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PRESS RELEASE

GAM to launch new merger arbitrage strategy

- GAM's merger arbitrage strategy in a UCITS format offers investors a compelling risk / return profile, especially in the current low-yield environment
- Roberto Bottoli, with more than a decade experience in managing merger arbitrage strategies, joined GAM in July 2016 from Allianz Global Investors
- This new product adds to GAM's very successful UCITS range of absolute return strategies, which currently amount to USD 21.9 billion

GAM today announced the launch of a new merger arbitrage strategy in July 2016, subject to regulatory approval. The strategy intends to benefit from inefficiencies in the market prices of companies that may occur after the announcement of corporate events such as mergers, acquisitions or spin-offs. Arbitrage opportunities may also arise after company-specific news, such as the inclusion of its shares in major market indices. Events like these offer the potential for risk arbitrage, and the strategy aims to exploit a set of low-risk opportunities to generate alpha.

Risk management is embedded in portfolio construction by keeping a suitable level of diversification across all of these different events. The fund's investment process is bottom-up. Overall country and sector allocation is therefore fully driven by the arbitrage opportunities in the market.

The new strategy will complement GAM's existing range of products in its alternative investment offering. Investors increasingly seek solutions that offer them compelling risk / return profiles, especially in the current low interest rate environment. The merger arbitrage strategy will be available in a UCITS format, thus ensuring adequate liquidity and full transparency.

Roberto Bottoli joins GAM

GAM will launch the new merger arbitrage strategy together with Roberto Bottoli, who has been running merger arbitrage strategies since 2006. He joined GAM on 1 July 2016 from Allianz Global Investors. He had been with Allianz Global Investors since 1999 and held responsibility for absolute return and multi-asset portfolios since 2004. GAM's merger arbitrage strategy comes without a strict constraint in terms of arbitrage spreads, but will still focus on low spreads / low risk deals and will exploit additional types of event-driven, arbitrage opportunities.

Bottoli will be based at GAM's Lugano office and thus join the experienced investment team led by Gianmarco Mondani, CIO of the non-directional equity team in Lugano. Roberto Bottoli said: "I'm very excited to join a team as experienced and respected as the one Gianmarco Mondani has built over the years. This will be the perfect home for me to further develop the merger arbitrage strategy that I

have longstanding experience with. I strongly believe that this strategy will continue to benefit from global macroeconomic and monetary conditions, which favour revenue growth through acquisitions, keep the price of debt low and provide ideal conditions for M&A activity.”

Gianmarco Mondani said: “We continue to face the challenge of investing in a period of low growth and low yields. With the launch of this new event-driven fund, we are pleased to be able to offer our clients an attractive additional product that helps them diversify their portfolios away from traditional assets. I am very glad that Roberto Bottoli joins our team, as he brings along a wealth of experience in this area, and I’m looking forward to working closely with him.”

Important legal information

The merger arbitrage strategy is currently pending regulatory approval. Subsequent to receiving the regulatory approval, it is intended to be registered for marketing in a number of jurisdictions in Continental Europe and the UK. The information in this document is given for information purposes only and does not qualify as investment advice. Opinions and assessments contained in this document may change and reflect the point of view of GAM in the current economic environment. No liability shall be accepted for the accuracy and completeness of the information. Past performance is no indicator for the current or future development.

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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. The 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 114.7 billion (USD 119.8 billion)*.

* Source: GAM. Data as at 31 March 2016.