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PRESS RELEASE

GAM announces acquisition of Cantab Capital Partners and launches GAM Systematic investment platform

- Agreement to acquire Cantab Capital Partners (Cantab), an industry-leading, UK-based multi-strategy systematic manager with assets under management of USD 4.0 billion (as at 31 May 2016)
- Acquisition accelerates GAM's strategy to diversify its active management capabilities
- Enables the launch of GAM Systematic, a platform focused on quantitative investing across long-only and alternative strategies that will be distributed through GAM's existing global distribution channels
- Acquisition of Cantab expected to be significantly accretive to GAM's underlying earnings per share in the first full year of ownership; closing expected in H2 2016
- Purchase price consists of an upfront cash payment of USD 217 million, funded from GAM's existing cash resources, and deferred consideration based on future management fee revenues
- Transaction structure aligns the interests of GAM, Cantab employees and clients through:
 - deferred consideration payments
 - Cantab partners retaining a 40% interest in future performance fees
 - long-term employment agreements with revenue-based compensation, consistent with GAM's customary compensation models
 - Cantab partners re-investing the majority of net sales proceeds into Cantab's funds for a multi-year period

Today GAM announced the acquisition of **Cantab Capital Partners (Cantab)**, an industry-leading, multi-strategy systematic manager based in Cambridge, UK. Cantab manages USD 4.0 billion in assets for institutional clients worldwide.

At the same time, GAM launches **GAM Systematic**, a new investment platform dedicated to systematic products and solutions across liquid alternatives and long-only traditional asset classes including equities, debt and multi asset. Cantab will form the cornerstone of GAM Systematic.

By moving into the growing segment of scalable systematic investing, GAM takes an important step to deliver on its long-term objective to expand and diversify its active asset management business. Leading systematic strategies are attracting substantial allocations from investors globally due to their compelling returns and their rigorous, disciplined investment processes.

GAM Systematic will complement GAM's successful active discretionary investment offering. It will also serve as the Group's innovation hub for the development of new technologies, investment ideas and approaches for systematic strategies and products.

GAM is the industry's third-biggest provider of liquid alternative UCITS funds, both in terms of assets and number of products¹, and will promote the new systematic products through its distribution team of more than 80 relationship managers serving institutional and intermediary clients globally.

Alexander S. Friedman, Group Chief Executive Officer of GAM, said: "We have been evaluating how best to enter the systematic space for the past 18 months because we believe it represents an important capability for an active investment firm in the current environment and in the decades to come. GAM Systematic will offer our clients a compelling range of unique products complementary to our strong discretionary product range at a time when the investment industry is challenged to provide cost-efficient, liquid and diversified sources of returns."

"The market turmoil following the UK referendum last week has only reinforced our determination to pursue, and deliver on, our strategy of diversification and long-term growth. In Cantab we are acquiring industry-leading intellectual capital, a highly distinguished decade-long investment performance track record, and a profitable and scalable business. In combination with GAM's global distribution reach, I am convinced that this business is well positioned for significant growth."

Background on Cantab Capital Partners

Founded in 2006, Cantab manages two flagship programmes that have delivered strong performance track records and uncorrelated returns. The annualised returns net of fees of the CCP Quantitative programme are over 7% since inception in 2007, and the annualised returns net of fees of the CCP Core Macro programme are over 6% since inception in 2013. Long-term correlations to traditional asset classes for both programmes are low.

Cantab's investment philosophy and process is based on rigorous scientific research to create robust quantitative strategies that identify and harvest numerous sources of returns. Its strong infrastructure and proprietary technology allow Cantab to run multiple unique models in its investment programmes across more than 130 markets, creating effective diversification through different asset classes and market regimes.

¹ Absolut Research, Absolut Alternative: Liquid alternatives, Q1 2016.

Cantab has 56 employees, the majority of whom are dedicated to investment and technology research and hold advanced degrees in mathematics, physics, statistics, computer science or other quantitative disciplines. The firm is renowned for the academic excellence and collegial spirit of its team.

Dr Ewan Kirk, Chief Investment Officer and founder of Cantab, is one of the most highly regarded thought leaders in systematic investing. Prior to establishing Cantab, Dr Kirk was a partner at Goldman Sachs, where he managed the Quantitative Strategies Group in Europe and developed the bank's global quantitative technology and trading platform across commodities, currencies, interest rates, credit and equity. His focus at Cantab will continue to be research and development, risk management and managing the research team.

Cantab has strong links to the University of Cambridge and its innovative research. Cantab partners recently funded the Cantab Capital Institute for Mathematics of Information, a PhD programme in data sciences within the University's Faculty of Mathematics. The programme brings a multi-disciplinary approach to the use of fundamental mathematical techniques and computer science for research in big data topics such as financial markets, risk management, healthcare, biology, climate sciences and public policy.

GAM and Cantab – a compelling strategic and cultural fit for growth

Following completion of the transaction all of Cantab's 56 employees will join GAM. They will remain based in Cambridge, and Cantab's investment approach and programmes will be unaffected by the transaction. Cantab's proprietary technology infrastructure will form the cornerstone of GAM Systematic's technology platform.

At closing GAM Systematic's product suite will consist of Cantab's existing two flagship strategies and GAM's alternative risk premia capability, which itself has a strong investment track record of over four years. Each of these three strategies have positive performance year to date. Shortly after the transaction is closed, a UCITS version of the existing core macro product and a new non-directional global equity strategy – both based on Cantab's current investment processes – are planned to be launched as part of GAM Systematic. Future strategies will span traditional and alternative asset classes in different product vehicles including UCITS, onshore and offshore funds. The acquisition, together with the build-out of GAM Systematic, will significantly diversify GAM's active management capabilities and provide access to multiple growth opportunities. GAM Systematic products will be distributed through GAM's existing global distribution capabilities.

Alexander S. Friedman: "Cantab is the perfect partner to enable our move into the growing systematic space. Their focus on combining science with cutting-edge technology, together with the firm's distinctive research culture, makes them the ideal cornerstone of the GAM Systematic offering. This is an excellent cultural fit, and both firms share a commitment to independent investment thinking."

Dr Ewan Kirk, Chief Investment Officer of Cantab, said: "We are excited to be embarking on a new phase in the ongoing development of Cantab. GAM is a world-class asset manager with strong global distribution, and both our clients and the firm will benefit from this transaction. For the partners and employees of Cantab, the key component of this transaction is that GAM is fully supportive of our desire to retain our unique culture and our proximity to the intellectual, technology and innovation hub of Cambridge. We believe these factors are integral to ensuring that we have a strong platform from which to

focus our strengths. This transaction will allow us to leverage our outstanding infrastructure and quantitative techniques to create a suite of systematic products and solutions for clients, while still retaining our focus on our existing core products.”

Key transaction terms of Cantab acquisition

GAM will acquire 100% of Cantab’s investment management business, except for 40% of future performance fees, which are retained by Cantab’s partners.

The consideration consists of an upfront cash payment of USD 217 million at closing and deferred consideration payable in years three through five thereafter. The deferred consideration will be based on management fee revenues from the strategies managed by the Cantab team for 2018, 2019 and 2020, payable after each period end. Based on 2015 management fee revenues, the deferred consideration would total approximately USD 75 million.

Cantab’s partners will be retaining current investments and re-investing the majority of net proceeds from the transaction into Cantab’s funds on a multi-year basis, in addition to signing long-term employment contracts. Compensation for the Cantab investment team has been agreed and will represent fixed percentages of future management and performance fee revenues of the strategies they manage. These arrangements are consistent with GAM’s customary compensation models.

The acquisition is expected to be significantly accretive to GAM’s underlying earnings per share in the first full year of ownership, also when excluding any net contribution from performance fees.

The consideration will be funded through GAM’s existing cash resources (CHF 458 million as at 31 May 2016). The Group’s policy of progressive, predictable and sustainable dividends through the business cycle is unchanged. In order to maintain appropriate levels of capital, GAM has temporarily suspended the purchase of its shares under the current share buy-back programme that runs until 28 April 2017.

The transaction is subject to customary regulatory approvals and is therefore expected to close in the second half of 2016.

Additional information

GAM will hold an audio webcast for media and analysts to discuss the launch of GAM Systematic and the acquisition of Cantab, with the following participants:

- **Alexander S. Friedman**, Group Chief Executive Officer, GAM
- **Richard McNamara**, Group Chief Financial Officer, GAM
- **Dr Ewan Kirk**, Chief Investment Officer, Cantab Capital Partners

Audio webcast

The presentation for media and analysts can be followed live on www.gam.com/cantab with a simultaneous slide show.

An audio playback of the presentation will be made available later in the day on www.gam.com/cantab.

Presentation slides

The presentation slides are available on www.gam.com/cantab.

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About GAM

GAM is one of the world's leading independent, pure-play asset managers. It provides active investment solutions and products for institutions, financial intermediaries and private investors, under two brands: GAM and Julius Baer Funds. The core investment business is complemented by private labelling services, which include management company and other support services to third-party institutions. GAM employs over 1,000 people in 11 countries with investment centres in London, Zurich, Hong Kong, New York, Lugano and Milan. 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 114.7 billion (USD 119.8 billion, as at 31 March 2016).

About Cantab Capital Partners

Cantab Capital Partners LLP is a multi-billion dollar asset manager based in Cambridge, UK. The firm employs a rigorous, systematic, multi-strategy, multi-asset approach, often referred to as systematic macro. Cantab manages assets for some of the most sophisticated institutional investors worldwide including large pension funds, sovereign wealth funds, endowments and foundations.

Cantab was founded in 2006 by Dr Ewan Kirk. Cantab manages two programmes, CCP Quantitative and the CCP Core Macro. The cornerstone of Cantab's investment philosophy is the marriage of science with cutting-edge technology, high levels of transparency and robust risk systems.

The majority of Cantab's team are dedicated to investment and technology research and combine a diverse skill set. Most come from academic backgrounds having excelled at statistics, mathematics, physics, computer science or other quantitative disciplines, with the common denominators being academic excellence and collegial spirit.

In 2015, Cantab provided a £5 million philanthropic donation to support the establishment of the Cantab Capital Institute for the Mathematics of Information, which sits within the University of Cambridge's renowned Faculty of Mathematics. The new institute draws on fundamental techniques from mathematical sciences to tackle the challenge of deciphering meaning in the reams of data which surround us.

www.cantabcapital.com

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.

These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions, and the Company's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. The Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this press release and any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

Appendix – Pro forma financial information for Cantab Capital Partners (unaudited)

| | 2015 |
|--|-------------|
| <i>all figures in USDm, except where indicated</i> | |
| Net management fees | 49.0 |
| Net performance fees | 32.9 |
| Income | 81.9 |
| Personnel expenses | 30.3 |
| Other expenses | 4.1 |
| Expenses | 34.4 |
| Profit before tax | 47.5 |
| Income taxes | 9.4 |
| Net profit | 38.1 |
| Operating margin | 58% |
| AuM (<i>USDbn</i>) | 4.1 |

Notes on presentation of financial information:

- The presentation reflects unaudited financial information based on Cantab's internal management accounts for the 12 months ending 31 December 2015
- Information is presented as if the acquisition of Cantab completed on 1 January 2015
- Income and expense figures reflect the pro forma economics acquired by GAM (100% of management fees and 60% of performance fees)
- Expense figures include the pro forma compensation arrangements agreed with Cantab