

## GAM FCM ILS Yield - A AUD



Specialist - Insurance Linked Securities

Marketing Material - Data as of 31.12.2020

Onshore / (Non-Distributor) / NAV per share AUD 1.1963

## Fund description

## Investment objective:

To seek to maximise risk adjusted absolute returns through investments in Insurance Linked Securities ("ILS").

## Opportunities:

An active approach based on deep market understanding combined with highly developed, proprietary risk modelling and pricing analysis.

## Risk factors:

**Counterparty Risk / Derivatives:** If a counterparty to a financial derivative contract were to default, the value of the contract, the cost to replace it and any cash or securities held by the counterparty to facilitate it, may be lost.**Leverage Risk:** Derivatives may multiply the exposure to underlying assets and expose the Fund to the risk of substantial losses.**Insurance-Linked Securities Risk:** Cat bonds are exposed to catastrophes through which they may suffer substantial or total losses of amounts invested. In such an event or combination of events, which may happen at any time, the Fund's value may fall significantly and may not recover.**Interest Rate Risk:** A rise or fall in interest rates causes fluctuations in the value of fixed income securities, which may result in a decline or an increase in the value of such investments.**Currency Risk:** The value of investments in assets that are denominated in currencies other than the base currency will be affected by changes in the relevant exchange rates which may cause a decline.**Market Risk / Emerging Markets:** Emerging markets will generally be subject to greater political, market, counterparty and operational risks.**Capital at Risk:** All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed.

## Manager

FERMAT CAPITAL  
MANAGEMENT, LLC

## Fund facts

**Fund managed by** Fermat Capital Management, LLC**Fund Advisor - Investor Relations** GAM International Management Limited**Fund type** Australian Unit Trust**Fund domicile** Australia**Base currency of the class** AUD**Inception date of the fund** 07.02.2012**Inception date of the class** 30.06.2012**Total fund assets** AUD 182.6 m**Total class assets** AUD 21.0 m**Currency hedging** May be employed to protect against exchange rate risk.**Min investment of the class** (initial) AUD 10,000,000 (subsequent) AUD 100,000**Dealing day** Last business day of the month.**Subscriptions** The last business day of each calendar month provided that five business days' notice is given prior to the deal date.**Redemptions** The last business day of each calendar month provided that 30 business days' notice has been given prior to the deal date.**Manager fee**<sup>1</sup> 1.25%**ISIN** AU60ETL0379**Data sources** GAM, Fermat, Bloomberg

## Key information regarding the share class:

<sup>1</sup> This is the management costs which are expressed as a percentage of Net Asset Value of the fund, and includes Australian Goods and Services Tax (GST) after an allowance is made for Reduced Input Tax Credits (RITCs). Please refer to the Product Disclosure Statement for further details on fees and costs.

## Fund performance

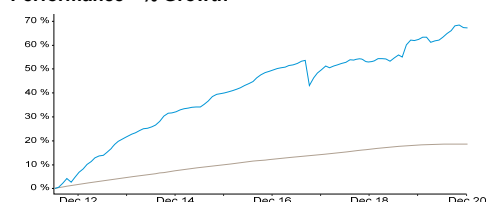
## Performance in %

	Cumulative							Annualised		
	YTD	1M	3M	1Y	3Y	5Y	Since launch	3Y	5Y	Since launch
Fund	2.91	-0.18	-0.63	2.91	11.55	19.35	67.13	3.71	3.60	6.23
Benchmark	0.37	0.00	0.02	0.37	3.83	7.84	18.62	1.26	1.52	2.03

## Rolling performance

December-December(%)	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Fund	6.82	0.16	2.10	6.16	2.91
Benchmark	2.07	1.75	1.92	1.50	0.37

## Performance - % Growth



## Fund statistics\*

Statistic	Fund	Benchmark
Maximum drawdown***	-6.81	0.00
Annualised standard deviation (%)	3.50	0.24
Downside deviation (%)****	2.48	0.00
Sharpe ratio**	1.20	0.02
Sortino ratio****	2.51	n.a.
Skewness	-3.49	-0.58
Kurtosis	28.30	3.27
% of positive months	85.29	n.a.

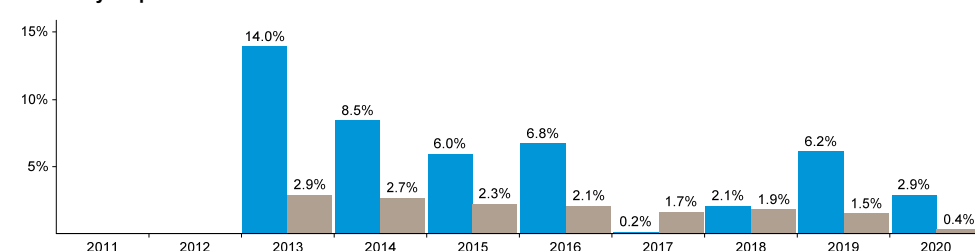
\* Computed since inception

\*\*\*The largest loss, peak to trough based on monthly data

\*\*\*\* Minimum acceptable return (MinAR) is 0.00%

\*\* Risk free rate is Average AUD 1 Month Deposit Rate

## Calendar year performance



## Key to charts and tables:

Fund: GAM FCM ILS Yield - A AUD; Benchmark: Bloomberg AustBond Bank Bill Index in AUD

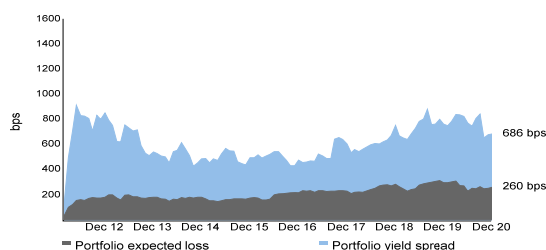
Past performance is not an indicator of future performance and current or future trends. The performance values refer to the net asset value and are calculated without the commission and costs incurred on issue, redemption or swapping (e.g. transaction and custody costs of the investor). The fund does not include the security of capital which is characteristic of a deposit with a bank or building society. The indications are based on figures denominated in AUD. If this currency is different from the currency of the country in which the investor is resident, the return may increase or decrease as a result of currency fluctuations.

## Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	0.58	0.04	-1.38	0.40	0.24	0.74	0.91	0.72	1.29	0.10	-0.56	-0.18	2.91
2019	0.34	0.62	-0.02	-0.16	-0.58	0.87	0.84	-0.57	3.30	1.25	-0.11	0.26	6.16
2018	1.01	-0.51	0.45	0.36	0.38	0.35	0.70	-0.11	0.28	-0.06	-0.65	-0.11	2.10
2017	0.43	0.19	0.25	0.34	0.21	0.42	0.63	0.19	-6.81	2.23	1.40	0.96	0.16
2016	0.34	0.28	0.44	0.47	0.67	0.53	0.66	1.00	0.93	0.60	0.34	0.36	6.82
2015	0.65	0.28	0.19	0.24	0.13	0.05	0.75	1.12	1.35	0.64	0.19	0.24	5.98
2014	0.69	0.60	0.73	0.59	0.11	0.45	0.65	1.23	1.64	0.96	0.20	0.29	8.46
2013	1.34	1.65	1.21	1.32	0.67	0.35	0.96	1.42	1.67	1.19	0.79	0.65	14.05
2012	-	-	-	-	-	-	0.47	1.75	1.96	-1.55	1.93	2.12	6.83

## Portfolio analysis <sup>^</sup>

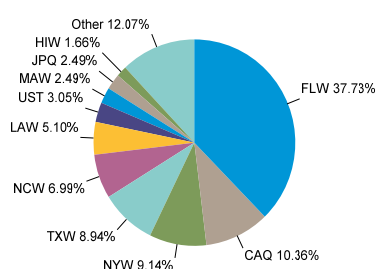
### Yield and risk profile



This chart shows the "Portfolio expected loss" <sup>2</sup> and "Portfolio yield spread" <sup>8</sup> since 29 Feb 2012. Analysis is gross of fees and expenses charged at the class level. Data is based on GAM FCM ILS Yield. (the "Fund"), into which all share classes invest.

Past performance is not an indicator of future performance and current or future trends.  
Source: FERMAT Capital Management, LLC

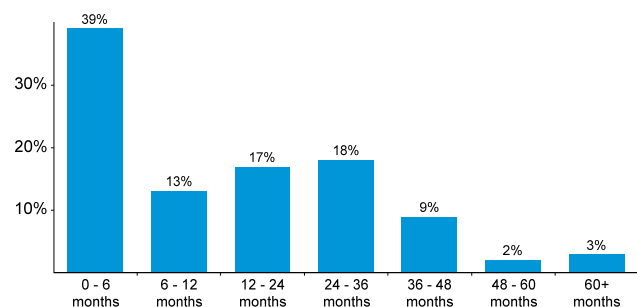
### Top 10 contributors to portfolio expected loss by peril <sup>^^</sup>



Allocations and holdings are subject to change.

Past performance is not an indicator of future performance and current or future trends.  
Source: FERMAT Capital Management, LLC

### Market Value (%) by Maturity (months)



Past performance is not an indicator of future performance and current or future trends.  
Source: FERMAT Capital Management, LLC

<sup>1</sup>Portfolio yield to maturity. The total yield of a portfolio based on coupon and collateral income and accretion/amortization, i.e. "pull to par"; quoted gross of fees and expenses charged at the class level but net of financing costs.

<sup>2</sup>Portfolio expected loss. The long-term annual probability of loss of principal, severity weighted, as determined by the use of independent, commercial catastrophe models.

<sup>3</sup>Weighted average maturity (years). Capital-weighted years-to-maturity of portfolio investment holdings.

<sup>4</sup>Number of positions. The number of individual securities held in the portfolio.

<sup>5</sup>The "Public Cat-Bond" category is 144A deals, "Insurance-Debt" is any private insurance debt issuance, and any other non-144A security types are in the "Private ILS" category.

<sup>6</sup>Max 1:100 year event loss. Maximum loss to the portfolio produced by any single event with a 100 year 'return period' as modelled by FERMAT Capital, based primarily on the use of independent commercial catastrophe models.

<sup>7</sup>Reference Rate. Collateral yield, which varies by security and can be based on US Treasury Money Market rates, or 3 or 6 month LIBOR/EURIBOR rates.

<sup>8</sup>Portfolio yield spread. Portfolio yield to maturity minus the Reference Rate.

<sup>^</sup> Please note that the information in this section refers to GAM FCM ILS Yield Inc. (the "Fund") into which all share classes invest, and therefore does not reflect the effects of currency hedging (if applicable) or of fees charged at the class level.

<sup>^^</sup> Please refer to the Peril code definitions on the last page of the report.

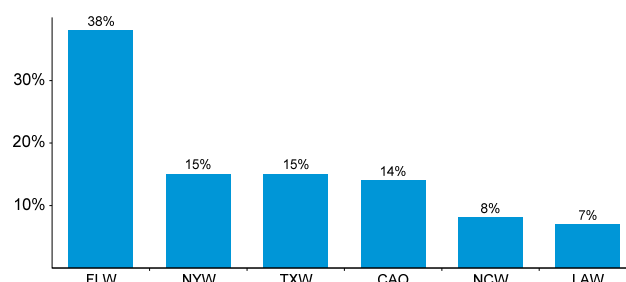
### Portfolio snapshot

Portfolio yield to maturity (%) <sup>1</sup>	Reference Rate <sup>7</sup> + 6.86%
Portfolio expected loss (%) <sup>2</sup>	2.60%
Cash holdings (%)	4.31%
Weighted average maturity (years) <sup>3</sup>	1.46 yrs
Number of positions <sup>4</sup>	198
Public Cat-Bond / Insurance-Debt / Private ILS mix (Market Value) <sup>5</sup>	79% / 3% / 18%
Max 1:100 year event loss (%) <sup>6</sup>	30.6%, FLW

Allocations and holdings are subject to change.

Past performance is not an indicator of future performance and current or future trends.  
Source: FERMAT Capital Management, LLC

### Tail VaR (99%) by peril (top exposures) <sup>^^</sup>



99%, 1-year Tail VaR. Forward-looking based on independent, commercial catastrophe models; the resulting number includes losses to both principal and coupon.

Past performance is not an indicator of future performance and current or future trends.  
Source: FERMAT Capital Management, LLC

## Portfolio analysis, continued

### Peril code definitions

AKQ	Alaska Earthquake	GLE	Global Terrorism	MXW	Mexico Hurricane
AUQ	Australian Earthquake	GLI	Global Influenza	NCW	North Carolina Hurricane
AUW	Australian Typhoon	GLV	Global Virus	NEQ	Northeast US Earthquake
BUS	Business Risk	HIQ	Hawaii Earthquake	NMQ	New Madrid Earthquake
CAQ	California Earthquake	HIW	Hawaii Hurricane	NYW	New York Hurricane
CBQ	Caribbean Earthquake	ITF	Italian Flood	PWQ	Pacific NW US Earthquake
CBW	Caribbean Hurricane	ITW	Italian Windstorm	ROW	Rest Of World
CDQ	Canada Earthquake	JPQ	Japan Earthquake	SAQ	South America Earthquake
CDW	Canada Wind	JPW	Japan Typhoon	SCQ	South Carolina Earthquake
CEQ	Canada East Earthquake	LAQ	Latin American Earthquake	TXW	Texas Hurricane
CNQ	China Earthquake	LAW	Louisiana Hurricane	UKW	UK Windstorm
CWQ	Canada West Earthquake	MAW	Massachusetts Hurricane	USFR	US Wildfire
DEW	Germany Windstorm	MOT	All Motor	UST	US Thunder, Tornado & Hail Storm
EUQ	European Earthquake	MRT	Extreme Mortality	USWS	US WinterStorm
EUW	European Windstorm	MXAW	Mexico Atlantic Hurricane	WCQ	Workers Comp Earthquake
FLW	Florida Hurricane	MXPW	Mexico Pacific Hurricane		
FRW	France Windstorm	MXQ	Mexico Earthquake		

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Source: GAM unless otherwise stated (Performance is shown net of fees, on a NAV to NAV basis).

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