



Liontrust to acquire GAM Holding AG

London/Zurich, 4 May 2023

Liontrust, the specialist fund management group, today announces that it has conditionally agreed to acquire the entire issued share capital of GAM Holding AG (GAM), a global investment management firm with GAM's Investment Management division having AuMA of CHF 23.3 billion (£20.9 billion) as at 31 March 2023.

Highlights

- Creates a global asset manager with £53 billion in AuMA on a pro forma basis¹;
- Accelerates the development of Liontrust by meeting all seven of our strategic objectives²;
- The Proposed Acquisition, before transaction and re-organisation costs, is expected to be significantly earnings enhancing with regards to adjusted diluted earnings per share for the financial year ending 31 March 2025 (being the first full year post-completion) and in future years;
- The Consideration will be satisfied by the issue of 9.4 million new ordinary shares in Liontrust, and it is expected that GAM shareholders will own approximately 12.6 per cent. of the combined group on Completion; and
- The Proposed Acquisition is expected to complete in the 4th quarter of 2023

Expands product

- Broadens Liontrust's fund range and asset classes, including in fixed income, thematic equities and alternatives. This provides a platform for growth by providing enhanced client solutions globally and reduces the correlation of returns across the fund range through increased diversification;
- Twelve funds will have assets of more than £1 billion (seven managed by Liontrust and five by GAM) and both asset managers have a heritage of responsible investing;

Strengthens distribution

- Expands distribution globally, with 62% of GAM's AuMA sourced from continental Europe while Liontrust is a leading asset manager in the UK with the 6th strongest brand (Source: Broadridge);
- Increases Liontrust's physical presence in Europe, including a long history in Switzerland, and provides offices in Asia and the US and therefore a platform for expansion in those areas;
- Creates a broader client base for the combined group's funds globally and benefits from the existing strong relationships with distributors of both asset managers;

Enhances investment talent

- Adds experienced investment teams, including nine fund managers rated A to AAA by Citywire;
- By AuM, 75% of GAM's funds were in the 1st or 2nd quartile of their respective sectors over 3 and 5 years to 31 March 2023
- Liontrust will provide an attractive home for the active fund managers at GAM: they will benefit from Liontrust's focus on independent, distinct processes; strong risk and compliance culture and framework; delivery across sales and marketing; a strong brand; financial stability; and the support provided by the business processes and infrastructure;

Fund management services

- GAM has reached agreement in principle to transfer all third-party fund management services clients serviced out of Luxembourg and Switzerland to a specialist asset servicing company active across Europe, with further details to be announced by GAM in due course.

¹ Liontrust AuMA of £31,760 million as at 17 April 2023 (source: Liontrust). GAM's Investment Management division AuMA of CHF 23,280 million (£20,914 million) as at 31 March 2023 (source: GAM)

² Be a responsible company and investors; Deliver market leading investment performance over the longer term; Diversify the fund range; Expand distribution and the client base; Enhance the investor experience; Attract and develop talent; and Develop the business infrastructure to help drive growth.

The Proposed Acquisition of GAM will accelerate Liontrust's strategic progress and growth through the broader investment capability and global distribution of the enlarged company.

GAM's investment teams have delivered strong performance over the long term across asset classes, and nine fund managers are rated A to AAA by Citywire. By AuMA, 75% of GAM's funds were in the 1st or 2nd quartile of their respective sectors over 3 and 5 years to 31 March 2023. Over three years, 46% of GAM funds were in the 1st quartile and over five years it was 45%. Over three years, 37% of GAM funds were in the top decile and 40% were in the top decile over five years (Source: GAM).

Liontrust will provide an environment to enable the investment teams to focus on managing their portfolios without distractions within a strong risk and compliance framework and with the support of the rest of the business to deliver performance and a growth in assets.

The broad range of funds and asset classes will enhance Liontrust's product range. The expanded range will offer the potential to grow the combined client base and provides Liontrust with differentiated performance across the fund range through the market cycle.

GAM's existing product offering is complementary to Liontrust's especially in fixed income and alternatives. GAM will strengthen Liontrust's fixed income offering, adding capabilities in: Asset Backed securities, Emerging Markets debt, Global Credit, Global Rates, Catastrophe bonds and Insurance Linked Securities. Equities will continue to be the largest product for the enlarged company, with GAM adding and strengthening capabilities in: Asia, Japan and Emerging Markets, Thematic Global Equities, Europe, Luxury Brands and UK Income. GAM will also expand the multi-asset and alternatives propositions and provide a capability in wealth management.

This increased product depth will be expected to support growth in Liontrust's market share over time and enable us to better mitigate against market volatility and changing demand for investment styles. The Proposed Acquisition will lead to a step change in scale, with 12 funds having more than £1 billion of AuMA (two for Economic Advantage, one for Global Fundamental, four for Sustainable Investments, four for GAM Fixed Income and one for GAM Multi-Asset).

Liontrust intends to rebrand all GAM funds as Liontrust as soon as possible after completion of the Proposed Acquisition and for the GAM business to operate under the Liontrust brand.

The acquisition will enhance distribution globally and the opportunity to increase sales and market share. GAM is geographically diverse with 3,500 clients based in almost every continent, with 2,700 in Europe. Switzerland, Germany, Italy, the US, Iberia and Latin America are GAM's largest markets outside the UK.

Liontrust and GAM are both focused on providing excellent client service and the enlarged company will deliver engaging experiences for investors globally.

The fund managers and other employees at GAM will benefit from the environment at Liontrust, the enhanced distribution, strong brand and marketing, and the resources of the enlarged company.

John Ions, Chief Executive of Liontrust, said: *"This is a significant acquisition that accelerates the growth of Liontrust through enhancing our distribution globally, product capability and investment talent.*

Liontrust and GAM are both client centric businesses that thrive on providing solutions and first-class service. The enlarged company will provide the platform from which to deliver this to a broader client base.

We have been impressed by the quality of the investment teams at GAM. There is commonality in that Liontrust and GAM are both committed to independent and distinct processes for each of their investment teams. Liontrust specialises in providing an environment in which investment teams can thrive, including through the excellence of our sales and marketing and a robust business infrastructure, strong risk and compliance culture, and the stability that comes with financial strength.

Liontrust is committed to the international business and client relationships that GAM has built. We are especially pleased to have such a strong operation in Switzerland which has been so important to GAM's heritage.

The quality of the investment teams across the different asset classes, the talent in the business and the breadth of the distribution at GAM, combined with Liontrust's existing investment capability and strong brand, sales, marketing, and communications, gives me great confidence we will grow the enlarged business to create long-term value.

Liontrust and GAM will work together to provide a seamless transition for clients and enhancing the service provided in the future."

Peter Sanderson, CEO of GAM, said: *"I am delighted we have agreed this transaction with Liontrust. Our distinctive approaches to investing and culture are closely aligned, and this combination represents the best opportunity for our talented team of professionals at GAM to continue to provide clients with high conviction active investment strategies. The resulting business will have a strong balance sheet, a broader array of excellent investment products, and a global distribution footprint from which to deliver growth that our shareholders can participate in the future."*

David Jacob, Chairman of GAM, said *"I would like to thank all my colleagues at GAM for their hard work and dedication while we worked to determine the best option for the future of the firm. I am confident that the loyalty of our clients will be rewarded since they will now benefit from the increased capabilities and stability of the combined firm. Our shareholders have been patient, and I and my fellow Board members are unanimous in our recommendation that they should tender their shares in response to the offer from Liontrust."*

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Notes to Editors:

Liontrust

Liontrust is an independent, specialist asset manager established in 1995, listed on the London Stock Exchange in 1999 and is a member of the FTSE 250. Headquartered on the Strand in London with additional offices in Edinburgh and Luxemburg, Liontrust had £31.8 billion in AuMA as at 17 April 2023. Liontrust seeks to enable investors to enjoy a better financial future through investing in a range of global equities, fixed income, sustainable investment and multi-asset portfolios and funds.

GAM

GAM is an independent investment manager that is listed in Switzerland and has, within its Investment Management division, AuMA of CHF 23.3 billion (£21.0 billion) as at 31 March 2023. GAM has global distribution with offices in 14 countries and is geographically diverse with clients in almost every continent. It has 3,500 clients globally, of which c. 2,700 are based in Europe. Headquartered in Zurich, GAM Investments was founded in 1983 and its registered office is at Hardstrasse 201 Zurich, 8037 Switzerland.

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