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## PRESS RELEASE

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### **GAM Holding AG: suspension of an investment director**

GAM announced today the suspension of Tim Haywood, investment director business unit head for the unconstrained/absolute return bond strategy (“ARBF”), following an internal investigation. The issues relate to some of his risk management procedures and his record keeping in certain instances. The investigation has not raised concerns regarding his honesty. The relevant regulators are being kept informed of the matter.

GAM has not established any material client detriment to date as a result of the issues investigated, although this remains under review.

Jack Flaherty and Alex McKnight, investment directors, have assumed joint responsibility for the ARBF and other associated portfolios. Jack Flaherty has been one of the co-managers of the ARBF strategy for more than six years, while Alex McKnight has been a key member of the ARBF team for the past 11 years. Daniel Sheard, a co-manager of the ARBF strategy, is not involved in the day-to-day management of the ARBF portfolios, but continues to manage other fixed income portfolios. Jack Flaherty and Alex McKnight remain supported by 18 other experienced investment professionals, who will continue to manage ARBF portfolios in accordance with the same investment philosophy that has been in place since the strategy’s inception in 2004.

GAM is committed to maintaining the strength of the team and is recruiting additional portfolio managers in light of the strong client interest in this product globally.

**Group CEO Alexander S. Friedman said:** “We take our responsibilities and controls very seriously. Having conducted the investigation with external counsel, we now intend to follow our usual internal processes and will take any further action that may be appropriate.

“GAM is a leader in the absolute return bond category, and has been for many years. We are fully committed to remaining so. We have a strong and broad team in place, with real depth of talent and a long and successful track record. I am confident that the team will continue to deliver value for our clients.”

The total assets in the ARBF portfolios as at 30 June 2018 were CHF 11.0 billion, with an average management fee margin of 61.9 basis points. Approximately CHF 6.2 billion of these assets are eligible for performance fees.

In addition to these portfolios, Tim Haywood is a named manager of CHF 2.9 billion in trade finance funds (average management fee margin 11.0 basis points) and of CHF 653 million in other fixed income portfolios (average management fee margin 36.6 basis points).

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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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