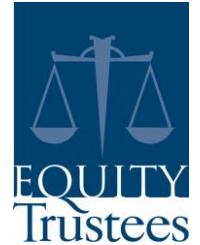


2 August 2018



Dear Unitholder,

GAM Absolute Return Bond Fund and GAM Absolute Return Bond Defensive Fund (each a 'Fund', collectively the 'Funds')

We have been advised by GAM Fund Management Limited ('**GAM**') that the underlying fund in which each Fund substantially invests, the GAM Absolute Return Bond Master Fund ('**Underlying Fund**'), has suspended the calculation of its net asset value, and all applications and redemptions relating to the Underlying Fund effective 1 August 2018. We understand that this suspension is due to some exceptionally large redemption requests received by the Underlying Fund and has been put in place for the purpose of ensuring the equal treatment of all investors and protection of their interests. Although it is understood that the Underlying Fund has the necessary liquidity to meet these requests, GAM has advised that such actions would lead to a disproportional shift in its portfolio composition, which could compromise the interests of remaining investors. For this reason, GAM is considering potential options for providing liquidity to investors in the Underlying Fund.

In light of this, Equity Trustees Limited as responsible entity of each Fund is not able to properly value the assets of the relevant Fund and is therefore unable to strike a unit price that accurately reflects the current net asset value of the Fund. As a result of these developments, we have suspended applications into and redemptions from each Fund effective 1 August.

We are closely monitoring the status of the Underlying Fund and will keep investors advised of developments in relation to it as they arise.

If you have any questions, please contact Alex Zaika of the investment manager of the Funds, GAM International Management Limited, on (02)8277-4132.

Yours sincerely,

Harvey Kalman
Director, Equity Trustees Limited