

NewGAM

Investor group NewGAME and Bruellan request special audit following the publication of Liontrust's offer prospectus and GAM's board report

Geneva, 16 June 2023 – The investor group comprised of Newgame SA and Bruellan SA, which controls approximately 9.4% of the issued share capital of GAM Holding AG (GAM), has reviewed the offer prospectus that Liontrust published on 13 June 2023, together with the report of GAM's board regarding the offer.

The offer documents raise questions about the circumstances that ultimately resulted in GAM's board recommending an all-share "low-ball" offer, whose value regularly fluctuates below the price range given by the independent expert mandated by the board.

In particular:

- The board relies on Liontrust for short-term funding, for which it pays a 7% p.a. interest and was required to encumber significant group assets. Such a decision raises the question of whether the Liontrust offer is recommended to further the interest of GAM and its shareholders, or if this highly unfavorable deal is a mean for the board to get out of a strategic dead-end in which the company has been driven under its leadership.
- GAM announced on [4 May 2023](#) that it had "entered into a contract relating to the transfer of the third-party fund management services business [...] to another provider". Whether this "contract" even exists is unclear and there is no mention of it in the offer documents. What is becoming clearer by the day, however, is that the board is prepared to dispose of the fund management services (FMS) activities at highly prejudicial conditions.
- GAM claimed that the Liontrust transaction was supported by shareholders representing approximately 19.6% of GAM's issued share capital, only to reveal now that most of this support was non-committing and subject to further developments.
- The offer documents contain vague references to an extraordinary shareholders' meeting that is to be held at the request of Liontrust to elect directors proposed by Liontrust. The board has however not provided clarity on when exactly this EGM will be held, what its agenda will be and how it will be coordinated with the EGM requested by the investor group NewGAME and Bruellan on 7 June 2023. Shareholders are also left to guess whether those who will have already tendered their shares into Liontrust's offer would be entitled to vote at this (or these) crucial EGM(s).

For these reasons, in a letter that was sent to the board on 15 June 2023, the investor group asked the board to answer various questions regarding the Liontrust credit facility, the proposed exit of GAM's FMS business, and the Liontrust offer in general. It further requested that an agenda item relating to a special audit (*Sonderuntersuchung*) be included in the agenda of the upcoming EGM, to make it possible for shareholders to have the circumstances that led to the present situation clarified.

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Antoine Spillmann, the investor group's proposed candidate for chairman of GAM's board, said:

"The lack of clarity and of candidness of Liontrust's and GAM's offer documents is disappointing. It raises significant concerns about the manner in which GAM's board has approached Liontrust's offer, and the terms under which the board is trying to dispose of GAM's FMS activities. The fact that the documents do not even mention the EGM that shareholders who control close to 10% of GAM's capital have requested is testimony of the contempt and lack of consideration that the Board is giving to the company's shareholders".

The full letter to GAM's board of directors can be found on the website: www.newgam.ch

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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/>