

GAM Multistock - GAM Luxury Brands Equity

Marketing material for professional / institutional / accredited investors

Market environment

In November, the S&P Global Luxury Index (EUR) rebounded from its October losses, rising by 4.7%. Volatility persists as the market attempts to digest the potential impacts of the China stimulus announced in September. This performance was also bolstered by the strong rally in US markets following Trump's decisive presidential win, while simultaneously reflecting increased political instability in France.

Performance

The GAM Luxury Brands Equity fund (EUR, C shares) outperformed the benchmark index by 28 basis points (bps). Although volatility remained high across different geographies, there was reassuring performance from the more cautious stance taken on China and the increased exposure to the US cluster. On the positive side, recent additions such as Amer Sports, Viking Holdings, Ralph Lauren and Tapestry performed strongly. Along with our overweight position in On Holding and non-holdings in Mercedes-Benz, these made up the top contributors.

Detractors for the month included The Italian Sea Group, which suffered from a degree of stock rotation after outperformance earlier this year, and Prada, which faced challenges due to its Hong Kong listing and the resulting limited liquidity. However, we remain very positive on Prada's operational momentum and valuation. Our non-holdings in Tesla, Royal Caribbean, Carnival, and Williams-Sonoma also detracted from relative performance.

Portfolio changes

In November, we added to Amer Sports and Tapestry, which we bought after the collapse of the bid for Capri, a bid we did not support. We also added to Richemont, reducing the underweight position. Additionally, we reduced our holdings in Lindt, Hyatt Hotels and On Holding but remain net overweight.

We made two divestments, exiting our remaining small positions in Campari and Pernod Ricard, as we continue to prefer Diageo while remaining significantly underweight in the category.

Outlook

As outlined last month, we have not changed our view that luxury consumption in China is under considerable pressure, and we expect a high-teen drop in spend this year. The start of the Q4 reporting season flagged an easing of the pressure, and undemanding comparisons will result in improving momentum, but not enough to take a more positive stance just yet in the absence of further stimulus-like measures.

Momentum in the US had been slowly improving for some time, and the outcome of the election has delivered a stock market bounce again, which reinforces a more positive momentum. That said, uncertainty over the outcome of the possible implementation of tariffs adds volatility.

Our full-year forecast for growth in luxury spend stands at +0% to +1%, which we continue to argue is in line with expected normalisation and should lead us to a 2023 to 2025 average growth back at +5% to 6%.

We retain our view that a sharp polarisation in performance will continue to characterise the sector for some time unless the magnitude of the China stimulus effort is significantly enhanced. We continue to monitor volatility to identify opportunities in the names where we have high conviction and seek opportunities as we have recently done in US-listed names.



Flavio Cereda
Investment Manager



Niall Gallagher
Investment Director

Past performance is not an indicator of future performance and current or future trends. The performance is net of commissions, fees and other charges. The mentioned financial instruments are provided for illustrative purposes only and shall not be considered as a direct offering, investment recommendation or investment advice. Allocations and holdings are subject to change. The views are those of the manager and are subject to change. There is no guarantee that forecasts or objectives will be realised.

For more information, please visit [GAM.com](https://www.gam.com)

Important disclosures and information:

Credit Risk / Structured Products: Should the counterparty to a structured note default, the value of those structured notes may be nil.

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.

Liquidity Risk: Some investments can be difficult to sell quickly which may affect the value of the Fund and, in extreme market conditions, its ability to meet redemption requests.

Currency Risk: Non Base Currency Share Class: Non-base currency share classes may or may not be hedged to the base currency of the Fund. Changes in exchange rates will have an impact on the value of shares in the Fund which are not denominated in the base currency. Where hedging strategies are employed, they may not be fully effective.

Market Risk / Emerging Markets: Emerging markets will generally be subject to greater political, market, counterparty and operational risks.

Equity: Investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value.

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.

The information in this document is given for information purposes only and does not qualify as investment advice or as meeting any particular financial objectives, risk profiles, sustainability preferences or sustainability-related objectives of the recipient. There is no assurance that any sustainability-related objectives, if applicable, will be achieved. Further information on GAM's approach to responsible investing can be found here:

<https://www.gam.com/en/corporate-responsibility/responsible-investing> <https://www.gam.com/en/policies-and-disclosures#sfdr>

The investment strategy described in this document may involve the selection, prevent the acquisition of or require the disposal of securities of certain issuers for reasons other than investment performance or other financial considerations. As a result, the strategy may underperform other strategies with a similar financial objective or policy that do not utilise an ESG-focused investment strategy and may suffer investment losses if it is required to dispose of a security as a result of non-financial considerations.

The investment strategy described in this document may be reliant on sustainability-related data. The quality, timeliness, completeness and availability of sustainability-related data may not be comparable with the general quality, timeliness, completeness and availability of more standardised and traditional financial data. The implementation of the investment strategy may be adversely impacted as a result and may result in losses (including loss of opportunity) as a result of investment decisions taken in reliance on sustainability-related data which may not be accurate, complete or timely or if decisions are taken which do not correctly assess the impact of such data. Estimates, proxies and subjective judgements may be used when assessing sustainability risk or applying an investment strategy which, if incorrect, may result in losses (including loss of opportunity).

The Co-Investment Manager may rely on third parties for inputs used in its investment decisions including data vendors and ESG ratings providers. The data and ratings provided by such third parties may be impacted by the quality, timeliness, completeness, and availability of sustainability related data available to them.

ESG ratings generally assess the impact of environmental, social and governance (ESG) factors on a company and/or a company's impact on the outside world and provide an opinion, expressed as a rating, of such impacts. ESG ratings may not capture all sustainability risks or impacts of a particular company. As different ESG ratings may rely on different data sources and calculation methodologies (including the weightings applied to ESG factors), the ratings applied to one company by a ratings provider may be different to the rating applied to the same company by another provider. The businesses of ESG ratings and ESG data providers are generally unregulated. ESG ratings may be provided by third parties that have an existing relationship with the companies that are being rated (and may have been engaged by that company to provide ESG ratings), which can create a conflict of interest for the ESG ratings provider. ESG ratings providers may also not make timely changes in a rating to reflect changes to the relevant company, sustainability risks or other external events. The investment strategy may suffer losses (including loss of opportunity) and its ESG performance may be different from that intended because of reliance on data or ratings which prove inaccurate, incomplete, or out of date or if the Co-Investment Manager does not correctly assess the impact of such data.

The Portfolio ESG Rating, where applicable, stated in respect of the strategy is derived from ratings provided by a third party in respect of the investments and is designed to help investors understand the resiliency of the portfolio to long-term ESG risk and opportunities.

A strategy with a high Portfolio ESG Rating implies that its investments are perceived to have a strong or improving management of financially relevant ESG risks and may be more resilient to disruptions from ESG events. However, the investments of a strategy with a high Portfolio ESG Rating may still create significant negative externalities on environmental or social factors such as pollution and poor labour practices. Further, a strategy with a high Portfolio ESG Rating does not necessarily achieve or seek any positive ESG or sustainability impact. There can be no assurance that the Portfolio ESG Rating correctly represents the strategy's exposure to financial loss because of ESG risks.

The strategy described in this document may invest in economic activities which are aligned with the EU Taxonomy. Alignment of investments with the EU Taxonomy is calculated by specific metrics (such as revenue or expenditure) and determined by data most recently disclosed or provided by investee companies or collected by third parties in relation to those economic activities. Such metrics are calculated and disclosed, provided, or collected as at a point in time for each investee company and are based on the activities of those investee companies which may vary over time or be impacted by external events. As a result, any taxonomy-alignment of the strategy will be indicative only and will not be a true reflection of the taxonomy-alignment of the strategy as at a point in time or over a particular reference period. The strategy may involve investment decisions based on the taxonomy alignment of an investment and the impact of such decisions may result in the strategy generating lower financial returns than if the taxonomy alignment were not considered.

The strategy described in this document may include sustainable investments as defined in the EU's Sustainable Finance Disclosure Regulation (EU 2019/2088) ("SFDR"). A sustainable investment is an investment in an economic activity which contributes to an environmental or social objective, which does not significantly harm any environmental or social objective and where the investee company follows good governance practices. SFDR does not provide for objective criteria to determine the contribution of an economic activity to a particular environmental or social objective or set thresholds for identifying whether an economic activity causes significant harm to an environmental or social objective. As a result, the definition of "sustainable investments" is not standardised and requires firms to make subjective decisions. Firms subject to SFDR may take different approaches to categorising such investments. There can be no guarantee that a sustainable investment will attain its environmental or social objective or avoid harm to any particular environmental or social objective. The strategy may involve investment decisions based on the whether or not an investment is determined to be a "sustainable investment" and the impact of such decisions may result in the strategy generating lower financial returns than if it did not consider such determination.

The strategy described in this document may be intended to have an ESG-related impact. Any impact will be calculated based on sustainability-related data, and will be subject to the data limitations outlined above. Any ESG-related impact may not be as expected and there is no assurance that any ESG-related impact will be achieved.

Source: GAM, unless otherwise stated. Where applicable and, unless otherwise noted, performance is shown net of fees, on a NAV to NAV basis. GAM has not independently verified the information from other sources and GAM gives no assurance, expressed or implied, as to whether such information is accurate, true or complete.

S&P Global Luxury Index tracks the performance of 80 of the biggest publicly traded companies that produce or distribute luxury goods or services.

References to indexes and benchmarks are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in indices which do not reflect the deduction of the investment manager's fees or other trading expenses. Such indices are provided for illustrative purposes only. Indices are unmanaged and do not incur management fees, transaction costs or other expenses associated with the Fund or Strategy referenced herein. Therefore, comparisons to indices have limitations. There can be no assurance that current investments will be profitable. Actual realized returns will depend on, among other factors, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing of the purchase. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there can be no assurance that a portfolio will match or outperform any particular index or benchmark.

FOR BROKER-DEALER USE ONLY. This material has not been filed with FINRA or any other US regulatory agency and cannot be used as sales literature with members of the public. This material has been prepared for sophisticated investors and the funds and views described may not be suitable for all investors.

This material is confidential and intended solely for the use of the person, persons or entities with nationality of or respectively with their residence, domicile or registered office in a State or Country in which such distribution, publication, making available or use is not contrary to laws or other regulations, 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/ intermediaries appointed by GAM who have the knowledge and financial sophistication to understand and bear the risks associated with the investments described.**

Not all products mentioned in this presentation are registered for public sale in all jurisdictions. Therefore, no public marketing must be carried out for them. GAM products are not available for sale in any state or jurisdiction in which such sale would be prohibited and are not aimed at persons in those jurisdictions and in those cases where the law prohibits this type of information from being provided.

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.

The views expressed herein are those of the manager at the time and are subject to change. 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 and reference to a security is not a recommendation to buy or sell that security.

The investments described herein are speculative and are not suitable for all investors. GAM products are only available to investors who are comfortable with the substantial risks associated with investing in such products or strategies. There are no guarantees that investment objectives of the Strategy will be realized or that risk management techniques will limit or avoid losses.

This presentation contains forward-looking statements relating to the objectives, opportunities, and the future performance of the U.S. market generally. Forward-looking statements may be identified by the use of such words as; "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms. Examples of forward-looking statements include, but are not limited to, estimates with respect to financial condition, results of operations, and success or lack of success of any particular investment strategy. All are subject to various factors, including, but not limited to general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting a portfolio's operations that could cause actual results to differ materially from projected results. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties and other factors, and accordingly, actual results may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors are cautioned not to place undue reliance on any forward-looking statements or examples. None of GAM or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

This document is not an invitation to invest in any GAM product or strategy. Investments should only be made after a thorough reading of the current prospectus, the collective investment agreement (contractual funds), the articles of association/investment regulations/company agreement (corporate funds), the Key Investor Information Document ("KIID", "BIB" or similar) and the current annual and semi-annual reports (the "legal documents"), as well as after consulting an independent finance and tax specialist. The legal documents can be obtained in hard copy and free of charge from the addresses indicated below.

This material/presentation mentions one or several GAM Funds domiciled in Luxembourg, registered office at 25, Grand-Rue, L-1661 Luxembourg, each an umbrella investment company with variable capital and segregated liability between the sub-funds, incorporated under the laws of Luxembourg and authorised by the CSSF as a UCITS Fund in accordance with the Directive 2009/65/EC. Management Company is GAM (Luxembourg) S.A., 25, Grand-Rue, L-1661 Luxembourg.

Some of the sub-funds may not be registered for sale in all jurisdictions. Therefore, no active marketing must be carried out for them. Subscriptions will only be received and shares or units issued on the basis of the current fund prospectus.

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, such shares may not be offered, sold or distributed in the United States or to US persons unless an exemption from registration under the Securities Act and the Company Act is available. In addition, certain GAM products are closed to all US investors.

DENMARK: This document is destined exclusively for professional or institutional investors in Denmark and shall not be passed on to third parties. Particularly, this document shall not be used as advertising material for distribution to retail investors or any other kind of public offering of the funds, their sub-funds or share categories. The English version of the prospectus, the articles of association and the most recent published annual- and semi-annual report, as well as the Danish version of the KIID, can be obtained free of charge on the internet at www.funds.gam.com.

FRANCE: The prospectus, the annual report and the most recent half-yearly report in English and the KIID in French can be obtained free of charge from the centralising agent in France, CACEIS Bank, 1-3, place Valhubert – 75013 Paris or on the internet at www.funds.gam.com.

GERMANY: The legal documents in English and the KIID in German can be obtained free of charge, from the information agent GAM Luxembourg S.A. Zweigniederlassung Deutschland Bockenheimer Landstraße 51-53 60325 Frankfurt am Main Germany or on the internet at www.funds.gam.com or respectively at www.gam.com. Paying Agent is DekaBank Deutsche Girozentrale, Hahnstrasse 55, D-60528 Frankfurt am Main.

HONG KONG: In Hong Kong, this material is restricted to professional investors (as defined in the Securities and Futures Ordinance (Cap 571)) only.

ICELAND: The English version of the prospectus and the Icelandic version of the KIID can be obtained, free of charge, on the internet at www.funds.gam.com.

ITALY: This document is destined exclusively for internal use by intermediaries appointed by GAM and/or institutional or qualified investors and shall not be passed on to third parties. Particularly, this document shall not be used as advertising material for public distribution or any other kind of public offering of the funds, their sub-funds or share categories. The Prospectus, the Italian Key Investor Information Document – KIID, the annual, the semi-annual reports can be obtained, free of charge, on the internet at www.gam.com.

JAPAN: In Japan, the funds mentioned herein are not registered for public sale or private placement (except for some of the funds, if applicable) pursuant to the Law on Investment Trusts and Investment Companies and shall not be disclosed publicly pursuant to the Financial Instruments and Exchange Law (the "FIEL"). Therefore, none of the Shares of the funds mentioned herein may be solicited in Japan or to residents in Japan. This material is intended for circulation to professional, institutional and/or qualified investors only. Any person in receipt of this material is not allowed to distribute it to residents in Japan nor communicate to residents in Japan about the funds mentioned herein.

LIECHTENSTEIN: The legal documents in English and the KIID in German, can be obtained free of charge from the paying agent Liechtenstein LGT Bank AG, Herrengasse 12, FL-9490 Vaduz or on the internet at www.funds.gam.com.

LUXEMBOURG: The legal documents in English can be obtained free of charge, from GAM (Luxembourg) SA or on the internet at www.funds.gam.com.

NETHERLANDS: The English version of the prospectus and the Dutch version of the KIID can be obtained free of charge on the internet at www.funds.gam.com.

SINGAPORE: In Singapore, shares of the fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ("SFA") and this material is limited to the investors in those categories.

SPAIN: The legal documents can be obtained in English, respectively for the KIID in Spanish, free of charge, from the Paying Agent in Spain, ATL 12 Capital Inversiones A.V., S.A., Montalbán 9, 28014 Madrid or on the internet at www.funds.gam.com.

SWEDEN: The English version of the prospectus and the Swedish version of the KIID can be obtained free of charge from the Paying Agent, MFEX Mutual Funds Exchange AB, Linnégatan 9-11, SE-114 47 Stockholm or on the internet at www.funds.gam.com.

SWITZERLAND: The legal documents can be obtained in German, free of charge, from the Swiss Representative: GAM Investment Management (Switzerland) Ltd., Hardstrasse 201, Postfach, CH-8037 Zurich or on the internet at www.funds.gam.com. Paying Agent is State Street Bank International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8027 Zurich.

UNITED KINGDOM: As far as UCITS described herein are recognised schemes under section 264 of the Financial Services and Markets Act 2000: Copies of the legal documents can be obtained in English, free of charge, from the Facilities Agent GAM Sterling Management Limited, 8 Finsbury Circus, London EC2M 7GB (authorised and regulated by the FCA) or on the internet at www.funds.gam.com. Investments in the funds are not protected by the Financial Services Compensation Scheme.

ASIA PACIFIC: In other countries in Asia Pacific, this material should only be distributed in accordance with the applicable laws in the relevant jurisdiction.

Within the UK, this material has been issued and approved by GAM London Ltd, 8 Finsbury Circus, London EC2M 7GB, authorised and regulated by the Financial Conduct Authority.

The third party distributor takes responsibility for fiction except under circumstances that will result in compliance with all applicable laws and regulations.

4696 17/12/24