

21 October 2021

PRESS RELEASE

Ad hoc announcement pursuant to Art. 53 listing rules: GAM Holding AG releases interim statement for the three-month period to 30 September 2021

Financial highlights

- **Investment Management AuM at CHF 33.4 billion, with net client outflows of CHF 1.2 billion and net negative market and foreign exchange (FX) movements of CHF 0.2 billion**
- **Private Labelling AuM at CHF 69.6 billion, with net client outflows of CHF 20.8 billion, including the client transfer of CHF 20.7 billion announced in January (immaterial impact on revenues) and net negative market and FX movements of CHF 0.8 billion**
- **Investment performance: 43% and 76% of assets under management outperforming their benchmark over 3 and 5 years**

Strategic highlights

- **Client inflows more diversified; net positive flows into equities year to date; launch of GAM sustainable climate bond strategy with strong client interest**
- **Strengthened high performing global equities team**
- **Increased client momentum with significant institutional relationships; strengthened institutional distribution team with two hires in the USA and two hires in Switzerland along with a new Head of Global Consultant Relations**
- **New Head of Private Labelling focused on revenue growth by using the full suite of capabilities at GAM in response to client demand for an enhanced fund solutions offering**
- **GAM corporate governance, once again rated best listed Swiss financial services provider; listed as a signatory to the revised UK Stewardship Code**
- **Supply chain finance fund, return of client monies on track; expect to return at least 100% of client investment; the fund has recently had its bond fund A-rating reconfirmed by Moody's**
- **On track to deliver CHF 15 million of cost savings in 2021**

Peter Sanderson, Group CEO, said: "We have made considerable progress with the strategic transformation of GAM. I am encouraged by the net inflows into our equity strategies and the increased momentum in our client relationships, but recognise that we need to maintain our focus on achieving overall net inflows. We continue to attract and retain some of the brightest minds in the industry, which reflects the opportunity we all see for GAM to grow."

Assets under Management

As at 30 September 2021, Group AuM totalled CHF 103.0 billion down from CHF 126.0 billion as at the end of June 2021. The decline in AuM is largely a result of a private labelling client transferring to another provider as a part of a broader strategic relationship with that entity, which we announced in January this year. The associated revenues, which were approximately CHF 5.0 million per annum, have a lesser impact for the financial year 2021.

Investment Management

AuM totalled CHF 33.4 billion^{1,2}, down from CHF 34.8 billion compared to 30 June 2021, with net client outflows of CHF 1.2 billion, and net negative market and foreign exchange movements of CHF 0.2 billion.

Net flows by capability

In fixed income, we recorded net outflows of CHF 0.6 billion, primarily driven by allocation decisions by clients in the GAM Star Credit Opportunities and GAM Local Emerging Bond funds offset by inflows into the GAM Star Catastrophe Bond fund.

In equities, we saw another quarter of positive net inflows of CHF 0.1 billion. While inflows were driven by a variety of funds, the main contributors were our GAM Star Disruptive Growth, GAM Luxury Brands Equity, GAM Star Japan Leaders and GAM Swiss Small and Mid-Cap equities strategies.

In systematic, net outflows totalled CHF 0.7 billion and were mainly driven by client asset allocation decisions in respect of GAM Systematic Alternative Risk Premia.

Net client assets in multi asset, alternatives and absolute return remained flat.

Assets under management movements (CHF bn)

Capability	Opening AuM 1 July 2021	Net client flows	Market/FX movements	Closing AuM 30 Sept 2021
Fixed Income	15.6	(0.6)	-	15.0
Equity	7.9	0.1	-	8.0 ¹
Multi asset	7.6	-	(0.1)	7.5
Systematic	2.4	(0.7)	(0.1)	1.6
Alternatives	0.5	-	-	0.5
Absolute Return	0.8	-	-	0.8 ²
Total	34.8	(1.2)	(0.2)	33.4^{1,2}

¹ Including CHF 20.5m of equity funds in liquidation (GAM Star (Lux) European Momentum).

² Including CHF 257.0m of absolute return funds in liquidation (GAM Star (Lux) European Alpha, GAM Absolute Return Equity Europe, GAM Star (Lux) Convertible Alpha, GAM Star (Lux) Global Alpha).

Investors in the GAM Greensill Supply Chain Finance Fund have received 89.5% of their total assets so far. The remainder of payments will be distributed as underlying notes mature over the next three months and therefore it is expected that clients will have received at least 100% of their investment through the liquidation process. The fund has recently had its bond fund A-rating reconfirmed by Moody's.

Investment performance

As at 30 September 2021, 43% and 76% of AuM in investment management outperformed their benchmarks compared to 34% and 74% as at the end of June 2021 and 52% and 54% outperformed their respective Morningstar³ peer group over the three- and five-year periods compared to 48% and 68%, respectively.

Our equity investment strategies have delivered strong performance with 70% and 77% of AuM outperforming their respective benchmarks over three- and five-years, with many strategies in the top quartile or top decile relative to their Morningstar³ peer groups across time periods. Our fixed income strategies saw strong year-to-date performance resulting in 78% of total AuM outperforming their benchmark over five years; the three-year outperformance was 28%.

Private Labelling

Our Private Labelling business reported AuM of CHF 69.6 billion, down compared to CHF 91.2 billion as at 30 June 2021. The decline includes the outflow of CHF 20.7 billion related to the departure of a client which is transferring its business to another provider as a part of a broader strategic relationship with that entity and which was announced in January.

Assets under management movements (CHF bn)

Fund domicile	Opening AuM 1 July 2021	Net flows	Market/FX movements	Closing AuM 30 Sept 2021
Switzerland	36.6	(21.6) ⁴	(0.1)	14.9
Rest of Europe	54.6	0.8	(0.7)	54.7
Total	91.2	(20.8)⁴	(0.8)	69.6

Strategy Updates

Growth

Client inflows diversifying; strengthened investment teams; new sustainable products

- Client inflows diversifying into equities with net positive equity flows year to date
- Strengthened our global equities team under the leadership of Mark Hawtin, Investment Director of the Global Growth Equity team
- Sustainable climate bond strategy launched in September, building our sustainable product range – strong client interest and first client win
- Additional sustainable strategies in the pipeline, including sustainable version of systematic core macro strategy

³ The peer group comparison is based on 'industry-standard' Morningstar Direct Sector Classification. The share class references in Morningstar have been set to capture the oldest institutional accumulation share class for each and every fund in a given peer group.

⁴ Including CHF 20.7 billion of AuM related to the redemption of a client which was communicated on 26 January 2021.

Increased institutional client momentum

- Increased client momentum with a number of large financial institutions and pension funds
- New Head of Global Consultant Relations hired to build strong global and strategic relationships to assist and grow GAM's institutional business
- Two new hires in North American distribution team, which will further expand GAM's local presence and deepen the firm's relationships with institutions in the US and Canada
- Strengthening presence in Switzerland's institutional market with experienced hires in Geneva and Zurich

Focus on revenue growth in PLF in response to client demand for an enhanced offering

- Sean O'Driscoll, the new Head of Private Labelling focused on revenue growth, by using the full suite of capabilities at GAM in response to client demand for an enhanced fund solutions offering
- This employs a 'One GAM' approach, leveraging our global network, enhancing operational synergies, and offering a full range of fund services and solutions

Transparency

- GAM once again ranked as best listed financial services provider in Inrate's Corporate Governance zRating, ranking 15th overall out of a total of 171 companies listed in Switzerland – demonstrates GAM Holding's continued commitment to strong corporate governance
- Listed as signatory to the revised UK Stewardship Code
- GAM joined the United National Global Compact (UNGC), committing to aligning the firm's strategy and operations with the UNGC's Ten Principles
- Launch of ESG client reports for certain funds, outlining funds' ESG ratings, ESG score breakdowns and carbon intensity, relative to their benchmarks

Efficiency

- Technology platform upgrade continues to make good progress
 - SimCorp is proving to be a resilient backbone for our operations with the capability to deliver enhanced levels of service and reporting for our clients
 - Workday, our new Finance and HR platform, successfully implemented
 - New Multrees technology platform is now supporting our wealth management business
- On track to deliver CHF 15 million of cost savings in FY 2021

Outlook

We expect the market environment to remain challenging but believe that we are well positioned to service client demand and enhance revenues from our distinctive range of investment products and fund solutions.

Upcoming events:

17 February 2022 Full-year results 2021

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About GAM

GAM is a leading independent, pure-play asset manager. The company provides active investment solutions and products for institutions, financial intermediaries, and private investors. The core investment business is complemented by private labelling services, which include management company and other support services to third-party asset managers. GAM employed 652 FTEs in 14 countries with investment centres in London, Cambridge, Zurich, Hong Kong, New York, Milan, and Lugano as at 30 June 2020. The investment managers are supported by an extensive global distribution network. Headquartered in Zurich, GAM is listed on the SIX Swiss Exchange with the symbol 'GAM'. The Group has AuM of CHF 103 billion^{1,2} (USD 110.4 billion) as at 30 September 2021.

Disclaimer regarding forward-looking statements

This press release by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

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