

17 October 2019

PRESS RELEASE

GAM Holding AG: Interim management statement for the three-month period to 30 September 2019

- **Group assets under management (AuM), including investment management and private labelling, totalled CHF 135.7 billion¹ as at 30 September 2019, down from CHF 136.1 billion² as at 30 June 2019**
- **Investment Management**
 - AuM of CHF 51.1 billion¹ as at 30 September 2019 were 2% lower compared to 30 June 2019, driven by net outflows of CHF 1.4 billion, partly offset by positive market and foreign exchange movements of CHF 0.4 billion
 - Net outflows recorded in August driven by client risk off sentiment with positive net inflows in July, while September remained flat
 - Investment performance remains strong with 69% and 73% of AuM in funds outperforming their respective benchmarks over the three- and five-year periods
- **Private Labelling**
 - AuM of CHF 84.6 billion¹ as at 30 September 2019 were 1% higher compared to 30 June 2019, driven by net inflows of CHF 0.3 billion and positive net market and foreign exchange movements of CHF 0.3 billion
- **Restructuring programme on track**
 - On track to achieve at least CHF 40 million of cost savings by the end of 2019, with the full benefit materialising in 2020
 - Further simplification of the business will lead to additional efficiency gains in 2020/2021

Peter Sanderson, Group CEO, said: “GAM's business proposition remains strong and the continued outperformance of the majority of our funds positions us well with clients looking to meet their financial objectives by investing in our differentiated active strategies. I see great potential across the business and I am currently focused on setting out a clear path to greater efficiencies and profitable growth.”

¹ Including the combined AuM of CHF 2.3 billion of precious metals (CHF 1.9 billion) and money market (CHF 0.4 billion) funds as at 30 September 2019, which GAM agreed to sell to ZKB as announced at the H1 2019 results. The decline in IM AuM will be partly offset by an increase of PLF AuM due to GAM continuing to act as the fund management company for the precious metals funds through its PLF business.

² Excluding CHF 1.0 billion ARBF-related AuM in liquidation as at 30 June 2019.

Investment management

Investment management AuM of CHF 51.1 billion¹ was down from CHF 52.1 billion² as at 30 June 2019. This was driven by net outflows of CHF 1.4 billion, only partially offset by positive market and foreign exchange movements of CHF 0.4 billion. Over the three- and five-year periods to 30 September 2019, 69% and 73% of investment management assets in funds outperformed their respective benchmarks compared to 77% and 75% as at 30 June 2019. This decrease was primarily driven by the weaker performance of certain equity strategies. According to Morningstar data, 54% and 84% of GAM's applicable investment management assets in funds outperformed their respective peer groups over a three- and five-year period to 30 September 2019. This compares to 84% and 87% as at 30 June 2019.

Assets under management movements (CHF bn)

Capability	Opening AuM 30 Jun 2019	Net flows	Market/FX movements	Closing AuM 30 Sep 2019
Fixed income	27.1	(1.1)	0.1	26.1
Multi asset	7.8	(0.3)	0.2	7.7
Equity	7.1	(0.2)	-	6.9
Systematic	4.5	0.3	0.1	4.9
Alternatives	4.2	0.1	-	4.3
Absolute return	1.4	(0.2)	-	1.2
Total	52.1²	(1.4)	0.4	51.1¹

Net flows by capability

In specialist fixed income, we recorded net outflows of CHF 1.1 billion. The outflows were primarily driven by the GAM Local Emerging Bond and GAM Star Credit Opportunities funds. We also saw client redemptions from institutional mandates.

In multi asset, net outflows totalled CHF 0.3 billion, driven by redemptions from institutional and private clients.

In equity, we saw net outflows of CHF 0.2 billion, mainly driven by some client redemptions from the GAM Star Continental European Equity and the GAM Star China Equity funds as well as from some institutional mandates, while GAM's Japan Equity strategies recorded net inflows.

Net inflows in systematic totalled CHF 0.3 billion, mainly driven by inflows into the GAM Systematic Alternative Risk Premia strategies being partly offset by outflows from the CCP Quantitative and CCP Core Macro funds.

Alternatives saw net inflows of CHF 0.1 billion, mainly driven by inflows into the GAM Select and GAM Physical Gold funds which were partly offset by outflows from the GAM Commodity fund.

Absolute return saw net outflows of CHF 0.2 billion, primarily driven by redemptions from the GAM Star (Lux) European Alpha and the GAM Star Global Rates funds.

Private labelling

Private labelling AuM increased to CHF 84.6 billion¹, up from CHF 84.0 billion as at 30 June 2019. This was driven by net inflows of CHF 0.3 billion primarily from existing clients as well as positive net market and foreign exchange movements of CHF 0.3 billion.

Assets under management movements (CHF bn)

Fund domicile	Opening AuM 30 Jun 2019	Net flows	Market/FX movements	Closing AuM 30 Sep 2019
Switzerland	36.4	(0.3)	0.5	36.6
Rest of Europe	47.6	0.6	(0.2)	48.0
Total	84.0	0.3	0.3	84.6¹

Outlook

With expected weaker global economic growth, trade and political uncertainty, we expect continued market volatility which might lead to clients changing their asset allocations. However, with our distinctive products, offering non-traditional sources of return, we believe we are well positioned to satisfy client needs in a challenging market environment. We continue to focus on simplifying our business and delivering our restructuring programme, with increased focus on a path for further efficiency gains in 2020 and beyond. We reiterate our 2019 guidance of underlying pre-tax profit to be materially lower than in 2018, driven by the significantly lower AuM and related revenue base.

Upcoming events:

20 February 2020
23 April 2020

Full-year results 2019
Interim management statement Q1 2020

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About GAM

GAM is a leading independent, pure-play asset manager. 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 around 850 people in 14 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. The Group has AuM of CHF 135.7 billion¹ (USD 136.1 billion) as at 30 September 2019.

Headquartered in Zurich, GAM is listed on the SIX Swiss Exchange with the symbol 'GAM'.

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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