

## Press Release

### **GAM Holding AG: Interim management statement for the three-month period to 30 September 2015**

Zurich, 20 October 2015

- **Investment Management:**
  - **Assets under management of CHF 72.4 billion, down 1.5% from 30 June 2015**
  - **Net inflows and the positive effect from foreign exchange movements were more than offset by negative market performance**
  - **Strong net inflows in absolute return strategies**
- **Private Labelling:**
  - **Assets under management of CHF 47.1 billion, down 7.1% from 30 June 2015**
  - **Decrease reflects the loss of one mandate, as previously expected, but will have an immaterial impact on Group revenues**

**Group CEO Alexander Friedman said:** “We are making good progress in executing our strategy. Markets in the third quarter reacted negatively to further growth fears in China and across other developed and emerging markets. Not surprisingly we saw investor appetite weaken and, given volatile market conditions, we expect this to continue in the months ahead. 2015 is a year of transition for GAM, and notwithstanding adverse market conditions, I am confident the investments we are making in our business position the company for attractive future growth.”

#### **Investment Management**

Assets under management in Investment Management fell to CHF 72.4 billion in the period, from CHF 73.5 billion as of 30 June 2015, as a result of negative market performance.

Strong net inflows were recorded in absolute return products, particularly in European long-short equity as well as in global macro strategies. Significant net inflows from institutional clients for the absolute return/unconstrained bond strategy more than offset outflows from higher-margin financial intermediary channels.

Specialist fixed income strategies continued to contribute inflows, especially the investment-grade credit strategy. However, inflows were more than offset by outflows from emerging market fixed income products predominantly due to investor sentiment.

In equities, the Japanese fund continued to attract strong flows, as did the continental European fund. Outflows in Chinese and emerging market strategies were driven by the challenging market environment for these asset classes.

## **Private Labelling**

In Private Labelling – the area providing fund solutions for third parties and contributing on average 7% of GAM’s annual revenues – assets under management decreased by CHF 3.6 billion during the period to CHF 47.1 billion, reflecting the loss of one mandate. This outflow, and any related outflows over the coming months, will have an immaterial impact on the Group’s revenues.

On 13 October 2015 GAM announced an agreement to sell its offshore fund administration business in the Cayman Islands to JTC Group in order to focus its private labelling activities on the provision of management company services for funds domiciled in Europe.

## **Update on mid-term strategic initiatives**

The implementation of the new operating model, as communicated with GAM’s half-year results, is progressing well. By full year 2017, the reorganisation will lead to a structural annual cost reduction of more than 5% from the 2014 level.

GAM will unveil a redesigned brand in mid-November to build the Group’s external recognition and reflect its new integrated operational structure.

The overall restructuring costs of the strategic repositioning are not expected to exceed CHF 13 million in 2015.

The acquisition of Renshaw Bay’s real estate debt business, announced on 11 August 2015, has now closed and added CHF 0.5 billion of assets under management in October, with a further CHF 0.7 billion of uninvested but committed capital.

## **Update on share buy-back programme**

In the third quarter of 2015 the Group bought back a total of 1.52 million of its own shares, costing CHF 27.3 million, including 1.16 million shares for cancellation under its current share buy-back programme.

## **Outlook**

The macro-economic and political issues that continue to impact markets are expected to persist into 2016, weighing on investor sentiment. However, GAM’s management is confident that the execution of its strategic plan and the Group’s strong and differentiated product line-up will enable the firm to meet these challenges and deliver attractive long-term growth for shareholders.

## **Forthcoming events:**

**1 March 2016** Full-year results 2015  
**20 April 2016** Interim management statement Q1 2016  
**27 April 2016** Annual General Meeting

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## **About GAM**

GAM is one of the world's leading independent, pure-play asset managers. It provides active investment solutions and products for institutions, financial intermediaries and private investors, under two brands, GAM and Julius Baer Funds. Its core investment business is complemented by private labelling services, which include management company and other support services to third-party institutions. GAM employs over 1,000 people in 11 countries with investment centres in London, Zurich, Hong Kong, New York, Lugano and Milan. 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 119.5 billion (USD 122.3 billion)\*.

\* Source: GAM. Data as at 30 September 2015.

## **Disclaimer regarding forward-looking statements**

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