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PRESS RELEASE

GAM Systematic launches new dynamic credit strategy

- Fully systematic offering, which seeks to outperform global credit markets on an absolute and risk-adjusted basis over the cycle, but with downside risk mitigation
- Strategic allocation to credit with tactical ability to reduce exposure in challenging markets
- Low long-term correlation to traditional credit
- UCITS framework offers investors daily liquidity

GAM Investments today announced the launch of a new dynamic credit strategy on its GAM Systematic platform, which has USD 4.3 billion of assets under management in quantitative strategies, as at 30 November 2018.

The innovative credit strategy is a fully systematic offering, which seeks to outperform global credit markets on an absolute and risk-adjusted basis over the cycle, but with downside risk mitigation. The strategy takes long positions in credit markets and will respond to less benign markets by reducing exposure to, or even shorting, credit and taking long positions in safe haven fixed income. The strategy is highly liquid, trading credit indices, US and European government bond futures and the most liquid names within a universe of approximately 400 single name credits.

The strategy dynamically combines three diversified approaches: tactical credit, directional credit and market neutral credit, which act analogously to a credit trader, a credit strategist and a credit analyst, respectively. The strategy aims to outperform global credit markets over the cycle.

Managed by the GAM Systematic investment team, the dynamic credit strategy complements the existing suite of systematic strategies, which spans equities, fixed income, multi-asset and alternatives.

Robust risk management underpins GAM Systematic's investment process and all strategies are rigorously and scientifically tested before they are introduced to investors.

Anthony Lawler, co-head of GAM Systematic, said: "Investors are increasingly looking for diversifying investments for their portfolios. The dynamic credit strategy meets this need. It offers credit returns, but is also equipped with crisis indicators which seek to reduce portfolio credit risk in challenging markets and thereby diversify returns away from traditional credit allocations."

“This credit strategy further strengthens GAM Systematic’s breadth of quantitatively managed investment offerings across asset classes. We are seeing a growing number of investors allocating to systematic strategies, with our two largest offerings – alternative risk premia and our core macro programme – having experienced positive net inflows recently.”

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Notes to editors

The new dynamic credit strategy seeks to optimise returns from three diversified streams, including tactical credit, which captures changes in market risk sentiment, directional credit, which captures environmental shifts in credit markets and market neutral credit which captures changes in relative spreads between issuers.

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 over 900 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.

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’. Excluding ARBF-related strategies in liquidation, the Group has assets under management of CHF 139.1 billion (USD 139.2 billion) as at 30 November 2018.

Important legal information

The information in this document is given for information purposes only and does not qualify as investment advice. Opinions and assessments contained in this document may change and reflect the point of view of GAM in the current economic environment. No liability shall be accepted for the

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Important Information on Systematic Investing

Systematic investment strategies are speculative and are not suitable for all investors, nor do they represent a complete investment programme. Many of the investment programmes are speculative and entail substantial risks. Systematic investment strategies include the risks inherent in an investment in securities, the use of leverage, short sales, options, futures, derivative instruments, investments in non-US securities and “junk” bonds. There can be no assurances that an investment strategy (hedging or otherwise) will be successful or that a manager will employ such strategies with respect to all or any portion of a portfolio. Investors could lose some or all of their investments.