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CEO, Julius Baer Asset Management Companies



London, 25 September 2009

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## Table of Contents

1. GAM Holding Ltd
2. Business Overview
3. Strategic Issues
4. Outlook
5. Targets
6. Q & A

### Appendix

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## Table of Contents

1. **GAM Holding Ltd**
2. Business Overview
3. Strategic Issues
4. Outlook
5. Targets
6. Q & A

### Appendix

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## New Structure – GAM Holding Ltd.

- A leading independent active asset manager.
  - Portfolio of powerful stand alone brands:
    - GAM, Swiss & Global as the exclusive manager of Julius Baer branded investment funds, and Artio Global
  - Broad, diversified range of products and services:
    - Equity, fixed income, and commodity onshore and offshore funds
    - Alternative onshore and offshore funds, and industry leading funds of funds
    - Pioneer of discretionary portfolio management for private clients
    - Full range of institutional mandates
    - Private Label Funds
  - Diversified global distribution channels:
    - Focused on growing share of institutional clients, both in Europe and the U.S.
    - With flexibility to build upon its global distribution network, forming new partnerships with Private Banks and Wealth Managers
    - Retaining focus on UBS and Julius Baer relationships
  - IPO of Artio Global expected to settle on 29 September 2009, subject to market conditions.
-

## New Structure – Experienced Management Team



Board of Directors: Johannes A. de Gier  
Chairman

Hugh Scott-Barrett

Dieter A. Enkelmann

Executive Board: Johannes A. de Gier  
CEO of GAM Holding Ltd.

Andrew M. Wills  
Group CFO

Scott Sullivan  
Group General Counsel

CEO GAM David M. Solo

CEO Swiss & Global David M. Solo

CEO Artio Global Richard Pell

Swiss & Global Asset Management, formerly Julius Baer Asset Management, including PLF

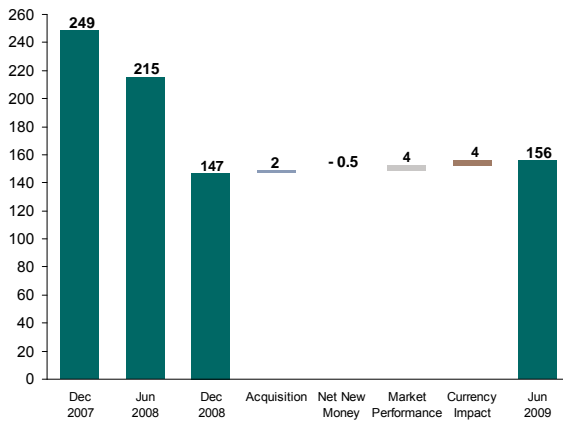
## Table of Contents

1. GAM Holding Ltd
2. **Business Overview**
3. Strategic Issues
4. Outlook
5. Targets
6. Q & A

Appendix

## GAM Holding Ltd. – AuM

As of 30 June 2009



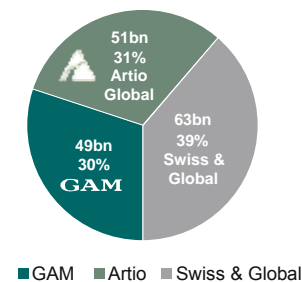
The total increase of 6% from year end 2008 is attributable to:

- net outflows of CHF 0.5bn, a marked slower pace than the previous six months,
- market performance of CHF 4bn,
- favourable translation effects, into the CHF reporting currency, of CHF 4bn; and
- the acquisition of Augustus Asset Managers, which added CHF 2bn net.

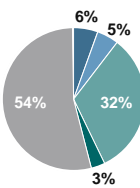
## Portfolio Overview – AuM Breakdown Total

As of 30 June 2009

Total AuM: CHF 156bn\*



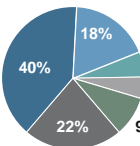
by Clients\*



year ended  
2008 2007

	2008	2007
Julius Baer Private Clients	6%	6%
Referred Private Clients	6%	8%
Institutional	30%	29%
GAM Private Clients	4%	4%
Clients - third-party dist.	54%	53%

by Product\*



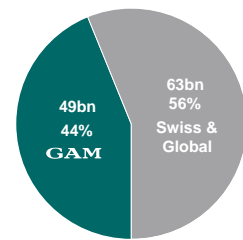
	2008	2007
Equity	41%	46%
Fixed Income	14%	12%
Managed portfolio & Composites	6%	8%
Hedge	5%	6%
Multi-Manager	12%	13%
PLF	21%	15%

\* excludes the double count CHF 6.7bn of Julius Baer branded funds distributed by Swiss & Global and sub-advised by Augustus Asset Managers, now owned by GAM.

## Portfolio Overview – AuM Breakdown Total excluding Artio

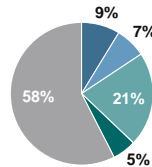
As of 30 June 2009

Total AuM: CHF 105bn\*



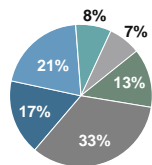
■ GAM ■ Swiss & Global

by Clients\*



	year ended	
	2008	2007
Julius Baer Private Clients	9%	8%
Referred Private Clients	8%	12%
Institutional	18%	19%
GAM Private Clients	6%	7%
Clients - third-party dist.	59%	53%

by Product\*



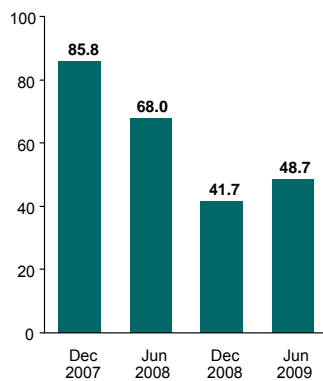
	year ended	
	2008	2007
Equity	18%	21%
Fixed Income	16%	16%
Managed portfolio & Composites	9%	13%
Hedge	8%	8%
Multi-Manager	17%	19%
PLF	32%	23%

\* excludes the double count CHF 6.7bn of Julius Baer branded funds distributed by Swiss & Global and sub-advised by Augustus Asset Managers, now owned by GAM.

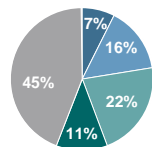
## Portfolio Overview – AuM Breakdown GAM

As of 30 June 2009

Total AuM: CHF 48.7bn

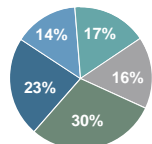


by Clients



	year ended	
	2008	2007
Julius Baer Private Clients	10%	9%
Referred Private Clients	20%	23%
Institutional	20%	17%
GAM Private Clients	14%	13%
Clients - third-party dist.	36%	38%

by Product



	year ended	
	2008	2007
Equity	25%	26%
Fixed Income	7%	6%
Managed portfolio & Composites	22%	24%
Hedge	6%	7%
Multi-Manager	40%	37%

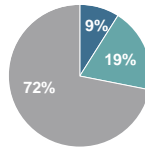
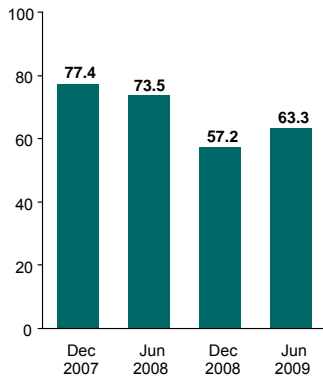
## Portfolio Overview – AuM Breakdown Swiss & Global

As of 30 June 2009

Total AuM: CHF 63.3bn

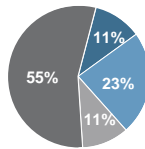
by Clients

year ended  
2008 2007



Client Type	2008 (%)	2007 (%)
Julius Baer Private Clients	8%	8%
Institutional	21%	22%
Clients - third-party dist.	71%	70%

by Product



Product	2008 (%)	2007 (%)
Equity	13%	16%
Fixed Income	23%	26%
Hedge	9%	10%
PLF	55%	48%

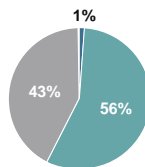
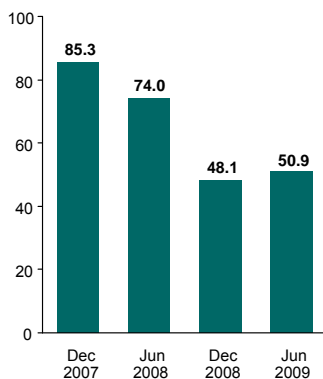
## Portfolio Overview – AuM Breakdown Artio Global

As of 30 June 2009

Total AuM: CHF 50.9bn

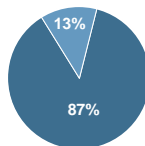
by Clients

year ended  
2008 2007



Client Type	2008 (%)	2007 (%)
Julius Baer Private Clients	1%	1%
Institutional	54%	48%
Clients - third-party dist.	45%	51%

by Product



Product	2008 (%)	2007 (%)
Equity	89%	94%
Fixed Income	11%	6%

## GAM Holding Ltd. H1 2009 Pro Forma Results

(CHF m)	H1 2008	H2 2008	H1 2009	Change H1 08/09
<b>Operating income</b>	<b>737</b>	<b>633</b>	<b>448</b>	<b>-39%</b>
Fees / Commissions	700	566	406	-42%
Other	37	67	41	13%
<b>Operating expenses</b>	<b>424</b>	<b>413</b>	<b>344</b>	<b>-19%</b>
Personnel expenses	277	255	230	-17%
General expenses	139	149	106	-24%
Depreciation and amortisation	8	10	8	3%
<b>Profit before taxes</b>	<b>313</b>	<b>220</b>	<b>104</b>	<b>-67%</b>
Taxes	85	45	26	-69%
<b>Net profit</b>	<b>228</b>	<b>175</b>	<b>78</b>	<b>-66%</b>
Assets under management (CHF bn)	215.4	146.9	156.2	-27%
Average assets under management (CHF bn)	226.5	187.3	148.4	-35%
RoA (bps)	65.1	67.6	60.4	-
Cost/income ratio (%)	57.0	64.1	77.2	-
Number of employees (FTE)	1,295	1,275	1,230	-5%

Excluding amortisation of intangible assets, integration and restructuring costs CIR calculated excluding valuation adjustments, provisions and losses

## GAM Holding Ltd. H1 2009 Gross Margin by Company

(bps)		H1 2008	H2 2008	H1 2009
<b>GAM</b>	RoA	95.2	96.9	92.7
	RoA excl. perf fees	95.2	96.5	91.3
<b>Swiss &amp; Global</b>	RoA	35.1	28.7	27.5
	RoA excl. perf fees	35.1	28.7	27.3
<b>Artio Global</b>	RoA	62.2	62.2	59.4
	RoA excl. perf fees	61.0	62.0	60.1



## GAM

### Slowing pace of redemptions, Augustus acquisition attracting client inflows

- AuM increased by 17% to CHF 49bn in the first half of 2009, benefiting from the acquisition of Augustus Asset Managers and favorable market and currency development overcoming significant client outflows triggered largely at the end of 2008.
  - Delivered solid gross margin of 93bps. An 8bps reduction in GAM's future blended gross margin is expected as a result of the Augustus acquisition based upon the mid year asset mix at GAM.
  - The core Multi-Manager funds have emphasised high liquidity and low market correlation with positive results year to date, yet at modest absolute levels, likely delaying the resumption of meaningful inflows into these core products into 2010.
  - GAM's Absolute Return strategies, managed principally for private client businesses, have performed strongly year-to-date, despite the volatility of the markets, helping to improve the situation in this still challenging segment.
  - GAM's in-house funds, including the new range of fixed income funds, continue to perform strongly and are the main current area of investor interest and gross inflows.
  - Continuing investment in attractive new in-house managers drawn to GAM's independent investment-led culture is a priority to enhance the range of offerings.
- 

## GAM

### Good foundation for future growth despite still challenging near term outlook

- GAM's proven focus on risk control and liquidity management has helped to protect performance particularly during the worst of the market drawdowns and accelerated recognition of GAM's distinctive capabilities amongst institutions, placing the firm in a good competitive position in the market place despite slow current progress.
  - Though the near term client environment remains challenging, particularly in the private client segment, good long term prospects and strong competitive positioning underpin the commitment to retain core functionality, though limiting scope for further cost reductions.
  - Experiencing some near term pressure on average margins given relative shift towards in-house funds away from alternative products, as well as heightened focus on share of fees from larger distributors given their intense focus on stemming revenue declines.
  - Cost/income ratio is expected to increase in 2010 as lower RoA, additional costs associated with spin-out, and limited scope for future cost reductions are unlikely to be offset by near term client inflows or performance gains.
  - General level of interest from distribution partners as well as continuing progress on U.S. and European institutional space indicates that as risk appetite continues to improve, the demand for high quality uncorrelated performance will be significant.
-

## Swiss & Global

### Attracting inflows even in a difficult environment

- Assets, in the form of Julius Baer branded funds, mandates, and the PLF business totalled CHF 63bn at mid year, up 11% from the end of 2008. This increase is attributable to net new money and positive market performance.
- The Private Label Funds business developed strongly during the first half of 2009 reaching total AuM of CHF 35bn, reflecting strong client inflows.
- Changing asset mix over last year away from equity and other active funds towards bond, commodity, cash, and PLF products has significantly reduced average gross margin leading to profit decline in excess of overall AuM declines.
- Experienced management team enthusiastic about new independent operating model.
- Significant efforts underway to manage clients through transition to the new structure where the Julius Baer brand is used under license with a brand license fee.
- Future growth directed (again) towards third party distributors as JB Private Bank adopts more distinctly open architecture stance relative to practice since 2007.
- Profit growth strategy dependent upon rebuilding the asset base across range of equity funds sold through third party distributors from extremely low current levels, which offers meaningful upside but is a challenging, multi-year project.

## Artio Global

### Continued positive net new money

- AuM increased to CHF 51bn in the first half 2009, up 6% compared to the end of 2008, primarily as a result of positive client inflows and favorable market appreciation.
- A difficult first half for Artio Global's flagship international equity strategies as defensive positioning, which benefited relative performance in 2008, proved contrary to market developments during the first half of 2009.
- Amid challenging market conditions, Artio Global continues to develop its business to remain competitively positioned, with four of the company's five eligible mutual funds, representing over 99% of eligible mutual fund assets, rated 4 or 5 stars by *Morningstar*, as of June 30.
- Strong client support and significant institutional client base demonstrated by resilient client flows during 2009.
- High yield and more recently developed U.S. equity strategies showing exceptional performance against peers year to date.
- As communicated, the IPO of Artio Global is expected to settle, subject to market conditions, on 29 September 2009 after a highly successful sales process.

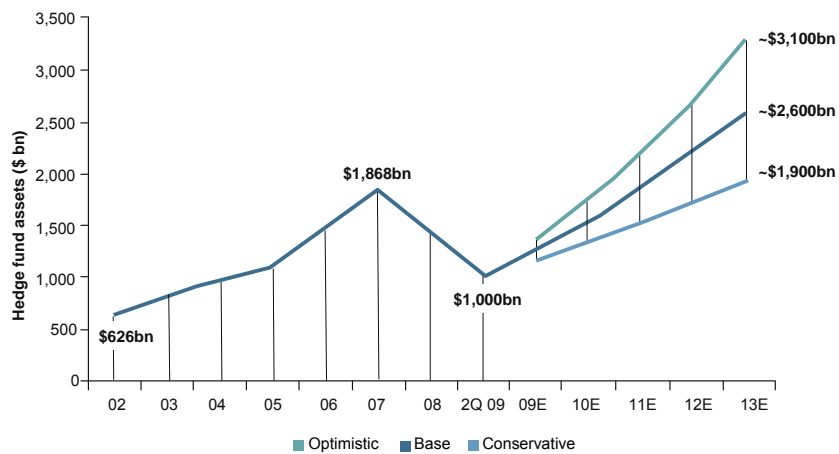
## Table of Contents

1. GAM Holding Ltd
2. Business Overview
- 3. Strategic Issues**
4. Outlook
5. Targets
6. Q & A

Appendix

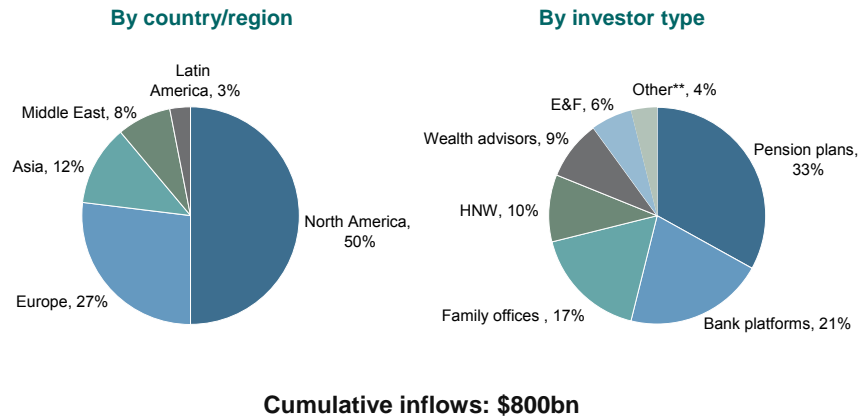
## Projected Hedge Fund Industry Assets by Scenario

Dec 2002 through Dec 2013



Source: Hedge Fund Research, The Bank of New York Mellon and Casey Quirk Analysis 2009

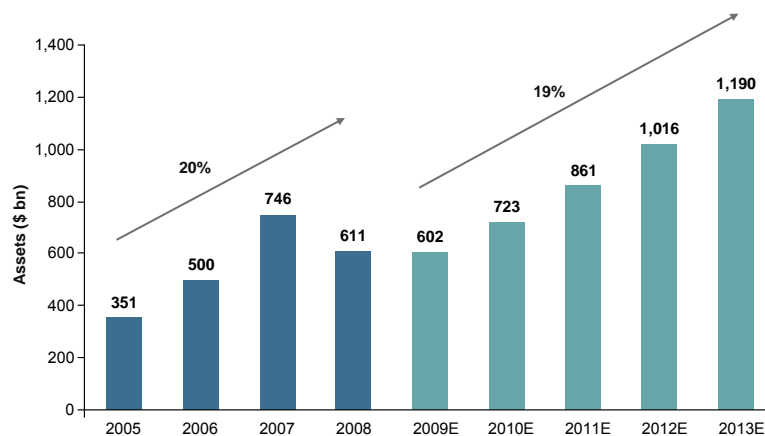
### Projected Cumulative Hedge Fund Inflows, 2010-2013\*



Source: \* Bank of New York, Casey Quirk & Associates, April 2009  
 \*\* Other is split as follows: SWFs (2%) and Financial Institutions (2%)

### Institutional Hedge Fund Assets

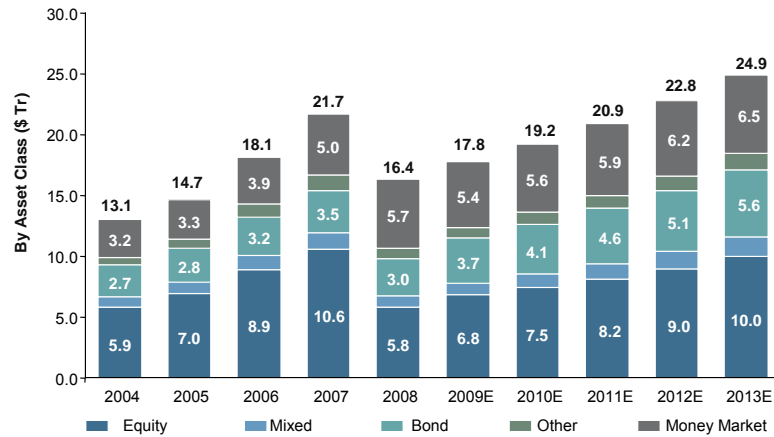
Estimated growth



Source: Bank of New York, Casey Quirk & Associates, April 2009

## Global Mutual Fund Assets

Historic growth and future estimates



Source: Strategic Insight

## GAM Strategy Outline

- “Intellectually honest active management” is the core philosophy underpinning model.
  - Sounds simple, but few firms deliver on this promise.
- Achieving goals of long term performance with disciplined risk control and liquidity management demands:
  - An (often uncomfortably) long time horizon, willing to tolerate short term under-performance and associated periods of low client inflows.
  - A stable team of highest quality professionals across all disciplines, particularly within the investment teams.
  - Pricing discipline to ensure appropriate segmentation for higher quality products and service. One cannot easily reverse a move down-market.
- Focus on quality and performance ultimately drives inflows and supports fee levels.
- Business and fees are not driven by need to maintain steady, short term inflow targets.
- Discipline maintained to avoid performance trap created by ubiquitous focus on index relative performance.

## GAM Strategic Transaction Considerations

- ❖ GAM is critically dependent upon its distinctive positioning as a high quality dedicated active manager comprising a stable team of long term oriented investment professionals.
    - Any acquisition must be consistent with preserving this core client positioning.
  - 1. Fund of hedge fund consolidation – Much discussed, but practically difficult.
    - Either acquire tainted/suspended assets at appropriately low price, or
    - Acquire quality funds, but often dependent upon branding and personnel.
  - 2. Acquisition of complimentary investment capability – Logical, though hard to find.
    - Augustus deal is perfect example of complimentary, accretive deal.
    - GAM's broadly recognized appeal for top investment teams is the key differentiator.
  - 3. Acquisition of individual investment managers – An ongoing process.
  - 4. Distribution deals with large private banks – Possible on the right terms.
    - Economics would need to be justified by likely value of medium term inflows.
    - Must be weighed against the increasing value of a fully independent branded asset manager within a more open architecture European market short of quality investment product providers.
- 

## Swiss & Global Strategy Outline

- Swiss & Global operates under an exclusive world-wide license of the Julius Baer brand for application to traditional (generally long-only) fund distribution, with a license fee of ~5% of net management fee revenues on JB funds and mandates.
  - Business model is fundamentally based on leveraging the strong European recognition and retail power of the "Julius Baer" brand of funds.
  - Broad range of stable, fairly priced funds positioned in all the largest equity and fixed income categories aims to capture a solid share of client flows across industry.
    - Position JB funds as the range to trust for reliable performance with fair fees and outstanding service, sold through a wide range of recognized local firms.
  - High quality of service and strong marketing presence delivered by team of distribution professionals covering main European markets.
    - Initiative for Central Europe to be added given growth potential and brand presence.
  - Business based upon a highly scalable model with relatively controlled marginal costs, benefiting bottom line as asset levels recover in the future.
-

## Swiss & Global Strategic Transaction Considerations

- Swiss & Global is fundamentally a scale driven business focused on leveraging the effective Julius Baer brand across the European distribution market place.
  - Potential consolidation plays in the European marketplace are appropriate to investigate where the typical challenges can be solved:
    - Assets virtually always sourced from banks own retail network – with plan to move to open architecture.
    - Assets typically of poor performance quality, again a challenge as banks move more towards broad open architecture.
    - Thus deals require some form of AuM or revenue protection, where upside comes from ability to out-perform floor levels over time.
    - Nonetheless, Swiss & Global is well positioned over time to be an independent, branded consolidator within Europe.
  - Disposition of company (with Julius Baer brand) or sub-licensing of brand excluded under license agreement.
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## Artio Global Investors Strategy Outline

- GAM Holding's remaining stake in Artio is 32%, or 26% if the full underwriter's option is exercised, of total equity, and is a non-core investment.
  - Hold the business team in highest regard, believe that the Company has very strong growth potential, and, as a result, very comfortable with continued investment.
  - GAM Holding does not anticipate near-term need for additional liquidity. Appropriate, accretive future core business expansion opportunities would drive a need to monetize the remaining investment in a prudent manner.
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## GAM Holding Capital Policy

- Basic principle to return excess capital to shareholders via dividends and buy-backs.
  - 2010 is transition year coupled with various new and potential uses for capital as stand-alone operation established and options clarified:
    - Regulatory capital requirements across multiple jurisdictions.
    - Seed capital for initiating and gaining acceptable scale in promising new funds.
    - Modest liquidity facility, appropriately charged, to facilitate client redemptions.
    - Possible establishment of highly rated issuance vehicle for structured products.
    - Potential accretive add-on acquisitions at both GAM and Swiss & Global.
  - No dividend planned for 2010 transition year. Thereafter, intention to pay an ongoing dividend; currently planning CHF 80m for 2011 cycle.
  - Remaining Artio stake a logical non-core holding that can serve as store of capital for medium term strategic uses.
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## Table of Contents

1. GAM Holding Ltd
2. Business Overview
3. Strategic Issues
- 4. Outlook**
5. Targets
6. Q & A

Appendix

---



## Appealing Long Term Growth Fundamentals

- Both GAM and Swiss & Global's Julius Baer funds, as strongly branded, truly independent asset managers, are increasingly valuable in a more transparent, open architecture and MiFiD compliant European environment short on quality providers.
- Small universe of credible alternative fund providers with proven risk management, long term track records, and requisite scale to benefit from secular growth in institutional demand for product with attractive returns uncorrelated to traditional markets.
- GAM Holding's full in-house fund structuring and administrative capability is a distinct competitive advantage in an increasingly regulated and tax sensitive world.
  - Leadership in developing UCITS III and distributor status alternative products.
- GAM Holding is well capitalized and uniquely positioned to benefit from medium term consolidation opportunities across the European industry in particular.
- In addition, a branded, independent European based asset management complex is a relatively scarce entity for both investors and distributors.
- With challenges to achieve scale and success for quality active boutique investment teams, GAM is a highly attractive home given solid brand, distribution, marketing, execution, and a true investment led culture proven conducive to long term success.
- Though cost base is near minimum to retain full capabilities, business model is highly scaleable, offering accelerated profit growth once meaningful AuM growth resumes.

## Transitional Issues & Near Term Challenges Constrain Results

- Julius Baer brand is central to Swiss & Global business. Operation under brand license more complex and adds new expense of ongoing license fees payable to Julius Baer Group.
- JB private banking has >CHF 5bn invested into Julius Baer branded funds, the high margin segment of Swiss & Global, and is now increasing emphasis on broad open architecture.
- Modest added costs created in new corporate center, investor relations, & board functions.
- Compensation currently set at very reduced levels, and normal periodic LTI plan not reintroduced in 2009 given depressed results, but should be resumed in 2010.
- GAM RoA remains under pressure given current asset shift to fixed income products, stagnant demand for alternative funds, and heightened pressure from larger distributors.
- Largest GAM distributor, UBS, still facing challenges and producing outflows.
- Retaining core funds and distinct business capability while building out new entity to capture future growth limits options for further cost reduction measures.
- Cumulative impact of near term challenges and demerger transitional items plus Artio's changed status, assuming a return to reasonable performance and modest inflows across all business units, suggests 2010 earnings similar to realized H109 results (p.a.).
- Though not expected, a new episode of market or performance disruption or a relapse to meaningful client outflows would produce earnings well below H109 actual levels.

## Table of Contents

1. GAM Holding Ltd
2. Business Overview
3. Strategic Issues
4. Outlook
- 5. Targets**
6. Q & A

Appendix

## Targets

### H1 2009

		<b>GAM</b>	<b>SWISS &amp; GLOBAL</b>
RoA	bps	92.7	27.5
RoA excl. perf fees	bps	91.3	27.3
CIR	%	65.3	70.0
CIR excl. perf fees	%	65.8	70.4

### 3 Year KPI Targets (2012)

		<b>GAM</b>	<b>SWISS &amp; GLOBAL</b>
RoA	bps	79-84	25-28
CIR	%	60	60-65
NNM	% of AuM	6%-10%	8%-12%

## **Table of Contents**

1. GAM Holding Ltd
2. Business Overview
3. Strategic Issues
4. Outlook
5. Targets
- 6. Q & A**

Appendix

---

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1. GAM Holding Ltd
2. Business Overview
3. Strategic Issues
4. Outlook
5. Targets
6. Q & A

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## GAM Holding Ltd. Proforma Balance Sheet as of 30 June 2009

(CHF m)	Dec 2008	Jun 2009	
GAM Goodwill	1,841.3	1,841.3	
GAM Brand	273.0	273.0	
GAM Intangible assets - customer relationships	696.5	646.2	
	<b>2,810.8</b>	<b>2,760.5</b>	
Other fixed & intangible assets	51.6	46.1	
Cash	388.9	472.0	
Financial Investments	357.2	190.3	
Accrued income & prepaid expenses	429.4	165.2	
Other assets	51.5	120.8	
Deferred tax asset	104.8	122.7	
	<b>1,331.8</b>	<b>1,071.0</b>	
<b>Total assets</b>	<b>4,194.2</b>	<b>3,877.6</b>	
Due to Banks	185.0	125.5	CHF 95m loan, amortizes over 3 yrs from 09/2010
Debt issued	149.5	150.0	External Bond repayable March 2010
Accrued expenses and deferred income	762.1	469.7	
Other liabilities & provisions	67.3	113.5	
<b>Total liabilities</b>	<b>1,163.9</b>	<b>858.7</b>	
Share capital	10.4	10.3	
Reserves	3,105.5	3,067.1	
Other component of equity	-85.6	-58.5	
<b>Total equity</b>	<b>3,030.3</b>	<b>3,018.9</b>	
<b>Total liabilities and equity</b>	<b>4,194.2</b>	<b>3,877.6</b>	

David M. Solo  
CEO, Julius Baer Asset Management Companies



London, 25 September 2009