

# NewGAM

## Investor group NewGAMe and Bruellan publishes investment thesis on GAM and reaffirms it will not accept the Liontrust offer

*Investor group – which controls 9.5% of GAM shares – will not tender to the Liontrust offer*

*The investment thesis values GAM at over twice the Liontrust offer and sets out a clear restructuring plan to achieve a turnaround and value creation of 3x-5x over the next 2-3 years*

**Geneva, 12 July 2023** – The investor group comprised of NewGAMe SA and Bruellan SA, which controls approximately 9.5% of the issued share capital of GAM Holding AG (GAM), has published an investment thesis on Liontrust's offer for GAM and announces it will not be tendering to the Liontrust offer. The investment thesis outlines multiple reasons why shareholders should not tender to the Liontrust offer and values GAM today at over twice the Liontrust offer. NewGAMe's investment objective is value creation of 3x-5x over the next two to three years.

The investment thesis outlines a clear four-stage turnaround plan:

1. Inject CHF 25m of new capital via a convertible bond
2. Stabilize the business by appointing a new management team and board with significant 'skin in the game'
3. Restructure GAM to align its cost structure with its current AuM
4. Return GAM to growth by changing the funds mix, focusing on UHNW investors and rebuilding its alternatives and wealth management businesses

The investment thesis also outlines several reasons why shareholders should **not** tender to the Liontrust offer. These include:

- A lop-sided deal structure under which GAM shareholders will own only 12.5% of the combined entity while contributing 40% of the AuM
- Terms that undervalue GAM despite the deal being immediately accretive to Liontrust, with GAM's EBIT margins expected to reach 30% by 2025
- Liontrust's track record as one of the worst-performing stocks in the fund management sector over the past 12-24 months
- Liontrust's track record of value-destructive M&A

To supplement the investment thesis, NewGAMe has recently published a full line-by-line rebuttal of GAM's own assessment of the Liontrust offer and NewGAMe's proposals. NewGAMe has also provided a detailed analysis of the sale of GAM's Fund Management Services business to Carne Group. Further, the investor group has raised additional questions to GAM's board about the sale of the Fund Management Services division, which supplement those asked on 15 June 2023. The investor group has submitted its regulatory filing with the UK's Financial Conduct Authority to be authorized to hold in excess of 10% in GAM and is preparing to do the same in other relevant jurisdictions and it is awaiting FINMA's decision.

# NewGAM

Antoine Spillmann, CEO and Partner at Bruellan and the investor group's proposed candidate for chairman of GAM's board, said:

*"We believe Liontrust's offer significantly undervalues GAM and does not reflect the upside that a successful turnaround can generate for all stakeholders. We have identified a top team to lead the turnaround and urge GAM shareholders not to tender to the dilutive and value-destructive Liontrust offer."*

The entire investment thesis can be found here:

<https://newgam.ch/assets/downloads/NewGAMe - Investment thesis.pdf>

"Debunking GAM's assessment of the Liontrust offer" can be found here:

<https://newgam.ch/assets/downloads/NewGAMe - Debunking Liontrust.pdf>

"NewGAMe's response to FMS transaction" can be found here:

<https://newgam.ch/assets/downloads/NewGAMe - Response to the FMS transaction.pdf>

## Media contacts

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## About NewGAMe

NewGAMe SA is a Geneva-based company owned by a number of investors with experience in the financial sector. It is controlled by Rock Investment, a French-incorporated entity that is owned by NJJ Holding, the personal holding company of Xavier Niel. Albert Saporta, a hedge fund industry veteran with 40 years' experience in global financial markets, serves as the director of NewGAMe SA.

## About Bruellan

Bruellan SA is an independent provider of global wealth management solutions. The company was founded in 1991 and is located in Geneva, Lausanne, Crans-Montana and Verbier.

<https://www.bruellan.ch/>