

2 August 2018

Dear Client,

As you will be aware, GAM announced on July 31 2018 the suspension of Tim Haywood, investment director business unit head for the unconstrained/absolute return bond strategy ("ARBF"), following an internal investigation.

As we stated in the announcement, the decision followed a very thorough investigation involving external advisors, which concluded that there were issues surrounding the record keeping and risk management relating to certain investment decisions in this manager's area of responsibility.

Based upon enquiries received to date, we feel that it is important to provide further clarification. First, Mr Haywood's conduct issues relate primarily to investment decisions in the ARBF funds and no other employees are being investigated by GAM in relation to these matters.

Secondly, the investigation did not conclude that there has been any departure from a legitimate investment strategy, or, most importantly, that there has been any material client detriment to date. We will be vigilant in considering client detriment on an ongoing basis.

Nevertheless, we felt that it was necessary to take action, which is what we have done. We feel it is important to seek to uphold high standards in all areas of what we do.

As the forensic part of the investigation has been largely completed, we now need to focus on internal disciplinary processes to establish if any further actions are necessary. Given where we are, particularly in respect of the individual involved, you will understand that we need to be very careful in what we say.

However, we would like to reaffirm in the clearest possible terms that we are committed to operating robust risk management across the firm and we believe this action is testament to our commitment to maintain the highest standards in what we do for investors.

We realise that this development has been very unsettling for many of our clients. We hope that you will reflect carefully and take us at our word. We will continue to do whatever is necessary to ensure our clients can continue to invest with us with confidence. In the meantime, if you have any further questions, we are at your disposal.

Sincerely,



Alexander S. Friedman
Group CEO



Tim Rainsford
Group Head of Sales and Distribution