

21 October 2020

PRESS RELEASE

GAM Holding AG interim statement for the three-month period to 30 September 2020

Group assets under management (AuM) of CHF 120.4 billion¹ as at 30 September 2020 increased from CHF 119.4 billion¹ as at 30 June 2020

Longer-term investment performance recovering with 69% of AuM in funds outperforming their respective benchmarks over five years

Strong year to date investment performance in European equities, disruptive growth and technology, Japanese equities, Swiss equities and emerging market rates

New leadership for wholesale and institutional sales underscores commitment to client-focused growth

Investment management

- AuM totalled CHF 33.9 billion¹ as at 30 September 2020, compared to CHF 35.5 billion¹ as at 30 June 2020
- Net outflows of CHF 2.4 billion partly offset by positive net market and FX movements of CHF 0.8 billion

Private labelling

- AuM totalled CHF 86.5 billion as at 30 September 2020 compared to CHF 83.9 billion as at 30 June 2020
- Net inflows of CHF 0.4 billion and positive market and FX movements of CHF 2.2 billion

Investment performance

- As at 30 September 2020, 22% and 69% of AuM in funds outperforming their respective benchmarks over three and five years, compared to 34% and 39% as at 30 June 2020 and 14% and 17% as at 31 March 2020
- Of GAM's AuM tracked by Morningstar², 55% and 42% outperformed their respective peer groups over the three and five year periods to 30 September 2020, compared with 52% and 57% as at 30 June 2020 and 22% and 60% as at 31 March 2020

New leadership for distribution: focus on growth and cross-selling opportunities

- Jill Barber will join GAM on 2 November 2020 as Global Head of Institutional Solutions and partner with Jeremy Roberts, Global Head of Distribution, to lead sales and distribution at GAM
- Increased cross-selling opportunities between Investment Management and Private Labelling

¹ Including CHF 0.3 billion of money market funds as at 30 September 2020, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

² The peer group comparison is based on 'industry-standard' Morningstar Direct Sector Classification. The share class references in Morningstar have been set to capture the oldest institutional accumulation share class for each and every fund in a given peer group.

Increased emphasis on sustainable investment

- Sustainable investment is a key part of GAM's growth strategy and we will be launching new products to complement our existing offering in the near future
- New appointment of the Global Head of Sustainable and Impact Investment, to be announced shortly, who will lead GAM's sustainable investment strategy and strengthen our client ESG proposition

Technology upgrade: SimCorp implementation on track

- Significant proportion of equity capabilities to transition during Q4
- All capabilities currently not on SimCorp, are on track to be on the platform by the end of H1 2021

Efficiency programme progressing well

- Reduction of total expenses, including variable and fixed costs, of at least CHF 65 million in full year 2020 compared to full year 2019 is on track
- Further simplification of the business with additional opportunities for efficiency gains in FY 2021 and FY 2022

Covid-19

- Firm fully adapted to a flexible and agile way of working for the long term
- Client interactions and operational performance unhindered

Peter Sanderson, Group Chief Executive Officer, said: "The investment performance of our strategies continues to deliver for clients and we are seeing high levels of positive client interaction with a strong focus on growth opportunities. Our strategy remains on track, and we have in place strong leadership across the firm to deliver on the opportunity for GAM to grow. I continue to be proud of how our employees are navigating the Covid-19 environment with increased levels of collaboration and innovation."

Investment management

Net flows by capability

In specialist fixed income, we recorded net outflows of CHF 1.1 billion primarily from our GAM Local Emerging Bond fund and the GAM Greensill Supply Chain Finance fund as well as from our Credit Opportunities fund.

In multi asset, net outflows totalled CHF 0.3 billion.

In equity, we saw net outflows of CHF 0.4 billion, mainly driven by redemptions from the GAM Emerging Market Equity fund. Inflows were recorded in the GAM Star Disruptive Growth fund as well as the GAM Swiss Small and Mid Cap Equities fund.

In systematic, net outflows totalled CHF 0.1 billion, mainly driven by outflows from the GAM Systematic Alternative Risk Premia strategies.

Alternatives saw net outflows of CHF 0.5 billion, mainly driven by redemptions from institutional clients.

Absolute return total assets under management remained unchanged. The capability saw inflows into the GAM Star Emerging Market Rates fund during the quarter.

Assets under management movements (CHF bn)

Capability	Opening AuM 1 July 2020	Net flows	Market/FX movements	Closing AuM 30 Sept 2020
Fixed Income	17.6	(1.1)	0.1	16.6
Equity	5.8	(0.4)	0.4	5.8
Multi asset	7.2	(0.3)	0.3	7.2
Alternatives	1.3	(0.5)	0.0	0.8
Systematic	2.8	(0.1)	0.0	2.7
Absolute Return	0.8	0.0	0.0	0.8
Total	35.5¹	(2.4)	0.8	33.9¹

Investment performance

The market turmoil in March impacted our investment performance, but many strategies have recovered and longer-term investment performance has recovered with 69% of AuM in funds outperforming their respective benchmarks over five years. We have also seen strong year to date investment performance relative to their respective benchmarks in European equities, disruptive growth and technology, Japanese equities, Swiss equities and emerging market rates.

Over the three and five year periods to 30 September 2020, 22% and 69% of AuM in funds outperformed their respective benchmarks, compared with 34% and 39% as at 30 June 2020 and 14% and 17% as at 31 March 2020.

As at 30 September 2020, 55% and 42% of GAM's AuM outperformed their respective Morningstar² peer groups over the three and five year periods compared with 52% and 57% as at 30 June 2020 and 22% and 60% as at 31 March 2020.

Private Labelling

Private Labelling saw net inflows of CHF 0.4 billion, which together with positive market and FX movements of CHF 2.2 billion resulted in a total AuM of CHF 86.5 billion as at 30 September 2020 compared to CHF 83.9 billion as at 30 June 2020.

Assets under management movements (CHF bn)

Fund domicile	Opening AuM 1 July 2020	Net flows	Market/FX movements	Closing AuM 30 Sept 2020
Switzerland	33.7	(0.5)	0.8	34.0
Rest of Europe	50.2	0.9	1.4	52.5
Total	83.9	0.4	2.2	86.5

Update on strategic initiatives

The efficiency pillar of our strategy, which was accelerated in March 2020, is progressing according to plan and is expected to deliver total cost reductions, including variable and fixed costs, of at least CHF 65 million in full year 2020 from the CHF 315.7 million total expenses in full year 2019.

The implementation of SimCorp, a fully integrated front to back solution, is at the heart of the efficiency programme. The transition of a significant proportion of our equity capabilities is scheduled during the fourth quarter of 2020 and all our capabilities currently not on SimCorp are on track to be on the platform by the end of H1 2021.

Further simplification of the business will also bring additional opportunities for efficiency gains in FY 2021 and FY 2022.

The growth pillar of our strategy is progressing well with high levels of client interaction and a strong pipeline of growth opportunities. To support these efforts we have appointed Jill Barber as Global Head of Institutional Solutions to partner with Jeremy Roberts, Global Head of Distribution, to lead sales and distribution, focusing on institutional and wholesale clients respectively. We are also seeing encouraging signs of success from collaboration between Private Labelling and Investment Management using capabilities from across the firm.

We are seeing strong momentum in our **sustainability** initiatives to support both the **growth** and **transparency** pillars of the strategy. We are focused on enhancing our Environmental, Social, Governance (ESG) standards and capabilities across our investment strategies and at the corporate level.

In October, GAM was ranked the top financial services provider in Switzerland in Inrate's zRating Corporate Governance Study and we are planning to improve our MSCI rating.

We will shortly announce the appointment of a Global Head of Sustainable and Impact Investment – a new role at GAM to lead our sustainable investment strategy and strengthen our ESG proposition for clients.

GAM's purpose is to attract and empower the brightest minds to protect our clients' financial future and to support this we have recently announced the appointment of Debbie Dalzell as the new Group Head of Human Resources. Debbie will help ensure that GAM continues to attract and retain the talented people needed to fulfil our purpose and deliver our strategy.

Outlook

We expect the market environment to remain volatile. GAM believes that it is well positioned to help clients navigate these challenging times by offering a diverse range of actively managed products and solutions through a global distribution footprint.

Upcoming events:

18 February 2021	Full year results 2020
21 April 2021	Interim management statement Q1 2021

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About GAM

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 employed 747 FTEs in 14 countries with investment centres in London, Cambridge, Zurich, Hong Kong, New York, Milan and Lugano as at 30 June 2020. The investment managers are supported by an extensive global distribution network. Headquartered in Zurich, GAM is listed on the SIX Swiss Exchange with the symbol 'GAM'. The Group has AuM of CHF 120.4 billion¹ (USD 131.1 billion) as at 30 September 2020.

¹ Including CHF 0.3 billion of money market funds as at 30 September 2020, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

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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