Group 1	–	–	–	–
Group 2	–	–	–	–
Accumulation shares				
Group 1	–	–	–	–
Group 2	–	–	–	–
Final				
Income shares				
Group 1	–	–	–	–
Group 2	–	–	–	–
Accumulation shares				
Group 1	–	–	–	–
Group 2	–	–	–	–

Equalisation

Equalisation applies only to Group 2 shares. It is the average amount of income included in the purchase price of Group 2 shares and is treated as being refunded to the holders of these shares as a return of capital. Being capital, it is not liable to Income Tax but should be deducted from the cost of shares for tax on capital gains purposes.

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes Sourcebook as issued and amended by the FCA requires the Authorised Corporate Director to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Company and of its income/expenditure and net gains or losses on the property for the year. In preparing these financial statements the Authorised Corporate Director is required to:

- comply with the Prospectus, generally accepted accounting principles and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the IMA in May 2014;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records, to manage the Company in accordance with the Collective Investment Schemes Sourcebook as issued and amended by the FCA, the Instrument of Incorporation and the Prospectus and to take reasonable steps for the provision and detection of fraud or other irregularities.

Statement of the Depositary's Responsibilities

The Depositary is under a duty to take into custody and to hold the property of the Company on behalf of the shareholders. Under the Regulations relating to the Reports, it is the duty of the Depositary to enquire into the conduct of the Authorised Corporate Director in the management of the Company in each annual accounting period and report thereon to shareholders in a report which shall contain the matters prescribed by the Regulations. A copy of the Depositary's report is included in this Report.

Report of the Depositary

To the shareholders of GAM Funds

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL Sourcebook and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan, Europe Limited

Bournemouth

28 April 2016

Independent Auditor's Report to the Members of GAM Funds

Report on the financial statements

Our opinion

In our opinion, GAM Fund's financial statements, (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 December 2015 and of the net revenue / (expenses) and the net capital gains/(losses) of the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

What we have audited

GAM Funds (the "Company") is an umbrella fund with a number of sub funds. The financial statements of the Company, included within the Annual Report (the "Annual Report") comprise the financial statements of each of the sub-funds, which are prepared by GAM Sterling Management Limited (the "Authorised Corporate Director"), and comprise for each of the sub-funds:

- the balance sheet as at 31 December 2015;
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to shareholders for the year then ended;
- summary of significant accounting policies and notes applicable to the financial statements of all sub funds and notes to the financial statements of individual sub funds, which include other explanatory information; and
- the distribution tables

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

– we have obtained all the information and explanations we consider necessary for the purposes of the audit; and

– the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

– proper accounting records have not been kept; or

– the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 66, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

– whether the accounting policies are appropriate to the Company's and each of the Company's sub-funds' circumstances and have been consistently applied and adequately disclosed;

– the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and

– the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors

Dublin

28 April 2016

Notes:

a) The maintenance and integrity of the GAM Funds website is the responsibility of the Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

General Information

The Company

GAM Funds, an open-ended investment company ("OEIC") with variable capital, is an umbrella company, consisting of a number of funds. GAM Funds was authorised by the Financial Conduct Authority on 2 May 1997 and qualifies as a wider-range investment under the Trustee Investments Act, 1961.

The Authorised Corporate Director ("ACD")

The ACD is the sole director of GAM Funds and is responsible for all aspects of administration and management within the OEIC. The ACD is GAM Sterling Management Limited (authorised and regulated by the FCA), 20 King Street, London SW1Y 6QY, United Kingdom.

The Depositary

The Depositary acts as the custodian for all assets relating to the Company. Up to 1 February 2016 the Depositary was JP Morgan Europe Limited (authorised and regulated by the FCA), Chaseside, Bournemouth BH7 7DA, United Kingdom. From 1 February 2016 the Depositary is State Street Trustees Limited (Authorised and Regulated by the FCA), 20 Churchill Place, London E14 5HJ, United Kingdom.

Minimum initial investment

The minimum initial investment in any Fund is £6,000 for the A classes and £12,000,000 for the Institutional classes.

Distributions

The annual income allocation date of each Fund is on or before 28 February. Distributions from each Fund consist of investment income net of expenses and is allocated between income and accumulation shares according to the respective shares of each Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period. For more details on the distribution policy, refer to the Prospectus.

Accumulation and Income Shares

Investors may choose to hold either income or accumulation shares (including fractions of a share) in any of the Funds. Each income share represents one undivided share in the property of the respective Fund. Where both income and accumulation shares are in existence in a Fund, the number of shares (including fractions) in the property of the Fund represented by each accumulation share increases as income is accumulated. Holders of income shares receive distributions (net of the tax which corresponds to the advance corporation tax borne by the Fund). Holders of accumulation shares do not receive payments of income. Any income (net of the tax which corresponds to the advance corporation tax borne by the Fund) arising in respect of an accumulation share is automatically accumulated and is reflected in the price of each accumulation share. No preliminary charge is levied on this accumulation. Where both types of shares are in existence, the income of the Fund is allocated between income shares and accumulation shares according to the respective shares in the property of the Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Subscription Days

Shares may normally be purchased or sold on any business day. Prices of shares and estimated gross yields are calculated daily. A forward pricing basis is used.

Application for Shares

All applications should be made to the ACD. Shares will be purchased at the next valuation point after receipt of cash or cleared funds and a contract note will be sent to the purchaser. Prospective shareholders should note that the price of shares can fluctuate and the income from them can go down as well as up and is not guaranteed. On redemption investors may receive less than the original amount invested. Past performance is not indicative of current or future performance. Any quoted performance figures do not take account of any charges or levies that may be incurred on the issue or redemption of shares.

Repurchase of Shares

Shareholders may offer all the shares for sale to the ACD, or a lesser number, provided the shareholder maintains the minimum number of shares permitted, by telephoning the Administrator and providing written confirmation. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution Levy

Where the Company buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs, stamp duty on the purchase of investments (if applicable) and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder.

With a view to reducing this cost, the ACD is entitled to require payment of a dilution levy, to be added to the sale price or deducted from the redemption price of shares as appropriate. This may be up to 1% of the price of the share:

- redeemed on a dealing day on which the net redemptions exceed 5% in value (calculated on the current price) of the issued shares linked to that Fund;
- sold on a dealing day on which net sales of shares linked to a Fund exceed the same percentage.

Income Distributions

Any income distribution are normally made on 28 February.

Stamp Duty Charges

Up until April 2014 there were two SDRT regimes:

1) Section 122 and schedule 19 of the Finance Act 1999 introduced a system of Stamp Duty Reserve Tax (SDRT) for deals in shares in OEICs. This SDRT charge was abolished under legislation contained in Finance Act 2014 with effect from 30 March 2014. All surrenders up to and including on 29 March 2014 continued to be taxed within the usual time limits meaning there was one week's worth of surrenders (23-29 March) in the final notice period. The accounting date for these surrenders was 14 May 2014. Up until this date the liability for payment of Schedule 19 lay with the Trustee (but for which the Manager was accountable).

The regulations that cover collective investment schemes allow the Manager to levy a SDRT provision against the individual purchase and sale of shares. Accordingly, this would, if imposed, increase the cost of buying shares and lessen the proceeds of sales by the investor. The amount of the provision may not exceed the rate of SDRT on such transactions (currently 0.5%). Although the ACD did not intend to make any special arrangements for SDRT on large transactions, it did however reserve the right to charge this duty in particular cases to individual investors where the remaining investors in such circumstances would be disadvantaged if a charge were not made.

2) Section 87 of the Finance Act 1986 imposes a charge to SDRT on agreements to transfer the beneficial ownership of Chargeable Securities (broadly UK registered equities and certain loan capital) at 0.5%. This SDRT charge is still in force.

The regulations that govern collective investment schemes also permit this duty to be paid from the property of the Company. Accordingly this duty will be charged as an expense to the capital account of the Company.

Charges

An initial charge of 5% for 'A' shares is included in the price of the shares. Out of this the ACD pays commission to recognised agents. An annual charge of 1.50% for 'A' shares (all Funds), 1.05% for Institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for Institutional shares of GAM North American Growth is deducted out of the property of the Company.

Taxation for UK Shareholders

An individual shareholder who is resident (for tax purposes) in the United Kingdom is entitled to a tax credit in respect of any dividend distribution received (after deducting any equalisation payment) and is subject to income tax on the aggregate of the dividend distribution and the tax credit. The value of the tax credit is equal to one-ninth of the net dividend distribution and distributions plus tax credits will be treated as the top slice of an individual's income. UK resident individuals who are not liable to tax are generally unable to reclaim the tax credit from HM Revenue & Customs. In the case of UK resident individuals liable to basic rate tax only, the tax credit will match his/her tax liability on the dividend distributions and there will be no further tax to pay and no right to claim any repayment from HM Revenue & Customs. In the case of UK resident individuals who are liable to higher rate income tax, the tax credit will be set against but not fully match his/her tax liability on the dividend distribution. Such a person will be taxed at a marginal tax rate of 25% on the top slice of his/her taxable income which falls above the threshold for higher rate tax for the 2015/2016 tax year £31,785 (2014/2015: £31,865). Additional tax rate payers will be taxable at a rate of 37.5% on any dividend distributions with an effective tax rate of 30.56% (after the offset of the 10% tax credit).

Any gains arising to individual shareholders who are resident or ordinarily resident (for tax purposes) in the UK on disposal of their shares are, depending on their personal circumstances, subject to capital gains tax at 18% and 28% (the tax rate used depends on the total amount of taxable income). For 2015/2016 the first £11,100 (2014/2015: £11,100) of chargeable gains from all sources will be exempt from tax.

Corporate shareholders are subject to different treatment.

Prospectus

Further details concerning the Company are contained in the Prospectus, which is available on application to the ACD.

Risks

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

Additional Information for Shareholders from Switzerland

The following section contains additional information regarding the offer and the distribution of shares of GAM Funds (the "Company") in and from Switzerland. Each decision to subscribe for shares should be exclusively based on the information comprised in the Prospectus, as supplemented by the latest annual and half-yearly reports.

General Information

1. Distribution in Switzerland

The Swiss Federal Financial Market Authority (FINMA) granted authorisation under Article 123 of the Swiss Collective Investment Schemes Act (CISA) dated 23 June 2006 to GAM Anlagefonds AG, Zurich, to distribute shares of the Company, in or from Switzerland as the Swiss Representative of the Company.

The address of the Swiss Representative is:
GAM Anlagefonds AG
Hardstrasse 201
P.O. Box
CH 8005 Zurich
Schweiz

The Prospectus, the Key Investor Information Document, the Articles of Association as well as German translations of the latest annual and half-yearly reports of the Company may be obtained free of charge from the Swiss Representative.

2. Paying Agent

Paying Agent in Switzerland is: State Street Bank GmbH Munich, Zurich Branch, Beethovenstrasse 19, 8027 Zurich, Switzerland.

3. Taxation in Switzerland

Shareholders that are subject to taxation in Switzerland are recommended to consult their tax, finance or legal advisers regarding the tax treatment of their investment in shares of the Company.

4. Publications

Publication media of the Company for Switzerland, in particular regarding the publication of changes to the Articles of Association and the Prospectus is on the website www.fundinfo.com.

The net asset value per share of each Fund shall be published on each day on which shares are issued or redeemed, therefore daily, with the reference "exclusive commissions" on the www.fundsinfo.com website.

5. Place of Performance and Court of Jurisdiction

Place of performance and court of jurisdiction for shares offered or sold in or from Switzerland shall be that of the registered office of the Swiss Representative.

6. Purchases and Sales

A complete list of all purchases and sales for any Fund, may be obtained free of charge from the Swiss Representative.

7. Fees

An annual charge of 1.50% for 'A' shares (all Funds), 1.05% for institutional shares of GAM Global Diversified and GAM UK Diversified and 0.90% for institutional shares of GAM North American Growth. In general, the periodic charge of 1.5% charged to the property of the 'A' shares of the Fund can be apportioned as follows:

"A" Shares

administration (ACD, Administrator)	up to 0.15% p.a
asset management (Investment Adviser)	up to 1.35% p.a

The above listed fees for administration and asset management may be charged to the property of the Fund in accordance with the combined limits set out in the prospectus. Payments for the distribution of the Fund to distributors and selling agents (trailer fees) as well as institutional investors (reimbursements) who from a commercial perspective are holding the fund shares for third parties, will be paid from management fees.

Contacts

Dealing

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