

13 July 2018

## PRESS RELEASE

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### **GAM Holding AG provides an update on first-half 2018 results**

GAM Holding AG today provided an update on its first-half 2018 results, in accordance with the obligations under the listing rules of the SIX Swiss Exchange (article 53) in relation to the Group's IFRS results.

GAM expects to report an underlying profit before taxes, which excludes non-recurring and acquisition-related items, of approximately CHF 91 million (including approximately CHF 2 million of performance fees) for the first half of 2018, compared with CHF 75.4 million (including CHF 19.3 million of performance fees) in the first half of 2017.

The Group expects to incur a non-cash impairment charge of approximately CHF 59 million, net of taxes, on the intangible assets (investment management and client contracts) related to the original funds of Cantab Capital Partners acquired in October 2016, as a result of lower assets under management and cash flows compared with those forecast at the time of the Cantab acquisition. Despite this impairment, GAM continues to see broader growth of the GAM Systematic Cantab platform driven by new product launches.

GAM also expects a related reduction in the Cantab deferred consideration liability, which represents the part of the purchase price that was deferred over multiple years, of approximately CHF 30 million in the first half of 2018. Taken together with previously recognised adjustments, the reduction in the deferred consideration liability since the 2016 acquisition is expected to amount to approximately CHF 57 million.

After taking these non-recurring and acquisition-related items into account, the Group expects to report an IFRS net profit for the first half of 2018 of approximately CHF 25 million, compared with CHF 67.7 million in the first half of 2017.

**Group CEO Alexander S. Friedman said:** "We continue to see GAM Systematic Cantab as a key driver of future growth for our company. While the developments in assets under management since the acquisition have been below expectation, they have been in line with industry trends as investors have turned more averse toward high volatility hedge funds. Cantab's industry-leading, scalable technology platform has been critical to enabling the launch of several new lower-volatility systematic products that are receiving increasing interest from clients and are integral to diversifying GAM's business into capabilities with strong future growth potential."

All the aforementioned figures for the first half of 2018 are estimates and the final results will be released on 31 July 2018.

**Forthcoming events:****31 July 2018** Half-year results 2018**23 October 2018** Interim management statement Q3 2018**For further information please contact:**

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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 162.3 billion (USD 169.4 billion) as at 31 March 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.

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.