

GAM FCM Cat Bond Inc.

Audited Consolidated Financial Statements
for the year ended 31 December 2014

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Directors

[Andrew Hanges](#)

Head of Operation GAM, London

[Jozef C. Hendriks*](#)

Company Director, Bermuda

[Maxwell L. H. Quin*](#)

Company Director, Bermuda

*Independent Director

Registered Address of the Company

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P.O. Box 71, Road Town
Tortola VG1110, British Virgin Islands

Manager and Secretary of the Company and the Investment Company

GAM Limited
Wessex House
45 Reid Street
Hamilton HM12, Bermuda

Delegate Investment Manager

Fermat Capital Management LLC
615 Riverside Avenue
Westport, CT 06880, USA

Administrator

GAM Fund Management Limited
George's Court
54-62 Townsend Street
Dublin 2, Ireland

Custodian of the Company and the Investment Company

HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2, Ireland

Bankers of the Company and the Investment Company

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Prime Broker to the Investment Company

Deutsche Bank Securities Inc.
Global Prime Finance
5022 Gate Parkway,
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Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1, Ireland

Consolidated Portfolio Statement

as at 31 December 2014

Holdings Description	Fair value US\$	% of Group
Catastrophe Bonds		
BOND 194	67,839,104	6.34
BOND 212	28,113,487	2.63
BOND 133	25,343,437	2.36
BOND 142	20,449,337	1.91
BOND 147	18,386,256	1.72
BOND 62	18,309,576	1.71
BOND 84	18,136,839	1.69
BOND 190	17,923,262	1.67
BOND 207	17,640,694	1.65
BOND 145	17,449,144	1.63
BOND 197	16,099,435	1.50
BOND 189	15,127,401	1.41
BOND 113	14,700,383	1.37
BOND 155	14,544,740	1.36
BOND 127	13,917,774	1.30
BOND 153	13,282,934	1.24
BOND 170	11,431,668	1.07
BOND 139	11,406,561	1.07
BOND 186	11,380,872	1.06
BOND 138	11,065,252	1.03
BOND 128	10,931,292	1.02
BOND 54	10,611,737	0.99
BOND 179	10,565,640	0.99
BOND 34	10,081,885	0.94
BOND 198	10,074,285	0.94
BOND 195	10,067,870	0.94
BOND 206	9,943,613	0.93
BOND 83	9,737,896	0.91
BOND 183	9,336,976	0.87
BOND 131	9,131,173	0.85
BOND 215	9,068,295	0.85
BOND 48	8,607,392	0.80
BOND 200	8,462,156	0.79
BOND 86	8,452,965	0.79
BOND 193	8,140,172	0.76
BOND 154	7,996,183	0.75
BOND 162	7,985,295	0.75
BOND 45	7,629,944	0.71
BOND 166	7,499,966	0.70
BOND 169	7,233,772	0.68
BOND 158	7,166,120	0.67

Consolidated Portfolio Statement, continued

Holdings Description, continued	Fair value	% of
Catastrophe Bonds	US\$	Group
BOND 42	7,163,205	0.68
BOND 160	7,109,199	0.67
BOND 164	6,469,792	0.61
BOND 213	6,399,232	0.61
BOND 163	6,202,239	0.59
BOND 214	6,131,007	0.57
BOND 63	5,876,349	0.55
BOND 199	5,603,034	0.52
BOND 156	5,428,345	0.51
BOND 52	5,332,252	0.50
BOND 64	5,323,989	0.50
BOND 51	5,238,390	0.49
BOND 66	5,105,117	0.48
BOND 191	5,072,966	0.47
BOND 119	5,043,508	0.47
BOND 146	4,792,881	0.45
BOND 188	4,789,688	0.45
BOND 152	4,733,915	0.44
BOND 143	4,715,433	0.44
BOND 148	4,699,723	0.44
BOND 140	4,541,120	0.42
BOND 196	4,526,306	0.42
BOND 173	4,510,869	0.42
BOND 117	4,381,497	0.41
BOND 208	4,269,473	0.40
BOND 161	4,224,022	0.39
BOND 165	4,222,393	0.39
BOND 67	4,211,313	0.39
BOND 168	4,127,765	0.39
BOND 78	4,083,574	0.38
BOND 71	4,029,246	0.38
BOND 167	3,900,469	0.36
BOND 182	3,798,499	0.35
BOND 135	3,572,559	0.33
BOND 114	3,530,140	0.33
BOND 175	3,476,597	0.32
BOND 171	3,439,532	0.32
BOND 58	3,370,384	0.31
BOND 73	3,287,024	0.30
BOND 44	3,173,860	0.29
BOND 180	3,096,559	0.29
BOND 33	3,086,449	0.29
BOND 130	2,975,632	0.28
BOND 209	2,828,322	0.26
BOND 136	2,822,359	0.26

Consolidated Portfolio Statement, continued

Holdings Description, continued	Fair value	% of
Catastrophe Bonds	US\$	Group
BOND 118	2,796,083	0.26
BOND 68	2,659,332	0.25
BOND 56	2,637,046	0.25
BOND 72	2,597,648	0.24
BOND 79	2,559,000	0.24
BOND 126	2,530,399	0.24
BOND 151	2,326,693	0.22
BOND 115	2,261,842	0.21
BOND 82	2,254,203	0.21
BOND 177	2,131,033	0.20
BOND 60	2,056,401	0.19
BOND 174	1,869,105	0.17
BOND 181	1,846,880	0.17
BOND 80	1,787,041	0.17
BOND 125	1,715,088	0.16
BOND 178	1,547,395	0.14
BOND 69	1,325,135	0.12
BOND 184	1,274,453	0.12
BOND 123	1,255,388	0.12
BOND 61	1,227,226	0.11
BOND 132	1,038,028	0.10
BOND 53	828,968	0.08
BOND 124	770,267	0.07
BOND 43	374,294	0.03
BOND 59	249,988	0.02
	819,907,946	76.56
Preferred Equity Investment		
Preferred Equity Investment 176	24,999,975	2.33
Preferred Equity Investment 205	22,760,351	2.13
Preferred Equity Investment 216	20,324,000	1.90
Preferred Equity Investment 204	16,710,532	1.56
Preferred Equity Investment 202	15,204,604	1.42
Preferred Equity Investment 172	14,945,000	1.40
Preferred Equity Investment 144	13,999,944	1.31
Preferred Equity Investment 201	10,112,336	0.94
Preferred Equity Investment 187	8,355,266	0.78
Preferred Equity Investment 217	8,100,000	0.75
	155,512,008	14.52

Consolidated Portfolio Statement, continued

Forward Foreign Exchange Contracts (Counterparty: HSBC Bank plc)

Purchase currency	Contractual Amount	Sale currency	Contractual amount	Maturity date	Fair value US\$	% of Group
USD	26,150,856	JPY	(3,000,000,000)	2015-02-12	1,075,758	0.10
USD	41,146,443	EUR	(33,150,000)	2015-02-12	1,023,911	0.10
JPY	7,335,468,099	USD	(60,932,900)	2015-01-05	375,325	0.04
JPY	2,266,627,608	USD	(18,828,000)	2015-01-05	115,974	0.01
USD	11,550,661	EUR	(9,475,521)	2015-01-05	86,352	0.01
GBP	18,998,057	USD	(29,526,400)	2015-01-05	66,443	0.01
USD	8,442,000	EUR	(6,925,349)	2015-01-05	63,112	0.00
JPY	845,711,650	USD	(7,025,000)	2015-01-05	43,272	0.00
GBP	2,522,874	USD	(3,921,000)	2015-01-05	8,823	0.00
USD	911,000	GBP	(579,959)	2015-01-05	7,387	0.00
USD	363,000	EUR	(294,619)	2015-01-05	6,544	0.00
USD	4,956,000	JPY	(592,762,380)	2015-01-05	3,182	0.00
USD	1,798,000	JPY	(215,049,790)	2015-01-05	1,154	0.00
USD	137,000	GBP	(87,217)	2015-01-05	1,111	0.00
USD	568,000	JPY	(67,935,640)	2015-01-05	365	0.00
					2,878,713	0.27

Forward Foreign Exchange Contracts (Counterparty: HSBC Bank plc)

Purchase currency	Contractual Amount	Sale currency	Contractual amount	Maturity date	Fair value US\$	% of Group
EUR	116,062	USD	(143,000)	2015-01-05	(2,578)	(0.00)
USD	3,921,000	GBP	(87,217)	2015-01-05	(8,989)	(0.00)
GBP	2,586,773	USD	(4,058,000)	2015-01-05	(27,644)	(0.00)
USD	7,025,000	JPY	(845,950,500)	2015-01-05	(43,326)	(0.00)
EUR	6,922,963	USD	(8,442,000)	2015-01-05	(63,392)	(0.01)
USD	29,526,400	GBP	(18,994,146)	2015-01-05	(67,690)	(0.01)
EUR	9,472,258	USD	(11,550,661)	2015-01-05	(86,735)	(0.01)
USD	18,828,000	JPY	(2,267,267,760)	2015-01-05	(116,121)	(0.01)
JPY	894,189,645	USD	(7,593,000)	2015-01-05	(121,608)	(0.01)
GBP	19,402,327	USD	(30,437,400)	2015-01-05	(207,345)	(0.02)
EUR	6,656,240	USD	(8,299,000)	2015-01-05	(245,697)	(0.02)
JPY	2,429,020,890	USD	(20,626,000)	2015-01-05	(330,341)	(0.03)
EUR	9,555,390	USD	(11,913,661)	2015-01-05	(352,712)	(0.03)
USD	60,932,900	JPY	(7,337,539,818)	2015-01-05	(375,802)	(0.04)
JPY	7,759,406,309	USD	(65,888,900)	2015-01-05	(1,055,262)	(0.10)
					(3,105,242)	(0.29)
Total investments at fair value - assets					978,298,667	91.35
Total investments at fair value - liabilities					(3,105,242)	(0.29)
Total investments at fair value					975,193,425	91.06
Other net current assets					95,697,906	8.94
Net assets attributable to the shareholders of the Company at fair value					1,070,891,331	100.00

Consolidated Portfolio Statement, continued

The consolidated portfolio statement for the prior year has not been provided as it is not considered relevant to an understanding of the current year's consolidated financial statements.

	2014	2013
	%	%
Analysis, by maturity		
Up to one year	22.26	15.08
One to five years	67.51	82.22
More than five years	1.31	5.13
Other (Non-bond holding)	(0.02)	(0.24)
Other net current (assets/liabilities)	8.94	(2.19)
	<u>100.00</u>	<u>100.00</u>
	<u><u>100.00</u></u>	<u><u>100.00</u></u>
Analysis, by geographical area		
Cayman Islands	23.79	40.34
Bermuda	46.38	37.43
United States	15.06	13.87
Ireland	5.85	10.79
Currency forwards	(0.02)	(0.24)
Other net current (assets/liabilities)	8.94	(2.19)
	<u>100.00</u>	<u>100.00</u>
	<u><u>100.00</u></u>	<u><u>100.00</u></u>
Analysis, by investment		
Catastrophe Bonds	76.56	90.41
Preferred Equity Investments	14.52	12.02
Currency forwards	(0.02)	(0.24)
Other net current (assets/liabilities)	8.94	(2.19)
	<u>100.00</u>	<u>100.00</u>
	<u><u>100.00</u></u>	<u><u>100.00</u></u>

Consolidated Income Statement

for the year ended 31 December 2014

	Notes	2014 US\$	2013 US\$
Income			
Bond interest	2(d)	50,557,202	41,872,459
Bank interest	2(d)	148	286
Net fair value (losses)/gains on financial assets and financial liabilities at fair value through profit or loss	3	(17,032,311)	20,494,605
Total net income		<u>33,525,039</u>	<u>62,367,350</u>
Expenses			
Delegate investment manager fee	5(a)	3,483,269	3,244,572
Manager fee	5(a)	5,333,324	3,443,357
Performance fee	5(b)	4,083,077	3,984,753
Administration fee	5(c)	541,522	372,173
Custody fee	5(d)	53,506	12,799
Selling Agent Fee	5(e)	28,797	-
Other expenses	5(f)	408,669	725,272
Total operating expenses		<u>13,932,164</u>	<u>11,782,926</u>
Operating profit		<u>19,592,875</u>	<u>50,584,424</u>
Finance costs			
Interest expenses	5(g)	153,453	63,006
Dividend distribution	6	831,825	-
Total finance costs		<u>985,278</u>	<u>63,006</u>
Increase in net assets from operations attributable to the shareholders of the Company		<u>18,607,597</u>	<u>50,521,418</u>
Adjustment from bid/offer fair value to middle market		<u>-</u>	<u>(1,770,897)</u>
Increase in net assets from operations attributable to the shareholders of the Company		<u><u>18,607,597</u></u>	<u><u>48,750,521</u></u>

The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet

as at 31 December 2014

	Notes	2014 US\$	2013 US\$
Assets			
Current assets			709,717,303
Investments at fair value	2(b)	978,298,667	109,182
Cash and cash equivalents	2(c)	8,082,079	11,944,403
Other assets	8	190,465,768	721,770,888
Total assets		<u>1,176,846,514</u>	<u>721,770,888</u>
Liabilities			
Current liabilities			3,265,092
Investments at fair value	2(b)	3,105,242	25,092,686
Bank overdraft	2(c)	86,058,613	2,088,604
Other liabilities	8	16,530,520	-
Distribution payable on income shares	6	260,808	-
Liabilities (excluding net assets attributable to the shareholders of the Company)		<u>105,955,183</u>	<u>30,446,382</u>
Net assets attributable to the shareholders of the Company		<u>1,070,891,331</u>	<u>691,324,506</u>

These consolidated financial statements were approved by the Board of Directors on 28 April 2015 and were signed on their behalf by:

Director
28 April 2015



Director
28 April 2015



The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet

as at 31 December 2014

	Notes	2014 US\$	2013 US\$
Assets			
Current assets			
Investments at fair value	2(b)	978,298,667	709,717,303
Cash and cash equivalents	2(c)	8,082,079	109,182
Other assets	8	190,465,768	11,944,403
Total assets		<u>1,176,846,514</u>	<u>721,770,888</u>
Liabilities			
Current liabilities			
Investments at fair value	2(b)	3,105,242	3,265,092
Bank overdraft	2(c)	86,058,613	25,092,686
Other liabilities	8	16,530,520	2,088,604
Distribution payable on income shares	6	260,808	-
Liabilities (excluding net assets attributable to the shareholders of the Company)		<u>105,955,183</u>	<u>30,446,382</u>
Net assets attributable to the shareholders of the Company		<u>1,070,891,331</u>	<u>691,324,506</u>

These consolidated financial statements were approved by the Board of Directors on 28 April 2015 and were signed on their behalf by:

Director
28 April 2015

Director
28 April 2015

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Net Assets attributable to the Shareholders of the Company

for the year ended 31 December 2014

	2014 US\$	2013 US\$
Net assets attributable to the shareholders of the Company at start of year	<u>691,324,506</u>	<u>401,761,225</u>
Proceeds of shares issued	887,718,161	581,127,371
Cost of shares redeemed	(526,758,933)	(340,314,611)
Increase in net assets from operations attributable to the shareholders of the Company	<u>18,607,597</u>	<u>48,750,521</u>
Change in net assets attributable to the shareholders of the Company during the year	<u>379,566,825</u>	<u>289,563,281</u>
Net assets attributable to the shareholders of the Company at end of year	<u><u>1,070,891,331</u></u>	<u><u>691,324,506</u></u>

The accompanying notes form part of these consolidated financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2014

	Notes	2014 US\$	2013 US\$
Cash flows from operating activities			
Payments for the purchase of investments		(463,652,399)	(404,521,624)
Proceeds from the sales of investments		186,963,481	80,789,417
Interest received		148	286
Bond interest received		50,444,722	38,395,070
Net operating expenses paid		(14,552,772)	(9,142,588)
Net cash inflow from operating activities		<u>(240,796,820)</u>	<u>(294,479,439)</u>
Cash flows from financing activities			
Cash received on shares issued		709,653,256	599,751,506
Cash paid for shares redeemed		(525,235,018)	(340,122,562)
Interest paid		(153,453)	(63,007)
Net cash inflow from financing activities		<u>184,264,785</u>	<u>259,565,937</u>
Foreign exchange movement	2(g)	3,539,005	(2,333,318)
Increase in cash and cash equivalents		(52,993,030)	(37,246,820)
Cash and cash equivalents at start of year		<u>(24,983,504)</u>	<u>12,263,316</u>
Cash and cash equivalents at end of year		<u><u>(77,976,534)</u></u>	<u><u>(24,983,504)</u></u>

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General Information

GAM FCM Cat Bond Inc. (the “Company”) is an open-ended investment company organised in a similar manner to an open-ended unit trust or mutual fund, structured to make its investments through an investment company, GAM FCM Cat Bond Investments Inc. (the “Investment Company”). The Company and the Investment Company are each registered as a company limited by shares under the BVI Business Companies Act 2004 (as amended) of the British Virgin Islands.

The Company’s objective is to generate returns through selective investment in a global portfolio of insurance-linked securities.

Various classes of shares are available, denominated in US dollar, Euro, Pound sterling, Swiss franc and Japanese yen. Shares are normally issued and redeemed on the last business day of each calendar month, with subscriptions and redemptions being subject to the notice periods per the Prospectus. Although each class will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all liabilities of the Company. As at 31 December 2014 and 2013, there is no such existing or contingent liability.

The Directors in consultation with the Delegate Investment Manager determined that as of 24 January 2013, it was considered appropriate and in the best interests of all investors to introduce measures to control the future growth of the strategy and therefore placed restrictions on subscriptions into the Company.

At the year end, the Company owns 100% (2013: 100%) of the Investment Company and therefore consolidated financial statements have been prepared. These consolidated financial statements reflect the total assets, liabilities and operations of the Company and the Investment Company, which together constitute the Group.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention as modified by the fair valuation of financial assets and financial liabilities through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates that may affect the reported amounts of the assets and liabilities within the next financial year. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Company apart from:

Amendments to IFRS 10 ‘Consolidated Financial Statements’ - These amendments provide an exception to consolidation under IFRS for investment entities (effective from 1 January 2014).

The following standards and amendments to standards are mandatory for the Company effective in future periods but are not relevant for the Company’s operations for the year ended 31 December 2014:

IFRS 9, ‘Financial Instruments’ (effective from 1 January 2018).

(b) Investments at fair value

Classification

The Group has classified its investments as financial assets or financial liabilities at fair value through profit or loss under IAS 39.

Recognition/Derecognition

Purchases and sales are initially recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive the cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets and liabilities are initially recognised at fair value, and transaction costs for all financial assets/liabilities carried at fair value through profit or loss are expensed as incurred. Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value at 23:00 (UK time) on each valuation day.

The computation of realised gains and losses on sales of financial assets and liabilities at fair value through profit or loss is made on the basis of average cost and accounted for in the Consolidated Income Statement. Gains and losses arising from changes in fair value of the ‘financial assets and financial liabilities at fair value through profit or loss’ category are included in the Consolidated Income Statement in the period in which they arise.

Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date.

At 31 December 2014, investments totalling US\$975,419,954 (2013: US\$708,147,038) representing 91.08% (2013: 102.43%) of the net asset value of the Group were valued based on quotes from one or more reputable brokers.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies, continued

Forward Foreign Exchange Contracts

A forward foreign exchange contract obligates the Group to receive or deliver a fixed quantity of foreign currency at a specified price on an agreed future date. These contracts are valued at the forward rate and the Group's equity therein, representing unrealised fair value gains or losses on the contracts, is included in the financial assets or financial liabilities at fair value through profit or loss. Realised and unrealised fair value gains and losses are included in the Consolidated Income Statement.

An analysis of the portfolio is shown in the Consolidated Portfolio Statement on pages 3 to 7.

Offsetting financial instruments

The Group presents the fair value of derivatives in "investments, at fair value" in the Consolidated Balance Sheet on a gross basis. Enforceable master netting or similar agreements are in place and a legal right of offset exists between the relevant counterparties. The Company holds such agreements with HSBC Bank plc.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash, overdrafts and foreign currency on deposit with the Group's bankers with original maturities of less than three months.

(d) Interest from investments

Bond interest on investments in debt securities is recognised when earned using the effective interest method and is shown on the Consolidated Income Statement.

Interest earned on cash at bank and broker balances is recognised using the effective rate of interest.

(e) Fees and expenses

Fees and expenses are accounted for on an accruals basis.

(f) Shares in issue

All shares issued by the Company are redeemable at the shareholders option and are classified as financial liabilities under IAS 32. Any dividend distribution on the shares is recognised as a finance cost in the Consolidated Income Statement. Shareholders may request redemption of their shares on application to the Administrator in accordance with the terms of the Prospectus, for an amount equal to a proportionate share of the net asset value of the Company.

(g) Foreign currency translation

Functional currency and presentation currency

The Group has adopted the US dollar as its functional currency under IAS 21 as it most appropriately reflects the economic environment in which the Directors believe the Group operates. The presentation currency is also the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the average exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement.

The balance sheet and income statement of any entity with a functional currency other than US dollar are translated at the exchange rate ruling at 31 December 2014 and at the average exchange rates for the year respectively. Translation differences are recognised in the Consolidated Statement of Changes in Net Assets attributable to the Shareholders of the Company. This method of translation has no effect on the net asset value per share attributable to the classes of the Company.

The following rates of exchange to US dollar have been used at the year end.

	2014	2013
Euro	0.8265	0.7275
Japanese yen	119.6850	105.2800
Pound sterling	0.6418	0.6042
Swiss franc	0.9945	0.8929

(h) Taxes

The Group is exempt from all income taxes in the British Virgin Islands. Interest, dividends and other revenue received and capital gains made by the Group may be subject to withholding or similar taxes imposed by the country in which such interest, dividends or other revenues or capital gains originate. The Group will not normally be eligible to benefit from any treaties for the relief from double taxation. If any subsequent tax liabilities are considered payable then adequate provision will be made in the consolidated financial statements.

Liabilities relating to uncertain tax positions are accrued only when such liabilities are probable and can be estimated with reasonable accuracy.

Notes to the Consolidated Financial Statements

3. Investments at fair value

(a) Fair value hierarchy

IFRS 13 requires disclosures of financial instruments measured at fair value to be based on a three level hierarchy that reflects the significance of the inputs in such fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date. Investments typically classified within level 1 include active listed equities, exchange traded derivatives and certain Government bonds.

Level 2 - Inputs other than quoted prices from active markets that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active. Investments typically classified within level 2 include, investments in corporate bonds, certain Government bonds, certain listed equities and over the counter derivatives. Investment funds are also considered level 2 investments if there is evidence that redemptions occurred during the year and there were no restrictions preventing redemptions at the year end.

Level 3 - Inputs that are unobservable that are significant to the valuation. Investments typically classified within level 3 include certain corporate bonds, private equities and investment funds that have suspended redemptions, created side pocket classes or imposed gates.

The Group uses the “market approach” valuation technique to value its investments. Inputs are determined by observable data such as redemption and subscription activity and the prices at which such transactions occur. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” may require significant judgment but can generally be considered as that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the risk of that instrument. Within level 3, the use of the market approach generally consists of using comparable market transactions.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

The following table analyses within the fair value hierarchy the Group’s financial assets and liabilities measured at fair value at 31 December 2014 and 31 December 2013:

As at 31 December 2014

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	819,907,946	-	819,907,946
- Preferred Equity Investment	-	-	155,512,008	155,512,008
- Derivatives	-	2,878,713	-	2,878,713
Total assets	-	822,786,659	155,512,008	978,298,667

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Liabilities				
Financial assets at fair value through profit or loss				
- Derivatives	-	3,105,242	-	3,105,242
Total liabilities	-	3,105,242	-	3,105,242

As at 31 December 2013

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	625,066,957	-	625,066,957
- Preferred Equity Investment	-	-	83,080,081	83,080,081
- Derivatives	-	1,570,265	-	1,570,265
Total assets	-	626,637,222	83,080,081	709,717,303

Notes to the Consolidated Financial Statements

3. Investments at fair value, continued

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Liabilities				
Financial assets at fair value through profit or loss				
- Derivatives	-	3,265,092	-	3,265,092
Total liabilities	-	3,265,092	-	3,265,092

Other than financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, all other financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value. In accordance with IFRS 13, these financial assets and financial liabilities are classified as level 2 apart from cash and cash equivalents which is classified as level 1.

There was no transfer of assets between levels during the year to 31 December 2014 and 31 December 2013.

The level 3 holdings which amount to US\$155,512,008 (2013: US\$83,080,081), consists of privately held preferred equity investments. A pricing committee consisting of members of the Administrator and the Delegate Investment Manager hold regular meetings to determine the price of the holdings by utilising obtainable information e.g. latest redemption price, prices from external vendors.

The following table is the movement in level 3 investments for the years ended 31 December 2014 and 2013.

	2014 Investment Funds US\$	2013 Investment Funds US\$
Opening balance	83,080,081	8,750,000
Purchases	111,684,315	73,535,430
Sales	(39,309,912)	-
Gains/Losses recognised in profit/loss	57,524	794,651
Closing balance	155,512,008	83,080,081
Total (losses)/gains for the year included in the income statement for the assets held at end of year	(172,262)	794,651

The table below sets out information about significant unobservable inputs used at 31 December 2014 and 31 December 2013 in measuring financial instruments categorised as level 3 in the fair value hierarchy:

As at 31 December 2014

Description	Fair value at 31 December 2014 US\$	Valuation Technique	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
Preferred equity investments	120,243,008	Prices by brokers	5%	+/- 6,012,150
Preferred equity investments	35,269,000	Comparable trades	5%	+/- 1,763,450

As at 31 December 2013

Description	Fair value at 31 December 2013 US\$	Valuation Technique	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
Preferred equity investments	73,080,081	Prices by brokers	5%	+/- 3,654,004
Preferred equity investments	10,000,000	Comparable trades	5%	+/- 500,000

(b) Breakdown of financial assets at fair value through profit or loss

Fair Value	2014 US\$	2013 US\$
Designated at fair value through profit or loss at inception:		
- Debt securities	819,907,946	625,066,957
- Preferred Equity Investment	155,512,008	83,080,081
Financial assets held for trading:		
- Derivatives	2,878,713	1,570,265
Total financial assets at fair value through profit or loss	978,298,667	709,717,303

Notes to the Consolidated Financial Statements

3. Investments at fair value, continued

(c) Breakdown of financial liabilities at fair value through profit or loss

Fair Value	2014 US\$	2013 US\$
Financial liabilities held for trading:		
- Derivatives	3,105,242	3,265,092
Total financial liabilities at fair value through profit or loss	<u>3,105,242</u>	<u>3,265,092</u>

(d) Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss

	2014 US\$	2013 US\$
- Realised	(6,144,320)	9,853,250
- Change in unrealised	(10,887,991)	10,641,355
Total net (losses)/gains	<u>(17,032,311)</u>	<u>20,494,605</u>

4. Financial instruments by category

31 December 2014	Loans and receivables US\$	Assets at fair value through profit or loss US\$	Total US\$
Assets as per balance sheet			
Investments at fair value	-	978,298,667	978,298,667
Cash and cash equivalents	8,082,079	-	8,082,079
Other assets	190,465,768	-	190,465,768
	<u>198,547,847</u>	<u>978,298,667</u>	<u>1,176,846,514</u>

31 December 2014	Liabilities at fair value through profit or loss US\$	Other financial liabilities US\$	Total US\$
Liabilities as per balance sheet			
Investments at fair value	3,105,242	-	3,105,242
Bank overdraft	-	86,058,613	86,058,613
Other liabilities	-	16,530,520	16,530,520
Distribution payable	-	260,808	260,808
Net assets attributable to holders of redeemable shares	-	1,070,891,331	1,070,891,331
	<u>3,105,242</u>	<u>1,173,741,272</u>	<u>1,176,846,514</u>

31 December 2013	Loans and receivables US\$	Assets at fair value through profit or loss US\$	Total US\$
Assets as per balance sheet			
Investments at fair value	-	709,717,303	709,717,303
Cash and cash equivalents	109,182	-	109,182
Other assets	11,944,403	-	11,944,403
	<u>12,053,585</u>	<u>709,717,303</u>	<u>721,770,888</u>

31 December 2013	Liabilities at fair value through profit or loss US\$	Other financial liabilities US\$	Total US\$
Liabilities as per balance sheet			
Investments at fair value	3,265,092	-	3,265,092
Bank overdraft	-	25,092,686	25,092,686
Other liabilities	-	2,088,604	2,088,604
Net assets attributable to holders of redeemable shares	-	691,324,506	691,324,506
	<u>3,265,092</u>	<u>718,505,796</u>	<u>721,770,888</u>

Notes to the Consolidated Financial Statements

5. Fees and expenses

(a) Delegate Investment Manager fee and Manager fee

The Company pays a monthly aggregate management fee at the annual rate of 1.45% of the net asset value of the Open and GBP Distributor classes and JPY Income classes, 1.85% of the net asset value of the Reserved classes and 0.95% of the net asset value of each Series in respect of the Institutional, Institutional Income, JPY Institutional B, and USD P classes, from which the Manager and the Delegate Investment Manager receive their remuneration. At the year end, other creditors included an amount of US\$357,057 (2013: US\$230,892) due to the Delegate Investment Manager and US\$525,102 (2013: US\$386,761) due to the Manager.

(b) Performance fee

The Company pays to the Delegate Investment Manager an annual performance fee of 10.00% of the Series return over the benchmark return of the relevant Open, Institutional, Institutional Income, GBP Distributor and JPY Income Share classes in issue during the year, subject to the calculation method as per the Prospectus. At the year end, other creditors included an amount of US\$4,125,135 (2013: US\$3,467,382) due to the Delegate Investment Manager in the form of a performance fee.

(c) Administration fee

The Company pays a monthly fee to the Administrator at the annual rate of up to 0.08% of the net asset value of the Company. At the year end, other creditors included an amount of US\$53,066 (2013: US\$39,802) due to the Administrator. The Administrator is responsible for the fees and expenses of the Secretary.

(d) Custody fee

The Custodian will receive such fees as may be agreed, from time to time, at normal commercial rates, subject to a minimum annual fee of US\$12,000.

(e) Selling Agent fee

The Company pays a monthly fee, calculated on each Valuation Day, to each Selling Agent at the annual rate of up to 0.50% of the Net Asset Value of each Series in respect of the JPY Institutional B class introduced by the Selling Agent. At the year end, other creditors included an amount of US\$3,130 (2013: US\$nil) due to the Selling Agent.

(f) Other expenses

Sundry expenses comprise of legal and accounting fees, electronic data and accounting systems costs, printing and publication costs and certain other administrative costs and out of pocket expenses.

	2014	2013
	US\$	US\$
Auditor's fees	52,308	41,930
Directors' fees	3,300	3,300
Sundry expenses	<u>353,061</u>	<u>680,042</u>
	<u>408,669</u>	<u>725,272</u>

(g) Interest expenses

Interest expenses relate to a bank overdraft which is repayable on demand.

6. Dividend distribution

The following dividend distributions have been declared during the year:

As at 30 June 2014

	2014		2013	
	Rate per share	Total dividend	Rate per share	Total dividend
	¥	US\$	¥	US\$
GAM FCM Cat Bond JPY Institutional Income Pool				
GAM FCM Cat Bond JPY Institutional Income Initial Series	150.6348	156,444	-	-
GAM FCM Cat Bond 2014 Series 4 JPY Institutional Income	107.1511	111,283	-	-

Notes to the Consolidated Financial Statements

6. Dividend distribution, continued

As at 30 September 2014

	2014		2013	
	Rate per share	Total dividend	Rate per share	Total dividend
	¥	US\$	¥	US\$
GAM FCM Cat Bond JPY Institutional Income Pool				
GAM FCM Cat Bond JPY Institutional Income Initial Series	141.8261	134,625	-	-
GAM FCM Cat Bond 2014 Series 4 JPY Institutional Income	141.9454	134,757	-	-

As at 31 December 2014

	2014		2013	
	Rate per share	Total dividend	Rate per share	Total dividend
	¥	US\$	¥	US\$
GAM FCM Cat Bond JPY Institutional Income Pool				
GAM FCM Cat Bond JPY Institutional Income Initial Series	141.8261	147,296	-	-
GAM FCM Cat Bond 2014 Series 4 JPY Institutional Income	141.9454	147,420	-	-

Net income available for distribution purposes comprises net dividends, bond interest, bank interest and sundry income received less expenses.

7. Financial risk management

The Group through its investment objective may be exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk, both directly through its own assets and liabilities and indirectly through the assets and liabilities held by any investee funds. The Group is subject to certain investment restrictions and may also use certain derivative financial instruments to moderate certain risk exposures. The Directors of the Company and the Delegate Investment Company have the power to borrow as part of its investment philosophy.

The investment management and financial risk management of the Group has been delegated by the Board of Directors (which remains ultimately responsible) to the Delegate Investment Manager. The Board of Directors review the performance of the Group on a quarterly basis.

(a) Market price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future prices.

An analysis of the Group's investments are disclosed in the Consolidated Portfolio Statement on pages 3 to 7. The Group invests in a global portfolio of insurance-linked securities.

At 31 December 2014 if the fair value of investments had increased by 5% with all other variables held constant, this would have increased the net assets attributable to the shareholders by approximately US\$48,759,671 (2013: US\$35,322,611). Conversely, if the fair value of investments had decreased by 5% with all other variables held constant, this would have decreased the net assets attributable to the shareholders by approximately US\$48,759,671 (2013: US\$35,322,611).

(b) Currency risk

The Group may hold assets denominated in currencies other than the US dollar, the functional currency. It may therefore be exposed to currency risk, as the value of the securities denominated in other currencies may fluctuate due to changes in exchange rates. The Investment Manager monitors the Group's currency risk exposure and may utilise hedging techniques in order to remove or reduce currency risks within the Group. As such, the Group enters into forward foreign exchange contracts in order to hedge against currency exchange rate risk on non US dollar denominated classes. Forward foreign exchange contracts may also be entered into in order to further the Group's objective in terms of capital appreciation.

The table below summarises the currency exposure risks of the Group as at 31 December 2014 and 31 December 2013.

As at 31 December 2014

	Non-monetary assets/ liabilities	Monetary assets/ liabilities	Forward currency contracts	Net currency exposure
	US\$	US\$	US\$	US\$
Euro	-	40,115,136	(40,108,893)	6,243
Japanese yen	-	25,576,483	(25,065,798)	510,685
Pound sterling	-	7,561	-	7,561
	-	65,699,180	(65,174,691)	524,489

Notes to the Consolidated Financial Statements

7. Financial risk management, continued

As at 31 December 2013

	Non-monetary assets/ liabilities	Monetary assets/ liabilities	Forward currency contracts	Net currency exposure
	US\$	US\$	US\$	US\$
Euro	-	51,063,109	(50,859,107)	204,002
Japanese yen	-	5,831,064	(5,699,088)	131,976
Pound sterling	-	1,515	-	1,515
	-	<u>56,895,688</u>	<u>(56,558,195)</u>	<u>337,493</u>

The table below sets out the effect on the net assets attributable to holders of redeemable shares of a reasonable possible weakening of the US dollar against the Euro, Japanese yen and Pound sterling by 5% as at 31 December 2014 and 31 December 2013. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2014	2013
	US\$	US\$
Euro	312	10,200
Japanese yen	25,534	6,598
Pound sterling	378	76
	<u>26,224</u>	<u>16,874</u>

(c) Interest rate risk

The Group may hold interest-bearing financial assets and liabilities which may expose the Group to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. As the Group is invested in bonds, there is interest rate risk.

The cash positions of the Group which are held with the Custodian are earning interest at rates which are based on current LIBOR rates less a spread as determined by the Custodian.

The table summarises the Group's exposure to interest rate risks. It includes the Group's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2014

	< 1 month	1-12 months	1-5 years	> 5 years	Non- interest bearing	Total
Assets	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss	-	238,387,263	723,032,747	13,999,944	2,878,713	978,298,667
Cash and cash equivalents	8,082,079	-	-	-	-	8,082,079
Other assets	-	-	-	-	190,465,768	190,465,768
Total assets	<u>8,082,079</u>	<u>238,387,263</u>	<u>723,032,747</u>	<u>13,999,944</u>	<u>193,344,481</u>	<u>1,176,846,514</u>

As at 31 December 2014

	< 1 month	1-12 months	1-5 years	> 5 years	Non- interest bearing	Total
Liabilities	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities at fair value through profit or loss	-	-	-	-	3,105,242	3,105,242
Bank overdraft	86,058,613	-	-	-	-	86,058,613
Other payables	-	-	-	-	16,530,520	16,530,520
Distribution payable on income shares	-	-	-	-	260,808	260,808
Net assets attributable to holders of redeemable shares	-	-	-	-	1,070,891,331	1,070,891,331
Total liabilities	<u>86,058,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090,787,901</u>	<u>1,176,846,514</u>

Notes to the Consolidated Financial Statements

As at 31 December 2013

	< 1 month	1-12 months	1-5 years	> 5 years	Non- interest bearing	Total
Assets	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss	-	104,239,178	568,327,650	35,580,210	1,570,265	709,717,303
Cash and cash equivalents	109,182	-	-	-	-	109,182
Other assets	-	-	-	-	11,944,403	11,944,403
Total assets	109,182	104,239,178	568,327,650	35,580,210	13,514,668	721,770,888

As at 31 December 2013

	< 1 month	1-12 months	1-5 years	> 5 years	Non- interest bearing	Total
Liabilities	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities at fair value through profit or loss	-	-	-	-	3,265,092	3,265,092
Bank overdraft	25,092,686	-	-	-	-	25,092,686
Other payables	-	-	-	-	2,088,604	2,088,604
Net assets attributable to holders of redeemable shares	-	-	-	-	691,324,506	691,324,506
Total liabilities	25,092,686	-	-	-	696,678,202	721,770,888

The sensitivity analysis reflects how net assets attributable to holders of redeemable shares would have been affected by changes in the relevant risk variable that were reasonable possible at the reporting date.

The table below sets out the effect on the effect on the Group's net assets attributable to holders of redeemable shares of a reasonably possible increase or decrease of 25 basis points in interest rates at 31 December 2014 and 31 December 2013.

	2014	2014	2013	2013
Effect of:	US\$	%	US\$	%
Net assets attributable to holders of redeemable shares	2,243,609	0.25	1,707,909	0.25

(d) Credit risk

The Group may be exposed to credit risk, which is the risk that a counterparty to a financial transaction with the Group will be unable to pay amounts in full when due.

Counterparty risk is limited in that most securities are settled on delivery against payment (DVP trades) in the recognised clearing systems, and the risk of default is considered to be minimal as security delivery and payment are simultaneous.

The Investment Manager manages credit risk for non-DVP trades by only using approved brokers that belong to an internationally recognised financial services firm or alternatively command a high market share in a given market segment. Investments and cash held by brokers are not normally held within segregated accounts.

Notes to the Consolidated Financial Statements

7. Financial risk management, continued

The following table discloses the breakdown of investments and cash held with HSBC Institutional Trust Services (Ireland) Limited, HSBC Bank plc, HSBC Bank USA, Bank of New York Mellon, Wells Fargo and Deutsche Bank Securities Inc. as custodian and brokers at the year end.

As at 31 December 2014:

	Financial assets at fair value US\$	Cash US\$	Total US\$
HSBC Institutional Trust Services (Ireland) Limited	819,907,946	8,082,079	827,990,025
HSBC Bank plc	2,878,713	-	2,878,713
HSBC Bank USA	55,455,185	-	55,455,185
Bank of New York Mellon*	51,979,532	-	51,979,532
Wells Fargo	25,316,940	-	25,316,940
Deutsche Bank Securities Inc.	22,760,351	-	22,760,351
	<u>978,298,667</u>	<u>8,082,079</u>	<u>986,680,746</u>

* GAM Fund Management Limited holds the physical certificates for two holdings for US\$35,269,000.

As at 31 December 2013:

	Financial assets at fair value US\$	Cash US\$	Total US\$
HSBC Institutional Trust Services (Ireland) Limited*	568,254,901	23,167	568,278,068
HSBC Bank USA	69,080,081	-	69,080,081
Deutsche Bank Securities Inc.	58,382,321	86,015	58,468,336
	<u>695,717,303</u>	<u>109,182</u>	<u>695,826,485</u>

*In addition GAM Fund Management Limited holds the physical certificates for one holding for US\$14,000,000.

Investments in bonds and debt income securities are subject to risk (generally lower where securities are rated above investment grade) that payments may not be made by issuers on due dates or at all.

The following table reflects the equivalent Standard & Poor's ratings of the investments held as a percentage of total investments.

	31 December 2014 %	31 December 2013 %
Rating		
BBB+	1.48	0.54
BBB-	0.29	0.40
BB+	12.65	11.99
BB	6.91	10.81
BB-	11.94	16.87
B+	2.97	10.44
B	9.94	6.61
B-	1.96	5.42
CC	-	0.29
Non-Rated	<u>51.86</u>	<u>36.63</u>
	<u>100.00</u>	<u>100.00</u>

(e) Liquidity risk

Liquidity risk is the risk that the Group cannot generate sufficient cash resources to meet its payment obligations in full as they fall due, or can do so only at materially disadvantageous terms. The Investment Manager regularly reviews the liquidity profile of the portfolio. If necessary, the Directors may borrow to meet redemptions or they may defer payment of redemption proceeds if they consider that borrowing would be materially prejudicial to the interests of continuing shareholders. The Directors may also limit aggregate redemptions with respect to any or all share classes on any dealing day where the Company has received redemption requests representing at least 10% of the total aggregate value of the shares in issue eligible for redemption as at that dealing day.

Notes to the Consolidated Financial Statements

7. Financial risk management, continued

The Group may trade in derivatives, the majority of which are traded on a recognised market and are readily realisable, however from time to time, the Group may invest in derivative contracts traded over the counter which are not traded in an organised market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value. In case of liquidity issues, the Group may borrow to meet redemption requests.

The maturity profile of the Group's financial liabilities based on the remaining period at the balance sheet date to the contractual settlement date is:

	2014	2014	2013	2013
	US\$	%	US\$	%
Due within one to three months	1,176,846,514	109.89	721,770,889	104.68
	<u>1,176,846,514</u>	<u>109.89</u>	<u>721,770,889</u>	<u>104.68</u>

These balances have not been discounted, as the impact of discounting is not significant.

(g) Offsetting and amounts subject to master netting arrangements and similar agreements

As of 31 December 2014 and 2013 the transactions between the Company and the below listed counterparties are governed by separate master netting agreements. Each agreement allows for net settlement of certain open contracts where the Company and the respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. However, each party to the master netting arrangement will have the option to settle all open contracts on a net basis in the event of default of the other party.

Investments pledged as collateral by the Company can be sold or re-pledged by the respective counterparty. Cash collateral received is restricted and does not form part of the Company's cash and cash equivalents. Under the terms of the master netting agreements, collateral can only be seized by a party in the event of default of the other party.

Financial assets subject to offsetting, enforceable master net arrangements and similar agreements:

As at 31 December 2014:

Description of type of Financial Assets	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial liabilities set off in the balance sheet US\$	Net amounts of financial assets presented in the balance sheet US\$	Related amounts not set-off in the balance sheet		
				Financial Instruments US\$	Cash collateral received US\$	Net amount US\$
Derivative holdings						
HSBC Bank plc	2,878,713	-	2,878,713	(2,878,713)	-	-
	<u>2,878,713</u>	<u>-</u>	<u>2,878,713</u>	<u>(2,878,713)</u>	<u>-</u>	<u>-</u>

As at 31 December 2013:

Description of type of Financial Assets	Gross amounts of recognised financial assets US\$	Gross amounts of recognised financial liabilities set off in the balance sheet US\$	Net amounts of financial assets presented in the balance sheet US\$	Related amounts not set-off in the balance sheet		
				Financial Instruments US\$	Cash collateral received US\$	Net amount US\$
Derivative holdings						
HSBC Institutional Trust Services (Ireland) Ltd	1,570,265	-	1,570,265	(1,570,265)	-	-
	<u>1,570,265</u>	<u>-</u>	<u>1,570,265</u>	<u>(1,570,265)</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements

7. Financial risk management, continued

Financial liabilities subject to offsetting, enforceable master net arrangements and similar agreements:

As at 31 December 2014:

Description of type of Financial Liabilities	Gross amounts of recognised financial liabilities US\$	Gross amounts of recognised financial assets set off in the balance sheet US\$	Net amounts of financial liabilities presented in the balance sheet US\$	Related amounts not set-off in the balance sheet		
				Financial Instruments US\$	Cash collateral pledged US\$	Net amount US\$
Derivative holdings						
HSBC Bank plc	(3,105,242)	-	(3,105,242)	2,878,713	-	(226,529)
	(3,105,242)	-	(3,105,242)	2,878,713	-	(226,529)

As at 31 December 2013:

Description of type of Financial Liabilities	Gross amounts of recognised financial liabilities US\$	Gross amounts of recognised financial assets set off in the balance sheet US\$	Net amounts of financial liabilities presented in the balance sheet US\$	Related amounts not set-off in the balance sheet		
				Financial Instruments US\$	Cash collateral pledged US\$	Net amount US\$
Derivative holdings						
HSBC Institutional Trust Services (Ireland) Ltd	(3,265,092)	-	(3,265,092)	1,570,265	-	(1,694,827)
	(3,265,092)	-	(3,265,092)	1,570,265	-	(1,694,827)

8. Other assets/liabilities

	2014	2013
	US\$	US\$
Other assets		
Subscriptions receivable	182,414,255	4,349,350
Bond interest receivable	7,707,533	7,595,053
Other debtors	343,980	-
	<u>190,465,768</u>	<u>11,944,403</u>
Other liabilities		
Redemptions payable	2,896,688	1,372,773
Outstanding purchases of investments	8,100,000	-
Other creditors	5,533,832	715,831
	<u>16,530,520</u>	<u>2,088,604</u>

Notes to the Consolidated Financial Statements

9. Share capital

	2014 Number of shares	2013 Number of shares
Authorised share capital of voting redeemable shares of common stock with no par value		
USD Open	Unlimited	Unlimited
USD Reserved	Unlimited	Unlimited
USD Institutional	Unlimited	Unlimited
USD Institutional Income	Unlimited	Unlimited
USD P	Unlimited	Unlimited
USD SI	Unlimited	Unlimited
USD Z	Unlimited	-
EUR Open	Unlimited	Unlimited
EUR Reserved	Unlimited	Unlimited
EUR Institutional	Unlimited	Unlimited
EUR Institutional Income	Unlimited	Unlimited
EUR SI	Unlimited	Unlimited
GBP Open	Unlimited	Unlimited
GBP Distributor	Unlimited	Unlimited
GBP Reserved	Unlimited	Unlimited
GBP Institutional	Unlimited	Unlimited
GBP Institutional Income	Unlimited	Unlimited
GBP SI	Unlimited	Unlimited
CHF Open	Unlimited	Unlimited
CHF Reserved	Unlimited	Unlimited
CHF Institutional	Unlimited	Unlimited
CHF SI	Unlimited	Unlimited
JPY Open	Unlimited	Unlimited
JPY Income	Unlimited	Unlimited
JPY Institutional	Unlimited	Unlimited
JPY Institutional Income	Unlimited	Unlimited
JPY Institutional B	Unlimited	Unlimited
GAM FCM Cat Bond USD Open - Initial Series		
At 1 January	118,471.21	97,589.62
Issued	427,664.51	79,916.88
Redeemed	(150,823.83)	(59,035.29)
At 31 December	395,311.89	118,471.21
GAM FCM Cat Bond 2012 Series 9 USD		
At 1 January	-	500.00
Redeemed	-	(500.00)
At 31 December	-	-

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2012 Series 10 USD		
At 1 January	-	12,899.84
Redeemed	-	(12,899.84)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 11 USD		
At 1 January	-	6,625.50
Redeemed	-	(6,625.50)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 12 USD		
At 1 January	-	66,763.55
Redeemed	-	(66,763.55)
At 31 December	-	-
GAM FCM Cat Bond 2013 Series 1 USD		
At 1 January	39,730.76	-
Issued	-	40,027.76
Redeemed	(39,730.76)	(297.00)
At 31 December	-	39,730.76
GAM FCM Cat Bond 2013 Series 3 USD		
At 1 January	9,000.00	-
Issued	-	9,150.56
Redeemed	(9,000.00)	(150.56)
At 31 December	-	9,000.00
GAM FCM Cat Bond 2013 Series 4 USD		
At 1 January	13,070.69	-
Issued	-	13,070.69
Redeemed	(13,070.69)	-
At 31 December	-	13,070.69
GAM FCM Cat Bond 2013 Series 5 USD		
At 1 January	2,702.91	-
Issued	-	2,702.91
Redeemed	(2,702.91)	-
At 31 December	-	2,702.91

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2013 Series 6 USD		
At 1 January	10,250.00	-
Issued	-	10,250.00
Redeemed	(10,250.00)	-
At 31 December	<u>-</u>	<u>10,250.00</u>
GAM FCM Cat Bond 2013 Series 7 USD		
At 1 January	39,518.75	-
Issued	-	40,390.00
Redeemed	(39,518.75)	(871.25)
At 31 December	<u>-</u>	<u>39,518.75</u>
GAM FCM Cat Bond 2013 Series 8 USD		
At 1 January	65,983.85	-
Issued	-	70,600.00
Redeemed	(65,983.85)	(4,616.15)
At 31 December	<u>-</u>	<u>65,983.85</u>
GAM FCM Cat Bond 2013 Series 9 USD		
At 1 January	32,865.61	-
Issued	-	35,497.35
Redeemed	(32,865.61)	(2,631.74)
At 31 December	<u>-</u>	<u>32,865.61</u>
GAM FCM Cat Bond 2013 Series 10 USD		
At 1 January	193,173.60	-
Issued	-	193,896.59
Redeemed	(193,173.60)	(722.99)
At 31 December	<u>-</u>	<u>193,173.60</u>
GAM FCM Cat Bond 2013 Series 11 USD		
At 1 January	70,258.21	-
Issued	-	70,258.21
Redeemed	(70,258.21)	-
At 31 December	<u>-</u>	<u>70,258.21</u>
GAM FCM Cat Bond 2013 Series 12 USD		
At 1 January	23,173.50	-
Issued	-	23,173.50
Redeemed	(23,173.50)	-
At 31 December	<u>-</u>	<u>23,173.50</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2014 Series 1 USD		
Issued	320,922.73	-
Redeemed	(294,274.94)	-
At 31 December	<u>26,647.79</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 2 USD		
Issued	57,431.14	-
Redeemed	(3,240.00)	-
At 31 December	<u>54,191.14</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 3 USD		
Issued	2,364.21	-
Redeemed	(180.00)	-
At 31 December	<u>2,184.21</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 4 USD		
Issued	82,601.97	-
Redeemed	(17,713.98)	-
At 31 December	<u>64,887.99</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 5 USD		
At 1 January	-	-
Issued	7,830.00	-
Redeemed	(350.00)	-
At 31 December	<u>7,480.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 6 USD		
Issued	2,000.00	-
At 31 December	<u>2,000.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 7 USD		
Issued	25,061.22	-
Redeemed	(341.22)	-
At 31 December	<u>24,720.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 8 USD		
Issued	2,690.00	-
At 31 December	<u>2,690.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 9 USD		
Issued	6,889.55	-
At 31 December	<u>6,889.55</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2014 Series 10 USD		
Issued	26,440.71	-
At 31 December	<u>26,440.71</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 11 USD		
Issued	3,444.74	-
At 31 December	<u>3,444.74</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 12 USD		
Issued	13,175.00	-
At 31 December	<u>13,175.00</u>	<u>-</u>
GAM FCM Cat Bond EUR Open - Initial Series		
At 1 January	43,580.20	10,745.51
Issued	23,488.26	40,398.32
Redeemed	(26,599.39)	(7,563.63)
At 31 December	<u>40,469.07</u>	<u>43,580.20</u>
GAM FCM Cat Bond 2012 Series 9 EUR		
At 1 January	-	36,804.27
Redeemed	-	(36,804.27)
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2012 Series 10 EUR		
At 1 January	-	149.58
Redeemed	-	(149.58)
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2012 Series 11 EUR		
At 1 January	-	3,395.16
Redeemed	-	(3,395.16)
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2012 Series 12 EUR		
At 1 January	-	6,822.57
Redeemed	-	(6,822.57)
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2013 Series 1 EUR		
At 1 January	2,250.00	-
Issued	-	2,900.00
Redeemed	(2,250.00)	(650.00)
At 31 December	<u>-</u>	<u>2,250.00</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2013 Series 3 EUR		
At 1 January	1,455.00	-
Issued	-	3,015.00
Redeemed	(1,455.00)	(1,560.00)
At 31 December	<u>-</u>	<u>1,455.00</u>
GAM FCM Cat Bond 2013 Series 4 EUR		
At 1 January	397.03	-
Issued	-	397.03
Redeemed	(397.03)	-
At 31 December	<u>-</u>	<u>397.03</u>
GAM FCM Cat Bond 2013 Series 5 EUR		
At 1 January	3,316.46	-
Issued	-	4,815.95
Redeemed	(3,316.46)	(1,499.49)
At 31 December	<u>-</u>	<u>3,316.46</u>
GAM FCM Cat Bond 2013 Series 7 EUR		
At 1 January	401.50	-
Issued	-	401.50
Redeemed	(401.50)	-
At 31 December	<u>-</u>	<u>401.50</u>
GAM FCM Cat Bond 2013 Series 8 EUR		
At 1 January	1,586.40	-
Issued	-	1,586.40
Redeemed	(1,586.40)	-
At 31 December	<u>-</u>	<u>1,586.40</u>
GAM FCM Cat Bond 2013 Series 10 EUR		
At 1 January	19,146.05	-
Issued	-	19,146.05
Redeemed	(19,146.05)	-
At 31 December	<u>-</u>	<u>19,146.05</u>
GAM FCM Cat Bond 2013 Series 11 EUR		
At 1 January	1,070.00	-
Issued	-	1,070.00
Redeemed	(1,070.00)	-
At 31 December	<u>-</u>	<u>1,070.00</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2014 Series 1 EUR		
Issued	235,950.00	-
Redeemed	(234,500.00)	-
At 31 December	<u>1,450.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 2 EUR		
Issued	1,720.00	-
Redeemed	(320.00)	-
At 31 December	<u>1,400.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 3 EUR		
Issued	386.25	-
At 31 December	<u>386.25</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 4 EUR		
Issued	32,950.00	-
Redeemed	(2,200.00)	-
At 31 December	<u>30,750.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 7 EUR		
At 1 January	-	-
Issued	2,454.00	-
At 31 December	<u>2,454.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 12 EUR		
At 1 January	-	-
Issued	1,009.00	-
At 31 December	<u>1,009.00</u>	<u>-</u>
GAM FCM Cat Bond GBP Open - Initial Series		
At 1 January	113,815.40	59,687.24
Issued	10,404.30	58,951.35
Redeemed	(3,841.42)	(4,823.19)
At 31 December	<u>120,378.28</u>	<u>113,815.40</u>
GAM FCM Cat Bond 2012 Series 9 GBP		
At 1 January	-	360.00
Redeemed	-	(360.00)
At 31 December	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2012 Series 10 GBP		
At 1 January	-	32,987.00
Redeemed	-	(32,987.00)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 11 GBP		
At 1 January	-	18,381.30
Redeemed	-	(18,381.30)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 12 GBP		
At 1 January	-	16,170.00
Redeemed	-	(16,170.00)
At 31 December	-	-
GAM FCM Cat Bond 2013 Series 1 GBP		
At 1 January	82.00	-
Issued	-	82.00
Redeemed	(82.00)	-
At 31 December	-	82.00
GAM FCM Cat Bond 2013 Series 3 GBP		
At 1 January	2,829.50	-
Issued	-	2,829.50
Redeemed	(2,829.50)	-
At 31 December	-	2,829.50
GAM FCM Cat Bond 2013 Series 5 GBP		
At 1 January	250.00	-
Issued	-	250.00
Redeemed	(250.00)	-
At 31 December	-	250.00
GAM FCM Cat Bond 2013 Series 6 GBP		
At 1 January	470.00	-
Issued	-	470.00
Redeemed	(470.00)	-
At 31 December	-	470.00
GAM FCM Cat Bond 2013 Series 7 GBP		
At 1 January	483.11	-
Issued	-	483.11
Redeemed	(483.11)	-
At 31 December	-	483.11

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014 Number of shares	2013 Number of shares
GAM FCM Cat Bond 2013 Series 10 GBP		
At 1 January	8,940.00	-
Issued	-	8,940.00
Redeemed	(8,940.00)	-
At 31 December	<u>-</u>	<u>8,940.00</u>
GAM FCM Cat Bond 2014 Series 1 GBP		
Issued	5,500.00	-
Redeemed	(5,500.00)	-
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 2 GBP		
Issued	500.00	-
Redeemed	(500.00)	-
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 4 GBP		
Issued	13,101.99	-
At 31 December	<u>13,101.99</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 7 GBP		
Issued	500.00	-
At 31 December	<u>500.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 8 GBP		
Issued	10,002.00	-
At 31 December	<u>10,002.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 10 GBP		
Issued	1,000.00	-
At 31 December	<u>1,000.00</u>	<u>-</u>
GAM FCM Cat Bond JPY Open Series		
At 1 January	100,001.00	100,001.00
Issued	396,494.25	-
At 31 December	<u>496,495.25</u>	<u>100,001.00</u>
GAM FCM Cat Bond 2013 Series 3 JPY		
At 1 January	150,000.00	150,000.00
Redeemed	(150,000.00)	-
At 31 December	<u>-</u>	<u>150,000.00</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2013 Series 4 JPY		
At 1 January	100,000.00	100,000.00
Redeemed	(100,000.00)	-
At 31 December	<u>-</u>	<u>100,000.00</u>
GAM FCM Cat Bond 2013 Series 5 JPY		
At 1 January	1,440.00	1,440.00
Redeemed	(1,440.00)	-
At 31 December	<u>-</u>	<u>1,440.00</u>
GAM FCM Cat Bond 2013 Series 7 JPY		
At 1 January	20,760.00	20,760.00
Redeemed	(20,760.00)	-
At 31 December	<u>-</u>	<u>20,760.00</u>
GAM FCM Cat Bond 2013 Series 9 JPY		
At 1 January	100,000.00	100,000.00
Redeemed	(100,000.00)	-
At 31 December	<u>-</u>	<u>100,000.00</u>
GAM FCM Cat Bond 2013 Series 11 JPY		
At 1 January	80,000.00	80,000.00
Redeemed	(80,000.00)	-
At 31 December	<u>-</u>	<u>80,000.00</u>
GAM FCM Cat Bond 2014 Series 8 JPY		
Issued	100,000.00	-
At 31 December	<u>100,000.00</u>	<u>-</u>
GAM FCM Cat Bond USD Institutional Initial Series		
At 1 January	1,432,202.59	387,987.14
Issued	2,385,807.56	1,049,681.17
Redeemed	(439,002.50)	(5,465.72)
At 31 December	<u>3,379,007.65</u>	<u>1,432,202.59</u>
GAM FCM Cat Bond 2012 Series 9 USD Institutional		
At 1 January	-	35,840.00
Redeemed	-	(35,840.00)
At 31 December	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2012 Series 10 USD Institutional		
At 1 January	-	503,500.00
Redeemed	-	(503,500.00)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 11 USD Institutional		
At 1 January	-	560,780.00
Redeemed	-	(560,780.00)
At 31 December	-	-
GAM FCM Cat Bond 2012 Series 12 USD Institutional		
At 1 January	-	125,000.00
Redeemed	-	(125,000.00)
At 31 December	-	-
GAM FCM Cat Bond 2013 Series 1 USD Institutional		
At 1 January	10,115.70	-
Issued	-	10,115.70
Redeemed	(10,115.70)	-
At 31 December	-	10,115.70
GAM FCM Cat Bond 2013 Series 3 USD Institutional		
At 1 January	181,900.00	-
Issued	-	181,900.00
Redeemed	(181,900.00)	-
At 31 December	-	181,900.00
GAM FCM Cat Bond 2013 Series 4 USD Institutional		
At 1 January	200,651.77	-
Issued	-	200,651.77
Redeemed	(200,651.77)	-
At 31 December	-	200,651.77
GAM FCM Cat Bond 2013 Series 5 USD Institutional		
At 1 January	436,544.90	-
Issued	-	436,544.90
Redeemed	(436,544.90)	-
At 31 December	-	436,544.90
GAM FCM Cat Bond 2013 Series 6 USD Institutional		
At 1 January	339,688.89	-
Issued	-	339,688.89
Redeemed	(339,688.89)	-
At 31 December	-	339,688.89

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014 Number of shares	2013 Number of shares
GAM FCM Cat Bond 2013 Series 7 USD Institutional		
At 1 January	451.79	-
Issued	-	451.79
Redeemed	(451.79)	-
At 31 December	<u>451.79</u>	<u>451.79</u>
GAM FCM Cat Bond 2013 Series 8 USD Institutional		
At 1 January	1,448,840.05	-
Issued	-	1,521,490.58
Redeemed	(1,448,840.05)	(72,650.53)
At 31 December	<u>1,448,840.05</u>	<u>1,448,840.05</u>
GAM FCM Cat Bond 2013 Series 9 USD Institutional		
At 1 January	44,620.00	-
Issued	-	44,620.00
Redeemed	(44,620.00)	-
At 31 December	<u>44,620.00</u>	<u>44,620.00</u>
GAM FCM Cat Bond 2013 Series 10 USD Institutional		
At 1 January	138,094.67	-
Issued	-	138,094.67
Redeemed	(138,094.67)	-
At 31 December	<u>138,094.67</u>	<u>138,094.67</u>
GAM FCM Cat Bond 2013 Series 11 USD Institutional		
At 1 January	166,660.00	-
Issued	-	166,660.00
Redeemed	(166,660.00)	-
At 31 December	<u>166,660.00</u>	<u>166,660.00</u>
GAM FCM Cat Bond 2013 Series 12 USD Institutional		
At 1 January	20,320.00	-
Issued	-	20,320.00
Redeemed	(20,320.00)	-
At 31 December	<u>20,320.00</u>	<u>20,320.00</u>
GAM FCM Cat Bond 2014 Series 1 USD Institutional		
Issued	585,658.44	-
Redeemed	(532,757.51)	-
At 31 December	<u>52,900.93</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 2 USD Institutional		
Issued	70,450.00	-
Redeemed	(50,000.00)	-
At 31 December	<u>20,450.00</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2014 Series 3 USD Institutional		
Issued	80,000.00	-
Redeemed	(80,000.00)	-
At 31 December	<u>-</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 4 USD Institutional		
Issued	145,075.80	-
Redeemed	(100,000.00)	-
At 31 December	<u>45,075.80</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 5 USD Institutional		
Issued	5,110.00	-
At 31 December	<u>5,110.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 6 USD Institutional		
Issued	1,200,000.00	-
At 31 December	<u>1,200,000.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 7 USD Institutional		
Issued	68,912.04	-
At 31 December	<u>68,912.04</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 8 USD Institutional		
Issued	2,050.00	-
At 31 December	<u>2,050.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 9 USD Institutional		
Issued	52,100.00	-
At 31 December	<u>52,100.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 10 USD Institutional		
Issued	23,133.63	-
At 31 December	<u>23,133.63</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 11 USD Institutional		
Issued	330,600.00	-
At 31 December	<u>330,600.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 12 USD Institutional		
Issued	1,305,072.51	-
At 31 December	<u>1,305,072.51</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2013 Series 3 GBP Institutional		
At 1 January	1,000.00	-
Issued	9,325.21	1,000.00
At 31 December	<u>10,325.21</u>	<u>1,000.00</u>
GAM FCM Cat Bond GBP Institutional - Initial Series		
At 1 January	750.00	-
Issued	-	750.00
Redeemed	(750.00)	-
At 31 December	<u>-</u>	<u>750.00</u>
GAM FCM Cat Bond 2013 Series 5 GBP Institutional		
At 1 January	5,864.54	-
Issued	-	5,864.54
Redeemed	(5,864.54)	-
At 31 December	<u>-</u>	<u>5,864.54</u>
GAM FCM Cat Bond 2013 Series 7 GBP Institutional		
At 1 January	400.00	-
Issued	-	400.00
Redeemed	(400.00)	-
At 31 December	<u>-</u>	<u>400.00</u>
GAM FCM Cat Bond 2013 Series 8 GBP Institutional		
At 1 January	300.00	-
Issued	-	300.00
Redeemed	(300.00)	-
At 31 December	<u>-</u>	<u>300.00</u>
GAM FCM Cat Bond 2013 Series 10 GBP Institutional		
At 1 January	1,747.00	-
Issued	-	1,747.00
Redeemed	(1,747.00)	-
At 31 December	<u>-</u>	<u>1,747.00</u>
GAM FCM Cat Bond 2013 Series 11 GBP Institutional		
At 1 January	500.00	-
Issued	-	500.00
Redeemed	(500.00)	-
At 31 December	<u>-</u>	<u>500.00</u>
GAM FCM Cat Bond 2014 Series 2 GBP Institutional		
Issued	780.00	-
At 31 December	<u>780.00</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

	2014	2013
	Number of shares	Number of shares
GAM FCM Cat Bond 2014 Series 4 GBP Institutional		
Issued	18,590.00	-
Redeemed	(6,600.00)	-
At 31 December	<u>11,990.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 5 GBP Institutional		
Issued	100.00	-
At 31 December	<u>100.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 12 GBP Institutional		
Issued	3,000.00	-
At 31 December	<u>3,000.00</u>	<u>-</u>
GAM FCM Cat Bond USD Reserved		
At 1 January	215,819.57	1,424,076.30
Issued	1,278.16	152,746.75
Redeemed	-	(1,361,003.48)
At 31 December	<u>217,097.73</u>	<u>215,819.57</u>
GAM FCM Cat Bond USD Z		
Issued	500,000.00	-
At 31 December	<u>500,000.00</u>	<u>-</u>
GAM FCM Cat Bond JPY Institutional Income Initial Series		
Issued	110,000.00	-
At 31 December	<u>110,000.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 4 JPY Institutional Income		
Issued	110,000.00	-
At 31 December	<u>110,000.00</u>	<u>-</u>
GAM FCM Cat Bond JPY Institutional B Initial Series		
Issued	80,000.00	-
At 31 December	<u>80,000.00</u>	<u>-</u>
GAM FCM Cat Bond EUR Institutional Income Initial Series		
Issued	4,600.00	-
At 31 December	<u>4,600.00</u>	<u>-</u>
GAM FCM Cat Bond 2014 Series 9 EUR Institutional Income		
Issued	61,348.30	-
At 31 December	<u>61,348.30</u>	<u>-</u>

Notes to the Consolidated Financial Statements

9. Share capital, continued

Each share carries the right to one vote on matters put to a shareholder vote.

The Reserved, Institutional, Institutional Income and USD P classes are only available to investors who have negotiated terms of investment with the GAM Group.

The JPY Institutional B class is only available through a "Selling Agent" and its affiliates.

The capital of the Company is represented by the net assets attributable to shareholders. The amount of net assets attributable to shareholders can change significantly on a regular basis as the Company is subject to regular subscriptions and regular redemptions at the discretion of shareholders subject to the notice periods per the Prospectus.

10. Net Asset Value

The net asset value per share of the Company for the year ended 31 December 2014 and 31 December 2013:

	31 December 2014	31 December 2013
GAM FCM Cat Bond USD Open - Initial Series	US\$125.00	US\$119.44
GAM FCM Cat Bond 2013 Series 1 USD	-	US\$108.53
GAM FCM Cat Bond 2013 Series 3 USD	-	US\$106.35
GAM FCM Cat Bond 2013 Series 4 USD	-	US\$105.23
GAM FCM Cat Bond 2013 Series 5 USD	-	US\$104.80
GAM FCM Cat Bond 2013 Series 6 USD	-	US\$104.68
GAM FCM Cat Bond 2013 Series 7 USD	-	US\$104.10
GAM FCM Cat Bond 2013 Series 8 USD	-	US\$103.06
GAM FCM Cat Bond 2013 Series 9 USD	-	US\$101.61
GAM FCM Cat Bond 2013 Series 10 USD	-	US\$100.75
GAM FCM Cat Bond 2013 Series 11 USD	-	US\$100.29
GAM FCM Cat Bond 2013 Series 12 USD	-	US\$100.00
GAM FCM Cat Bond 2014 Series 1 USD	US\$104.19	-
GAM FCM Cat Bond 2014 Series 2 USD	US\$103.77	-
GAM FCM Cat Bond 2014 Series 3 USD	US\$103.30	-
GAM FCM Cat Bond 2014 Series 4 USD	US\$102.97	-
GAM FCM Cat Bond 2014 Series 5 USD	US\$103.11	-
GAM FCM Cat Bond 2014 Series 6 USD	US\$102.87	-
GAM FCM Cat Bond 2014 Series 7 USD	US\$102.49	-
GAM FCM Cat Bond 2014 Series 8 USD	US\$101.70	-
GAM FCM Cat Bond 2014 Series 9 USD	US\$100.59	-
GAM FCM Cat Bond 2014 Series 10 USD	US\$99.97	-
GAM FCM Cat Bond 2014 Series 11 USD	US\$100.06	-
GAM FCM Cat Bond 2014 Series 12 USD	US\$100.00	-
GAM FCM Cat Bond EUR Open - Initial Series	€134.82	€128.88
GAM FCM Cat Bond 2013 Series 1 EUR	-	€108.23
GAM FCM Cat Bond 2013 Series 3 EUR	-	€106.04
GAM FCM Cat Bond 2013 Series 4 EUR	-	€105.00
GAM FCM Cat Bond 2013 Series 5 EUR	-	€104.60
GAM FCM Cat Bond 2013 Series 7 EUR	-	€103.98
GAM FCM Cat Bond 2013 Series 8 EUR	-	€102.96
GAM FCM Cat Bond 2013 Series 10 EUR	-	€100.72
GAM FCM Cat Bond 2013 Series 11 EUR	-	€100.28

Notes to the Consolidated Financial Statements

10. Net Asset Value, continued

	31 December 2014	31 December 2013
GAM FCM Cat Bond 2014 Series 1 EUR	€104.27	-
GAM FCM Cat Bond 2014 Series 2 EUR	€103.73	-
GAM FCM Cat Bond 2014 Series 3 EUR	€103.26	-
GAM FCM Cat Bond 2014 Series 4 EUR	€102.93	-
GAM FCM Cat Bond 2014 Series 7 EUR	€102.49	-
GAM FCM Cat Bond 2014 Series 12 EUR	€100.00	-
GAM FCM Cat Bond GBP Open - Initial Series	£134.86	£128.43
GAM FCM Cat Bond 2013 Series 1 GBP		£108.65
GAM FCM Cat Bond 2013 Series 3 GBP		£106.36
GAM FCM Cat Bond 2013 Series 5 GBP		£104.79
GAM FCM Cat Bond 2013 Series 6 GBP		£104.66
GAM FCM Cat Bond 2013 Series 7 GBP		£104.07
GAM FCM Cat Bond 2013 Series 10 GBP		£100.75
GAM FCM Cat Bond 2014 Series 4 GBP	£103.22	-
GAM FCM Cat Bond 2014 Series 7 GBP	£102.66	-
GAM FCM Cat Bond 2014 Series 8 GBP	£101.83	-
GAM FCM Cat Bond 2014 Series 10 GBP	£100.01	-
GAM FCM Cat Bond JPY - Initial Series	JPY12,361.41	JPY11,829.63
GAM FCM Cat Bond 2013 Series 3 JPY	-	JPY10,609.49
GAM FCM Cat Bond 2013 Series 4 JPY	-	JPY10,500.63
GAM FCM Cat Bond 2013 Series 5 JPY	-	JPY10,462.08
GAM FCM Cat Bond 2013 Series 7 JPY	-	JPY10,398.17
GAM FCM Cat Bond 2013 Series 9 JPY	-	JPY10,158.32
GAM FCM Cat Bond 2013 Series 11 JPY	-	JPY10,026.63
GAM FCM Cat Bond 2014 Series 8 JPY	JPY10,170.62	-
GAM FCM Cat Bond USD Institutional - Initial Series	US\$137.61	US\$130.89
GAM FCM Cat Bond 2013 Series 1 USD Institutional	-	US\$108.96
GAM FCM Cat Bond 2013 Series 3 USD Institutional	-	US\$106.71
GAM FCM Cat Bond 2013 Series 4 USD Institutional	-	US\$105.53
GAM FCM Cat Bond 2013 Series 5 USD Institutional	-	US\$105.06
GAM FCM Cat Bond 2013 Series 6 USD Institutional	-	US\$104.90
GAM FCM Cat Bond 2013 Series 7 USD Institutional	-	US\$104.28
GAM FCM Cat Bond 2013 Series 8 USD Institutional	-	US\$103.20
GAM FCM Cat Bond 2013 Series 9 USD Institutional	-	US\$101.75
GAM FCM Cat Bond 2013 Series 10 USD Institutional	-	US\$100.81
GAM FCM Cat Bond 2013 Series 11 USD Institutional	-	US\$100.33
GAM FCM Cat Bond 2014 Series 1 USD Institutional	US\$104.62	-
GAM FCM Cat Bond 2014 Series 2 USD Institutional	US\$104.11	-
GAM FCM Cat Bond 2014 Series 4 USD Institutional	US\$103.25	-
GAM FCM Cat Bond 2014 Series 5 USD Institutional	US\$103.38	-
GAM FCM Cat Bond 2014 Series 6 USD Institutional	US\$103.10	-

Notes to the Consolidated Financial Statements

10. Net Asset Value, continued

	31 December 2014	31 December 2013
GAM FCM Cat Bond 2014 Series 7 USD Institutional	US\$102.68	-
GAM FCM Cat Bond 2014 Series 8 USD Institutional	US\$101.85	-
GAM FCM Cat Bond 2014 Series 9 USD Institutional	US\$100.71	-
GAM FCM Cat Bond 2014 Series 10 USD Institutional	US\$100.05	-
GAM FCM Cat Bond 2014 Series 11 USD Institutional	US\$100.10	-
GAM FCM Cat Bond 2014 Series 12 USD Institutional	US\$100.00	-
GAM FCM Cat Bond GBP Institutional - Initial Series	£112.35	£106.59
GAM FCM Cat Bond 2013 Series 4 GBP Institutional	-	£105.50
GAM FCM Cat Bond 2013 Series 5 GBP Institutional	-	£105.02
GAM FCM Cat Bond 2013 Series 7 GBP Institutional	-	£104.26
GAM FCM Cat Bond 2013 Series 8 GBP Institutional	-	£103.18
GAM FCM Cat Bond 2013 Series 10 GBP Institutional	-	£100.82
GAM FCM Cat Bond 2013 Series 11 GBP Institutional	-	£100.33
GAM FCM Cat Bond 2014 Series 2 GBP Institutional	£104.39	-
GAM FCM Cat Bond 2014 Series 4 GBP Institutional	£103.49	-
GAM FCM Cat Bond 2014 Series 5 GBP Institutional	£103.59	-
GAM FCM Cat Bond 2014 Series 12 GBP Institutional	£100.00	-
GAM FCM Cat Bond 2012 USD Reserved	US\$136.17	US\$130.01
GAM FCM Cat Bond 2014 USD Z	US\$100.00	-
GAM FCM Cat Bond JPY Institutional Income - Initial Series (ex - dividend)	JPY9,912.61	-
GAM FCM Cat Bond 2014 Series 4 Institutional Income (ex - dividend)	JPY9,924.28	-
GAM FCM Cat Bond EUR Institutional - Initial Series	€102.57	-
GAM FCM Cat Bond 2014 Series 9 EUR Institutional	€100.59	-
GAM FCM Cat Bond JPY Institutional B - Initial Series	JPY10,321.27	-

11. Related parties

(i) The Delegate Investment Manager is considered to be a related party of the Group by virtue of the influence that it has over the Group's investment activities. The Manager and the Administrator are considered related parties due to the existence of material contracts. Fee arrangements with these parties are set out in note 5.

(ii) No Director of the Company had any interest in any contract of significance in relation to the Group's business at any time during the year ended 31 December 2014.

(iii) Directors' fees for the year are disclosed in note 5. Andrew Hanges has waived his fee for acting as a Director of the Company. At the year end there were no outstanding amounts due to the Directors for fees.

(iv) As at 31 December 2014, other GAM funds in total held less than 20% of the issued share capital of the Company.

12. Subsequent events

There have been no significant events affecting the Group since the year end.

Statement of Directors' Responsibilities

It is the Directors' responsibility to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and results of the Group for that period. In preparing those consolidated financial statements, the Directors have a responsibility to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated financial statements comply with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

To the shareholders of GAM FCM Cat Bond Inc. (the "Company")

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Company and its subsidiary listed in note 1, which comprise the Consolidated Balance Sheet as at 31 December 2014 and the Consolidated Income Statement, Consolidated Statement of Changes in Net Assets attributable to the Shareholders of the Company and Consolidated Cash Flow Statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiary as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders as a body in accordance with the terms of our letter of engagement and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers
Dublin

28 April 2015