

2 August 2018

PRESS RELEASE

GAM fund boards suspend dealing in unconstrained/absolute return bond funds

GAM Investments announced today that all subscriptions and redemptions in its unconstrained/absolute return bond funds (ARBF) have been suspended as of 31 July 2018 by the relevant fund boards of directors following high level of redemptions. The fund boards are considering all future steps, including fund liquidations, to maximise value and liquidity for clients. The impacted funds represented CHF 7.3 billion in assets under management as at 31 July 2018.

Following the suspension of Tim Haywood, the ARBF funds have experienced a high level of redemption requests. Although the funds have the necessary liquidity to serve these requests, such actions would lead to a disproportional shift in their portfolio composition, which could compromise the interests of remaining investors.

GAM is committed to ensuring equal treatment of all investors and protection of their interests. The company is actively engaging with clients and is focused on resolving the situation as quickly as possible for investors. The company will cease charging any management fees to these funds while they remain suspended or if they go into liquidation.

No other part of GAM's CHF 163.8 billion¹ business is affected. The company's other investment teams and its third-party managers are continuing to manage client funds as normal. The Group's investment processes and risk management across the firm remain robust.

Group CEO Alexander S. Friedman said: "We are fully committed to safeguarding the interests of our clients. We are working with the relevant fund boards to ensure that we maximise value and liquidity for ARBF investors, and are looking at establishing alternative structures for clients who want to remain invested with the ARBF team. I am confident that this strong and broad team can continue to deliver the differentiated active management solutions that our clients need."

Chairman Hugh Scott-Barrett said: "The Board of Directors acknowledges that recent events have been a setback for the company. However, we have absolute confidence in the strength of GAM as a diversified asset manager and the ability of its investment teams to deliver returns for clients. We have a clear strategy and management will continue to execute against it. The Board of Directors and the management team are committed to considering all avenues to optimise shareholder value as we continue to build on the many achievements to date."

¹ Group has assets under management as of 30 June 2018.

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About GAM

GAM is one of the world's leading independent, pure-play asset managers. The company provides active investment solutions and products for institutions, financial intermediaries and private investors. The core investment business is complemented by private labelling services, which include management company and other support services to third-party asset managers. GAM employs over 900 people in 13 countries with investment centres in London, Cambridge, Zurich, Hong Kong, New York, Milan and Lugano. The investment managers are supported by an extensive global distribution network.

Headquartered in Zurich, GAM is listed on the SIX Swiss Exchange and is a component of the Swiss Market Index Mid (SMIM) with the symbol 'GAM'. The Group has assets under management of CHF 163.8 billion (USD 165.0 billion) as at 30 June 2018.

Disclaimer regarding forward-looking statements

This press release by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

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