

GAM MULTIBOND

Société d'investissement à capital variable
25, Grand-Rue, L – 1661 Luxembourg
R.C.S. Luxembourg B 32187
(the “Company”)

Notice to the shareholders of the Subfunds EURO GOVERNMENT BOND

Dear Shareholder,

We wish to inform you of the following changes:

A) Merger

The Board of Directors of the Company (“the Board”) informs the shareholders of the below mentioned Subfunds of its decision to merge (“Merger”) following Subfunds:

Absorbed Subfund	Absorbing Subfund
EURO GOVERNMENT BOND	TOTAL RETURN BOND*

** The Subfund is not authorised or registered for public sale in Bulgaria. The Subfund EURO GOVERNMENT BOND will be de-registered from Bulgaria prior to the effective date of the Merger.*

The Board of Directors considers the Merger to be expedient for reasons of optimization of the investment structure, more efficient and more cost-effective management of the investments and improved positioning of the Absorbing Subfund.

Comparison between the Absorbed Subfund and the Absorbing Subfund

The investment objective and investment strategy of the Absorbing Subfund remain unchanged. As a result of the Merger, the following changes come into force for the shareholders of the Absorbed Subfund:

EURO GOVERNMENT BOND into TOTAL RETURN BOND

- a) The investment policy and investment objective of the Absorbed Subfund differs from that of the Absorbing Subfund mainly in the following points:
 - The investment objective of the TOTAL RETURN BOND is to achieve steady positive returns while observing the principle of risk diversification.
 - The Absorbing Subfund invests at least two-thirds of its assets in fixed and variable securities, debt securities and claims of all kinds of levels of creditworthiness, durations and currencies, issued or guaranteed by issuers from recognised countries.
 - The Absorbing Subfund may acquire, on a larger scale, securities of issuers which, according to market assessments, do not have good credit standing, and may also employ derivative and other special investment techniques and financial instruments.
 - In addition, the Absorbing Subfund may acquire, on a larger scale, fixed-interest or floating-rate securities which are either issued by issuers from so-called emerging market countries and/or which are denominated in, or economically linked to, currencies of emerging market countries; and
 - According to current market assessment, the Absorbing Subfund may hold liquid assets, in derogation of the 2/3-rule.
- b) The Reference Index of the Absorbing Subfund is the BofA ML EMU Direct Gov. Index (1-5 Years).
- c) The risk classification (SRRI) of the Absorbing Subfund is currently 2 and that of the Absorbed Subfund is currently 3.
- d) The maximum annual fees for management and advisory services for the securities portfolio and the related management services, as well as for distribution services differ as follows:

		maximum fee p.a. in % of the Fund's net assets		
Subfunds	Share category	Management fee	Servicing fee	Total Expense Ratio (TER)
EURO GOVERNMENT BOND	A/B	0.80%	0.40%	1.10%
	C	0.50%	0.35%	0.65%
	E	1.30%	0.40%	1.60%
TOTAL RETURN BOND	A/B	0.80%	0.35%	1.15%
	C	0.50%	0.30%	0.65%
	E	1.30%	0.35%	1.65%

Merger

With a view to the Merger, the assets of the Absorbed Subfund will preferably be transferred to the Absorbing Subfund or else sold and contributed in cash.

Switching

The switching of the shares of the Absorbed Subfund for shares of the Absorbing Subfund shall be effected in a ratio based on the last net asset value per share of the Absorbed Subfund and the Absorbing Subfund.

Costs

All legal, advisory or administrative costs associated with the preparation and the completion of the Merger shall be borne in full by GAM (Luxembourg) S.A. 25, Grand-Rue, L – 1661 Luxembourg.

Taxation

The Merger may be subject to taxation in the investor's respective country of domicile or, as the case may be, in other countries in which the investor is liable for tax. Investors are recommended to obtain information from qualified advisers on their individual tax situation as a result of the Merger.

The Merger will take place on 15 June 2018 (Date of NAV 14 June 2018).

The changes mentioned in point A) are binding on all shareholders of the above mentioned Subfunds who have not applied for the redemption of their shares by 13 June 2018. Shareholders may request the redemption of their shares at the Company without any redemption fee until the above-mentioned date.

A copy of the current prospectus of the Company is available in English on request and free of charge at the registered office of the Company. A copy of the report on the Merger by the authorised auditor will be available free of charge at the registered office of the Company.

The current version of the Key Investor Information Document of the Absorbing Subfund is available www.funds.gam.com, at the registered office of the Company, as well as from the local representatives of the Subfunds.

Luxembourg, 4 May 2018

GAM MULTIBOND