

# **GAM BUSINESS** **CONTINUITY** **COVID-19**

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Information for clients

April 2020

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## Corporate summary

**The health and wellbeing of clients, colleagues, friends and family is, and continues to be, GAM's main priority during the current pandemic.**

Most members of the global GAM team have been working from home since March 16<sup>th</sup> and thus far, we have managed our operations seamlessly and provided full support for clients.

GAM is focused on helping clients actively navigate this uncertain world and communicating in a full, timely and transparent manner. We have created an information page [www.gam.com/covid-19](http://www.gam.com/covid-19) which gives you access to information and a range of digital tools, including virtual meetings, events and webcasts, to ensure that you get the best possible information at the right time.

## General working practices

### Remote working

GAM has remote access capability to allow any employee, in any location, to connect to GAM remotely for work. GAM provides the following remote access solutions:

- IPSEC VPN access from GAM managed assets
- Citrix Remote Access via a web browser.
- Native RDP Client

All systems require multi-factor authentication and role-based access control is used to provide access to these solutions.

GAM has recommended that all our employees work from home as from the week of 16th March. All systems have been tested and are working well. We are confident that we can continue to serve clients on an ongoing basis under this arrangement.

### Travel

GAM has advised that staff should not travel for business unless this is critical and any travel now needs to be also approved by either the COO or the CRO.

All GAM staff should follow the rules advice of their local government in relation to personal travel.

### Client service

All client meetings will be held remotely via video or audio conference. To communicate with clients and other stakeholders, GAM has a range of solutions in place including Cisco Webex, Cisco Jabber and Skype for Business.

In the event of a critical inability of GAM to meet its obligations, we will inform clients in accordance with our agreements.

### Service providers

We have communicated with our service providers to ensure that they are able to provide the necessary services to ensure that they are able to continue to support us appropriately throughout the evolving situation.

## Trading and investment management

### Trading

Our trading functions have remote access capability in line with the rest of the business. They are supported on a 24/7 basis by our IT teams. Currently all traders are working remotely. GAM has supplied the teams with additional hardware (large monitors and PCs where needed) and office conditions have been replicated as closely as possible. All procedures and workflows are being followed in the usual way; for example, orders are received through the OMS and the majority of orders are traded electronically or on audited platforms. All trader mobile devices are recorded. Currently, connectivity is working well.

In addition, we remain in communication with all major counterparties, prime brokers and custodians regarding their own BCP arrangements.

### Portfolio management

Investment teams are, in line with the rest of GAM, all working 100% remotely. Teams have full access to all necessary systems including portfolio management systems and Bloomberg. GAM is providing additional hardware if needed to ensure no capability is lost.

They are able to make use of the communication tools GAM has provided, including Cisco Webex, Cisco Jabber and Skype for Business among others. The portfolio managers are in daily contact with their teams as well as support functions and other stakeholders.

Apart from some external latency issues with video calling infrastructure, there have been no other issues.

### Market impact

It is clear that the market reaction to the COVID-19 pandemic will be widespread, but this is already causing large dislocations from fair value which we expect active managers such as ourselves to be able to benefit.

### Liquidity and gating

#### Liquidity

Every manager has a different approach to managing portfolio liquidity; however in aggregate all of our managers are running higher cash balances, and in some cases utilising derivative exposures in order to hedge the portfolio against market risk.

At the time of writing all of GAM's products continue to deal as normal. In order to protect shareholders we do have the ability to invoke a swing pricing mechanism, which prices a fund at bid pricing for all securities reflecting the price of market liquidity.

#### Gating

Gating a fund is not a decision that is taken lightly and is a function of balancing market liquidity and redemption pressures. There is no set level of redemptions that would trigger a gate. We continue to monitor the situation.

**Outflows**

With regard to outflows, we do not generally comment beyond our usual communications and the next update will be the Q1 2020 results in April. However, in line with expectation and the industry in general, we have seen some impact.

**Operations**

Currently we have experienced no problems with fund valuation or NAV calculation and there have been no suspensions.

## Risk, legal and compliance

### General

GAM has created a Covid-19 task force to monitor and act upon the changing landscape and advice globally. Our Chief Risk Office and COO are heading this task force. It includes all functions and also representatives from key jurisdictions to ensure we generate feedback from all parts of the business.

There are twice-daily calls in which the situation is re-assessed, recommendations from global governments and health organisations are monitored and solutions are decided upon.

In addition the senior leadership team is meeting each day to remain informed of the changing landscape.

### Key risks

The potential key risk for GAM is that business critical functions would not be operational anymore, either due to a lack of resources, missing access to our infrastructure including systems or data issues. GAM started in February to ensure fully functional remote access for all key staff and to test their connectivity for working from home; the scope was then extended to include also the rest of our staff. More than 90% of our staff are currently working from home and are supported on a 24/7 basis by our IT function. In addition, we pay special attention to communication and have daily global operational calls with participants from various offices, locations and functions under the lead of the Group COO and Group CRO.

### Cyber security

All employees have been informed and made aware of the increased risk of cyber-attacks in a working from home environment and have been asked for increased vigilance, specifically against phishing emails and fraudulent websites. The topic of cyber security is already part of our regular employee training programme. Further, we are in the process of rolling out a new web-based platform (CybSafe) focusing specifically on cyber security awareness training. In addition, our systems and network are also continued to being monitored for any abnormal behavior.

### Capital requirements

Compliance with regulatory capital requirements is continuously monitored and is an integral part of the regular reporting to the management and boards of directors of our companies. GAM maintains a sufficient surplus of regulatory capital to support the business that is commensurate with the potential risks we are facing.

Please note that GAM Holding AG has no long term debt on its balance sheet, and has never issued any debt.

### Regulators

GAM, as always, is in continual communication with regulators in the various jurisdictions that it operates. We have kept regulators informed as to our working environment and business practices and are acting upon any advice or action from them.

## Important legal information

Source: GAM unless otherwise stated.

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