

6 August 2018

Dear client,

Following our decision last week to suspend Tim Haywood, there has been speculation about the nature of the issues that led to that decision, much of it inaccurate. We therefore felt it necessary to share further information.

As we stated in the announcement of 31 July 2018, GAM's decision followed a thorough investigation¹ involving external advisors. This part of our internal investigation is largely completed. We are now following our internal disciplinary procedures and hope to complete that swiftly.

The investigation took a detailed look at Mr Haywood's conduct. No other employees are being investigated in relation to these matters and no evidence was found to indicate such an investigation regarding other employees was required.

The investigation concluded that in certain instances Mr Haywood may have failed, in our judgement, to conduct or evidence sufficient due diligence on some of the investments that were made, or make accessible internal records of documents relating to these. We continue to evaluate these investments and to date have found no material client detriment. The holding of these investments is not prohibited by any of the restrictions applying to the respective unconstrained/absolute return bond funds (ARBF).

Additionally, the investigation concluded that Mr Haywood may have breached our signatory policy by signing alone certain contracts where two signatures were necessary. And he breached the firm's gifts and entertainment policy by not asking for required pre-approval and used his personal email for work purposes.

Taken together, this conduct is of significant concern to GAM. The company seeks to uphold high conduct standards in all areas of our business. As a result, Mr Haywood was suspended pending the outcome of internal disciplinary procedures.

It should be noted that the investigation found no evidence that Mr Haywood was motivated by an improper rationale in making investment decisions or that there was any conflict of interest between him and clients.

We would also like to make it clear that no other investment strategies are affected by this matter.

We will continue to keep you updated with regards to the suspended ARBF funds, and have set up a dedicated area on www.gam.com where you can access the latest information and a Q&A. Please do not hesitate to contact us.

Sincerely,



Alexander S. Friedman
Group CEO



Tim Rainsford
Group Head of Sales and Distribution

¹ Our investigation is confidential and subject to legal privilege. GAM does not waive confidentiality or privilege in the investigation.