

4 December 2019

## PRESS RELEASE

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### **GAM Holding AG: Response to sanction proposal of SIX Exchange Regulation AG**

SIX Exchange Regulation AG (“SIX”), the Swiss listing authority, has today announced the submission of a sanction proposal to its Sanctions Commission in relation to a technical accounting matter at GAM Holding AG. The matter relates to the recognition of future performance fee payments as a financial liability following GAM’s acquisition of Cantab Capital Partners LLP (“Cantab”) in 2016. GAM takes its financial reporting responsibility very seriously, disagrees with the position taken by SIX and stands by its previously published consolidated financial statements. It has therefore filed reasoned objections to the sanctions proposal.

When GAM acquired Cantab, 40% of all future performance fees were retained by Cantab’s previous partners. SIX argue that this arrangement gave rise to a financial liability, which should have been measured at fair value and recognised as a financial liability at the time of the acquisition and subsequently re-measured each year, with any changes in value being recognised in GAM’s consolidated income statement.

GAM’s position, supported by its external auditors and an independent expert, is that no financial liability should be recognised until performance fees crystallise, at which point any liability to pay those fees is recognised and reflected in its consolidated financial statements along with a matching performance fee asset. GAM believes that this reflects a true and fair view of its financial position reported to shareholders and does not result in an income and expense mismatch.

This accounting matter relates to GAM Holding AG’s consolidated financial statements and does not relate to any of GAM’s investment funds, nor to any of its clients.

In the event GAM is unsuccessful in defending its position, GAM would be required in its next consolidated financial statements to recognise the financial liability at fair value and restate any impacted historical comparative amounts. This accounting matter would have no impact on the Group’s cash flow position as any liability would only crystallise once matching performance fees are received by the firm.

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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 billion (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.

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.