

Press Release

GAM Holding AG: Interim management statement for the period to 30 September 2014

Zurich, 21 October 2014

- **Assets under management of CHF 75.6 billion in investment management, up CHF 2.2 billion or 3% from 30 June 2014**
 - **Solid net new money inflows and positive currency impact in the third quarter**
- **Private labelling assets under management of CHF 48.5 billion, up CHF 2.3 billion or 5% from 30 June 2014**
 - **Strong net new money inflows in the third quarter and positive currency impact**
- **Tangible equity up CHF 38.5 million from 30 June 2014, at CHF 539.8 million, reflecting robust profitability**

Investment management

Assets under management advanced to CHF 75.6 billion as at 30 September 2014. This represents an increase of CHF 5.8 billion (+ 8%) from year-end 2013 and of CHF 2.2 billion (+ 3%) from 30 June 2014.

The asset increase over the third quarter was the result of solid net new money inflows and the appreciation of the US dollar against the Swiss franc (the Group's reporting currency). These factors more than offset the adverse impact of declining precious metals prices and generally challenging conditions in fixed income markets, including local currency emerging debt where the US dollar strength softened prices.

Net new money inflows for the quarter were largely consistent with the positive trends seen in the first half of the year. Client activity and demand remained resilient across the Group's product range, despite increasing concerns regarding global growth and geopolitical developments.

The Group's specialised fixed income strategies saw robust net inflows, particularly the Julius Baer-branded European asset-backed securities strategy and the GAM-branded credit opportunities and cat bond strategies. Flows into most emerging market fixed income funds were positive for the quarter, while traditional bond products and low-margin money market funds experienced net outflows.

Overall, the absolute return/unconstrained bond strategy recorded modest net new money inflows in the third quarter. While institutional inflows remained strong throughout the quarter, towards the end of the reporting period the strategy experienced redemptions from financial intermediaries.

Several directional equity strategies benefited from growing net new money inflows in the third quarter, notably the Julius Baer-branded Japan and European strategies, as well as GAM's US, global, emerging market and technology strategies.

Inflows into the Group's multi-asset capabilities were positive: GAM's discretionary and advisory portfolios recorded net inflows, with positive flows into mandates directly managed for clients and into the risk-rated model portfolios offered to independent financial advisers. Swiss & Global Asset Management's institutional business also ended the quarter with net new money inflows.

Net outflows were recorded in the physical gold ETF, following a renewed fall in the gold price, and in alternative investment solutions, where the performance of certain traditional funds of hedge funds strategies remained soft in absolute terms.

Private labelling

Private labelling – the area providing outsourcing solutions to third parties and contributing around 6% of the Group's revenues – ended the quarter with assets under management of CHF 48.5 billion. Asset levels rose by 5% or CHF 2.3 billion from 30 June 2014, driven by net new money inflows and a positive impact from market movements, mainly from currency.

Strong inflows into Luxembourg-domiciled funds were partially offset by redemptions from Swiss and offshore funds. Growth in this business remains subject to the timing of mandate wins and losses, as well as to flows into the funds of private labelling clients. Given the long lead times for new business to materialise, net new money flows can therefore vary considerably from quarter to quarter.

Update on tangible equity and share buy-back programme

Tangible equity as at 30 September 2014 was CHF 539.8 million, up 8% or CHF 38.5 million compared to 30 June 2014. This reflects a continued level of robust profitability across the Group's businesses.

In the third quarter of 2014 the Group bought back 245,000 own shares for cancellation (totalling CHF 4.2 million, at an average price of CHF 17.21). The Group will continue to buy back shares under its on-going programme.

As at 30 September 2014, the Group had 162,711,738 outstanding shares. This excludes the 3,949,993 shares it held as treasury shares. Of these, 1,702,000 are earmarked for cancellation following approval at the 2015 Annual General Meeting (475,000 bought back under the current programme, 1,227,000 repurchased under a previous programme terminated in April 2014). The remaining 2,247,993 shares are held to cover the Group's share-based compensation plans.

Forthcoming events:

3 Mar 2015	Full-year results 2014
21 Apr 2015	Interim management statement Q1 2015
30 Apr 2015	Annual General Meeting
11 Aug 2015	Half-year results 2015

For further information please contact:

Media Relations:
Larissa Alghisi Rubner
T: +41 (0) 58 426 62 15

Investor Relations:
Patrick Zuppiger
T: +41 (0) 58 426 31 36

About GAM Holding AG

GAM Holding AG is an independent, pure-play asset management group with a focus on active investing. With global distribution networks and investment teams based in five investment centres in Europe, the US and Asia, it delivers investment solutions to institutions, intermediaries and private clients through two leading brands – Julius Baer Funds (distributed by Swiss & Global Asset Management) and GAM. The Group's investment management business is complemented by a private labelling unit which provides outsourcing solutions for third-party assets.

Headquartered in Zurich, GAM Holding AG 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 total assets under management of CHF 124.1 billion¹ and employs over 1,000 staff with offices in 11 countries.

¹ As at 30 September 2014.

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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