

Press release

GAM Star Emerging Markets Total Return

London, 16 May 2011: Following GAM's successful integration of fixed income and currency specialist Augustus Asset Managers, the Directors of the GAM Star Pharo Emerging Market Debt & FX fund intend to move its investment management in-house, where it will be run by GAM Investment Director Paul McNamara. Concurrently, the fund's name will change to GAM Star Emerging Markets Total Return.

Paul McNamara and his team joined GAM as a result of its acquisition of Augustus Asset Managers in 2009. He is a leading manager in emerging market debt investing and has an impressive track record of delivering returns for clients across both long only and absolute return mandates. As at 30 April 2011, Paul was responsible for approximately USD 7.6 billion of client assets.

This move, which is subject to regulatory approval, will enable shareholders to benefit from reduced fees and more frequent dealing. The Fund's delegate investment management agreement with Pharo Global Advisors Limited will be terminated with effect from 1 June 2011 and GAM International Management Limited will assume investment management of the Fund.

The Fund will continue to target a total return of 3–5% in excess of the JP Morgan EMBI Global Diversified Composite Index and continue to be managed using a top-down macroeconomic style with a strong focus on active risk management.

Paul has a holistic, thematically-driven approach to portfolio construction, focusing on 3–4 extensively researched core investment ideas. These are expressed through a diversified portfolio of emerging market bonds, credit instruments and currencies, which is constructed based on an awareness of the benchmark. Country selection is primarily driven by detailed analysis of where specific markets are in their cycles of crisis and recovery.

Craig Wallis, Global Head of Institutional and Fund Distribution at GAM, said: "The change of manager was made by mutual agreement between GAM and Pharo. GAM continues to regard Pharo as an outstanding asset manager and our investments in their offshore funds, which have been in place since Pharo was founded in 2000, continue. Following this move, Pharo will devote their expertise to their flagship offshore strategies and GAM will be able to utilise its in-house emerging market debt expertise and pass on lower fees and more frequent dealing to our clients."

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Notes to Editors

GAM

Established in 1983, GAM is an independent, active investment manager, delivering investment solutions to institutions, intermediaries, private clients and charities from offices in financial centres around the world. Its CHF 53.6 billion* in assets under management spans approximately 60 separate investment strategies across equity, fixed income, absolute return, funds of hedge funds, discretionary portfolio management and tailored investment solutions. Its aim is to deliver strong, long-term returns for clients through some of the world's most talented investment managers. Its focus on performance, risk management, uncompromising investment standards and partnership with clients enables it to achieve that objective.

*as at 31 Dec 2010.