HALF-YEAR 2020 REPORT

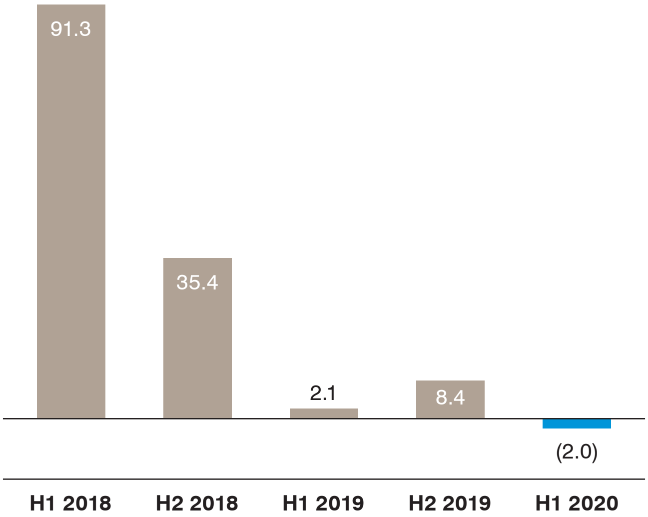
GAM Investments

CONTENTS

KEY FIGURES

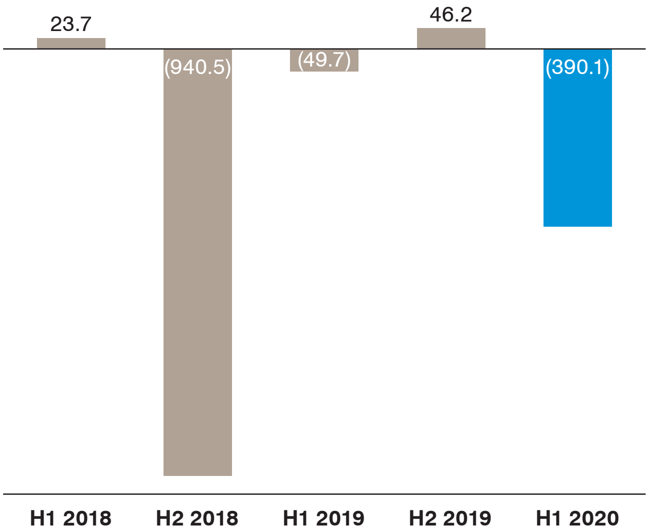
Underlying (loss)/profit before taxes (CHF m)

CHF (2.0) m



IFRS net (loss)/profit (CHF m)

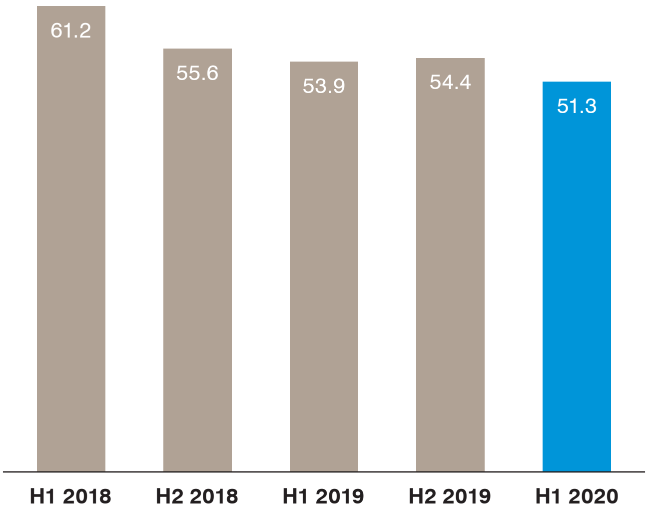
CHF (390.1)[1] m



[1] Mainly reflects the Group's recognition of a non-cash impairment of CHF 402.8 million net of tax, mainly related to goodwill created by the acquisition of GAM by Julius Baer in 2005 and UBS in 1999 and investment management and client contracts (IMCCs) in relation to the Cantab acquisition in 2016.

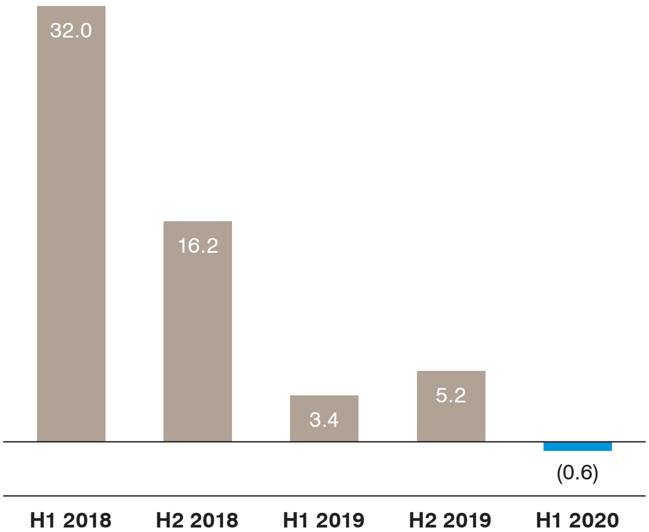
Management fee margin – investment management (bps)

51.3 bps



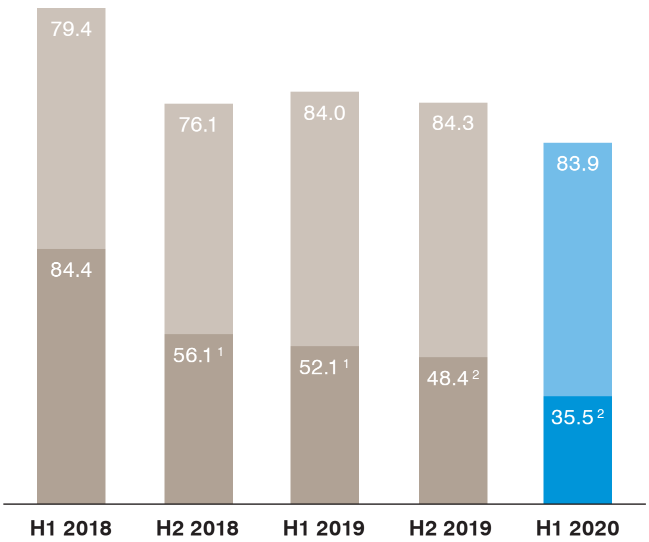
Operating margin (%)

(0.6) %



Assets under management (CHF bn)

CHF 119.4 bn



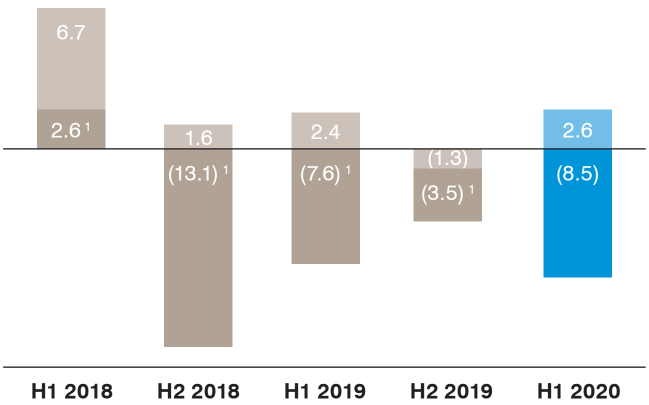
Investment management Private labelling

[1] Excluding CHF 1.45 billion ARBF-related assets under management in liquidation as at 31 December 2018 and CHF 1.0 billion as at 30 June 2019.

[2] Including CHF 0.3 billion of money market funds as at 31 December 2019 and 30 June 2020, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

Net flows (CHF bn)

CHF (5.9) bn

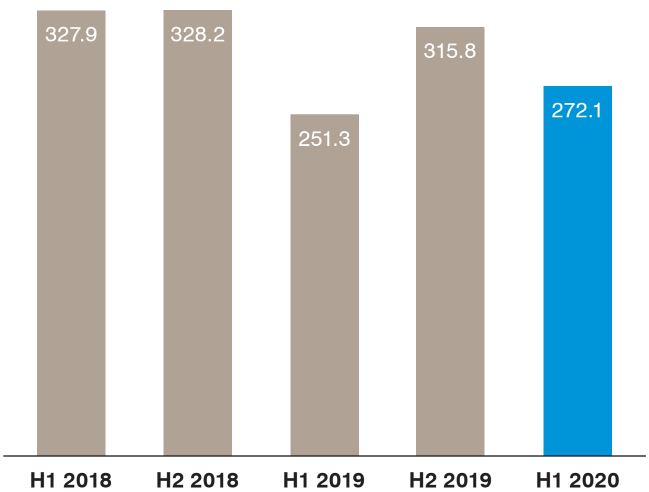


Investment management Private labelling

[1] Including ARBF-related net inflows in H1 2018 of CHF 0.3 billion, excluding ARBF-related net flows in H2 2018 , H1 2019 and H2 2019, and excluding fund assets liquidated as at 31 December 2018, 30 June 2019 and 31 December 2019.

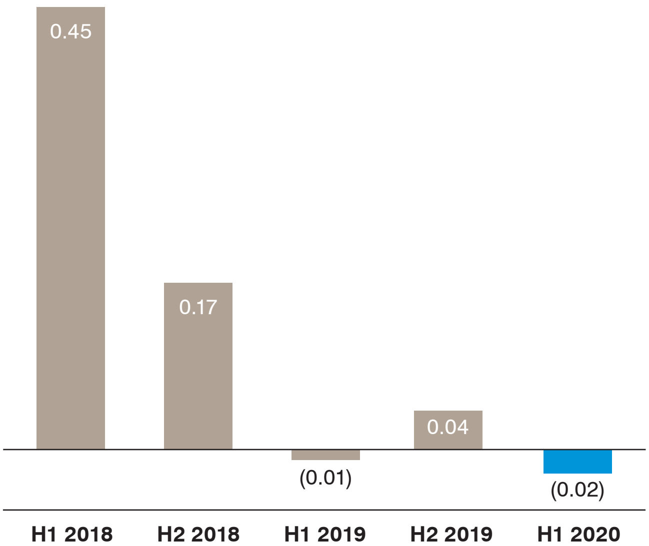
Net cash (CHF m)

CHF 272.1 m



Diluted underlying EPS (CHF)

CHF (0.02)



THE BUSINESS REVIEW

OUR PURPOSE, VISION & STRATEGY

GAM's **purpose** is to attract and empower the brightest minds to provide the investment leadership, innovation and sustainable thinking needed to protect our clients' financial future. By living our purpose every day, we believe that we can realise our **vision** of building the most respected specialist active investment manager and trusted solutions and services platform in the world.

In February 2020, we announced our **strategy** to make GAM fit for the future. This is based on three strategic pillars: efficiency, transparency and growth, which are designed to deliver our vision.

Our **efficiency** pillar aims to create synergies and enable us to adapt to the ever changing and challenging industry environment. We want to deliver for our clients quickly and effectively by making it easier to do business with GAM. We are removing unnecessary duplication and taking full advantage of technology. We are doing this by better integrating our business processes and converging on a simpler, "One GAM" operating model. At the heart of this is a new cloud-based SimCorp platform. We have used SimCorp for years in our private labelling business (PLF) as well as in parts of our investment management business; we are now implementing it across the firm to help realise the opportunities for efficiencies and better service for our clients.

Our **transparency** pillar is designed to deliver better reporting and improved processes based on clarity, accountability and trust. Transparency is critical to building and maintaining trust with clients, employees and investors. Being transparent means keeping our promises and being accountable as well as acknowledging where we need to improve and do better. Enhancing our communication with all our stakeholders is a key element of our approach to becoming more transparent.

Progress on strategy

Good momentum on key strategic initiatives

Mobilising for growth

Efficiency

Bold action to create synergies and adapt to the industry environment

- **Accelerated efficiency programme** – will deliver **at least CHF 65 million** total cost savings in full year 2020
- **Significant cost savings delivered** in first half 2020
- **SimCorp technology upgrade** is on track

Transparency

Better reporting and processes based on clarity, accountability and trust

- **Progress on further strengthening ESG** processes for investment portfolios
- **Improved communications** with all stakeholders with encouraging **employee survey** results
- **Resources being aligned around** our management company service business

Growth

Pursuing growth via core business and driving assets under management

- **New leadership for distribution,** focused on **client segments**
- **Mobilising for growth** to increase engagement with current and future clients
- **Materially lower net outflows in Q2 vs Q1 2020**
- **Scalable platform** to leverage future growth

As part of this we are planning to enhance the transparency around our private labelling business. By doing this we believe that we will be able to demonstrate the opportunity to create value from aggregating the services delivered by our management company services business for both internal GAM and third party private labelling funds.

We are also planning to be more transparent about how GAM performs on environmental, social and governance (ESG) criteria, both from a corporate and an investment product perspective. There is clear demand from both our employees and our clients for us to do this.

ESG will also be a key part of our third pillar which is **growth.** Efficiency and transparency are designed to be key enablers for GAM to grow and leverage our distinctive shelf of specialist, actively managed investment strategies. Clients are looking for investment themes which can transcend the current global economic outlook, which we believe we are well positioned to deliver.

We have made good progress with implementing our strategy, despite living through an almost unprecedented period of market volatility and significant challenges for individuals and societies as we all grapple with the Covid-19 pandemic.

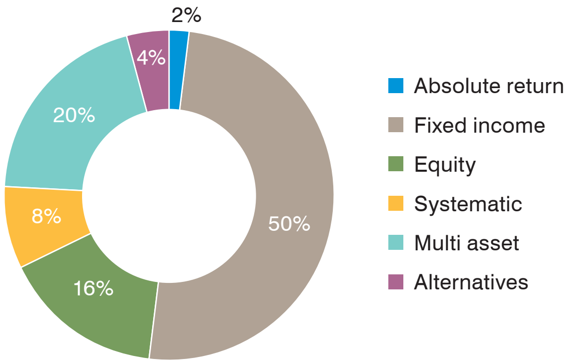
At GAM we have been swift and decisive, with the health and wellbeing of our employees and clients uppermost in our minds. Moving to remote working has proven to be both operationally resilient and has also given us food for thought about future ways of more productive working. The crisis gave additional impetus to our efficiency pillar but has not impacted our ability to progress the strategy. Reassuringly our employee survey shows that engagement levels are high.

Our accelerated efficiency programme is on track, the implementation of SimCorp is progressing well and we expect to deliver our cost savings target of at least CHF 65 million in the full year 2020. In addition, new leadership in our sales and distribution organisation with an enhanced focus on specific client segments marks an important step in mobilising our business for growth.

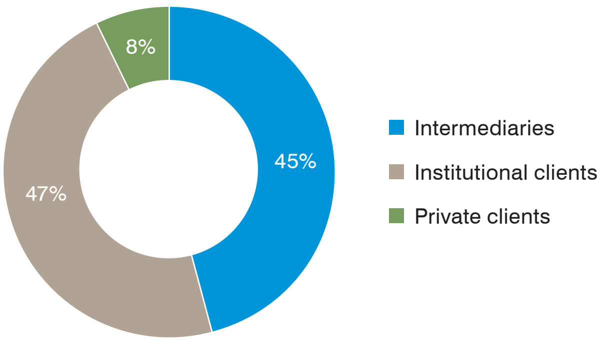
We believe that our talent, our differentiated product offering and our strong distribution footprint put GAM in a good position to realise our vision of building the most respected specialist active investment manager and trusted solutions and services platform in the world.

OUR BUSINESSES

Investment management assets by capability



Investment management assets by client segment



Investment management snapshot

Investment strategies, mandates and funds managed by in-house professionals and selected third-party specialists

85%

of our Group net management fees and commissions are generated in investment management

136

in-house investment professionals in Zurich, Lugano, Milan, London, Cambridge, New York and Hong Kong

62

relationship managers serving our global client base, supported by 75 employees in marketing, sales support and product specialist roles

34%

of assets in funds outperformed their benchmark over three years

Private labelling snapshot

Tailored solutions for banks, insurers, independent asset managers and institutional investors

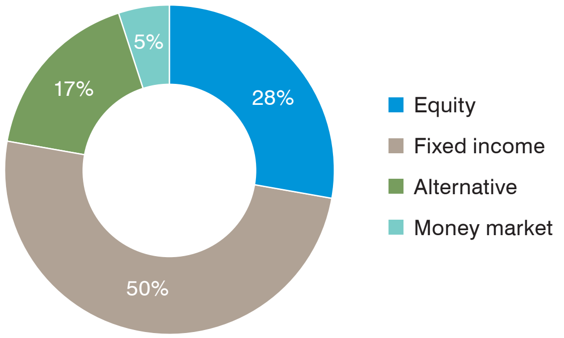
15%
of our Group net management fees and commissions are generated in private labelling

10
client directors, supported by experts from legal and compliance, risk management, marketing and operations

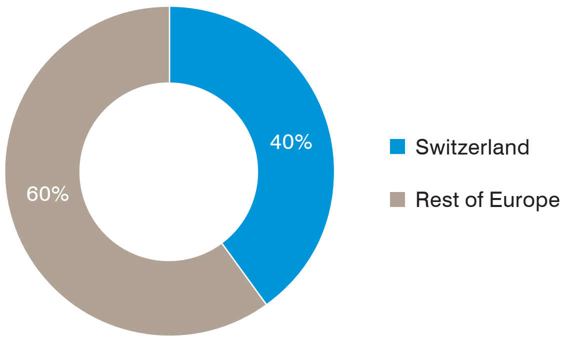
4
fund domiciles on offer: Switzerland, Luxembourg, Ireland and Italy

222
third party funds operated for our clients

Private labelling assets by asset class



Private labelling assets by fund domicile



OUR BUSINESSES

Investment management

The first half of 2020 has been marked by an unprecedented period of volatility and uncertainty in markets, followed by a rapid, but only partial recovery in most asset classes. The intense and inter-related shocks, swift deleveraging and severe disruption within financial markets caused by the Covid-19 pandemic in March were ameliorated by the unprecedented measures to provide liquidity from central banks and other policy measures from governments.

Notwithstanding the impact of this market volatility on investment performance and flows during March, GAM successfully maintained the stability of its portfolios during this period and continues to see a stabilisation of asset flows and improving investment performance. The economic recovery remains fragile and the outlook uncertain, but there are signs that a V-shaped recovery in the Asian economies, where in general the efforts to control the virus have been more successful, may help lead the global recovery.

In this fast-changing environment, we are seeing clients looking for opportunities to identify the key investment themes that will deliver value. As a result, we have seen heightened client interest in some of our strategies and have experienced materially lower net client outflows of CHF 2.0 billion in the second quarter compared to the CHF 6.5 billion in the first quarter of 2020.

Assets under management as at 30 June 2020 amounted to CHF 35.5 billion[1], down from CHF 35.7 billion[1] as at 31 March 2020 and 48.4 billion[1] as at 31 December 2019. The negative market and foreign exchange movements of CHF 3.9 billion contributed to this decline along with net outflows of CHF 8.5 billion and a sale of fixed income assets of CHF 0.5 billion. Redemptions of CHF 4.8 billion were recorded from financial intermediaries, institutional clients redeemed CHF 3.5 billion and private clients CHF 0.2 billion.

Our specialist **fixed income** strategies saw net outflows of CHF 5.7 billion. The majority of these outflows were recorded in March from the GAM Star Credit Opportunities fund and the GAM Local Emerging Bond fund. In the case of the GAM Star Credit Opportunities fund the outflows mainly reflected the mechanical rebalancing of client holdings invested via structured products issued by third parties on the funds. Net outflows from both funds materially reduced as markets stabilised in late March and in the second quarter.

In **equity**, net outflows amounted to CHF 0.8 billion. Inflows were recorded for the GAM Star European Equity, GAM Swiss Sustainable Companies, GAM Star Asian Equity and GAM Asia

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

Investment management assets (CHF bn)

Capability	Opening AuM 1 Jan 2020	Net flows H1 2020	Disposal H1 2020 [2]	Market/FX H1 2020	Closing AuM 30 Jun 2020	Management fee margin H1 2020 (bps)
Fixed income	25.8 [1]	(5.7)	(0.5)	(2.0)	17.6 [1]	57
Equity	7.2	(0.8)	-	(0.6)	5.8	67
Multi asset	7.8	(0.2)	-	(0.4)	7.2	20
Alternatives	2.1	(0.7)	-	(0.1)	1.3	40
Systematic	4.4	(0.9)	-	(0.7)	2.8	49
Absolute return	1.1	(0.2)	-	(0.1)	0.8	94
Total	**48.4** [1]	**(8.5)**	**(0.5)**	**(3.9)**	**35.5** [1]	**51.3**

Client segment	Opening AuM 1 Jan 2020	Net flows H1 2020	Disposal H1 2020 [2]	Market/FX H1 2020	Closing AuM 30 Jun 2020
Intermediaries	23.0 [1]	(4.8)	-	(2.1)	16.1 [1]
Institutional clients	21.8	(3.5)	(0.5)	(1.3)	16.5
Private clients	3.6	(0.2)	-	(0.5)	2.9
Total	**48.4** [1]	**(8.5)**	**(0.5)**	**(3.9)**	**35.5** [1]

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

[2] Disposal of mortgage loan fund to VZ Depotbank in April 2020.

Focus Equity, and GAM China Evolution Equity funds. This was offset by client redemptions mainly from the GAM Japan Equity, GAM Global Eclectic and GAM Star Continental European Equity funds. The outflows were mainly in March, after which they significantly reduced.

Net outflows from **multi asset** strategies were CHF 0.2 billion, primarily driven by redemptions from private clients and some mandates.

Alternatives recorded net outflows of CHF 0.7 billion, primarily reflecting outflows from the GAM Alternative Beta and GAM Multi-Emerging Market funds.

Systematic saw net outflows of CHF 0.9 billion. This was driven by outflows from the GAM Systematic Core Macro and GAM Systematic Alternative Risk Premia funds.

Absolute return recorded net outflows of CHF 0.2 billion, again most of these were in March and were primarily driven by redemptions from the GAM Star Lux Merger Arbitrage and European Alpha funds.

We saw improving investment performance of our strategies after the disruption in March with our two largest strategies, the GAM Credit Opportunities Fund and the GAM Local Emerging Markets Bond Fund seeing a ‘V-shaped’ recovery. Several of our other strategies have provided upper quartile three-year performance and some top decile performance in terms of their Morningstar rankings as at 30 June 2020.

Investment performance[1]

Capability	3 years 30 Jun 2020	3 years 31 Dec 2019	5 years 30 Jun 2020	5 years 31 Dec 2019
Fixed income	32%	89%	33%	89%
Equity	39%	22%	57%	43%
Alternatives[2]	51%	13%	0%	13%
Systematic	34%	81%	71%	81%
Absolute return	39%	77%	49%	50%
Total	**34%**	**74%**	**39%**	**78%**

[1] % of AuM in funds outperforming their benchmark (excluding mandates and segregated accounts). Three and five-year investment performance based on applicable AuM of CHF 21.8 billion and CHF 20.6 billion respectively.

[2] Reflects performance of products in alternative investment solutions.

In terms of our aggregate assets under management, over the three-year period to 30 June 2020, 34% of our assets under management in funds outperformed their respective benchmark, compared with 14% and 74% that outperformed over three years to 31 March 2020 and 31 December 2019 respectively. Over the five-year period to 30 June 2020, 39% of our assets under management in funds outperformed their respective benchmark, compared with 17% and 78% that outperformed over the five years to 31 March 2020 and 31 December 2019 respectively. Of GAM’s assets under management tracked by Morningstar 52% and 57% outperformed their respective peer groups over the three and five-year periods to 30 June 2020.

Private labelling

Assets under management in private labelling, which provides fund solutions for third parties, were CHF 83.9 billion as at 30 June 2020 down from CHF 84.3 billion as at 31 December 2019. In the first half of 2020, the business recorded net inflows of CHF 2.6 billion, with inflows of CHF 1.2 billion in the first quarter and inflows of CHF 1.4 billion in the second quarter. However, these inflows were offset by the impact of market performance and foreign exchange movements of CHF 3.0 billion.

FINANCIAL REVIEW

How we report results

We report our results in accordance with International Financial Reporting Standards (IFRS) but in our analysis and external disclosure we focus on underlying profitability which is a better indicator of the performance and the future potential of our business. IFRS adjustments to our underlying results relate to specific non-recurring events or items which are an accounting consequence of acquisitions.

Assets under management and net flows

Group assets under management, including investment management and private labelling, were CHF 119.4 billion[1] as at 30 June 2020, compared with CHF 112.1 billion[1] as at 31 March 2020 and CHF 132.7 billion[1] as at 31 December 2019.

Investment management saw total net outflows during the first half of 2020 of CHF 8.5 billion and negative market and foreign exchange movements of CHF 3.9 billion. There were materially lower net outflows of CHF 2.0 billion in the second quarter compared with CHF 6.5 billion in the first quarter. As at 30 June 2020 assets under management totalled CHF 35.5 billion[1], compared with CHF 35.7 billion[1] as at 31 March 2020 and CHF 48.4 billion[1] as at 31 December 2019.

Private labelling assets under management were CHF 83.9 billion as at 30 June 2020 compared with CHF 76.4 billion as at 31 March 2020 and CHF 84.3 billion as at 31 December 2019. Net asset inflows of CHF 2.6 billion were offset by negative market and foreign exchange movements of CHF 3.0 billion.

Income drivers and developments

Management fee margins

The management fee margin earned on investment management assets in the first half of 2020 was 51.3 basis points, compared with the average margin for 2019 of 54.2 basis points. The change in average management fee margin reflects the mix of assets under management across products and client segments.

In private labelling, the management fee margin improved slightly to 4.5 basis points, compared with 3.9 basis points for the full year ended 31 December 2019.

Management fees

Net management fees and commissions in the first half of 2020 totalled CHF 123.0 million, down from CHF 165.7 million in the first half of 2019 as a result of substantially lower levels of investment management assets under management.

Performance fees

Net performance fees decreased to CHF 0.8 million in the first half of 2020 compared with CHF 5.4 million in the previous year, as performance-fee eligible strategies did not hit their high-watermarks.

Net other income

Net other income includes the net interest income and expenses, the impact of foreign exchange movements, net gains and losses on seed capital investments and hedging as well as fund-related fees and service charges. In the first half of 2020, a net expense of CHF 1.3 million was recognised compared to CHF 3.8 million the first half of 2019. This improvement was primarily driven by net foreign exchange gains compared to net losses in the first half of 2019.

Expense drivers and developments

Personnel expenses

Personnel expenses were CHF 80.2 million, a decrease of 23% from CHF 104.0 million in the first half of 2019. Variable compensation was down 42% compared with the first half of 2019, primarily due to lower accruals for contractual and discretionary bonuses, driven by lower revenues. Fixed personnel costs decreased by 15%, driven by lower headcount, which declined by 13% from 863 full-time equivalents (FTEs) as at 30 June 2019 to 747 FTEs as at 30 June 2020.

Compensation ratio

Our compensation ratio increased to 64.8% from 60.8% in the first half of 2019, due to a decrease in net fee and commission income, only partly offset by a decrease in personnel expenses.

General expenses

General expenses in the first half of 2020 were CHF 35.1 million, down 33% from CHF 52.1 million in the same period last year. This was driven by the implementation of the efficiency programme, as well as lower professional, marketing and travel expenses.

Depreciation and amortisation

Depreciation and amortisation charges were CHF 9.2 million, slightly up from CHF 9.1 million in the same period last year.

Operating margin

The operating margin in the first half of 2020 was negative 0.6%, compared with positive 3.4% in the same period last year. This was driven by a decrease in net fee and commission income that was greater than the decrease in expenses.

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

Underlying profitability and earnings per share

Underlying loss before taxes
There was an underlying pre-tax loss of CHF 2.0 million for the first half of 2020 compared with a profit of CHF 2.1 million in the first half of 2019, driven by lower net management fees and commissions, only partly offset by lower expenses.

Effective tax rate
The underlying tax expense for the first half of 2020 was CHF 1.5 million compared to CHF 3.2 million for the same period last year. The disproportionate level of tax compared to the negative pre-tax result was driven by non-taxable holding company costs and the impact of expenses which are not tax deductible.

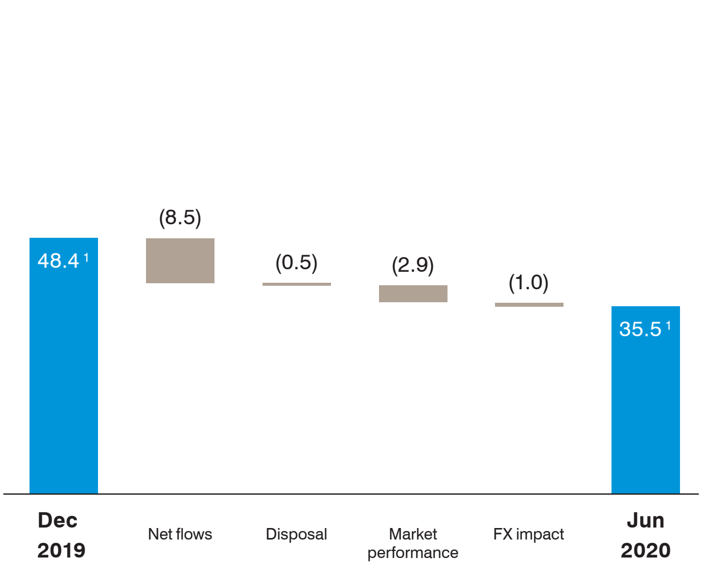
Earnings per share
Diluted underlying earnings per share were negative at CHF 0.02. This represents a slight reduction from the CHF 0.01 loss per share in the first half of 2019 as a result of the larger underlying net loss after tax of CHF 3.5 million for the first half of 2020.

IFRS net loss
The IFRS net loss was CHF 390.1 million in the first half of 2020, compared with a restated net loss of CHF 49.7 million in the same period last year. This mainly reflects the Group's recognition of a non-cash impairment of CHF 402.8 million net of tax, mainly related to goodwill created by the acquisition of GAM by Julius Baer in 2005 and UBS in 1999 and investment management and client contracts (IMCCs) in relation to the Cantab acquisition in 2016.

Balance sheet and capital management

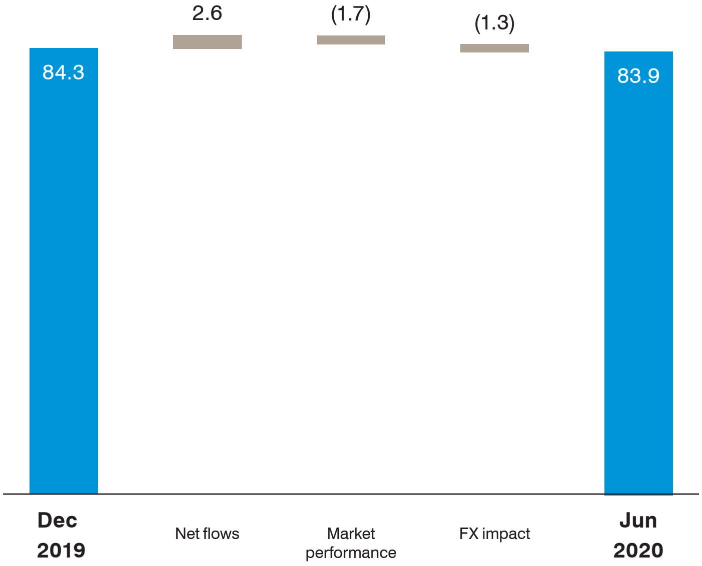
Assets and net cash
Total assets as at 30 June 2020 were CHF 813.3 million, compared with CHF 1,335.1 million as at 31 December 2019. These include intangible assets of CHF 287.4 million which decreased compared to the end of last year. This follows the Group's recognition of non-cash impairment charges of CHF 402.8 million, net of tax, as described above. Cash and cash equivalents were CHF 272.1 million, down from CHF 315.8 million as at 31 December 2019, reflecting typical seasonal effects, and up from CHF 251.3 million as at 30 June 2019.

Investment management AuM movements (CHF bn)



[1] Including CHF 0.3 billion of money market funds as at 31 December 2019 and 30 June 2020, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

Private labelling AuM movements (CHF bn)



Liabilities and tangible equity

Total liabilities as at 30 June 2020 were CHF 356.0 million, down from CHF 460.1 million as at 31 December 2019. The decrease is mainly related to a reduction in liabilities related to the Cantab acquisition and lower variable compensation accruals.

Adjusted tangible equity as at 30 June 2020 was CHF 178.3 million, compared with CHF 197.2 million at year-end 2019. The decrease was primarily driven by the pension liability revaluation and negative foreign exchange impacts, mainly resulting from the GBP depreciation.

As at 30 June 2020, the Group had no financial debt, as in previous years. However, the Group has undrawn credit facilities with two banks totalling CHF 80 million, which are subject to customary financial covenants, providing the Group with further flexibility over its cash and capital resources.

Treasury shares

IFRS requires a company that holds its own shares for trading and non-trading purposes to record those shares as treasury shares and deduct them from shareholders' equity. As at 30 June 2020, our holding of 3.0 million own shares was equivalent to 1.9% of shares in issue. All of these shares were bought back over the regular trading line at the SIX Swiss Exchange (first trading line) and held to cover our obligations under share-based compensation plans. This position decreased by 1.1 million shares, reflecting shares delivered to settle obligations under share-based compensation plans.

Share buy-back programme 2020-2023

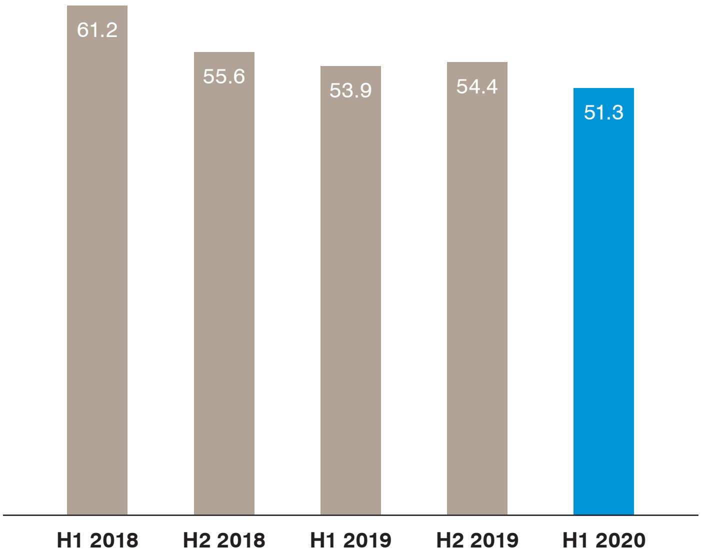
The optional share buy-back programme commenced on 5 May 2020, following the expiration of its predecessor programme. It allows for the repurchase of up to 16.0 million shares over a maximum period of three years. The programme is designed to enable the purchase of shares on the ordinary trading line to cover share-based payments and to purchase shares on the second trading line designated for cancellation. The latter provides GAM Holding AG the flexibility to distribute future surplus capital to shareholders, if and when GAM Holding AG sees this as appropriate. This new share buy-back programme will be executed by Zürcher Kantonalbank. No shares were bought back during the first half of 2020.

Definitions of business metrics for investment management and private labelling:

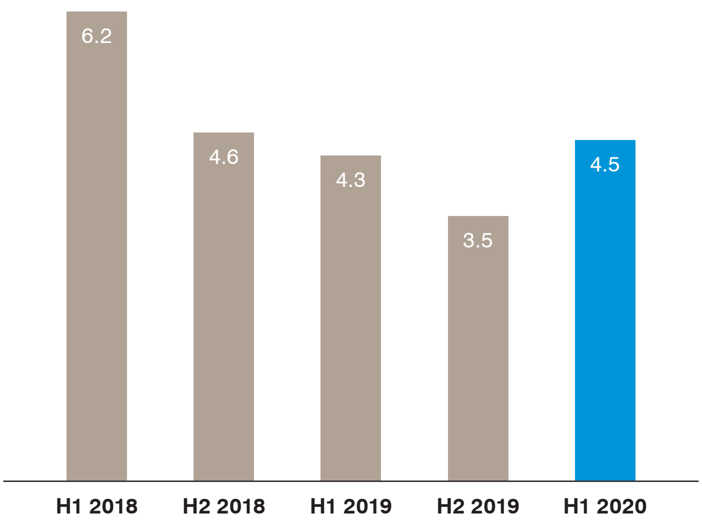
Net fee and commission income is defined as fee and commission income minus distribution, fee and commission expenses. It includes performance fees, but not net other income.

Management fee margin is calculated as net management fees and commissions divided by average assets under management. For investment

Management fee margin – investment management (bps)



Management fee margin – private labelling (bps)



management, we additionally report a total fee margin that includes performance fees (i.e. net fee and commission income divided by average assets under management).

Assets under management in investment management are broken down by capability, client segment and currency. In private labelling, assets are disclosed by fund domicile.

Net flows represent the net asset additions or redemptions by clients. For our investment management business, we additionally disclose the net flows by individual capability and client segment. These developments are discussed in the 'Our businesses' section on pages 10–11.

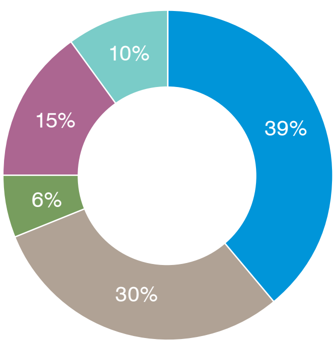
Spotlight on GAM Star European Equity

GAM Star European Equity seeks to deliver attractive, risk-adjusted returns through active investment in a large, liquid universe of pan European stocks. GAM's European Equity team, led by Niall Gallagher, employs a high conviction approach to construct a concentrated portfolio of 30-50 'value creators' – businesses that exhibit a return on capital employed (ROCE) above their cost of capital.

The process combines fundamental analysis with risk-based portfolio construction. Following the identification of 'value creators', industry and company level research is combined with 'triangulation'. The team typically participates in over 300 meetings annually, which enables them to identify a company's future earnings prospects, while an absolute valuation approach seeks to determine whether a stock is attractively valued on a fundamental basis. Positions are explicitly sized in a bid to maximise stock-specific alpha, minimise factor risk and avoid unintended risk concentrations and each stock is expected to contribute significantly to returns. The strategy has delivered top quartile performance for investors year to date and over 3- and 5-year time periods, as at 30 June 2020.[1]

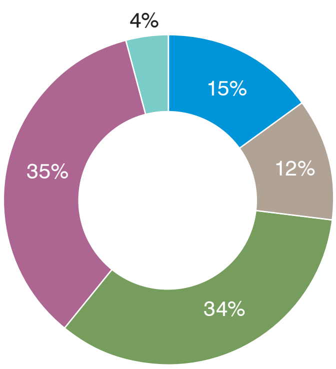
[1] The peer group comparison is based on 'industry-standard' Morningstar Direct Sector Classification. The share class preferences in Morningstar have been set to capture the oldest institutional accumulation share class for each and every fund in a given peer group.

Group income[1]



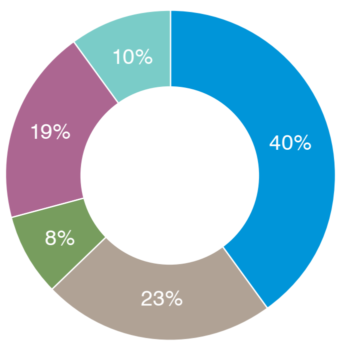
USD GBP Other
EUR CHF

Group expenses[2]



USD GBP Other
EUR CHF

Investment management AuM[3]



USD GBP Other
EUR CHF

[1] Percentage splits are estimated based upon the currency exposure of the underlying AuM on which the revenues are earned.
[2] Percentage splits are estimated based upon the transactional currency, except for contractual bonuses which follow the same basis as revenue.
[3] Including CHF 0.3 billion of money market funds as at 30 June 2020, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

Group income statement

	H1 2020 CHF m	H2 2019 CHF m	H1 2019 CHF m restated [1]	Change from H2 2019 in %	Change from H1 2019 in %
Net management fees and commissions	123.0	151.4	165.7	(19)	(26)
Net performance fees	0.8	7.4	5.4	(89)	(85)
Net fee and commission income	**123.8**	**158.8**	**171.1**	**(22)**	**(28)**
Net other (expenses)/income	(1.3)	0.1	(3.8)	-	-
Income	**122.5**	**158.9**	**167.3**	**(23)**	**(27)**
Personnel expenses	80.2	93.0	104.0	(14)	(23)
Fixed personnel expenses	62.6	66.3	73.6	(6)	(15)
Variable personnel expenses	17.6	26.7	30.4	(34)	(42)
General expenses	35.1	47.5	52.1	(26)	(33)
Occupancy	2.9	4.3	3.7	(33)	(22)
Technology and communication	7.2	8.0	11.0	(10)	(35)
Data and research	9.4	10.0	10.7	(6)	(12)
Professional and consulting services	3.4	7.8	10.3	(56)	(67)
Marketing and travel	4.4	7.3	6.6	(40)	(33)
Administration	2.9	3.4	3.6	(15)	(19)
Other general expenses	4.9	6.7	6.2	(27)	(21)
Depreciation and amortisation	9.2	10.0	9.1	(8)	1
Expenses	**124.5**	**150.5**	**165.2**	**(17)**	**(25)**
Underlying (loss)/profit before taxes	**(2.0)**	**8.4**	**2.1**	**-**	**-**
Underlying income tax expense	1.5	2.4	3.2	(38)	(53)
Underlying net (loss)/profit	**(3.5)**	**6.0**	**(1.1)**	**-**	**-**
Acquisition-related items	22.2	29.9	(42.4)	-	-
Non-recurring items	(402.1)	10.7	(7.5)	-	-
Tax on acquisition-related items	0.5	0.5	0.8	-	-
Tax on non-recurring items	0.9	(0.2)	0.5	-	-
Non-recurring tax item	(8.1)	(0.7)	-	-	-
IFRS net (loss)/profit	**(390.1)**	**46.2**	**(49.7)**	**-**	**-**

[1] Comparative figures have been restated. For further information see consolidated financial statements note 17.

Spotlight on GAM Star Disruptive Growth

The last decade has seen paradigm shifts of unprecedented proportions in technology, some of which have been further accelerated by the coronavirus pandemic. In recent years, many traditional technology stocks have been repositioned into 'non-technology' sectors by index providers, meaning some of the biggest stocks in technology are no longer defined as technology stocks from a sector perspective. As a result, pure technology indices no longer fully capture the full scope of technological developments currently disrupting industries beyond traditional technology.

Encompassing these market changes, the GAM Star Technology strategy, managed by Mark Hawtin and his team, was renamed GAM Star Disruptive Growth in January 2020 to more accurately reflect its long standing investment policy and its aim of capturing relevant opportunities in companies and areas of the market that are benefiting from technological change. The strategy's benchmark was also changed from the MSCI World Information Technology Index to the MSCI World Growth Index.

The team focuses on active stock selection in order to identify growth opportunities and disruptive themes in areas such as software, cloud infrastructure, social media, advertising, retail and transportation and to position the portfolio to benefit from generational changes that are occurring globally. The team explores the most promising companies in each sector, combining in-depth fundamental analysis to determine what to buy, and technical analysis to determine when to do so, to form a global portfolio of 40–60 stocks diversified across three to five key themes. It maintains a strong focus on risk management and examines each risk factor at stock and portfolio level closely through real time monitoring of daily profit and loss metrics, supported by independent risk oversight. The strategy has delivered top quartile performance for investors year to date and over 3- and 5-year time periods, as at 30 June 2020.[1]

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

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

ADDITIONAL NOTES

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	H1 2020 CHF m	H2 2019 CHF m	H1 2019 CHF m restated [1]	Change from H2 2019 in %	Change from H1 2019 in %
Net management fees and commissions	2	123.0	151.4	165.7	(19)	(26)
Net performance fees	2	0.9	10.2	8.3	(91)	(89)
Net fee and commission income	2	**123.9**	**161.6**	**174.0**	**(23)**	**(29)**
Net other income/(expenses)	3	28.0	52.6	(44.4)	(47)	-
Income		**151.9**	**214.2**	**129.6**	**(29)**	**17**
Personnel expenses	4	76.0	94.4	103.8	(19)	(27)
General expenses	5	36.7	49.0	58.8	(25)	(38)
Depreciation and amortisation		16.0	14.7	14.1	9	13
Impairment losses	6	405.1	7.1	0.7	-	-
Expenses		**533.8**	**165.2**	**177.4**	**223**	**201**
(Loss)/profit before taxes		**(381.9)**	**49.0**	**(47.8)**	**-**	**-**
Income tax expense		8.2	2.8	1.9	193	332
Net (loss)/profit attributable to the shareholders of the Company		**(390.1)**	**46.2**	**(49.7)**	**-**	**-**
(Loss)/earnings per share						
Basic (loss)/earnings per share (CHF)	9	(2.50)	0.30	(0.32)	-	-
Diluted (loss)/earnings per share (CHF)	9	(2.50)	0.29	(0.32)	-	-

[1] Comparative figures have been restated to reflect an error in the accounting treatment of a contractual obligation to allocate future performance fees. For further information see note 17.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2020 CHF m	H2 2019 CHF m	H1 2019 CHF m restated [1]
Net (loss)/profit attributable to the shareholders of the Company	**(390.1)**	**46.2**	**(49.7)**
Remeasurements of pension liabilities	(14.4)	(15.6)	(5.3)
Income tax credits relating to remeasurements of pension liabilities	4.1	2.6	0.8
Items that will not be reclassified subsequently to the income statement, net of taxes	**(10.3)**	**(13.0)**	**(4.5)**
Translation differences	(21.5)	6.4	(4.2)
Items that may be reclassified subsequently to the income statement, net of taxes	**(21.5)**	**6.4**	**(4.2)**
Other comprehensive loss, net of taxes	**(31.8)**	**(6.6)**	**(8.7)**
Total comprehensive (loss)/ income attributable to the shareholders of the Company	**(421.9)**	**39.6**	**(58.4)**

[1] Comparative figures have been restated to reflect an error in the accounting treatment of a contractual obligation to allocate future performance fees. For further information see note 17.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30.06.2020 CHF m	31.12.2019 CHF m	Change from 31.12.2019 in %
Cash and cash equivalents		272.1	315.8	(14)
Trade and other receivables		25.2	23.8	6
Accrued income and prepaid expenses		87.1	102.6	(15)
Financial investments		1.4	20.3	(93)
Employee benefit asset		1.4	0.3	367
Assets held for sale	10	27.7	28.2	(2)
Current assets		**414.9**	**491.0**	**(15)**
Financial investments and other financial assets		2.5	4.9	(49)
Employee benefit asset		3.5	3.3	6
Deferred tax assets		29.4	36.0	(18)
Property and equipment		75.6	86.8	(13)
Goodwill and other intangible assets		287.4	713.1	(60)
Non-current assets		**398.4**	**844.1**	**(53)**
Assets		**813.3**	**1,335.1**	**(39)**
Trade and other payables		14.4	16.2	(11)
Other financial liabilities		14.4	26.9	(46)
Accrued expenses and deferred income		156.2	200.0	(22)
Current tax liabilities		0.8	1.7	(53)
Provisions	11	5.8	11.4	(49)
Liabilities held for sale	10	4.9	2.4	104
Current liabilities		**196.5**	**258.6**	**(24)**
Financial liabilities		67.3	107.3	(37)
Provisions	11	4.0	4.0	0
Pension liabilities		88.1	87.2	1
Deferred tax liabilities		0.1	3.0	(97)
Non-current liabilities		**159.5**	**201.5**	**(21)**
Liabilities		**356.0**	**460.1**	**(23)**
Share capital		8.0	8.0	0
Capital reserves		893.4	893.4	0
Retained earnings		(274.1)	139.5	-
Foreign currency translation reserve		(123.9)	(102.4)	21
Treasury shares	12	(46.1)	(63.5)	(27)
Equity attributable to the shareholders of the Company		**457.3**	**875.0**	**(48)**
Liabilities and equity		**813.3**	**1,335.1**	**(39)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital CHF m	Capital reserves CHF m	Retained earnings CHF m restated [2]	Foreign currency translation reserve CHF m restated [2]	Treasury shares CHF m	Equity attributable to the share-holders of the Company CHF m restated [2]
Published balance at 1 January 2019 [2]		**8.0**	**893.4**	**115.3**	**(105.4)**	**(72.1)**	**839.2**
Effect of restatement [2]		-	-	41.2	0.8	-	**42.0**
Balance at 1 January 2019		**8.0**	**893.4**	**156.5**	**(104.6)**	**(72.1)**	**881.2**
Net loss attributable to the shareholders of the Company		-	-	(49.7)	-	-	**(49.7)**
Other comprehensive loss, net of taxes [1]		-	-	(4.5)	(4.2)	-	**(8.7)**
Total comprehensive loss [2]		**-**	**-**	**(54.2)**	**(4.2)**	**-**	**(58.4)**
Share-based payment expenses, net of taxes	7	-	-	7.1	-	-	**7.1**
Disposals of own shares and derivatives on own shares	12	-	-	(7.8)	-	7.8	**-**
Total transactions with shareholders of the Company		**-**	**-**	**(0.7)**	**-**	**7.8**	**7.1**
Balance at 30 June 2019 [2]		**8.0**	**893.4**	**101.6**	**(108.8)**	**(64.3)**	**829.9**
Net profit attributable to the shareholders of the Company		-	-	46.2	-	-	**46.2**
Other comprehensive loss, net of taxes [1]		-	-	(13.0)	6.4	-	**(6.6)**
Total comprehensive income		**-**	**-**	**33.2**	**6.4**	**-**	**39.6**
Share-based payment expenses, net of taxes		-	-	5.5	-	-	**5.5**
Disposals of own shares and derivatives on own shares	12	-	-	(0.8)	-	0.8	**-**
Total transactions with shareholders of the Company		**-**	**-**	**4.7**	**-**	**0.8**	**5.5**
Balance at 31 December 2019		**8.0**	**893.4**	**139.5**	**(102.4)**	**(63.5)**	**875.0**
Net loss attributable to the shareholders of the Company		-	-	(390.1)	-	-	**(390.1)**
Other comprehensive loss, net of taxes [1]		-	-	(10.3)	(21.5)	-	**(31.8)**
Total comprehensive loss		**-**	**-**	**(400.4)**	**(21.5)**	**-**	**(421.9)**
Share-based payment expenses, net of taxes	7	-	-	4.2	-	-	**4.2**
Disposals of own shares and derivatives on own shares	12	-	-	(17.4)	-	17.4	**-**
Total transactions with shareholders of the Company		**-**	**-**	**(13.2)**	**-**	**17.4**	**4.2**
Balance at 30 June 2020		**8.0**	**893.4**	**(274.1)**	**(123.9)**	**(46.1)**	**457.3**

[1] Details of the line item ‘other comprehensive loss, net of taxes’ are shown in the consolidated statement of comprehensive income.

[2] Comparative figures have been restated to reflect an error in the accounting treatment of a contractual obligation to allocate future performance fees. For further information see note 17.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	H1 2020 CHF m	H2 2019 CHF m	H1 2019 CHF m
Cash flow from operating activities	(13.1)	71.9	(50.8)
Cash flow from investing activities	(17.4)	(2.7)	(20.7)
Cash flow from financing activities	(3.7)	(4.0)	(4.9)
Effects of exchange rate changes on cash and cash equivalents	(9.5)	(0.7)	(0.5)
Net (decrease)/increase in cash and cash equivalents	**(43.7)**	**64.5**	**(76.9)**
Cash and cash equivalents at the beginning of the period	315.8	251.3	328.2
Cash and cash equivalents at the end of the period	**272.1**	**315.8**	**251.3**

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

1. Volatility of earnings

Management fees are recognised throughout the period and can vary, among other things, due to fluctuations in the levels of assets under management. However, performance fees are only recognised if performance hurdles have been achieved at certain defined dates when it is highly probable that a significant reversal will not occur. As a result, the earnings of GAM Holding AG (the Company) and all its subsidiaries (together referred to as the Group) can be volatile and therefore the income and the related expenses generated in the second half of the year may vary from those generated in the first half.

2. Net fee and commission income

	H1 2020 CHF m	H1 2019 CHF m	Change in %
Investment management, advisory and other fees	351.5	417.1	(16)
Distribution, fee and commission expenses	(228.5)	(251.4)	(9)
Net management fees and commissions	**123.0**	**165.7**	**(26)**
of which investment management	104.6	148.3	(29)
of which private labelling	18.4	17.4	6
Performance fees	0.9	8.3	(89)
Performance fees paid to external investment managers	-	-	-
Net performance fees	**0.9**	**8.3**	**(89)**
Net fee and commission income	**123.9**	**174.0**	**(29)**

3. Net other income/(expenses)

	H1 2020 CHF m	H1 2019 CHF m restated [1]	Change in %
Adjustments to deferred consideration liabilities	3.0	(1.6)	-
Net foreign exchange gains/(losses)	2.5	(1.2)	-
Interest income	0.2	0.2	-
Interest expenses	(7.3)	(8.0)	-
Net losses on financial instruments at fair value through profit or loss	(2.8)	(1.3)	-
Adjustment to financial liability for performance fees attributable to external interests	29.2	(32.5)	-
Income from insurance recovery relating to ARBF matters	1.7	-	-
Gain on sale of fund to VZ Depotbank	1.5	-	-
Net other income/(expenses)	**28.0**	**(44.4)**	**-**

[1] Comparative figures have been restated. For further information see note 17.

The line item 'interest expenses' includes negative interest on cash and cash equivalents of CHF 0.5 million (H1 2019: CHF 0.5 million), finance charges of CHF 6.1 million (H1 2019: CHF 6.6 million), thereof CHF 5.6 million (H1 2019: CHF 5.3 million) on the discounted financial liability for performance fees attributable to external interests and CHF 0.5 million (H1 2019: CHF 1.3 million) on discounted liabilities relating to the deferred consideration elements of acquisitions previously made (see notes 8 and 10 for further information), and CHF 0.7 million (H1 2019: CHF 0.8 million) for the unwinding of the discount effect on lease liabilities.

4. Personnel expenses

	H1 2020 CHF m	H1 2019 CHF m	Change in %
Salaries and bonuses	55.6	75.6	(26)
Social security expenses	5.5	8.2	(33)
Defined benefit pension plan expenses	(0.2)	4.8	-
Defined contribution pension plan expenses	3.3	4.1	(20)
Share-based payment expenses	4.3	6.7	(36)
Termination benefits	4.1	-	-
Other personnel expenses	3.4	4.4	(23)
Personnel expenses	**76.0**	**103.8**	**(27)**

Curtailment to existing defined benefit pension plan
Due to the planned reduction in the number of employees in Switzerland in connection with the efficiency programme announced in H1 2020 a curtailment is made to the Swiss defined benefit pension plan resulting in a decrease of the pension liability and a corresponding non-cash gain of CHF 4.2 million.

Forfeitures of share-based payments
Due to the departure of a former member of the Group Management Board, forfeitures in the amount of CHF 2.0 million were recognised as a credit to share-based payment expenses.

5. General expenses

	H1 2020 CHF m	H1 2019 CHF m	Change in %
Occupancy	2.9	3.7	(22)
Technology and communication	7.9	11.2	(29)
Data and research	9.4	10.7	(12)
Professional and consulting services	4.3	14.0	(69)
Marketing and travel	4.4	6.6	(33)
Administration	2.9	3.6	(19)
Other general expenses	4.9	9.0	(46)
General expenses	**36.7**	**58.8**	**(38)**

6. Impairment losses

H1 2020
Impairment testing – intangible assets
Driven by the impact of Covid-19 on the Group’s assets under management, the Group has undertaken an assessment of the carrying value of its intangible assets. When reviewing the carrying value of these assets, the Board of Directors has considered the current situation of the Group and its prospects by taking into account both Group-specific matters and the broader economic environment in which the Group operates. Significant management judgement is required with respect to the key assumptions used.

Goodwill and brand
The Group holds goodwill on the acquisition of various investment management activities. The brand relates to the acquisition of GAM by Julius Baer in 2005. As the brand is directly linked with the ongoing operations of GAM, the brand is considered to have an indefinite useful life.

The recoverable amount based on the value in use is determined for the respective cash-generating unit (i.e. for the smallest identifiable group of assets that generate cash inflows independently from other assets).

The Group uses a model based on the discounted cash flow method to calculate the recoverable amount. The Group estimates the free cash flows expected to be generated from the continuing use of the respective cash-generating units based on its own five-year financial planning, taking into account the following key parameters and their individual components:
- assets under management
- management fee margin on assets under management
- performance fees
- income and expenses
- expected tax rate

Other key assumptions are the discount rate and terminal growth rate. The Group's approach to determining the key assumptions is based on management's knowledge and reasonable expectations of future business, using internal and external market information, planned business initiatives and other reasonable intentions of management. For that purpose, the Group uses historical information as well as the current and expected market conditions and the current and expected future relative market position of its products vis-à-vis its respective competitors and its industry.

The resulting free cash flows are discounted to their present value, using a pre-tax discount rate of 14.7% (2019: 13.5%) based on the risk-free rate obtained from the yield on 30-year bonds issued by the governments in the relevant markets and in the same currency as the expected cash flows. The data used in calculating the discount rate originates from information obtained from data service providers and external professional service providers. The discount rates used in the above calculation represent the Group's specific risk-weighted rates. To calculate the recoverable amount of the goodwill, the Group applies a 1.5% (2019: 1.5%) terminal growth rate, which is in line with the expected long-term growth rate of the gross domestic products for markets relevant to the Group.

As a consequence of the Covid-19 outbreak the capital markets have experienced significant price corrections and subsequently the forecasted assets under management and profitability levels were lower compared to previous forecasts. The resulting recoverable amount from the impairment test performed for the cash-generating unit, which includes goodwill and brand, amounted to CHF 457.3 million and was significantly lower than the carrying value as at 30 June 2020.

Based on the impairment test performed, considering the assumptions above, an impairment loss of CHF 377.7 million was recognised in H1 2020. This impairment loss was allocated to goodwill (CHF 373.7 million) and brand (CHF 4.0 million). As at 30 June 2020, the carrying value of the goodwill is nil (31 December 2019: CHF 388.8 million, reduced by currency losses of CHF 15.1 million in H1 2020) and of the brand CHF 269.0 million (31 December 2019: CHF 273.0 million) respectively.

Investment management and client contracts

Investment management and client contracts are amortised over their estimated useful life not exceeding a period greater than ten years using the straight-line method. Investment management and client contracts acquired prior to 2014 are fully amortised.

Whenever there are indications that investment management and client contracts are impaired, the Group uses a discounted cash flow model based on future cash flows attributable to identified investment management and client contracts to determine the recoverable amount.

As a result of the decrease in assets under management since acquisition the amortisation period has been changed from the end of 2024 to the end of 2021. Driven by lower than anticipated assets under management of the acquired GAM Systematic LLP (formerly Cantab Capital Partners LLP) business the actual and expected future cash flows were lower than previously assumed, which was considered an indication of impairment of the related investment management and client contracts. Therefore, an impairment test was performed using a discounted cash flow model based on estimated future cash flows attributable to identified investment management and client contracts acquired through the acquisition of GAM Systematic LLP to determine the recoverable amount. As the estimated future cash flows until 2021 were negative, the recoverable amount was nil based on the value in use as at 30 June 2020. As a result, an impairment loss of CHF 27.0 million was recognised in H1 2020.

In addition, an impairment loss of CHF 0.4 million on investment management and client contracts relating to Renshaw Bay has been recognised.

H1 2019

As a result of the reduced assets under management of the acquired THS business, the forecasted cash flows significantly decreased in H1 2019 reflecting an indication of impairment of the related investment management and client contracts. Therefore, an impairment test was performed using a discounted cash flow model based on future cash flows attributable to identified investment management and client contracts relating to the acquisition of THS to determine the recoverable amount. As a result, an impairment loss of CHF 0.7 million was recognised in H1 2019.

7. Income taxes

Tax effects recognised in profit or loss

In H1 2020, tax effects recognised in profit or loss include the write-down of deferred tax assets of CHF 8.1 million on previously recognised tax losses due to lower than expected future profits (for further information see note 18).

Tax effects recognised directly in equity

Tax effects on share-based payments resulted in a debit to equity of CHF 0.1 million (H1 2019: credit to equity of CHF 0.4 million). With the share-based payment expenses of CHF 4.3 million (H1 2019: CHF 6.7 million) and these tax effects, CHF 4.2 million (H1 2019: CHF 7.1 million) is included in the respective line item within equity as shown in the condensed consolidated statement of changes in equity.

Tax effects recognised in other comprehensive income

For further information refer to the condensed consolidated statement of comprehensive income.

8. Reconciliation between net profit (IFRS) and underlying net profit

			H1 2020			H1 2019
	IFRS CHF m	Reconciling items CHF m	Underlying CHF m	IFRS CHF m restated [1]	Reconciling items CHF m restated [1]	Underlying CHF m
Net management fees and commissions	123.0	-	123.0	165.7	-	165.7
Net performance fees	0.9	(0.1)	0.8	8.3	(2.9)	5.4
Net fee and commission income	**123.9**	**(0.1)**	**123.8**	**174.0**	**(2.9)**	**171.1**
Net other income/(expenses)	28.0	(29.3)	(1.3)	(44.4)	40.6	(3.8)
Income	**151.9**	**(29.4)**	**122.5**	**129.6**	**37.7**	**167.3**
Personnel expenses	76.0	4.2	80.2	103.8	0.2	104.0
General expenses	36.7	(1.6)	35.1	58.8	(6.7)	52.1
Depreciation and amortisation	16.0	(6.8)	9.2	14.1	(5.0)	9.1
Impairment losses	405.1	(405.1)	-	0.7	(0.7)	-
Expenses	**533.8**	**(409.3)**	**124.5**	**177.4**	**(12.2)**	**165.2**
(Loss)/profit before taxes	**(381.9)**	**379.9**	**(2.0)**	**(47.8)**	**49.9**	**2.1**
Income tax expense	8.2	(6.7)	1.5	1.9	1.3	3.2
Net (loss)/profit	**(390.1)**	**386.6**	**(3.5)**	**(49.7)**	**48.6**	**(1.1)**
(Loss)/earnings per share						
Basic (loss)/earnings per share (CHF)	(2.50)		(0.02)	(0.32)		(0.01)
Diluted (loss)/earnings per share (CHF)	(2.50)		(0.02)	(0.32)		(0.01)

[1] Comparative figures have been restated. For further information see note 17.

Reconciling items

	Acquisition-related items CHF m	Non-recurring items CHF m	H1 2020 Total reconciling items CHF m	Acquisition-related items CHF m restated [1]	Non-recurring items CHF m restated [1]	H1 2019 Total reconciling items CHF m restated [1]
Performance fees attributed to external interests	(0.1)	-	(0.1)	(2.9)	-	(2.9)
Net fee and commission income	**(0.1)**	**-**	**(0.1)**	**(2.9)**	**-**	**(2.9)**
Adjustments to deferred consideration liabilities	(3.0)	-	(3.0)	1.6	-	1.6
Foreign exchange losses/(gains) on deferred consideration liabilities	0.1	-	0.1	(0.2)	-	(0.2)
Adjustment to financial liability for performance fees attributable to external interests	(29.2)	-	(29.2)	32.5	-	32.5
Finance charges on discounted liabilities	6.1	-	6.1	6.6	-	6.6
Income from insurance recovery relating to ARBF matters	-	(1.7)	(1.7)	-	-	-
Gain on sale of fund to VZ Depotbank	-	(1.5)	(1.5)	-	-	-
Other income/expenses	-	(0.1)	(0.1)	-	0.1	0.1
Net other income/(expenses)	**(26.0)**	**(3.3)**	**(29.3)**	**40.5**	**0.1**	**40.6**
Adjustments to deferred consideration liabilities	-	-	-	0.2	-	0.2
Pension plan curtailment	-	4.2	4.2	-	-	-
Personnel expenses	**-**	**4.2**	**4.2**	**0.2**	**-**	**0.2**
Reorganisation charge	-	(0.9)	(0.9)	-	(0.8)	(0.8)
Costs relating to ARBF matters	-	-	-	-	(1.4)	(1.4)
Other expenses	-	(0.7)	(0.7)	-	(4.5)	(4.5)
General expenses	**-**	**(1.6)**	**(1.6)**	**-**	**(6.7)**	**(6.7)**
Accelerated amortisation of software	-	(2.9)	(2.9)	-	-	-
Amortisation of investment management and client contracts	(3.9)	-	(3.9)	(5.0)	-	(5.0)
Depreciation and amortisation	**(3.9)**	**(2.9)**	**(6.8)**	**(5.0)**	**-**	**(5.0)**
Impairment of goodwill and brand	-	(377.7)	(377.7)	-	-	-
Impairment of investment management and client contracts	-	(27.4)	(27.4)	-	(0.7)	(0.7)
Impairment losses	**-**	**(405.1)**	**(405.1)**	**-**	**(0.7)**	**(0.7)**
Total reconciling items before taxes	**(22.2)**	**402.1**	**379.9**	**42.4**	**7.5**	**49.9**
Write-down of deferred tax assets	-	(8.1)	(8.1)	-	-	-
Income tax credit	0.5	0.9	1.4	0.8	0.5	1.3
Total reconciling items after taxes	**(22.7)**	**409.3**	**386.6**	**41.6**	**7.0**	**48.6**

[1] Comparative figures have been restated. For further information see note 17.

The Group has defined principles for reporting non-IFRS profit information – including labelling, transparency, prominence and presentation, comparability, consistency and materiality – which are considered to be appropriate to meet the needs of users of financial information. The Group discloses underlying profit before and after taxes as alternative performance measures representing a measure of earnings adjusted to exclude items which are not viewed as part of the Group's underlying operating activities. This enables better comparison of business performance across periods.

According to its policy, the Group distinguishes between two categories of excluded items, in adherence to the principles mentioned above, being acquisition-related items and non-recurring items.

Below items are stated before taxes.

Acquisition-related items

H1 2020

Performance fees attributed to external interests

The Group has a contractual obligation, through the agreement to acquire GAM Systematic LLP (formerly Cantab Capital Partners LLP), to pay 40% of performance fees received by GAM Systematic LLP to employees (in the first six years and capped at USD 50 million as determined by previous partners) and previous partners thereafter indefinitely. The performance fees payable in relation to GAM Systematic LLP amount to CHF 0.1 million.

Adjustment to financial liability for performance fees attributable to external interests

The remeasurement of the financial liability for performance fees attributable to external interests resulted in a gain of CHF 29.2 million.

Adjustments to deferred consideration liabilities and related foreign exchange impacts

The Group acquired GAM Lugano, the Renshaw Bay real estate debt business as well as the investment management businesses of Taube Hodson Stonex (THS) and GAM Systematic LLP, all with a deferred consideration element. In H1 2020, the consideration payable, compared with that recognised at acquisition or in subsequent periods, was reduced by CHF 3.0 million and recognised as income in the line item ‘net other income/(expenses)’. In addition, a net of hedging loss of CHF 0.1 million was recognised as a debit in the line item ‘net foreign exchange gains/(losses)’ included within ‘net other income/(expenses)’.

Finance charges on discounted liabilities

The CHF 6.1 million include finance charges of CHF 5.6 million on the discounted financial liability for performance fees attributable to external interests and CHF 0.5 million on discounted liabilities relating to the deferred consideration elements of the acquisitions of the investment management businesses of GAM Systematic LLP and THS.

Amortisation of investment management and client contracts

The CHF 3.9 million amortisation of investment management and client contracts relates to the acquisitions of the Singleterry Mansley business, the Renshaw Bay real estate business as well as the investment management businesses of THS and GAM Systematic LLP.

H1 2019

Performance fees attributed to external interests

The Group has a contractual commitment, through the agreement to acquire GAM Systematic LLP, to pay 40% of performance fees received by GAM Systematic LLP to employees (in the first six years and capped at USD 50 million as determined by previous partners) and previous partners thereafter indefinitely. The performance fees payable in relation to GAM Systematic LLP amounted to CHF 2.9 million.

Adjustment to financial liability for performance fees attributable to external interests

The remeasurement of the financial liability for performance fees attributable to external interests resulted in a loss of CHF 32.5 million.

Adjustments to deferred consideration liabilities and related foreign exchange impacts

The Group acquired GAM Lugano, the Singleterry Mansley business, the Renshaw Bay real estate debt business as well as the investment management businesses of Taube Hodson Stonex (THS) and GAM Systematic LLP, all with a deferred consideration element. In H1 2019, the consideration payable, compared with that recognised at acquisition or in subsequent periods, was increased by CHF 1.4 million. Thereof, CHF 1.6 million was recognised as an expense in the line item ‘net other income/(expenses)’ and CHF 0.2 million as a credit in the line item ‘personnel expenses’. In addition, a net of hedging gain of CHF 0.2 million was recognised as a credit in the line item ‘net foreign exchange gains/(losses)’ included within ‘net other income/(expenses)’.

Finance charges on discounted liabilities
The CHF 6.6 million include finance charges of CHF 5.3 million on the discounted financial liability for performance fees attributable to external interests and CHF 1.3 million on discounted liabilities relating to the deferred consideration elements of the acquisitions of the investment management businesses of GAM Systematic LLP and THS.

Amortisation of investment management and client contracts
The CHF 5.0 million amortisation of investment management and client contracts relates to the acquisitions of the Singleterry Mansley business, the Renshaw Bay real estate business as well as the investment management businesses of THS and GAM Systematic LLP.

Non-recurring items
H1 2020

Income from insurance recovery relating to ARBF matters
The Group can recover certain costs incurred in connection with events and circumstances leading to the suspension and subsequent dismissal of the investment director and business unit head for the unconstrained/absolute return bond fund (ARBF) strategy from insurers. An insurance recovery amount of CHF 1.7 million was recognised in H1 2020.

Gain on sale of fund to VZ Depotbank
In H1 2020, the Swiss mortgage loan fund with assets under management of CHF 0.5 billion was sold to VZ Depotbank and a gain equivalent to the total consideration of CHF 1.5 million was recognised.

Reorganisation charge
The charge of CHF 0.9 million recognised in the line item ‘general expenses’ in respect of the Group’s implementation of its strategic initiatives includes a charge of CHF 0.2 million in connection with costs relating to the Group’s office space consolidation and CHF 0.7 million regarding the implementation of the new SimCorp platform.

Pension plan curtailment
Due to the planned reduction in the number of employees in Switzerland in connection with the efficiency programme announced in H1 2020 a curtailment is made to the Swiss defined benefit pension plan resulting in a decrease of the pension liability and a corresponding non-cash gain of CHF 4.2 million.

Accelerated amortisation of software
The CHF 2.9 million accelerated amortisation of software relates to the implementation of the new SimCorp platform. For software being replaced by the new platform accelerated amortisation has been applied due to a shorter useful life.

Impairment of goodwill and brand
For further information on the CHF 377.7 million impairment loss on goodwill and brand see note 6. This impairment loss was allocated to goodwill (CHF 373.7 million) and brand (CHF 4.0 million).

Impairment of investment management and client contracts
The CHF 27.4 million impairment losses (before taxes, CHF 25.1 million net of taxes) on investment management and client contracts relate to the acquisition of the investment management businesses of GAM Systematic LLP and Renshaw Bay. For further information see note 6.

Write-down of deferred tax assets
The write-down relates to deferred tax assets on previously recognised tax losses (for further information see note 7).

Other income/expenses
Other income/expenses include certain costs which have been combined in one line item considering materiality.

H1 2019

Reorganisation charge
The charge of CHF 0.8 million in respect of the Group’s implementation of its strategic initiatives includes CHF 0.8 million in connection with costs recognised in the line item ‘general expenses’ relating to the Group’s London office move and IT infrastructure outsourcing.

Costs relating to ARBF matters
In connection with events and circumstances leading to the suspension and subsequent dismissal of the investment director and business unit head for the unconstrained/absolute return bond fund (ARBF) strategy, and the subsequent liquidation of the ARBF strategy related funds and mandates, various costs were incurred, mainly reflecting legal fees and other professional fees.

Impairment of investment management and client contracts
The CHF 0.7 million impairment loss (before taxes, CHF 0.6 million net of taxes) on investment management and client contracts relates to the acquisition of the investment management business of THS. For further information see note 6.

Other expenses
Other expenses include certain costs which have been combined in one line item considering materiality and consistency.

9. Earnings per share and shares outstanding

9.1. Earnings per share

	H1 2020	H1 2019 restated [1]
Basic loss per share		
Net loss attributable to the shareholders of the Company (CHF m)	(390.1)	(49.7)
Weighted average number of shares outstanding (millions)	156.2	155.4
Basic loss per share (CHF)	**(2.50)**	**(0.32)**
Diluted loss per share		
Net loss attributable to the shareholders of the Company for diluted EPS (CHF m)	(390.1)	(49.7)
Weighted average number of shares outstanding (millions)	156.2	155.4
Dilution effect (millions)	-	-
Weighted average number of shares outstanding for diluted EPS (millions)	156.2	155.4
Diluted loss per share (CHF)	**(2.50)**	**(0.32)**

[1] Comparative figures have been restated. For further information see note 17.

At 30 June 2020, 1.9 million potential shares were excluded from the weighted average number of shares outstanding for diluted EPS calculation as their effect would have been anti-dilutive due to the net loss recognised in H1 2020 (30 June 2019: 1.0 million potential shares were excluded).

9.2. Shares outstanding

	H1 2020	H1 2019
Shares issued at the end of the period	159,682,531	159,682,531
Treasury shares – share-based payment plans	(2,965,837)	(4,133,457)
Shares outstanding at the end of the period	**156,716,694**	**155,549,074**

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

10. Financial instruments – fair value determination

For financial investments whose prices are quoted in an active market, the fair value is derived directly from the quoted market prices.

For financial instruments for which quoted market prices are not directly available, fair values are estimated using valuation techniques or models based, where possible, on assumptions supported by observable market prices or rates existing at the balance sheet date.

For a small portion of financial instruments, neither quoted market prices nor valuation techniques or models based on observable market prices are available for determining the fair value. In these cases, fair values are estimated indirectly using valuation techniques or models based on reasonable assumptions reflecting market conditions.

These valuation techniques remained unchanged from those disclosed in the consolidated financial statements as at and for the year ended 31 December 2019.

The carrying amount of the financial assets and liabilities, including cash and cash equivalents, accrued income and expenses, trade and other receivables and payables, and other financial assets and liabilities, approximates their fair value.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 CHF m	Level 2 CHF m	Level 3 CHF m	30.06.2020 Total CHF m
Derivative financial instruments	-	0.1	-	**0.1**
Seed capital and product management investments at fair value through profit or loss	26.4	0.1	1.2	**27.7**
Other financial assets at fair value through profit or loss	-	3.0	-	**3.0**
Financial assets measured at fair value	**26.4**	**3.2**	**1.2**	**30.8**
Derivative financial instruments	-	1.2	-	**1.2**
Financial liabilities at fair value through profit or loss	4.9	2.3	6.0	**13.2**
Financial liabilities measured at fair value	**4.9**	**3.5**	**6.0**	**14.4**

	Level 1 CHF m	Level 2 CHF m	Level 3 CHF m	31.12.2019 Total CHF m
Derivative financial instruments	-	0.4	-	**0.4**
Seed capital and product management investments at fair value through profit or loss	23.1	21.3	2.0	**46.4**
Other financial assets at fair value through profit or loss	-	4.0	0.1	**4.1**
Financial assets measured at fair value	**23.1**	**25.7**	**2.1**	**50.9**
Derivative financial instruments	-	1.1	-	**1.1**
Financial liabilities at fair value through profit or loss	2.4	3.0	18.3	**23.7**
Financial liabilities measured at fair value	**2.4**	**4.1**	**18.3**	**24.8**

The categories ‘seed capital and product management investments at fair value through profit or loss’ and ‘financial liabilities at fair value through profit or loss’ include the balance sheet line items ‘assets held for sale’ in the amount of CHF 27.7 million (31 December 2019: CHF 28.2 million), which mainly contain the controlled funds’ direct investments, and ‘liabilities held for sale’ which contain the direct liabilities of those controlled funds in the amount of CHF 4.9 million (31 December 2019: CHF 2.4 million). These direct investments are invested into financial instruments.

Transfers into and transfers out of the fair value hierarchy levels are recognised as of the date of the event or change in circumstances that caused the transfer.

In H1 2020, there were no transfers between levels. On 31 December 2019, financial assets in the amount of CHF 0.6 million were transferred from level 2 to level 3 due to less regularly occurring market transactions meaning that those markets no longer met the definition of an active market.

The following table presents the changes in level 3 financial instruments:

	Financial assets at fair value through profit or loss CHF m	Financial liabilities at fair value through profit or loss CHF m
Balance at 1 January 2019	0.1	36.8
Additions	1.4	-
Disposals/settlements	-	(15.8)
Total losses in profit or loss	(0.1)	2.5
Translation differences	(0.1)	0.2
Balance at 30 June 2019	**1.3**	**23.7**
Additions	0.2	-
Disposals/settlements	(0.1)	(0.1)
Reclassification from level 2	0.6	-
Total gains in profit or loss	-	(6.1)
Translation differences	0.1	0.8
Balance at 31 December 2019	**2.1**	**18.3**
Additions	-	-
Disposals/settlements	(0.5)	(9.7)
Total losses/gains in profit or loss	(0.4)	(1.3)
Translation differences	-	(1.3)
Balance at 30 June 2020	**1.2**	**6.0**

Level 3 financial liabilities at fair value through profit or loss represent deferred consideration liabilities relating to previous acquisitions. These are measured based on their contractual terms and expected future business performance.

In H1 2020, net gains of CHF 0.9 million (H1 2019: net losses of CHF 2.6 million) included in profit or loss relate to level 3 financial instruments held at the end of the reporting period. These gains and losses are included in the line items ‘net other income/(expenses)’ and ‘personnel expenses’. For further information on the financial liabilities see note 8 regarding adjustments to the deferred consideration liabilities.

Sensitivity of fair value measurements of financial assets

As in prior year, no reasonably possible change in the inputs used in determining the fair value of financial assets would cause a significant change in the fair value of these level 3 financial assets.

Sensitivity of fair value measurements of financial liabilities

No reasonably possible change in the inputs used in determining the fair value of financial assets would cause a significant change in the fair value of these level 3 financial liabilities.

Level 3 financial liabilities, representing the deferred consideration liabilities from acquisitions made by the Group, mainly include the deferred consideration liability from the acquisition of GAM Systematic LLP (formerly Cantab Capital Partners LLP) which is estimated to amount to CHF 4.5 million as at 30 June 2020 (31 December 2019: CHF 16.8 million).

The recognised deferred consideration regarding the acquisition of GAM Systematic LLP is based on net management fee revenue from the strategies managed by the GAM Systematic investment team for 2020, payable after the period end.

11. Provisions

	Restructuring CHF m	Reinstatement of leasehold improvements CHF m	Other CHF m	H1 2020 **Total** CHF m
Balance at the beginning of the period	10.2	4.0	1.2	**15.4**
Recognised during the period	4.1	1.5	0.2	**5.8**
Utilised during the period	(5.5)	-	(0.1)	**(5.6)**
Reversed during the period	(4.1)	(1.0)	(0.2)	**(5.3)**
Translation differences	(0.2)	(0.2)	(0.1)	**(0.5)**
Balance at the end of the period	**4.5**	**4.3**	**1.0**	**9.8**
Current	4.5	0.3	1.0	**5.8**
Non-current	-	4.0	-	**4.0**
Balance at the end of the period	**4.5**	**4.3**	**1.0**	**9.8**

12. Treasury shares

As at 30 June 2020, the Group held 3.0 million treasury shares to meet the Group's obligation to deliver shares for the various share-based payment plans (31 December 2019: 4.1 million), all of which are expected to be net equity settled.

No treasury shares were acquired under the Company's 2017–2020 share buy-back programme, which expired on 30 April 2020, nor under the new 2020–2023 share buy-back programme, which commenced on 5 May 2020 (the year to 31 December 2019: no treasury shares acquired).

	Shares	CHF m
Balance at 1 January 2019	4,627,353	72.1
Disposals of own shares	(493,896)	(7.8)
Balance at 30 June 2019	**4,133,457**	**64.3**
Disposals of own shares	(52,116)	(0.8)
Balance at 31 December 2019	**4,081,341**	**63.5**
Disposals of own shares	(1,115,504)	(17.4)
Balance at 30 June 2020	**2,965,837**	**46.1**

The purpose of the GAM Employee Benefit Trust (EBT) is to encourage, motivate and retain the Group's employees by providing benefits, through a trust, to such employees. As a result, the EBT holds shares in the Company. Generally, the funding for current and future plans will be provided by the Company. As the EBT is under control of the Group in accordance with IFRS 10, the EBT is fully consolidated. As at 30 June 2020, of the 3.0 million treasury shares (31 December 2019: CHF 4.1 million), GAM Holding AG holds 1.4 million (31 December 2019: CHF 1.8 million) and the EBT holds 1.6 million (31 December 2019: CHF 2.3 million).

ADDITIONAL NOTES

13. Share-based payments

Share plan for members of the Board of Directors
On 1 May 2020, the members of the Board of Directors were granted a total of 381,772 GAM Holding AG shares at a fair value of CHF 2.03 per share. These shares will vest and be delivered on the day before the Company's 2021 Annual General Meeting, subject to certain conditions being met. The fair value at grant date is recognised as an expense over the relevant vesting period. In H1 2020, an expense of CHF 0.1 million was recognised.

Other equity-settled share-based grants
Share awards
On 2 March 2020, certain new employees were granted a total of 266,246 GAM Holding AG shares with a fair value between CHF 3.01 and CHF 3.17 per share. The shares will vest and be delivered within three years after the grant date subject to the recipient continuing to be employed with the Group on each vesting date. In H1 2020, an expense of CHF 0.1 million was recognised.

14. Contingent liabilities

Potential litigations, reviews and investigations
The Group is exposed to the risk of conduct-related and legal matters as well as regulatory actions, which could give rise to the need to recognise material provisions or, in the case they do not qualify for the recognition of a provision, to disclose contingent liabilities. These potential exposures mainly relate to the events and circumstances leading to the suspension and subsequent dismissal of the investment director and business unit head for the ARBF strategy and the subsequent liquidation of the ARBF strategy related funds and mandates. Any potential exposures relating to these matters are dependent on the outcome of any potential legal and/or regulatory actions. A provision of CHF 0.7 million is recognised in the consolidated balance sheet as at 30 June 2020.

The Group operates in various jurisdictions which are subject to local laws and regulation. During the ordinary course of business the Group may become exposed to breaches of regulation and law, including breaches of client mandates, fund requirements or legal contracts, which may give rise to litigation and a liability.

During the ordinary course of business certain non-material financial exposures arise and the Group has recognised a provision for these events as appropriate in accordance with IFRS accounting standards.

15. Events after the reporting period

The Board of Directors approved these condensed interim consolidated financial statements on 3 August 2020.

16. General information

The Company is a Swiss corporation domiciled in Zurich and listed on the SIX Swiss Exchange. The condensed interim consolidated financial statements as at and for the six months ended 30 June 2020 are unaudited and comprise those of the Company and all its subsidiaries including structured entities under the Group's control. The Group provides asset management services. The core investment management business is complemented by private labelling services, which include management company and other support services to third-party asset managers.

17. Basis of preparation

These condensed interim consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS).

Except where otherwise indicated in these condensed interim consolidated financial statements, all financial information is presented in millions of Swiss francs.

Correction of comparative information in respect of the acquisition of GAM Systematic LLP
As set out in the consolidated financial statements 2016, on 3 October 2016 the Group acquired the investment management business of GAM Systematic LLP (formerly Cantab Capital Partners LLP), a UK-based independent asset management firm. GAM acquired 100% of GAM Systematic LLP's investment management business, except for the right to receive 40% of all future performance fees, which was retained by GAM Systematic LLP's selling partners.

As disclosed in note 27.3 of the consolidated financial statements 2016 the contractual commitment to distribute 40% of future performance fees generated by GAM Systematic LLP was treated as a contingent liability. An expense for the distribution of 40% of performance fees was recognised once the underlying performance fees crystallised.

As announced on 30 January 2020, the Sanctions Commission of SIX Swiss Exchange upheld the sanctions proposal submitted against GAM Holding AG relating to the accounting treatment of future performance fee payments as a financial liability following the Group's acquisition of GAM Systematic LLP. As a result of the Group's decision not to appeal, the Group has changed its accounting treatment in relation to this matter which is treated as an error in accordance with IAS 8. Under this change in accounting treatment, the Group should have recognised a financial liability which should have been recognised as part of the net assets of GAM Systematic LLP at its acquisition date fair value. At each subsequent reporting date, due to revised estimates of future performance fee payments, the carrying amount of the financial liability at amortised cost should have been recalculated by using the effective interest method with any gain or loss being recognised directly in the income statement.

As a consequence of recognising this financial liability in the original purchase price allocation of GAM Systematic LLP on 3 October 2016, an adjustment is also required to the values of intangible assets (investment management and client contracts) and goodwill in relation to the acquisition. At each subsequent reporting date, these updated balances have been treated in accordance with our existing accounting policies.

In line with the requirements of IAS 8, the Group has recalculated the original purchase price allocation as of 3 October 2016 and restated its comparative information as summarised in the table below.

As a consequence of the changes to the original purchase price allocation in relation to the acquisition of GAM Systematic LLP on 3 October 2016, the Group recognised a higher goodwill and higher investment management and client contracts as well as a financial liability in the same amount. GAM Systematic LLP, which is a limited liability partnership and as such is treated as a 'transparent entity', does not pay tax directly, but instead the partners pay tax on their partner distributions from GAM Systematic LLP. As a result, neither GAM Systematic LLP nor any member of the GAM Group pays tax on the 40% performance fees attributed to the "A" interest holders.

Impact on the condensed consolidated income statement

	H1 2019 Published CHF m	Restatement CHF m	H1 2019 Restated CHF m
Net management fees and commissions	165.7	-	165.7
Net performance fees	8.3	-	8.3
Net fee and commission income	**174.0**	**-**	**174.0**
Net other income/(expenses)	(9.5)	(34.9)	(44.4)
Income	**164.5**	**(34.9)**	**129.6**
Personnel expenses	103.8	-	103.8
General expenses	58.8	-	58.8
Depreciation and amortisation	12.9	1.2	14.1
Impairment losses	0.7	-	0.7
Expenses	**176.2**	**1.2**	**177.4**
Loss before taxes	**(11.7)**	**(36.1)**	**(47.8)**
Income tax credit	1.9	-	1.9
Net loss attributable to the shareholders of the Company	**(13.6)**	**(36.1)**	**(49.7)**
Loss per share			
Basic loss per share (CHF)	(0.09)	(0.23)	(0.32)
Diluted loss per share (CHF)	(0.09)	(0.23)	(0.32)

At each reporting date, the carrying amount of the newly recognised financial liability is subsequently measured at amortised cost using the effective interest method with any gain or loss due to revised estimates of future payments being recognised directly in the income statement. During each period, finance charges on the discounted financial liability are recognised for the unwinding of the discount effect, using a risk-adjusted effective interest rate of 25%. The remeasurement and the finance charges are both recognised in the line item 'net other income/(expenses)' (for further details see notes 3 and 8).

During each period, the investment management and client contracts are amortised using the straight-line method and tested for impairment at the end of each reporting period if such indicators exist.

Impact on the condensed consolidated balance sheet

Under the new accounting treatment, the Group has recognised a financial liability which is recognised in the line item 'financial liabilities' and remeasured at each reporting date.

Goodwill and investment management and client contracts are recognised in the line item 'goodwill and other intangible assets'.

Impacts on the condensed consolidated income statement between the acquisition date and the restatement date of 1 January 2019 are recognised in the line item 'retained earnings' and translation differences in the line item 'foreign currency translation reserve'.

For further information about the impact on the consolidated balance sheet as at 31 December 2018 see note 28 of the 2019 consolidated financial statements.

18. Significant accounting policies

These condensed interim consolidated financial statements were prepared on the basis of accounting policies and valuation principles consistent with those used in the consolidated financial statements as at and for the year ended 31 December 2019, except for the following.

There were no new accounting pronouncements with effective date 1 January 2020 that had an impact on the condensed interim consolidated financial statements of the Group.

Use of accounting estimates and judgments affected by the Covid-19 pandemic
GAM has considered the uncertainties resulting from the Covid-19 pandemic and has applied appropriate judgement when determining the effects of Covid-19, for example by applying probability-weighted estimates. The following estimates and assumptions have been specifically considered, given the significant uncertainty that exists, in particular when assessing the macroeconomic and financial impact on assets under management, and subsequently the related fee income and the Group's budget and forecasts, which serve as basis for the measurement of various assets and liabilities:
- utilisation of tax losses and measurement of deferred tax assets,
- determining the fair value contingent consideration,
- determining the carrying amount of the financial liability for performance fees attributable to external interests,
- measurement of the recoverable amount of goodwill and other intangible assets.

Significant events and transactions affected by the Covid-19 pandemic
As a consequence of the Covid-19 outbreak the capital markets have experienced significant price corrections and subsequently the forecasted assets under management and profitability levels were significantly lower compared to previous forecasts. As a result, the carrying amounts of goodwill, brand, investment management and client contracts as well as deferred tax assets have been impaired or written off (see notes 6 and 8 for further information). But in the same context, the financial liabilities for performance fees attributable to external interests and for deferred consideration liabilities relating to previous acquisitions have been reduced as well (see notes 8 and 10 for further information).

FINANCIAL SUMMARY AND SHARE INFORMATION

FIVE-YEAR FINANCIAL SUMMARY

	H1 2020 CHF m	H2 2019 CHF m	H1 2019 CHF m restated [1]	2019 CHF m	2018 CHF m restated [1]	2017 CHF m restated [1]	2016 CHF m restated [1]
Net management fees and commissions	123.0	151.4	165.7	317.1	495.4	503.6	470.5
Net performance fees	0.8	7.4	5.4	12.8	4.5	44.1	3.0
Net fee and commission income	**123.8**	**158.8**	**171.1**	**329.9**	**499.9**	**547.7**	**473.5**
Net other (expenses)/income	(1.3)	0.1	(3.8)	(3.7)	0.3	2.2	5.1
Income	**122.5**	**158.9**	**167.3**	**326.2**	**500.2**	**549.9**	**478.6**
Personnel expenses	80.2	93.0	104.0	197.0	239.6	264.6	246.2
Fixed personnel expenses	62.6	66.3	73.6	139.9	153.9	150.1	155.7
Variable personnel expenses	17.6	26.7	30.4	57.1	85.7	114.5	90.5
General expenses	35.1	47.5	52.1	99.6	127.7	106.1	102.9
Occupancy	2.9	4.3	3.7	8.0	22.2	22.2	25.7
Technology and communication	7.2	8.0	11.0	19.0	14.1	12.7	13.8
Data and research	9.4	10.0	10.7	20.7	23.4	17.9	17.5
Professional and consulting services	3.4	7.8	10.3	18.1	17.6	15.5	10.2
Marketing and travel	4.4	7.3	6.6	13.9	17.6	18.2	17.8
Administration	2.9	3.4	3.6	7.0	9.5	8.8	6.1
Other general expenses	4.9	6.7	6.2	12.9	23.3	10.8	11.8
Depreciation and amortisation	9.2	10.0	9.1	19.1	6.2	6.7	9.4
Expenses	**124.5**	**150.5**	**165.2**	**315.7**	**373.5**	**377.4**	**358.5**
Underlying (loss)/profit before taxes	**(2.0)**	**8.4**	**2.1**	**10.5**	**126.7**	**172.5**	**120.1**
Underlying income tax expense	1.5	2.4	3.2	5.6	28.5	35.4	25.9
Underlying net (loss)/profit	**(3.5)**	**6.0**	**(1.1)**	**4.9**	**98.2**	**137.1**	**94.2**
Acquisition-related items	22.2	29.9	(42.4)	(12.5)	82.3	36.1	(1.6)
Non-recurring items	(402.1)	10.7	(7.5)	3.2	(1,130.1)	(21.2)	2.9
Tax on acquisition-related items	0.5	0.5	0.8	1.3	4.8	6.4	1.5
Tax on non-recurring items	0.9	(0.2)	0.5	0.3	32.6	4.0	(0.7)
Non-recurring tax item	(8.1)	(0.7)	-	(0.7)	(4.6)	-	27.8
IFRS net (loss)/profit	**(390.1)**	**46.2**	**(49.7)**	**(3.5)**	**(916.8)**	**162.4**	**124.1**
Operating margin (%) [2]	(0.6)	5.2	3.4	4.3	25.3	31.1	24.3
Compensation ratio (%) [3]	64.8	58.6	60.8	59.7	47.9	48.3	52.0
Average personnel (FTEs)	801	847	896	872	932	951	1,023

[1] Comparative figures have been restated. For further information see consolidated financial statements note 17.

[2] (Net fee and commission income - expenses) / net fee and commission income.

[3] Personnel expenses / net fee and commission income.

	H1 2020	H2 2019	H1 2019 restated [1]	2019	2018 restated [1]	2017 restated [1]	2016 restated [1]
Assets under management at the end of the period (CHF bn)	119.4	132.7	136.1	132.7	132.2	158.7	120.7
in investment management	35.5 [2]	48.4 [2]	52.1 [3]	48.4 [2]	56.1 [3]	84.4	68.2
in private labelling	83.9	84.3	84.0	84.3	76.1	74.3	52.5
Average assets under management (CHF bn)	**122.8**	**134.9**	**136.4**	**135.6**	**154.4**	**138.0**	**117.2**
in investment management	40.8	50.2 [4]	55.0 [4]	52.6 [4]	76.8 [4]	74.7	68.3
in private labelling	82.0	84.7	81.4	83.0	77.6	63.3	48.9
Net flows (CHF bn)	**(5.9)**	**(4.8)**	**(5.2)**	**(10.0)**	**(2.2)**	**24.3**	**(6.4)**
in investment management	(8.5)	(3.5) [5]	(7.6) [5]	(11.1) [5]	(10.5) [5]	8.6	(10.7)
in private labelling	2.6	(1.3)	2.4	1.1	8.3	15.7	4.3
Net management fees and commissions (CHF m)	**123.0**	**151.4**	**165.7**	**317.1**	**495.4**	**503.6**	**470.5**
in investment management	104.6	136.6	148.3	284.9	453.6	463.8	434.4
in private labelling	18.4	14.8	17.4	32.2	41.8	39.8	36.1
Total fee margin in investment management (bps)	51.7	57.4	55.9	56.6	59.6	68.0	64.1
Management fee margin in investment management (bps)	51.3	54.4	53.9	54.2	59.1	62.1	63.6
Management fee margin in private labelling (bps)	4.5	3.5	4.3	3.9	5.4	6.3	7.4
Weighted average number of shares outstanding for basic EPS (m)	156.2	155.6	155.4	155.5	155.4	157.0	157.7
Basic underlying EPS (CHF)	(0.02)	0.04	(0.01)	0.03	0.63	0.87	0.60
Basic IFRS EPS (CHF)	(2.50)	0.30	(0.32)	(0.02)	(5.90)	1.03	0.79
Weighted average number of shares outstanding for diluted EPS (m)	156.2	157.3	155.4	157.0 [6]	156.6 [6]	158.8	157.8
Diluted underlying EPS (CHF)	(0.02)	0.04	(0.01)	0.03	0.63	0.86	0.60
Diluted IFRS EPS (CHF)	(2.50)	0.29	(0.32)	(0.02)	(5.90)	1.02	0.79
Dividend per share for the financial year (CHF)				-	-	0.65	0.65

[1] Comparative figures have been restated. For further information see consolidated financial statements note 17.

[2] Including CHF 0.3 billion of money market funds as at 30 June 2020 and 31 December 2019, which GAM agreed to sell to ZKB as announced with the H1 2019 results.

[3] Excluding CHF 1.45 billion ARBF-related assets under management in liquidation as at 31 December 2018 and CHF 1.0 billion as at 30 June 2019.

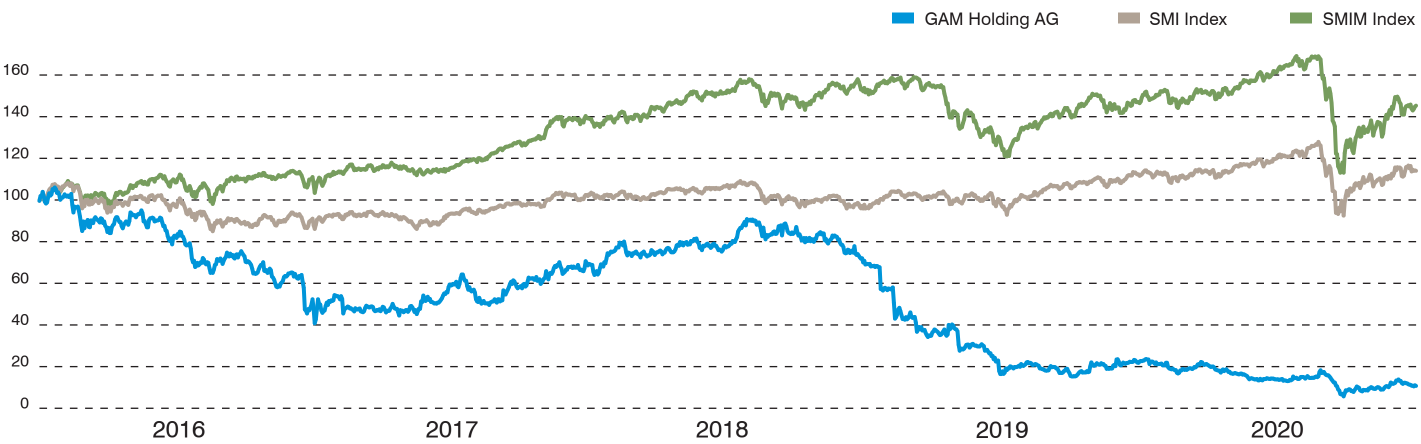
[4] Excluding ARBF-related assets under management in liquidation from August 2018 to June 2019.

[5] Including ARBF-related net inflows in H1 2018 of CHF 0.3 billion, excluding ARBF-related net flows in H2 2018, H1 2019 and H2 2019, and excluding fund assets liquidated as at 31 December 2018, 30 June 2019, and 30 December 2019.

[6] As a result of the IFRS net loss reported for 2019 and 2018, for the calculation of the diluted IFRS EPS for 2019 and 2018, the weighted average number of shares outstanding for diluted EPS equals the weighted average number of shares outstanding for basic EPS of 155.5 million for 2019 and 155.4 million for 2018.

SHARE INFORMATION

Share price performance (indexed)



Listing information

Swiss securities number	10265962
ISIN	CH0102659627
Listing	SIX Swiss Exchange

Share information CHF

	H1 2020	H2 2019	H1 2019	Change from H2 2019 in %	Change from H1 2019 in %
Closing price at the end of the period	2.17	2.80	4.51	(23)	(52)
Highest price	3.65	4.72	4.69	(23)	(22)
Lowest price	1.20	2.70	3.07	(56)	(61)
Market capitalisation at the end of the period (CHF m) [1]	347	448	720	(23)	(52)

Treasury shares

	30.06.2020	31.12.2019	30.06.2019	Change from 31.12.2019 in %	Change from 30.06.2019 in %
Shares issued	159,682,531	159,682,531	159,682,531	0	0
Treasury shares	(2,965,837)	(4,081,341)	(4,133,457)	(27)	(28)
Shares outstanding	156,716,694	155,601,190	155,549,074	1	1

[1] Based on shares issued.

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'Forward-looking statements'

This half-year report contains statements that constitute 'forward-looking statements', including statements of the future financial performance of the Company, its plans and objectives and their anticipated effect on the Company's future business and development, as well as other projections and statements that are forward-looking or contain subjective assessments, regarding the intent, belief or current expectations of the Company. 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', 'predict' and similar expressions. Such statements are made on the basis of assumptions, estimates and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous or unfounded in the future, as forward-looking statements are subject to risks and uncertainties that could cause the actual development, results and financial position of the Company to differ materially from the information presented herein. These risks and uncertainties facing the Company, which could affect the future accuracy of these forward-looking statements, include, but are not limited to, the effects of, and changes in, fiscal, monetary and tax policies; currency fluctuations; the effect of the current economic environment on the financial position or creditworthiness of the Company's clients and counterparties; the Company's ability to retain and attract the employees that are necessary to generate revenues and to manage its businesses effectively; possible political, legal and regulatory developments, including the effect of more stringent capital and liquidity requirements; changes in accounting standards or policies; limitations on the effectiveness of the Company's internal risk management processes, including the occurrence of operational failures; political and social developments, including war, civil unrest or terrorist activity; the adverse resolution of litigation and other contingencies; and changes in the size, capabilities and effectiveness of the Company's competitors. If one of these risks or uncertainties materialises or if underlying assumptions prove to be incorrect, actual outcomes may vary materially from those indicated in the forward-looking statements. Other than in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange, the Company undertakes no obligation to release publicly any revisions or updates to any forward-looking statements herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or to reflect any change in the Company's expectations.