

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

---

Information for clients

March 2020

<b>Corporate summary</b>	<b>1</b>
<b>General working practices</b>	<b>2</b>
Remote working	2
Travel	2
Client service	2
Service providers	2
<b>Trading and investment management</b>	<b>3</b>
Trading	3
Portfolio management	3
Liquidity and gating	3
Operations	4
<b>Risk, legal and compliance</b>	<b>5</b>
General	5
Key risks	5
Cyber security	5
Capital requirements	5
Regulators	5
<b>Important legal information</b>	<b>6</b>

## Corporate summary

**GAM is carefully monitoring the Covid-19 situation and reviewing the advice from various governments to ensure that we are abreast of all developments and responding accordingly to safeguard the health of our employees and maintain business continuity for our clients.**

We have decided that the best way to do this is to recommend that all our employees work from home as from the week of 16th March. We have tested our IT systems and are confident that we can maintain our operations on this basis. Our service providers are able to provide the necessary services to support this. Our offices will remain open for those who prefer to work from an office location but we expect that the vast majority of our employees will work from home.

For the time being there will be no business travel and all meetings external and internal will be conducted by video or audio conference.

**We have created an information page [www.gam.com/covid-19](http://www.gam.com/covid-19).**

**On this page you will find the latest news and information from GAM Investments.**

## 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.

This material is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be solely relied on in making an investment or other decision. It is not an invitation to subscribe and is by way of information only. This document may not be used as sales literature with members of the public. **It is aimed at sophisticated, professional, eligible, institutional and/or qualified investors who have the knowledge and financial sophistication to understand and bear the risks associated with the investments described.**

GAM has not independently verified the information from other sources and no assurance can be given as to whether such information is accurate, true or complete and GAM makes no warranty, expressed or implied, regarding such information. While every effort has been made to ensure the accuracy of the financial information herein, you should note that some of the information may be based on unaudited or otherwise unverified information.

Opinions, estimates and other information in this document may be changed or withdrawn without notice. GAM is not under any obligation to update or keep current this information. To the maximum extent permitted by law, GAM makes no representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of this information, nor do any of them accept any liability whatsoever for any loss or damage of any kind arising out of the use of all or part of the information. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall in no way constitute a waiver or limitation of any rights a person may have under such laws and/or regulations.

In the United Kingdom, this material has been issued and approved by GAM London Ltd, 8 Finsbury Circus, London EC2M 7GB, authorised and regulated by the Financial Conduct Authority.