

Press release

GAM to acquire Arkos Capital SA

GAM is to acquire Arkos Capital SA, an independent asset management firm regulated in Switzerland with assets under management of CHF 664 million. The transaction is expected to close before the end of the second quarter 2012, subject to regulatory approvals. All of Arkos's key personnel, including its investment professionals, will be retained and will continue to operate out of Lugano, Switzerland.

Zurich, 28 February 2012: GAM Group AG (GAM), a wholly owned subsidiary of GAM Holding AG, has entered into agreements for the purchase of 100% of the issued share capital in Arkos Capital SA (Arkos), a Lugano-based investment manager with assets under management of CHF 664 million as at 31 December 2011.

Under the terms of the agreements, GAM will acquire 74.95% of Arkos's share capital immediately after the receipt of certain regulatory approvals, which are expected before the end of the second quarter 2012. The remaining stake of 25.05%, currently held by the management of Arkos, will be acquired through deferred cash payments linked to the future development of the business. The acquisition is expected to be accretive from day one and no significant integration costs are anticipated.

An investment boutique supervised by the Swiss Financial Market Supervisory Authority (FINMA), Arkos manages a range of low-volatility, liquid and transparent absolute return funds, both offshore and onshore. Its offering includes long/short equity strategies covering Europe and emerging markets, as well as a specialist offering focusing on financial securities and an active convertible bond strategy.

Following completion of the transaction, all of Arkos's products will be distributed under the GAM brand. All investment strategies will continue to be managed by Arkos's team of eight experienced investment professionals, who will all be retained and will continue to apply their proven, long-established investment approach. Arkos will continue to operate out of its Lugano base, with sales and other support functions supplemented from GAM's Zurich and London offices.

David M. Solo, Chief Executive Officer of GAM, said: "Arkos represents a valuable addition to GAM, fully in line with our growth strategy. It has an outstanding track record of alpha generation and will substantially enhance and expand our in-house single manager offering. Most importantly, its exceptional investment team shares our commitment to fundamental analysis and truly active management, making it a perfect addition to GAM's culture."

Gianmarco Mondani, Chief Investment Officer of Arkos, said: "Since 2002 we have built a competitive range of products with attractive performance, reflecting a disciplined investment process that helps us to anticipate changes in market expectations. Becoming part of GAM will allow us to make a great step forward, enabling us to offer our strategies to clients in new markets, such as Northern Europe, the US and Asia, as well as strengthen our access to institutions."

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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 50.7 billion¹ 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.

¹ as at 30 June 2011.