

GAM Strategic Multi-Europe II – EUR A

Fund of Hedge Funds - Specialist

EUR Offshore / YTD price as at 31 Aug 2012 (EUR) / Price: 127.44; High: 131.89; Low: 123.75

September 2012

GAM

Fund description

Investment strategy:	Specialist
Investment objective:	Capital appreciation with diversification of risk.
Investment style:	Fund of hedge funds balancing exposure to predominantly equity long/short strategies investing in Europe.
Currency hedging:	Manager seeks to neutralise exposures by fully hedging back to the base currency of the fund. Certain indices are shown on an unhedged basis.

Manager commentary as at 31 Aug 2012

European equity markets finished higher for the month with the majority of the upward movement occurring within the first five days of August. Mario Draghi's 2 August ECB speech disappointed market expectations leading to a sharp correction in equities. But by 3 August sentiment had reversed and the market viewed the ECB approach as credible. This resulted in the Euro Stoxx 50 index rallying 7.8% up to 7 August. From here, markets trod water as trading volumes fell to four-year lows due to seasonality factors. Underlying managers entered the month with net and gross exposures at the lower end of their respective ranges, driven by low trading volumes and the possibility of a tail risk shock arising from policy risk. Manager returns closely followed their respective exposures to general equity risk, with four out of five posting a positive return.

The general outlook for European markets is a continued volatile market dominated by macroeconomic newsflow concerning the economic situation in the southern European countries and the willingness of northern European countries to help them out. Sentiment continues to exaggerate any moves on the upside as well as on the downside. There were no changes to the underlying manager line up over the month.

Manager



David Smith

Fund facts

Fund managed by David Smith
Fund type Offshore
Inception date of the class 25 Sep 2000
Underlying fund inception date 31 Mar 2000
Fund size EUR 2.1m
Underlying fund size EUR 8.2m
Dividend policy Income accumulated

Please refer to the Prospectus for details on fees paid.

GAM Strategic Multi-Europe II - EUR A is a feeder fund into GAM Multi-Europe II EUR Open Class, which is in turn a feeder fund into GAM Multi-Europe EUR Investments Inc., the underlying fund. Historical allocations, Exposure, returns and contribution analysis and Top holdings refer to GAM Multi-Europe EUR Investments Inc. Performance figures are based on change in net asset value over the stated periods and include the reinvestment of all capital gains, distributions and income dividends. Year to date (YTD) figures are calculated from the end of the previous calendar year to the date of this document.

Classifications of underlying managers by investment strategy may change from time to time. GAM uses its own system of classification.

Bloomberg GANNESR VI
CUSIP G3720T185
ISIN VGG3720T1856

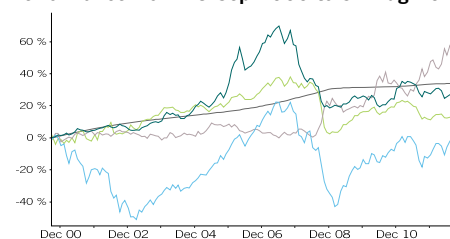
Data sources GAM, MSCI, Thomson Reuters, Bloomberg, DSTI ***

*** For illustrative purposes, two Hedge Fund Research indices, HFRI and HFRX, have been used in this report. The HFRX series is a daily calculated investable index and was accepted on 31 Mar 2003. Prior to 31 Mar 2003, performance of the HFRI non-investable index is used as the best alternative to enable a complete history to be shown.

Statistics for the Hedge Fund Indices used in this report have been prepared using currency hedged index levels produced by GAM for valid comparison to our currency hedged fund product. Details of GAM's index currency hedging calculation process can be supplied upon request.

Fund performance and risk analysis

Performance from 25 Sep 2000 to 31 Aug 2012



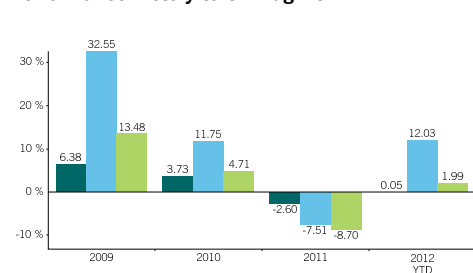
Performance summary as at 31 Aug 2012

	Fund %	Equity Index %	Bond Index %	Hedge Fund Indices %
1 month return	0.33	2.02	-1.57	0.46
3 months' return	2.18	11.87	-0.16	0.70
12 months' return	-0.64	16.68	14.25	-1.76
Annualised return since inception	2.05	0.00	3.76	1.06
% of positive months	60.42	54.86	50.69	56.94
VaR*	1.01	3.38	1.58	0.80

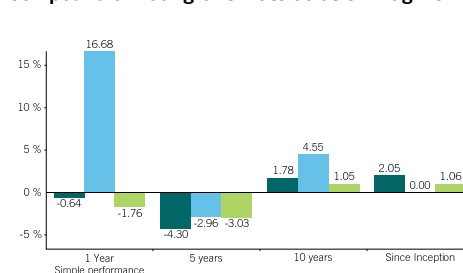
*95%, 5 day VaR. Please note that fund's underlying holdings which cannot be recognised by the model are excluded from VaR analysis.

The fund does not include the security of capital which is characteristic of a deposit with a bank or building society.

Performance history to 31 Aug 2012



Compound annual growth rate as at 31 Aug 2012



Key to charts and tables:

Fund: GAM Strategic Multi-Europe II – EUR A; **Equity Index:** MSCI Europe Index in EUR; **Bond Index:** Citigroup (WGBI) World Govt. Bond Index in EUR;
Hedge Fund Indices: HFRI Fund of Funds Composite Index (prior to 31 Mar 2003) and HFRX Global Hedge Fund Index (since 31 Mar 2003) (GAM hedged) in EUR; **Cash Index:** Average EUR 1 Month Deposit Rate

Historical monthly returns

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	1.28	1.23	0.30	-1.23	-3.60	0.83	1.00	0.33	-	-	-	-	0.05
2011	0.99	2.40	-0.84	0.80	-0.38	-0.77	-0.49	-3.53	-2.05	2.62	-0.60	-0.60	-2.60
2010	-0.62	-1.24	2.14	-0.95	-3.75	-0.85	0.91	0.07	1.73	1.25	-0.09	5.31	3.73
2009	0.75	0.84	-0.51	-0.48	1.59	0.09	0.97	2.35	0.78	-1.32	0.38	0.81	6.38
2008	-7.35	-2.82	-3.16	-1.78	1.60	-0.20	-3.00	-0.57	-6.91	-2.85	0.70	-1.34	-24.74
2007	0.30	3.06	-0.75	1.99	1.18	0.89	-3.19	-3.32	1.92	3.08	-5.17	-0.51	-0.91

Past performance is not necessarily indicative of future results. Holdings and allocations subject to change. Please note that there is no guarantee that fund objectives or market forecasts will be realized. Investors cannot invest directly in an index. Please see additional information in the glossary available from your Financial Advisor. Please see important information and risk factors on the final page.

Past performance is not indicative of future performance. Performance is shown net of fees.

Fund performance and risk analysis, continued

Risk summary as at 31 Aug 2012

	12 months				3 years				5 years			
	Fund	Equity Index	Bond Index	Hedge Fund Indices	Fund	Equity Index	Bond Index	Hedge Fund Indices	Fund	Equity Index	Bond Index	Hedge Fund Indices
Maximum drawdown (%)	-4.79	-7.36	-3.62	-3.68	-7.78	-18.66	-10.46	-9.89	-29.00	-53.28	-10.46	-25.69
Annualised standard deviation (%)	5.59	13.47	11.28	4.48	6.10	13.51	9.80	4.75	7.76	18.42	9.49	7.71
Downside deviation (%)*	4.41	7.58	5.41	3.79	4.20	8.65	4.96	3.65	6.67	13.74	4.60	6.90
Sharpe Ratio**	-0.24	1.18	1.20	-0.55	-0.01	0.53	0.88	-0.01	-0.78	-0.25	0.70	-0.62
Sortino Ratio*	-0.14	2.20	2.63	-0.46	0.14	0.90	1.87	0.16	-0.65	-0.22	1.83	-0.44
Skewness	-0.60	-0.32	0.08	-0.84	0.13	-0.39	0.32	-0.80	-0.83	-0.22	0.60	-2.17
Kurtosis	2.90	2.23	1.61	3.27	4.21	3.07	2.44	3.32	4.55	3.28	3.04	10.12

* Minimum acceptable return (MinAR) is 0.00%

**Risk free rate is Average EUR 1 Month Deposit Rate

Key to table:

Fund: GAM Strategic Multi-Europe II – EUR A; Equity Index: MSCI Europe Index in EUR; Bond Index: Citigroup (WGBI) World Govt. Bond Index in EUR; Hedge Fund Indices: HFRI Fund of Funds Composite Index (prior to 31 Mar 2003) and HFRX Global Hedge Fund Index (since 31 Mar 2003) (GAM hedged) in EUR; Cash Index: Average EUR 1 Month Deposit Rate

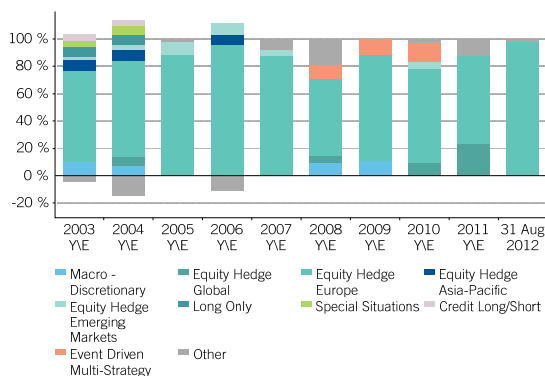
Exposure, returns and contribution analysis as at 31 Aug 2012

Strategies	Exposure %	1 month		3 months		12 months	
		Return %	Contribution %	Return %	Contribution %	Return %	Contribution %
Equity Hedge	98.27	0.40	0.61	3.30	3.26	2.23	1.76
Equity Hedge Global	N/A	N/A	N/A	N/A	0.00	N/A	-1.82
Equity Hedge Europe	98.27	0.40	0.61	3.30	3.26	6.21	4.39
Equity Hedge Emerging Markets	N/A	N/A	N/A	N/A	N/A	N/A	-0.81
Event Driven	N/A	N/A	N/A	N/A	N/A	N/A	0.51
Event Driven Multi-Strategy	N/A	N/A	N/A	N/A	N/A	N/A	0.51
Other*	1.73	-	-0.27	-	-1.08	-	-2.91
Total	100.00	-	0.33	-	2.18	-	-0.64

*Other includes liquidity, fees and currency effect / currency hedging (where applicable).

Asset allocation

Historical allocations



Top 5 holdings as at 31 Aug 2012

Name	Investment strategy	% of Fund
Eureka 2x	Equity Hedge Europe	28.4
Egerton European	Equity Hedge Europe	26.5
Pensato Europa Absolute	Equity Hedge Europe	14.6
Majedie Asset Tortoise UCITS	Equity Hedge Europe	14.6
Verrazzano European	Equity Hedge Europe	14.2
Total		98.3
Total number of holdings 5		

Past performance is not necessarily indicative of future results. Holdings and allocations subject to change. Please note that there is no guarantee that fund objectives or market forecasts will be realized. Investors cannot invest directly in an index. Please see additional information in the glossary available from your Financial Advisor. Please see important information and risk factors on the final page.

Source: GAM unless otherwise stated (Performance is shown net of fees, on a NAV to NAV basis). This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. **It is aimed at sophisticated, professional, eligible, institutional and/or qualified investors who have the knowledge and financial sophistication to understand and bear the risks associated with the investments described herein.** Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. It is not an invitation to subscribe and is by way of information only. Subscriptions will only be received and shares or units ('Shares') issued on the basis of the current prospectus for the fund. Copies of fund's prospectus and financial statements can be obtained free of charge from GAM Fund Management Ltd, George's Court, 54-62 Townsend Street, Dublin 2. Shares are not available for sale in any state or jurisdiction in which such sale would be prohibited. Investors should only rely on the fund's offering documents when making a decision on whether to invest in the fund. The Shares of the fund have not been registered under the US Securities Act of 1933, as amended (the "Securities Act"), and the fund is not registered under the US Investment Company Act of 1940, as amended (the "Company Act"). Accordingly, unless an exemption is available, such shares may not be offered, sold or distributed in the United States or to US persons. However, pursuant to an exemption from registration under the Securities Act and the Company Act, the shares may be sold or resold in the United States or to certain qualified US investors in transactions that do not constitute a public offering. The fund is not regulated under the Financial Services and Markets Act 2000 (the "Act"), consequently no protection is provided by the UK regulatory system. Moreover benefits available under the UK Financial Services Compensation Scheme do not apply. The fund is not authorised or registered for public sale in Asia Pacific. Therefore, no public marketing must be carried out for it in Asia Pacific. In Hong Kong, this material is restricted to professional investors (as defined in the Securities and Futures Ordinance (Cap 571)) only. In Singapore, this material is limited to investors as defined in s.305(5) of the Securities and Futures Act (Cap. 289) ("SFA") only. The fund is not authorised or recognised by the Monetary Authority of Singapore and Shares in the fund are not allowed to be offered to the retail public in Singapore; and any written material issued in connection with the offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. In other countries in the Asia Pacific region, this material should only be distributed in accordance with the applicable laws in the relevant jurisdiction. **The fund does not include the security of capital which is characteristic of a deposit with a bank or building society.** The views expressed herein are those of the manager at the time and are subject to changes. **The price of Shares may go down as well as up and the price will depend on fluctuations in financial markets outside GAM's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance.** Reference to a security is not a recommendation to buy or sell that security. Holdings and allocations are subject to change. Prices quoted refer to accumulation Shares unless otherwise stated. Historic data may be subject to restatement from time to time. **Important information about hedge funds:** Hedge fund strategies are speculative and are not suitable for all investors. GAM hedge fund products are only available to investors who are comfortable with the substantial risks associated with investing in hedge funds. An investment in hedge fund strategies includes the risks inherent in an investment in securities, as well as specific risks associated with limited liquidity, the use of leverage, short sales, options, futures, derivative instruments, investment in overseas securities, 'junk' bonds and illiquid investments. Hedge fund strategies may be leveraged and the volatility of the price of their interests may be great. In the United Kingdom, this material has been issued and approved by GAM London Ltd, 12 St James's Place, London SW1A 1NX, authorised and regulated by the Financial Services Authority.