

15 November 2021



To the Shareholders of
GAM Star Fund Plc (the "Company") – GAM Star Cat Bond (the "Fund")

Dear Shareholder,

Discontinuation of LIBOR and Transition to Risk-Free Rates (RFRs)

We are writing to inform you of changes we are making to your Fund. Please note that these changes do not impact the management of the Fund, its asset allocation, nor its risk profile. No action is required on the part of shareholders in respect of these changes.

Change in Fund Benchmark

The Fund currently makes use of the 3-Month London Interbank Offered Rate (LIBOR) for performance comparison purposes and in the calculation of performance fees payable to the Co-Investment Manager. LIBOR is a globally recognised benchmark interest rate and represents the rate at which major banks lend to one another.

As LIBOR and many of its linked benchmarks will no longer be published after the end of 2021, we will be replacing the benchmark of the Fund with the following rates as suitable for each class currency. Any currency classes not listed below are retaining their current benchmark rates.

- **For USD Share classes: Secure Overnight Financing Rate (SOFR).** The administrator of SOFR is the Federal Reserve Bank of New York. SOFR is the rate proposed by the Alternative Reference Rates Committee.
- **For CHF/CHF Hedged Share classes: Swiss Average Rate Overnight (SARON).** The administrator of SARON is SIX Financial Information AG. SARON is the rate proposed by the National Working Group on CHF Reference Rates.
- **For EUR/EUR Hedged Share classes: Euro Short-Term Rate (ESTR).** The administrator of ESTR is the European Central Bank. ESTR is the rate proposed by the Working Group on Euro Risk-Free Reference Rates.
- **For GBP/GBP Hedged Share classes: Sterling Overnight Index Average (SONIA).** The administrator of SONIA is the Bank of England. SONIA is the rate proposed by the Working Group on Sterling Risk-Free Reference Rates.
- **For JPY/JPY Hedged Share classes: Tokyo Overnight Average Rate (TONAR).** The administrator of TONAR is the Bank of Japan. TONAR is the rate proposed by the Cross-Industry Committee on JPY Interest Rate Benchmarks.

The adopted replacement rates are those proposed by their respective national RFR working groups, named above. These working groups were convened by national central banks to discuss and determine alternative benchmark rates to replace IBORs, and respectively consist of a number of regulatory, public, and private sector actors.

The Supplement of the Fund will be formally amended to reflect the new benchmark on or around **1 December 2021**. 3-Month LIBOR in class currency will continue as the benchmark of the Fund until this change is made. For those other currencies of the Fund in which there are no classes currently live but in which classes may be launched, risk free rates in respect of such currencies will likewise be detailed in the amended Prospectus of the Company. These will be the recommended RFR or IBOR rate as appropriate for each jurisdiction and currency.

Differences in LIBOR and RFR calculation methodologies mean there is the potential for the Fund to compare more or less favourably against the new benchmark than against the current benchmark. We consider the proposed rates to be similar and suitable measures for the Fund.

The Eurekahedge ILS Advisers Index (the "Index") will remain unchanged as a result of the discontinuation of LIBOR and the transition to replacement rates.

Performance Fee

A Performance Fee amounting to 10% p.a. of the outperformance of the High-Water Mark or the outperformance of the benchmark (the lower of two percentage outperformance values serving as a basis for calculation) currently applies to classes of the Fund.

The benchmark change to the replacement RFRs may result in share class performance surpassing the benchmark and triggering a performance fee accrual at a lower point. Please see the table below which details the average difference between 3-month LIBOR and the replacement rate and the potential performance fee impact of the change. The figures below have been calculated according to the period 02 April 2018- 30 September 2021.

| Currency | Average difference between 3-month LIBOR and the replacement rate | Potential Performance Fee impact (10% of the difference) |
|-----------------|--|---|
| USD (SOFR) | 0.24% | 0.02% |
| CHF (SARON) | -0.01% | 0.00% ¹ |
| EUR (ESTR) | 0.08% | 0.00% ¹ |
| GBP (SONIA) | 0.10% | 0.01% |
| JPY (TONAR) | -0.03% | 0.00% ¹ |

It is the view of the Board of the Company that the potential performance fee impact resulting from the benchmark change is minor and does not amount to a material change.

Changes to your Investment

¹ Both 3-month LIBOR and the replacement rate were negative throughout the calculation period. Where the Benchmark falls below zero, the rate will be fixed at 0% for calculation purposes. There would therefore accordingly be no performance fee impact in respect of the CHF, EUR, and JPY currencies.

Should you wish to redeem your investment or switch it to another sub-fund of the company, this will be facilitated free of charge and in line with the instruction detailed in the Prospectus of the Company.

If you have any questions relating to the above, please contact our Client Services team in Dublin by telephone on +353 (0) 1 609 3927 or by email at info@gam.com or your usual professional adviser.

Yours faithfully,

Ray Cullivan
CEO
GAM Fund Management Limited