GAM Names New CEO
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GAM named a former Blackrock executive as its new CEO. The move comes one year after a scandal over a flagship bond became public.

The Zurich-based asset manager is naming Peter Sanderson as its new CEO, effective in September, it said in an emailed statement on Monday. He replaces David Jacob, a GAM director who had taken the helm as an emergency measure last fall.

Until last year, the British-born Sanderson was a managing director at U.S. fund giant Blackrock, where he was head of financial services consulting in Europe, the Middle East, and Africa. Jacob, will return to GAM's board, where he will in spring replace Chairman Hugh Scott-Barrett.

Swiss Fund Sale

The appointment comes shortly after GAM, a pioneer in fund-of-hedge funds founded by Gilbert de Botton in 1983, shut down the troubled bond funds which began the company's downward spiral 12 months ago. Since then, GAM scrapped its dividend after reporting a net loss last year and began slashing spending in a recovery effort under Jacob.

Separately, GAM said on Tuesday it is selling four precious metal funds with $1.8 billion in assets to Zuercher Kantonalbank, a Swiss regional lender which is backed by local government. ZKB is buying the asset for $14 million in a deal which is expected to close later this quarter.

Rebuke from Investors

The asset manager swung to a first-half loss of 13.6 million Swiss francs ($13.7 million) from a year-ago profit of 25.4 million francs, it said in a statement. The result is right in line with a profit warning issued earlier this month. Two weeks ago, GAM returned investors' money in the absolute return bond funds, even as it quietly built up a copy-cat line of bond funds.

GAM's handling of the fund scandal sparked a shareholder rejection of GAM's company's management and board in May. The star fixed income manager fired by GAM in February, Tim Haywood, and the company set their differences aside.

«I am very pleased to learn that clients of the absolute return bond fund range will see a return of the money, and for some fund share classes more than 100 percent. I am extremely grateful to all parties, inside and outside GAM, who worked so assiduously to create such a positive outcome for clients,» Haywood said.