GAM MP UK Equity Unit Trust

Annual Report and Audited Financial Statements
for the year ended 31 December` 2013

Table of Contents

*Collectively these comprise the Authorised Fund Manager's Report.

Directory

Board of Directors of the Manager
Richard Cull
Head of Legal (UK), GAM Sterling Management Limited

Andrew Hanges
Chief Executive Officer, GAM Sterling Management Limited

Tomas Hazleton
Head of Risk, GAM Sterling Management Limited
(Resigned 5 July 2013)

Clementa Monedero
Director, GAM Sterling Management Limited

Darren Nicholls
Head of Risk (UK), GAM Sterling Management Limited
(Appointed 12 November 2013)

Craig Wallis
Group Head of Distribution and Marketing, GAM Sterling Management Limited

Manager
GAM Sterling Management Limited
(authorised and regulated by the Financial Conduct Authority)
12 St. James's Place, London SW1A 1NX, United Kingdom

Investment Adviser
GAM International Management Limited
(authorised and regulated by the Financial Conduct Authority)
12 St. James's Place, London SW1A 1NX, United Kingdom

Trustee
J.P. Morgan Trustee and Depositary Company Limited
(authorised and regulated by the Financial Conduct Authority)
Chaseside, Bournemouth BH7 7DA, United Kingdom

Independent Auditors
PricewaterhouseCoopers
One Spencer Dock, North Wall Quay, Dublin 1, Ireland

Registrar
GAM Sterling Management Limited
(authorised and regulated by the Financial Conduct Authority)
12 St. James's Place, London SW1A 1NX, United Kingdom

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

The Trust

GAM MP UK Equity Unit Trust (the "Trust") is an authorised unit trust scheme for the purposes of the Financial Services and Markets Act 2000. The Trust is a "UCITS" Scheme for the purposes of the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

The investment objective of the Trust is to provide capital appreciation through investment primarily in the UK in any or all economic sectors through authorised unit trusts schemes and/or recognised schemes and/or authorised companies. The base currency is Pound sterling.

The Trust is managed by GAM Sterling Management Limited (the "Manager") which is authorised and regulated by the Financial Conduct Authority (the "FCA").

Prices are published daily in the Financial Times.

Report of the Investment Adviser

The Trust's NAV rose 25.1% during 2013 versus the FTSE All-Share Index rise of 20.8%.

The top three holdings contributing to performance were Ardevora UK Income, GAM UK Diversified and Investec UK Special Situation. The bottom three were GAM Star Absolute Global Portfolio, Old Mutual UK Alpha and Schroeder UK Alpha Plus.

2013 saw a wave of confidence drive the MSCI AC World Index up by 23%. Investors were buoyed by solid earnings and a steady stream of improving economic data from the US which more than offset the four-pronged threat of Cyprus, Syria, US government shutdown and tapering of quantitative easing. The engine of this recovery was the housing market, with the latest figures revealing that construction of new homes was up by nearly 30% compared to November 2012. Auto sales were also resurgent, having been held back by consumers laid low since 2008. Most importantly, the jobs picture brightened considerably, with unemployment falling to just 7% in November. Beyond the US, Britain was unexpectedly perky. Growth for 2013 was re-rated upwards by the IMF during the course of the year from a predicted 1.0% in January to 1.4% in October, helped in part by a meaningful improvement in the service sector. Japan too, offered real hope after years of false starts. Core inflation there has now risen to 1.2%, over halfway towards the 2.0% goal the authorities have committed to. With the falling yen making Japanese exports highly competitive again, the stockmarket duly responded with a near 55% gain from the Topix during the year. Europe has shown less obvious headline progress but the market has recognised adjustment is happening – Spain and Greece now have broadly balanced current accounts compared with the double-digit deficits of 2008.

The sustainability of all this progress will be uppermost in investors' minds going into 2014. Legitimate concerns are numerous. The ability of a divided US polity to disrupt the day to day running of the world's largest economy should not be underestimated. In the UK, the central bank is starting to worry about recidivism in the form of a new housing boom engineered at least in part by the government. Austerity is here to stay for some time yet. Japan meanwhile needs to show more commitment to the so-called 'third arrow' of supply-side reforms while consumers there are already displaying anxiety about a sales tax rise due in the spring. Europe's 'debtor' countries could yet see their export revivals threatened by a strengthening euro. But all of these threats are by now well-known and have not yet disrupted the momentum building in the respective economies described. Of more serious concern to investors everywhere – as demonstrated by the market response in May and June – is the tapering of US quantitative easing and by extension the prospect of monetary normalisation. Beyond the pithy counter-arguments that tapering reflects an improvement in economic conditions in the first place and is not in itself an upward move in absolute interest rates, the broader point is surely that normalisation is in fact desirable for the US and global economies. Ultra-low rates create distortions, whether in the form of housing spikes, the continued financing of slow-to-reform emerging economies or even the mania for synthetic markets such as Bitcoin. Perhaps more crucially, they allow governments to ignore the more fundamental imbalances in their economies which have slowed the pace of recovery since the crisis.

The overall picture is one of real recovery centred on selected bright spots around the investment landscape. This is not to say there will be no upsets along the way. 2014 will undoubtedly present further surprises as global imbalances are corrected and geopolitics takes its usual unpredictable course. More than ever, professional investment management will have a key role to play.

GAM International Management Limited
21 February 2014

Portfolio Statement

as at 31 December 2013

Holdings	Description	Market value £	% of Trust
3,425,771	Ardevora UK Income Fund C	4,769,358	17.16
3,664,298	Old Mutual UK Alpha Fund R	4,734,273	17.03
330,936	GAM UK Diversified	4,688,104	16.87
2,058,464	Artemis Income Fund	4,443,127	15.98
2,721,064	Investec UK Special Situations Fund	4,417,647	15.89
1,759,676	Unicorn Investment Funds UK Income Fund	4,367,339	15.71
	Total investments	27,419,848	98.64
	Net other assets	376,649	1.36
	Net assets	27,796,497	100.00

Portfolio Statement, continued

as at 31 December 2013

	31 December 2013 %	31 December 2012 %
Analysis, by investment		
Equity Funds	98.64	98.79
Net other assets	1.36	1.21
	100.00	100.00

	%	%
Analysis, by geographic area*		
United Kingdom	98.64	98.79
Net other assets	1.36	1.21
	100.00	100.00

*The analysis represents the geographical area exposure of the Trusts holdings.

Summary of Portfolio Changes

for the year ended 31 December 2013

Purchases for the year	Cost in £000s
Old Mutual UK Alpha Fund R	4,792
Unicorn Investment Funds UK Income Fund	4,257
Artemis Income Fund	1,965
Investec UK Special Situations Fund	1,818
Ardevora UK Income Fund C	1,742
GAM UK Diversified	1,467
JO Hambro UK Opportunities Fund	785
Blackrock UK Special Situations Fund	601
AXA Framlington UK Select Oppertunities Fund	327
Liontrust Special Situations Fund	266
Schroder UK Alpha Plus Fund	95
GAM Star Absolute Global Portfolio	50
Total for the period	18,167

Sales for the year	Proceeds £000s
Blackrock UK Special Situations Fund Cls D Acc	3,959
AXA Framlington UK Select Oppertunities Fund Cls ZI	3,087
JO Hambro UK Opportunities Fund Inst Acc	2,782
Schroder UK Alpha Plus Fund Z Inc	2,380
Liontrust Special Situations Fund I	2,173
Unicorn Investment Funds UK Income Fund Inst B GBP	607
Ardevora UK Income Fund C	565
GAM UK Diversified GBP Inst Inc	500
Investec UK Special Situations Fund I Acc	388
Artemis Income Fund I Inc	263
Old Mutual UK Alpha Fund R class Acc GBP	191
GAM Star Absolute Global Portfolio GBP Inst	50
Total for the period	16,945

Statement of Total Return

for the year ended 31 December 2013

	Notes	£	31 December 2013 £	£	31 December 2012 £
Income					
Net gains on investments during the year	2		5,194,031		4,315,505
Income	3	518,968		742,683	
Expenses	4	(273,269)		(407,157)	
Finance costs: Interest	6	(69)		(68)	
Net income before taxation		245,630		335,458	
Taxation	5	–		–	
Net income after taxation			245,630		335,458
Total return before distributions			5,439,661		4,650,963
Finance costs: Distribution	6		(245,630)		(335,458)
Change in net assets attributable to unitholders from investment activities			5,194,031		4,315,505

Statement of Change in Net Assets attributable to Unitholders

for the year ended 31 December 2013

	£	31 December 2013 £	£	31 December 2012 £
Net assets at start of the year		21,133,767		39,502,485
Movement due to creation/(cancellation) of units				
Amounts received on creation of units	4,086,474		2,897,720	
Less: Amounts paid on liquidation of units	(2,841,759)		(25,723,748)	
		1,244,716		(22,826,028)
Stamp duty reserve tax		(5,957)		(3,321)
Change in net assets attributable to unitholders from investment activities (see above)		5,194,031		4,315,505
Retained distribution on accumulation shares		229,941		145,126
Net assets at end of year		27,796,497		21,133,767

Balance Sheet

as at 31 December 2013

	Notes	£	31 December 2013 £	£	31 December 2012 £
Assets					
Portfolio of investments	1(b)		27,419,848		20,877,404
Debtors	7	79,240		44,726	
Cash and bank balances	8	352,928		260,883	
Total other assets			432,168		305,609
Total assets			27,852,016		21,183,013
Liabilities					
Creditors	9	34,312		33,525	
Distribution payable on income shares		21,207		15,721	
Total other liabilities			55,519		49,246
Total liabilities			55,519		49,246
Net assets attributable to unitholders			27,796,497		21,133,767

This report is signed in accordance with the requirements of the Collective Investment Scheme Sourcebook.

Richard Cull

Andrew Hanges

GAM Sterling Management Limited
27 February 2014

1. Accounting policies

(a) The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Management Association in October 2010, the Collective Investment Schemes Sourcebook and the Trust Deed.

(b) The fair value of the investments is based on the latest available unaudited net asset value provided by the relevant fund manager or administrator. At 31 December 2013, investments totalling £27,419,848 (31 December 2012: £20,877,404) representing 98.64% (31 December 2012: 98.79%) of the net asset value of the Trust were valued in this manner.

(c) All dividends on investments quoted ex dividend up to the accounting date are included in the Statement of Total Return. Dividends are stated gross of withholding tax, and net of attributable tax credits.

Bank and other interest receivable is accrued up to the accounting date.

(d) Amounts in overseas currencies are translated at the exchange rates ruling at the end of the accounting period. Foreign currency transactions completed during the period are translated at the rate ruling at the end of the transaction.

(e) Management expenses are charged against income and used in determining any distribution.

(f) All the income of the Trust, after deduction of expenses, will be allocated between holders of accumulation units and holders of income units in accordance with their respective interests.

(g) Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

(h) The rate of corporation tax for the year ended 31 December 2013 was 20% (31 December 2012: 20%).

(i) Equalisation on distributions received by the Trust is deducted from the cost of the investment.

2. Net gains on investments during the year

	31 December 2013 £	31 December 2012 £
Non-derivative securities	5,194,031	4,315,505
Net gains on investments	5,194,031	4,315,505

3. Income

	31 December 2013 £	31 December 2012 £
UK dividends	375,797	609,709
Overseas dividends	143,171	27,547
Sundry income	–	105,427
	518,968	742,683

4. Expenses

	31 December 2013 £	31 December 2012 £
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	240,602	374,011
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fee	8	1,730
Safe custody fee	4,436	5,610
Other expenses		
Audit fees	16,942	16,555
Registration fees	–	2,809
Other	11,281	6,442
Total expenses	273,269	407,157

5. Taxation

	31 December 2013 £	31 December 2012 £
a) Analysis of tax charge in period		
Irrecoverable income tax	–	–
Total	–	–
b) Factors affecting tax charge for the period		
Net income before taxation	245,630	335,458
Net income at the applicable rate of UK corporation tax of 20% (2012: 20%)	49,126	67,092
Effects of:		
Irrecoverable income tax	–	–
Non-taxable UK dividends	(77,627)	(121,942)
Non-taxable overseas dividends	(26,167)	(5,509)
Movement in excess tax losses	54,668	60,359
Recoverable tax credit	–	–
Tax charge for the period	–	–

c) Factors that may affect future tax charges
At 31 December 2013 the Trust had estimated unrecognised excess tax losses of £2,691,153 to be updated (2012: £2,417,946).

6. Finance Costs

	31 December 2013 £	31 December 2012 £
Final	251,148	160,847
	251,148	160,847
Add: Income deducted on cancellation of units	11,305	176,541
Less: Income received on issue of units	(16,823)	(1,930)
Net distribution for the year	245,630	335,458
Interest	69	68
Total finance costs	245,699	335,526

7. Debtors

	31 December 2013 £	31 December 2012 £
Accrued income	79,240	44,726
	79,240	44,726

8. Cash and bank balances

	31 December 2013 £	31 December 2012 £
Cash and bank balances	352,928	260,883
	352,928	260,883

9. Creditors

	31 December 2013 £	31 December 2012 £
Accrued expenses	34,312	33,525
	34,312	33,525

10. Related party transactions

The Manager and Trustee actively co-operate to exercise control over the Trust and are therefore related parties by virtue of their controlling influence.

Amounts paid during the year or due to the Manager or the Trustee at the year end are disclosed under Expenses and Creditors in the notes to the Financial Statements. Bank interest paid or payable to the Trust by the Trustee is disclosed in Income and Debtors in the notes to the Financial Statements.

Transactions relating to the creation and cancellation of units and purchases and sales of investments which pass through, but are not for the benefit of, either related party are disclosed in the Statement of Movement in Unitholder's Net Assets and the Summary of Portfolio Changes respectively. Amounts due to or from the Trust at the year end in relation to these transactions are disclosed under Debtors and Creditors in the notes to the Financial Statements. Cash and bank balances with the Trustee are disclosed in the Balance Sheet.

11. Derivatives and Other Financial Instruments
The risks arising from the Trust's financial instruments are set out below:

(a) Financial Risk Management
The Trust's objective is to provide capital appreciation, through investment primarily in the UK in any or all economic sectors through authorised unit trust schemes and/or recognised schemes and/or authorised companies, which expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Apart from cash and near cash and permitted transactions for the purpose of efficient portfolio management, the property of the Trust must consist of units in other collective investment schemes which fall into one or other of the following categories:

(1) securities schemes; or

(2) money-markets schemes; or

(3) UCITS schemes which invest predominantly in transferable securities (and which limit investment in other collective investment schemes to 10% of scheme property); restricting the use of derivatives to efficient portfolio management only; and (limits the use of warrants to 5% of scheme) property; or

(4) UCITS schemes which invest predominately in money markets, cash and near cash (and which limit investment in other collective investment schemes to 10% of scheme property); limits the use of warrants to 5% of scheme property); or

(5) other collective investment schemes which are recognised pursuant to Section 264 or 270 of the Financial Services and Markets Act 2000 (schemes constituted in other EEA states and schemes authorised in designated countries or territories) and which are equivalent to (1), (2), (3) or (4) above.

The investment management and the financial risk management of the Trust has been delegated by the Manager (which remains ultimately responsible) to the Investment Adviser.

(b) Market Price Risk
The Trust's investments are susceptible to market price risk arising from uncertainties about future prices.

The analysis of the Trust's investments by Investment and Geographic allocation are disclosed in the Portfolio Statement.

The Investment Adviser manages market price risk primarily through diversification of the portfolio and monitors the external funds each week for return, risk and drawdown forward expectations. The Investment Adviser also reviews the Value at Risk (VaR) analysis every fortnight.

The VaR is an estimate of the maximum loss the Trust may experience over any one week, with a probability of 95%. The VaR is calculated by an external service provider using the historical simulation method using three years of weekly historical price data for the underlying securities at the present allocation. The VaR of the portfolio is stress tested on a fortnightly basis by running the VaR using current holdings against historical events.

The VaR as at 31 December 2013 and 31 December 2012 was 1.81% and 2.37% respectively. Refer notes 11(g) and 11(c) for further information on interest rate and foreign currency exposure.

The average VaR for the period to 31 December 2013 and 31 December 2012 was 1.91% and 2.63% respectively.

(c) Currency Risk
The Trust may hold assets denominated in currencies other than Pound sterling, the functional currency. It therefore may 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 Adviser monitors the Trust's currency exposure and may utilise currency hedging techniques in order to remove or reduce currency risks within the Trust. The Trust had no currency risk as at 31 December 2013 or 31 December 2012.

(d) Liquidity Risk
The Trust is exposed to daily redemptions of redeemable shares. It is therefore exposed to liquidity risk which is the risk that it will encounter difficulty in meeting its obligations associated with its financial liabilities as it may invest in schemes with different liquidity terms to the Trust.

The Investment Adviser manages liquidity risk by adhering to the above investment restrictions and by reviewing the liquidity terms of the funds prior to investment and reviewing the liquidity profile of the Trust on a monthly basis.

The table below analyses the Trust's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 December 2013	Less than 1 month £	1-3 months £
Accrued expenses	34,312	–
Distribution payable	–	21,207
Net Assets attributable to Unitholders	27,796,497	—
	27,830,809	21,207

At 31 December 2012	Less than 1 month £	1-3 months £
Accrued expenses	33,525	–
Distribution payable	–	15,721
Net Assets attributable to Unitholders	21,133,767	–
	21,167,292	15,721

To minimise the impact of liquidity issues, where a unitholder requests redemption of a number of units representing in value not less than 5% of the value of the Trust as a whole, the Manager may elect that the unitholder shall not be paid the price of his units but instead there shall be a transfer to that holder of his proportionate share of the property of the Trust.

(e) Redemption Risk
The main liability of the Trust is the cancellation of any units that investors wish to liquidate. Large cancellations of units in the Trust might result in the Trust being forced to sell assets at a time, under circumstances and at a price where it would, instead, normally prefer not to dispose of those assets.

(f) Credit Risk
The Trust may be exposed to credit risk, which is the risk that a counterparty to a financial transaction with the Trust will be unable to pay amounts in full when due.

Credit risk is minimised by adhering to the above investment restrictions as outlined in note 11(a).

JP Morgan Trustee and Depositary Company Limited have a right of pledge over the assets held by them as security for the performance and discharge of the Trust's debt obligations that may become due to JP Morgan Trustee and Depositary Company Limited.

(g) Interest Rate Risk
The majority of the Trust's financial assets and liabilities are non-interest bearing. As a result, the Trust is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Cash at bank is held with the Trustee and is subject to interest rate risk as the return is derived from the current inter-bank lending rates however the interest rate risk is not actively managed as it is not considered significant.

(h) Gains and losses on financial assets
The net capital gains from trading in financial assets and financial liabilities shown in the Statement of Total Return are analysed in note 2.

(i) Fair value of financial assets and financial liabilities
There are no material differences between the value of financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

12. Subsequent events
There have been no significant events affecting the Trust since the year end.

Distribution Table

	Net income 2013 pence per unit	Equalisation 2013 pence per unit	Distribution payable 2013 pence per unit	Distribution payable 2012 pence per unit
Income units				
Group 1	1.8450	–	1.8455	1.2427
Group 2	0.6738	1.1712	1.8455	1.2427
Accumulation units				
Group 1	1.9450	–	1.9447	1.3108
Group 2	1.1382	0.8068	1.9447	1.3108

Equalisation

Equalisation applies only to Group 2 shares (shares issued during the period). It is the average amount of income included in the purchase price of Group 2 shares and is treated as being refunded to the holders of these shares as a return of capital. Being capital, it is not liable to Income Tax but should be deducted from the cost of shares for tax on capital gains purposes.

Net Asset Value and Comparative Tables

The Trust was launched on 25 March 1997

a) Performance

	Highest issue price p	Lowest issue price p	Net income per unit p	Net income per £1,000 invested £
Year ended December 2013				
Income	204.42	165.84	1.85	18.45
Accumulation	215.40	174.74	1.95	19.45
2012				
Income	165.83	144.91	1.24	12.43
Accumulation	173.41	151.54	1.31	13.11
2011				
Income	161.83	135.94	1.92	19.24
Accumulation	167.00	140.29	1.98	19.82
2010				
Income	156.99	128.03	0.99	9.94
Accumulation	160.97	131.28	1.02	10.19
2009				
Income	138.92	88.71	1.19	11.89
Accumulation	141.23	90.18	1.21	12.09

b) Net asset value

	December 2013	December 2012	December 2011	December 2010	December 2009
Value of the Fund	£27,796,497	£21,133,767	£39,502,485	£43,418,498	£32,881,097
Total equivalent units deemed in issue					
Income	1,149,131	1,265,071	1,519,914	1,677,240	1,766,382
Accumulation	11,823,830	11,071,605	24,690,286	25,456,711	21,809,548
Net asset value per equivalent unit deemed in issue					
Income	202.57p	163.43p	144.49p	155.36p	137.36p
Accumulation	215.40p	172.20p	151.09p	160.32p	139.64p

c) Portfolio Turnover Rate
The Portfolio Turnover Rate for the period ended 31 Decembet 2013 is 113.64% (31 December 2012: 223.09%).

d) Total expense ratio ("TER")
The total expense ratio of the Trust for the period ended 31 December 2013 is 1.10% (31 December 2012: 1.09%) (excluding the TER of each underlying fund), and 2.00% (including TER of each underlying fund) (31 December 2012: 2.08%). The total expense ratio (excluding the TER of each underlying fund) is calculated using the expenses in note 4 and is expressed as a percentage of average net assets for the period.

Statement of Manager's Responsibilities

The Financial Services Authority's Collective Investment Schemes sourcebook (COLL) requires the Manager to prepare financial statements for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Trust and of its net income/expenditure and the net gains/losses on the property of the trust for the year. In preparing the financial statements the Manager is required to:

– select suitable accounting policies and apply them consistently;

– comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010;

– follow generally accepted accounting principles and applicable accounting standards;

– prepare the financial statements on the basis that the Trust will continue in operation unless it is inappropriate to do so;

– keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with laws or regulations.

Statement of the Trustee's Responsibilities

The Trustee is responsible for the safekeeping of all of the property of the scheme (other than tangible moveable property), which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the scheme is managed by the authorised fund manager in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("the COLL sourcebook"), Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Trust; the application of revenue in the scheme; and the investment and borrowing powers of the scheme.

Report of the Trustee

To the Unitholders of GAM MP UK Equity Unit Trust

Having carried out such procedures as we consider necessary to discharge our responsibilities as trustee of the scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the authorised fund manager:

(i) has carried out the issue, sale redemption and cancellation, and calculation of the price of the scheme's units and application of the scheme's revenue in accordance with the COLL sourcebook, and, where applicable, the scheme's Trust Deed and Prospectus; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme.

J.P. Morgan Trustee and
Depositary Company Limited

27 February 2014

Independent Auditors' Report to the Unitholders of GAM MP UK Equity Unit Trust

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the financial position of the Trust as at 31 December 2013 and of the net revenue and the net capital gains of the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

This opinion is to be read in the context of what we say the remainder of this report.

What we have audited

The financial statements, which are prepared by GAM MP UK Equity Unit Trust (the "Trust"), comprise:

- the balance sheet of the Trust as at 31 December 2013;
- the statement of total return of the Trust for the year then ended;
- the statement of change in net assets attributable to unitholders of the Trust for the year then ended;
- the notes to the Trust's financial statements and other explanatory information; and
- the distribution table

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Manager; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Audit Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Manager

As explained more fully in the Statement of Manager's Responsibilities set out on page 16, the Authorised Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose.

We do not, in giving these opinions, 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
Chartered Accountants
and Statutory Auditors
Dublin 27 February 2014

(a) The maintenance and integrity of the GAM website is the responsibility of the Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

General Information

The Trust
GAM MP UK Equity Unit Trust is an authorised unit trust scheme under the FCA Collective Investment Schemes Sourcebook.

The Trust Manager
The Manager of the Trust is GAM Sterling Management Limited which is Authorised and Regulated by the FCA.

Minimum holding
The minimum holding is £4,800.

Dealing days
Units may normally be purchased or sold on any business day. Price of units and the estimated gross yield are calculated daily. A forward pricing basis is used.

Issue of units
All applications should be made to the Manager. Units will be purchased on the next Dealing Day and a contract note will be sent to the purchaser. Prospective unitholders should note the price of units can fluctuate and the income from them can go down as well as up and is not guaranteed. On cancellation of units investors may receive less than the original amount invested. Past performance is not necessarily a guide to future performance.

Redemption of units
Holders may offer all their units for sale to the Manager, or a lesser number provided the unitholder maintains the minimum number of units permitted, by telephoning the Manager and providing written confirmation.

Income distributions
Income distributions are made on or before 28 February together with certificates for Unitholders' tax credits.

Stamp duty charges
Section 122 and schedule 19 of the Finance Act 1999 introduced a system of Stamp Duty Reserve Tax (SDRT) for deals in units in Unit Trusts.

The liability for payment of this duty lies with the Trustee (but for which the Manager is accountable). The regulations that cover collective investment schemes allow the Manager to levy a SDRT provision against the individual purchase and sale of units. Accordingly, this would, if imposed, increase the cost of buying units and lessen the proceeds of sales by the investor. The amount of the provision may not exceed the rate of SDRT on such transactions (currently 0.5%).

Although the Manager does not intend to make any special arrangements for SDRT on large transactions, it does however reserve the right to charge this duty in particular cases to individual investors where the remaining investors in circumstances would be disadvantaged if a charge were not made.

The regulations that govern collective investment schemes also permit this duty to be paid from the property of the Trust. Accordingly this duty will be charged as an expense to the capital account of the Trust.

Management charges
The Manager charges a preliminary charge of 5% on the purchase of units. Out of this charge the Manager pays commission to recognised agents. An annual charge of 1% per annum of the value of the Trust is deducted from the income of the Trust.

Taxation
The net income of the Trust is distributed to unitholders annually together with certificates for unitholders tax credits. Where individual unitholders have invested in accumulation units, amounts accumulated are treated for tax purposes as distributions of income with related tax credits. Individual investors holding either income or accumulation units may be liable to a higher rate of tax on distributions (whether paid to investors or accumulated on their behalf).

Gains within each Trust are exempt from capital gains tax. Individual unitholders may be liable to tax on all or part of the realised capital gain when units are sold if their total realised capital gains (after indexation allowance and/or tapering relief) from all sources exceeds the exempt amount for the year. For the tax year 2013/2014 the exempt amount for UK individuals is £10,900 (2012/2013: £10,600). Corporate unitholders are subject to different tax treatment.

Further details concerning the Trust are contained in the Prospectus, copies of which are available on application from the Manager.

Contact Details

Bermuda
GAM Limited
Wessex House, 45 Reid Street
Hamilton HM12, Bermuda
T +1 441 295 5825
F +1 441 292 9824

Hong Kong
GAM Hong Kong Limited
16th Floor, Two Exchange Square
Central, Hong Kong
T +852 2525 0015
F +852 2868 1432

Ireland
GAM Fund Management Limited
George's Court
54–62 Townsend Street
Dublin 2, Ireland
T +353 (0) 1 6093927
F +353 (0) 1 6117941

Japan
GAM Japan Limited
16F Tokyo Ginko Kyokai Building
3-1 Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-0005, Japan
T +81 (0) 3 52198800
F +81 (0) 3 52198808

Switzerland
GAM (Schweiz) AG
Hardstrasse 201
8037 Zurich, Switzerland
T +41 (0) 58 426 30 30
F +41 (0) 58 426 30 31

United Kingdom
GAM London Limited
12 St James's Place
London SW1A 1NX, England
T +44 (0) 20 7493 9990
F +44 (0) 20 7493 0715

United States
New York
GAM USA Inc.
One Rockefeller Plaza, 21st Floor
New York NY 10020, USA
T +1 212 407 4600
F +1 212 407 4684