

# Results and Review Half Year 2019

30 July 2019



# Agenda

---

**H1 2019 Summary**

**David Jacob, Group CEO**

**H1 2019 Financial results**

**Richard McNamara, Group CFO**

**Priorities and outlook**

**David Jacob, Group CEO**

**Q&A**

**Appendix**

---

# **H1 2019** **SUMMARY**

David Jacob, Group CEO

---

# H1 2019 Summary

Finalisation of ARBF liquidation marks a key milestone for GAM

<b>Client centricity</b>	<ul style="list-style-type: none"><li>• <b>ARBF liquidation</b> completed with 100.5%<sup>1</sup> of assets being returned to clients</li><li>• Around 75% of AuM in investment management outperformed respective benchmarks over a three and five-year period</li><li>• Continued to <b>enhance GAM's control framework</b>, further strengthening risk and compliance functions</li></ul>
<b>Business stabilisation</b>	<ul style="list-style-type: none"><li>• <b>Improved flow trajectory in H1 2019</b> with positive net flows in June and July 2019</li><li>• <b>Investment capabilities remain strong and intact</b>; no changes to key investment teams and their independent investment decision-making</li><li>• Continue to seek to <b>enhance capital buffers</b></li><li>• Compensation expenses reflect the need to <b>ensure stability</b> going forward</li></ul>
<b>Restructuring and simplification</b>	<ul style="list-style-type: none"><li>• CHF 40m <b>restructuring programme well on track</b> – all cost saving measures to be implemented by year-end 2019</li><li>• <b>Focus on areas of expertise and reduction of complexity</b></li><li>• <b>Additional efficiency</b> gains expected in 2020/2021</li></ul>
<b>Positioned for future growth</b>	<ul style="list-style-type: none"><li>• <b>Peter Sanderson</b> to join as new CEO on 1 September 2019 with a focus on developing GAM's areas of expertise for future growth</li><li>• <b>Strong investment talent</b> managing differentiated active investment strategies, where GAM sees high client demand</li><li>• <b>Global distribution capabilities</b> with tighter focus on key strategies</li></ul>

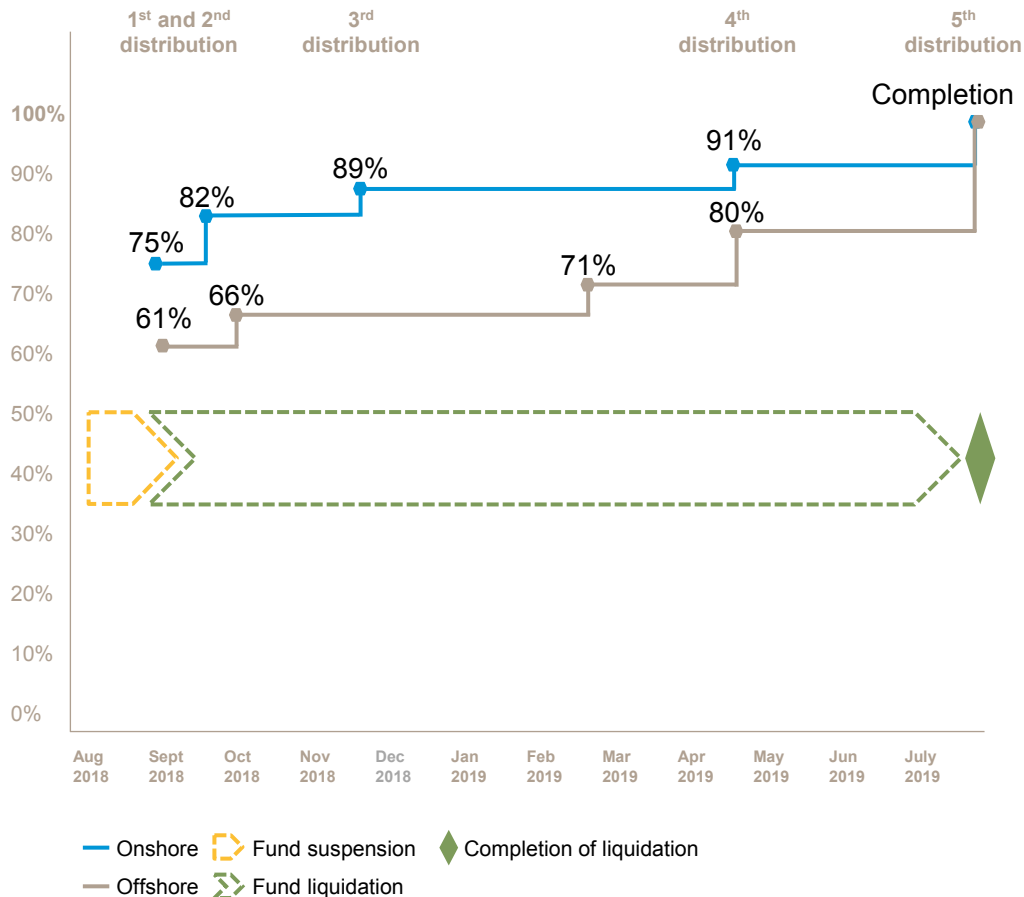
Abbreviation: ARBF = Unconstrained/absolute return bond fund.

<sup>1</sup>Representing the AuM-weighted average of the amount of each fund to be returned to investors as percentages of the net asset value of the relevant fund as at 3 September 2018 for Luxembourg and the Cayman funds and as at 4 September 2018 for the Ireland funds.

# Absolute Return Bond Fund (ARBF)<sup>1</sup>

Liquidation completed with over 100%<sup>2</sup> of assets being returned to clients

## Client distributions<sup>3</sup>



## Clients' interests put first at all times

- Sought to maximise liquidity while protecting value for our clients
- Fund boards acted immediately by suspending the fund
- Stopped charging management fees immediately
- Transparent in projections of payback intervals
- On average, returned 100.5% of net asset value to clients
- Putting a complex and challenging situation impacting multiple stakeholders behind us

<sup>1</sup> The strategy included funds and mandates with AuM of CHF 11.0bn at an average management fee margin of 61.9bps as at 31.07.2018. <sup>2</sup> Representing the AuM-weighted average of the amount of each fund to be returned to investors as percentages of the net asset value of the relevant fund as at 3 September 2018 for Luxembourg and the Cayman funds and as at 4 September 2018 for the Ireland funds. <sup>3</sup> The chart displays the AuM-weighted average percentage of assets returned to clients.

# Enhancement of our control environment

Continuous investment since 2017

## 1<sup>st</sup> line of defence

- New group head of investments
- New group head of front office controls
- New global head of trading
- Centralised dealing function
- Enhanced operating procedures within each investment team

## 2<sup>nd</sup> line of defence

- Separation of legal and compliance with heads reporting to group CEO
- Strengthened compliance function in the fields of financial crime prevention, conflicts of interest, regulatory advice and development, and compliance oversight
- Hired senior experts in the role of global head of investment risk oversight and global investment controlling; investment analytics team consolidated in risk function
- Reorganised legal function with leadership roles across UK, Continental EU and the US

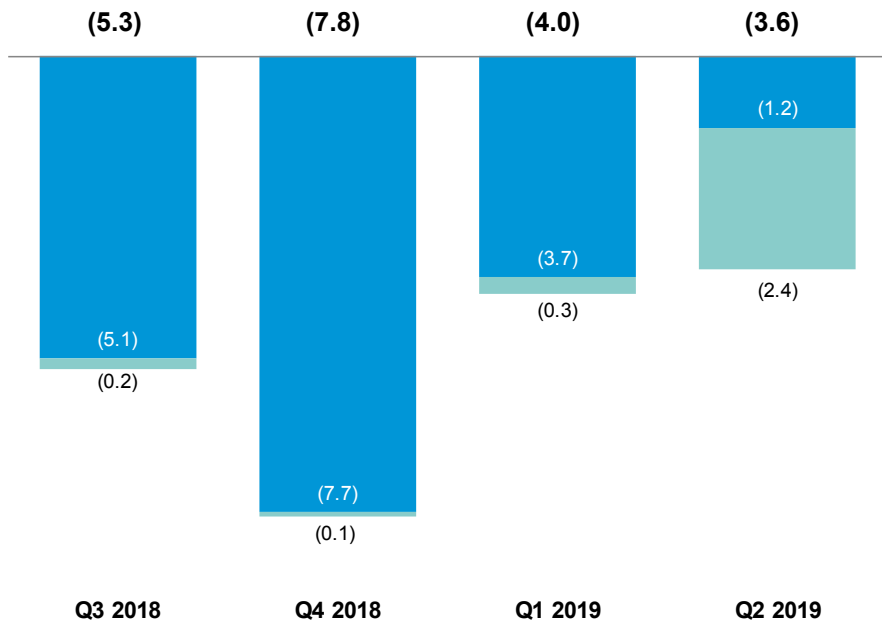
## 3<sup>rd</sup> line of defence

- New head of internal audit and recruitment of audit managers with investments and IT expertise
- Closer collaboration with 1<sup>st</sup> and 2<sup>nd</sup> lines of defence

# Net flows

Improving trend – positive net inflows in June 2019

## Net flows excluding ARBF<sup>1</sup> (in CHF bn)



- Net flows ex. ARBF and ex. money market and money-market-like strategies
- Money market and money-market-like strategies<sup>2</sup>, typically with low duration and margins

- **Industry snapshot:** Global equity and bond market recovery in Q1 2019 with increased volatility in Q2 2019
- **Quarterly trend:**
  - Some ARBF-related contagion effect in Q3 2018
  - Challenging market for the active asset management industry in Q4 2018
  - Normalisation of gross outflows in H1 2019
  - Gross inflows more challenging and below historic average – started to normalise in Q2 2019
- **Strategies:**
  - Credit opportunities and cat bonds with solid flow recovery
  - Outflows in Q2 2019 impacted by money market and money-market-like strategies with low duration

<sup>1</sup> ARBF-related net flows and fund assets liquidated as at respective quarter end. Q3 2018: CHF 8.6bn; Q4 2018: CHF 1.0bn; Q1 2019: CHF 0.1bn; Q2 2019: CHF 0.4bn.

<sup>2</sup> GAM Money Market USD, EUR, GBP, CHF; GAM Greensill Abs Return SCF; GAM Greensill Supply Chain Finance; GAM Greensill Supply Chain Finance Plus.

# Investment performance<sup>1</sup>

Strong and improved three and five-year track record

Capability	% of AuM outperforming benchmark			
	3-year		5-year	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Fixed income	82%	81%	81%	80%
Absolute return	55%	49%	50%	53%
Equity	68%	24%	60%	17%
Systematic	88%	60%	88%	47%
Alternatives	28%	24%	18%	15%
<b>Total</b>	<b>77%</b>	<b>66%</b>	<b>75%</b>	<b>63%</b>

**Morningstar peer rankings show 84% and 87% of AuM<sup>2</sup> in funds in 1<sup>st</sup> or 2<sup>nd</sup> quartile for 3 and 5 years respectively**

<sup>1</sup> % of investment management AuM in funds outperforming their respective benchmark (excluding mandates and segregated accounts). Three and five-year investment performance based on applicable AuM of CHF 33.9bn and CHF 32.4bn respectively. <sup>2</sup> The assets under management analysed refer to onshore open-ended funds. The peer group comparison is based on 'industry-standard' Morningstar Direct Sector Classification. For consistency purposes, the share class preferences in Morningstar have been set to capture the institutional share class (where available) or the cheapest retail share class for each and every fund in a given peer group.



---

# **H1 2019**

# FINANCIAL RESULTS

Richard McNamara, Group CFO

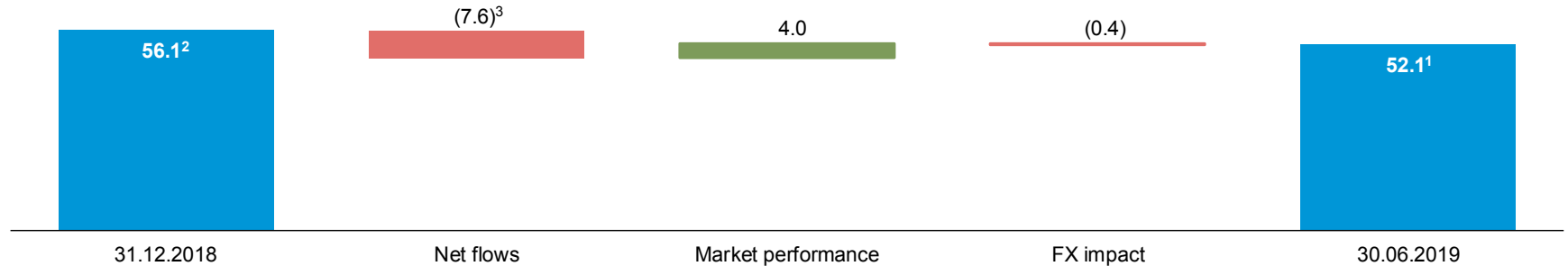
---

# Assets under management

Assets in IM at CHF 52.1bn<sup>1</sup>, PLF up at a record CHF 84.0bn

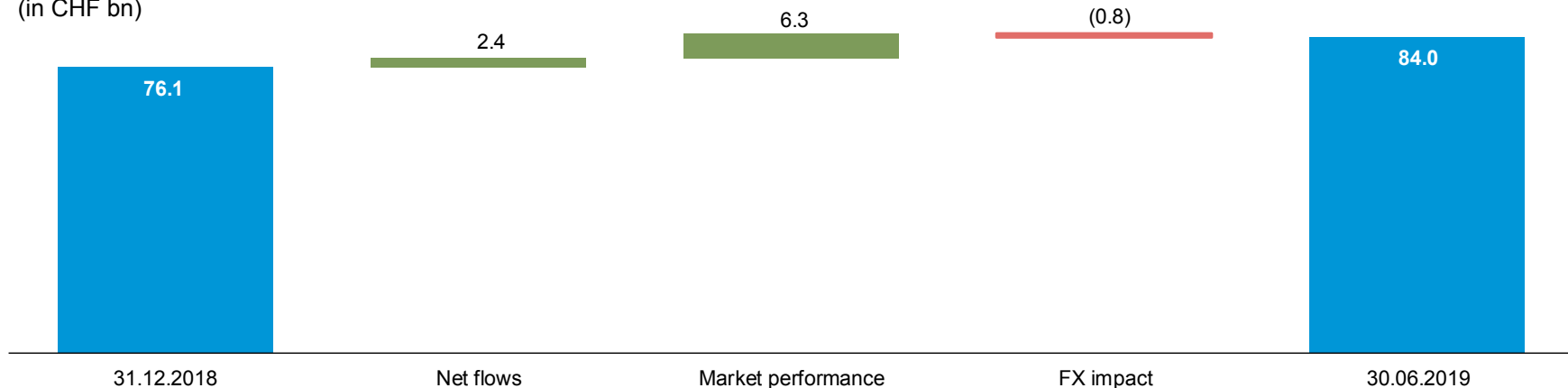
## Investment management

(in CHF bn)



## Private labelling

(in CHF bn)



<sup>1</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019.

<sup>2</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018.

<sup>3</sup> Excluding CHF 0.5bn ARBF-related assets liquidated during H1 2019.

# H1 2019 Financial summary

Lower profitability driven by revenue decline – cost savings on track

(in CHF m, except where indicated)	H1 2019	H2 2018	H1 2018	Change <sup>1</sup> H1 2019 vs H1 2018
Net management fees and commissions	165.7	210.0	285.4	(42%)
of which investment management	148.3	192.0	261.6	(43%)
of which private labelling	17.4	18.0	23.8	(27%)
Net performance fees	5.4	2.2	2.3	135%
<b>Net fee and commission income</b>	<b>171.1</b>	<b>212.2</b>	<b>287.7</b>	<b>(41%)</b>
Net other (expenses)/income	(3.8)	1.0	(0.7)	n.m.
<b>Income</b>	<b>167.3</b>	<b>213.2</b>	<b>287.0</b>	<b>(42%)</b>
<b>Expenses</b>	<b>165.2</b>	<b>177.8</b>	<b>195.7</b>	<b>(16%)</b>
<b>Underlying profit before taxes</b>	<b>2.1</b>	<b>35.4</b>	<b>91.3</b>	<b>(98%)</b>
Underlying income tax expense	3.2	8.9	19.6	(84%)
<b>Underlying net (loss)/profit</b>	<b>(1.1)</b>	<b>26.5</b>	<b>71.7</b>	<b>n.m.</b>
IFRS net (loss)/profit	(13.6)	(954.5)	25.4	n.m.
<b>Diluted underlying EPS (CHF)</b>	<b>(0.01)</b>	<b>0.17</b>	<b>0.45</b>	<b>n.m.</b>
<b>Operating margin (%)</b>	<b>3.4</b>	<b>16.2</b>	<b>32.0</b>	<b>(28.6pp)</b>
<b>AuM investment management (CHF bn)</b>	<b>52.1<sup>2</sup></b>	<b>56.1<sup>3</sup></b>	<b>84.4</b>	<b>(38%)</b>
<b>AuM private labelling (CHF bn)</b>	<b>84.0</b>	<b>76.1</b>	<b>79.4</b>	<b>6%</b>

<sup>1</sup> Relative percentage change, except for the operating margin which reflects the absolute change in percentage points (pp).

<sup>2</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019.

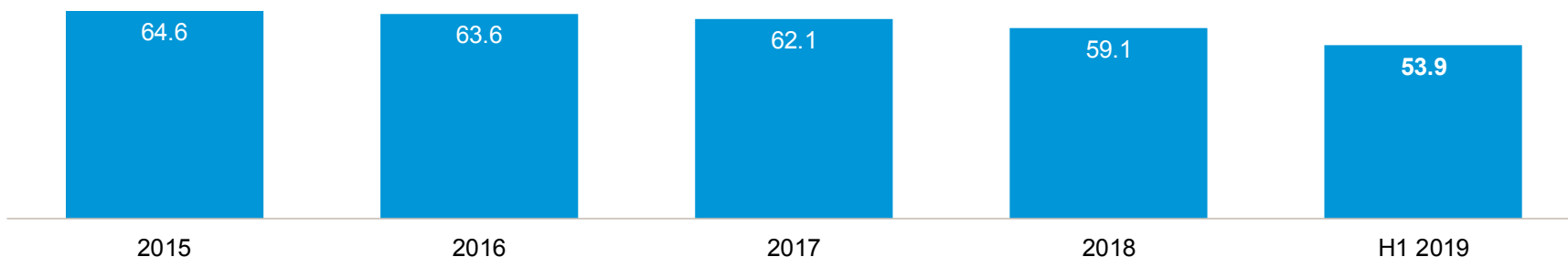
<sup>3</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018.

# Management fee margin

Average management fee margin of 53.9bps – stable compared to exit margin 2018

## Management fee margin<sup>1</sup>

(in bps)



## Management fee margin by capability

Capability	AuM as at 30.06.2019 (in CHF bn)	Management fee margin (in bps)		
		H1 2019	FY 2018	H1 2018
Fixed income	27.1	56	59	61
Multi asset	7.8	21	20	22
Equity	7.1	69	74	75
Systematic	4.5	67	74	77
Alternatives	4.2	41	47	50
Absolute return	1.4 <sup>2</sup>	108	74	73

- H1 2019 average margin of 53.9bps
- June exit margin above 54bps
- Continue to see frictional pricing pressure of 0.5 – 1bps per annum
- Growth expected in strategies priced between 50 and 100bps

<sup>1</sup> Average management fee margin for investment management.

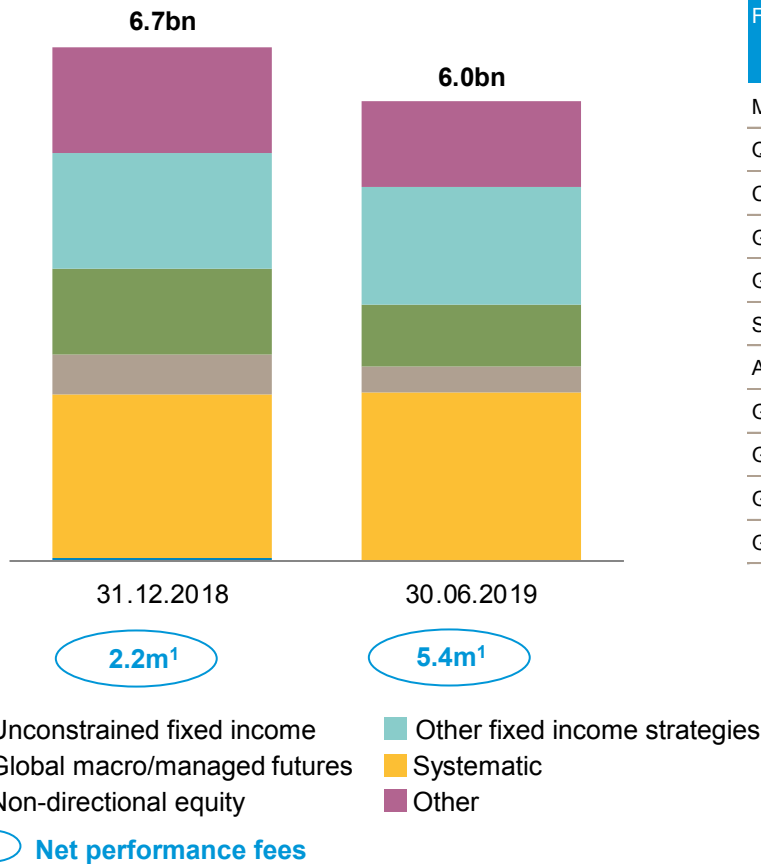
<sup>2</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019.

# Performance fees

H1 2019 performance fees mainly driven by systematic

## Performance fee eligible assets and performance fees

(in CHF)



## Performance fee eligible funds by AuM

Fund	AuM (CHFbn)	% >< HWM	% >< HWM
	as at 30.06.19	as at 30.06.19	as at 31.12.18
MBS	1.3	3%	2%
Quantitative Fund	0.9	1%	(29%)
Core Macro	0.7	5%	(11%)
GAM Star (Lux) - European Alpha	0.3	(8%)	(13%)
GAM Star Global Rates	0.3	(11%)	(14%)
Star (Lux) - Merger Arbitrage	0.2	0%	0%
Alternative Risk Premia	0.2	2%	(4%)
GAM Absolute Return Europe Equity	0.1	(8%)	(11%)
GAM Systematic Core Macro	0.1	6%	(6%)
GAM Talentum Europe L/S	0.1	(5%)	(12%)
GAM Systematic Dynamic Credit	0.0	1%	n.a.

Abbreviation: HWM = High-water mark, the performance levels at which the fund last generated performance fees.

<sup>1</sup> For the half-year periods ending as at 31.12.2018 and 30.06.2019.

# Expenses

Restructuring programme on track

(in CHF m, except where indicated)	H1 2019	H2 2018	H1 2018	Change H1 2019 vs H1 2018	
Fixed personnel expenses <sup>1</sup>	73.6	76.7	77.2	(5%)	↓ Driven by reduction in headcount as a result of the implementation of cost saving measures
Variable personnel expenses <sup>2</sup>	30.4	34.0	51.7	(41%)	↓ Lower contractual and discretionary bonus accruals based on reduced revenue levels
<b>Personnel expenses</b>	<b>104.0</b>	<b>110.7</b>	<b>128.9</b>	(19%)	↓
General expenses	52.1	63.8	63.9	(18%)	↓ Driven by restructuring measures and impact from new IFRS lease standard <sup>4</sup> , shifting occupancy-related costs to depreciation and amortisation
Depreciation and amortisation	9.1	3.3	2.9	214%	↑ Shift of occupancy-related costs from general expenses to reflect new IFRS lease standard <sup>4</sup>
<b>Expenses</b>	<b>165.2</b>	<b>177.8</b>	<b>195.7</b>	(16%)	↓
<b>Headcount (FTEs)<sup>3</sup></b>	<b>863</b>	<b>925</b>	<b>935</b>	(8%)	↓ Efficiency gains as a result of the implementation of restructuring programme
<b>Compensation ratio</b>	<b>60.8%</b>	<b>52.2%</b>	<b>44.8%</b>	36%	↑ Compensation expenses reflect need to ensure stability

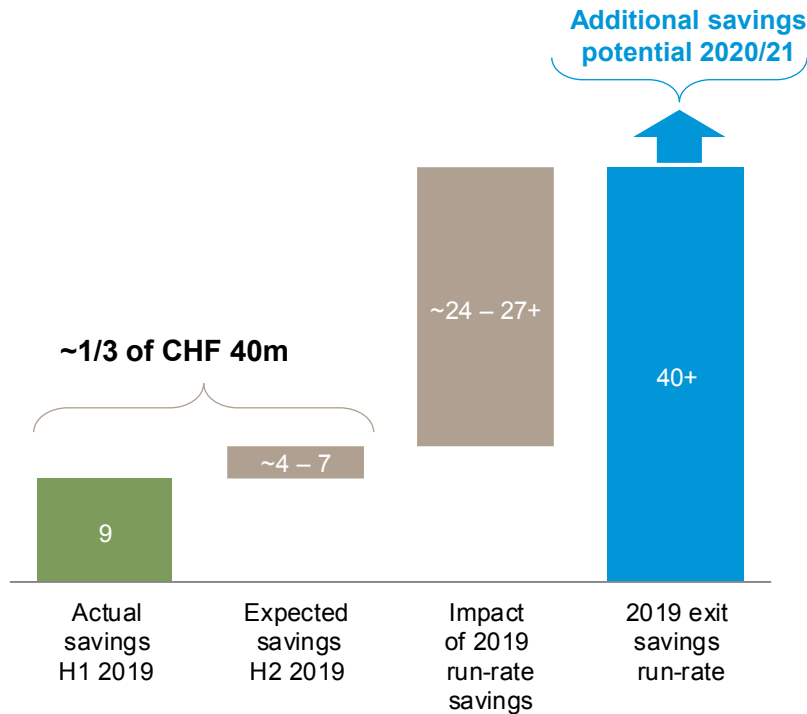
<sup>1</sup> Includes salaries and other personnel expenses. <sup>2</sup> Includes discretionary and contractual bonuses as well as share-based payment expenses. <sup>3</sup> Full-time equivalents as at 30.06. for H1 2019 and H1 2018 and as at 31.12. for H2 2018. <sup>4</sup> Details can be found in note 19 in the H1 2019 report.

# Restructuring

CHF 40m+ of net cost savings to be delivered by the end of 2019

## Fixed personnel and general expenses

(in CHF m)



- Fixed personnel and general expenses
- Plan savings
- Actual savings as at 30.06.2019<sup>1</sup>

- On track to achieving at least one third of the CHF 40m cost savings by the end of 2019 with full benefit in 2020
- 50% of measures completed – all remaining actions on track to be completed by year-end 2019
- Continue to look for ways to further simplify the business with additional efficiency gains expected in 2020/2021

<sup>1</sup> Compared to actual numbers reported, H1 2019 fixed personnel and general expenses were adjusted upwards by CHF 6m recognised in interest expenses and depreciation and amortisation, reflecting the impact of the new IFRS lease standard adopted in January 2019.

# IFRS net loss

Lower AuM and related revenues as primary driver

(in CHF m, except where indicated)	H1 2019	H2 2018	H1 2018
<b>Underlying profit before taxes</b>	<b>2.1</b>	<b>35.4</b>	<b>91.3</b>
Acquisition-related items <sup>1</sup>	(6.3)	7.0	11.4
Non-recurring items <sup>2</sup>	(7.5)	(1,005.0)	(73.5)
<b>IFRS (loss)/profit before taxes</b>	<b>(11.7)</b>	<b>(962.6)</b>	<b>29.2</b>
Income tax expense/(credit)	1.9	(8.1)	3.8
<b>IFRS net (loss)/profit</b>	<b>(13.6)</b>	<b>(954.5)</b>	<b>25.4</b>
<b>Underlying effective tax rate (%)</b>	<b>n.m.</b>	<b>25.1</b>	<b>21.5</b>

- Acquisition-related items mainly due to the amortisation of investment management and client contracts and finance charges on the deferred consideration liabilities
- Non-recurring items mainly related to ARBF matters and the restructuring programme
- The disproportionate level of tax compared with profits was driven by non-taxable holding company costs and the impact of expenses which are not tax deductible

<sup>1</sup> Items which are an accounting consequence of completed acquisitions, not directly relating to the operating activities of the acquired business. <sup>2</sup> Items which arise out of a business decision or an event outside the control of the business, resulting in a significant gain or loss being recognised in the income statement, and the incidence of which is not expected to be of a recurring nature.



# Capital management

Continue to seek to enhance capital buffers

## Cash and capital

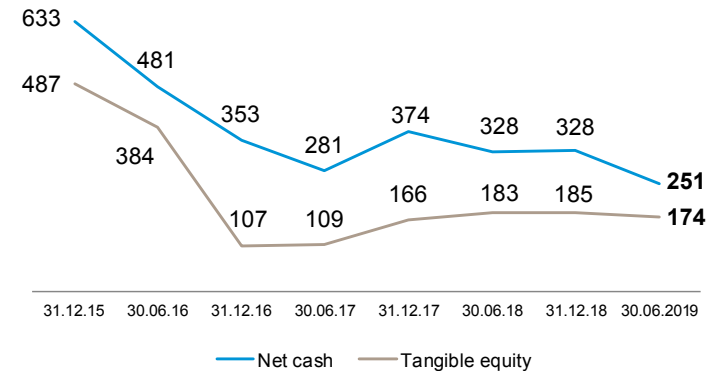
- Lower cash levels reflecting annual compensation payments for FY 2018, acquisition-related deferred consideration payments and restructuring-related expenditures
- Lower tangible equity due to the IFRS net loss
- No external debt
- Undrawn revolving credit facility of CHF 80m
- Simplification and restructuring measures to provide ability to further to enhance capital buffers

## Shareholder returns

- **Pay-out target** of at least 50% of underlying net profit to be returned to shareholders
- **Business investments** – focus on organic growth and enhanced capital buffers

## Cash and tangible equity<sup>1</sup>

(in CHF m)



<sup>1</sup> Detailed bridges on net cash and tangible equity can be found in the appendix on pages 40 and 41.

---

# **PRIORITIES AND** **OUTLOOK**

David Jacob, Group CEO

---

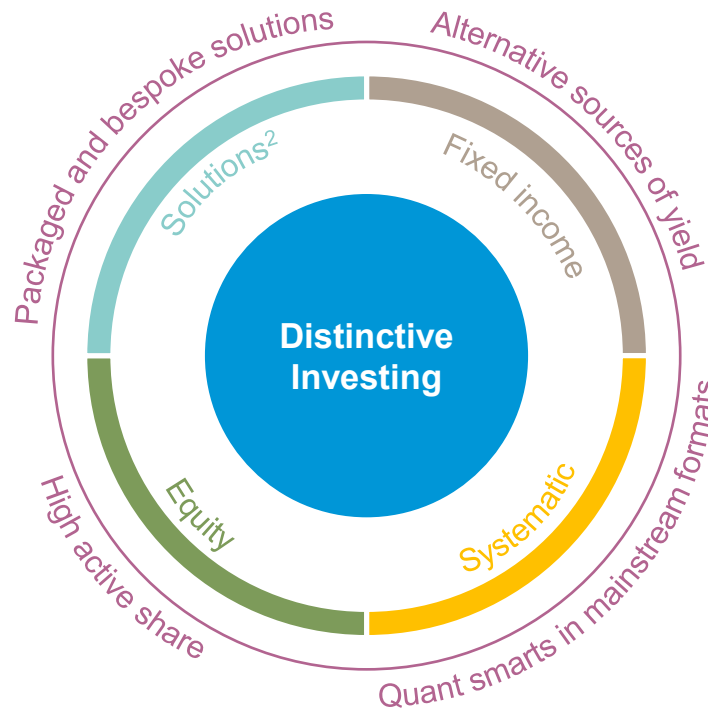
# Strong product positioning

Distinctive strategies<sup>1</sup> playing into four key areas of structural client demand

- Multi asset segregated accounts
- Unitised risk-weighted portfolio management
- Bespoke solutions

- Emerging market equities
- European equities
- Japanese equities
- Asian equities
- Swiss equities
- UK equity income
- Global equities
- Specialist equities
- Non-directional equities

## Non-traditional sources of return and genuinely differentiated active investment approaches



- Emerging market debt
- Global rates
- Mortgage-backed securities
- Credit opportunities
- Cat bonds
- Supply chain finance
- Commodity trade finance
- Real estate debt
- Strategic bond

- Alternative risk premia
- Global equity market neutral
- Core macro
- Discovery
- Dynamic credit
- Global equities (LO)
- Multi asset (LO)

Abbreviation: LO = Long-only.

<sup>1</sup> The strategies listed are of indicative nature and do not represent a complete list of GAM products.

<sup>2</sup> Includes alternatives and multi asset.

# Distribution strength

Strong products marketed by global distribution force with clear strategy

## Strong leading growth strategies

Leading strategies	AuM as at 30.06.2019	Net flows 3 years	Net flows 3 years	Rank 3 years <sup>1</sup>	Sector flows 3 years
	CHF m	CHF m	%	Quartile	%
Local emerging bond	8,290	3,026	63%	2	41%
Credit opportunities	8,219	5,610	221%	2	49%
Cat bonds	3,199	780	34%	1	27%
Systematic alt risk premia	1,881	1,775	1325%	2	(13%)
Mortgage-backed securities	1,657	666	78%	1	34%
Emerging markets equity	977	803	590%	1	12%
Japan leaders	921	779	644%	2	(3%)

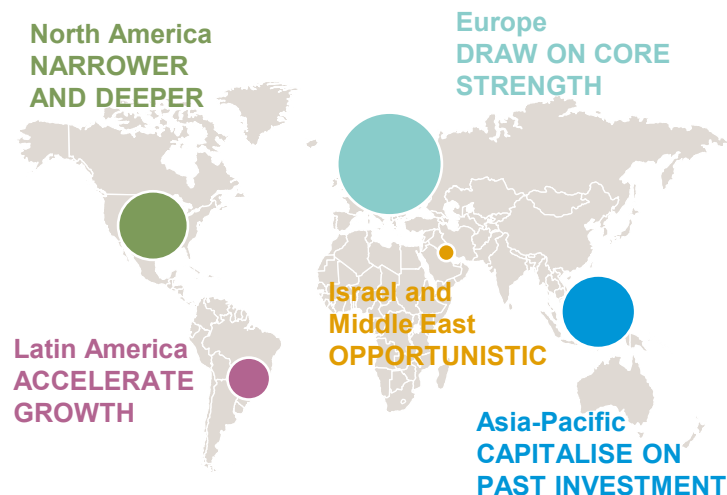
## Future growth strategies

Insurance-linked securities  
EM opportunities  
Strategic bond

Systematic core macro  
Systematic dynamic credit

European Alpha  
Merger arbitrage  
UK equity income

## Global distribution team



- Strong client focus in all areas providing expert advice to institutional, intermediary and private clients
- Customised regional go-to-market strategies based on sales life-cycle
- Protected assets and rebuilt trust during ARBF liquidation
- Strengthened regional presence across 14 countries
- Distribution strength driven by strong product portfolio and quality of our sales force

<sup>1</sup> Based on Morningstar's quartile ranking as at 30.06.2019.

# Near-term priorities

Continued strong focus on delivering on our promises

## Distinctive investment strategies and services

### **Deliver investment performance for our clients**

- Talent retention
- Further strengthening of product portfolio and focus on areas of expertise
- Build further scale in private labelling
- Strong brand based on market and client feedback

## Addressing client needs

### **Continuous alignment of product offering to changing client demand**

- Deepen and extend relationships with clients and consultants
- Capitalise on diversified geographic footprint
- Continued focus on enhancing client service

## Delivering efficiency

### **Simplify business and enhance efficiency to support profitability and long-term shareholder value**

- Realise CHF 40m+ of cost savings
- Simplify our operating platform
- Pursue further savings in 2020/21

# Appointment of Peter Sanderson as CEO

Leadership changes allow us to fully focus on the future



- Peter Sanderson appointed CEO of GAM, effective 1 September 2019
  - He brings a wealth of leadership experience and the strong skill set GAM needs to prosper in the future
  - In various roles in the asset management industry, recently at Blackrock, Peter has run and scaled large businesses, managed restructurings and successfully delivered solutions for clients
- 
- Hugh Scott-Barrett to step down from his current role as Chairman of the BoD, effective 1 October, remaining a member of the BoD until the next AGM in 2020
  - David Jacob to step down from interim role as CEO on 1 September 2019, before taking on role as Chairman of the BoD on 1 October 2019

# Outlook

- The market environment is expected to remain volatile and investors are likely to remain cautious and price sensitive
- GAM is well positioned to capture client demand with its distinct product offering and through global distribution capabilities
- Positive net asset flow momentum continued into Q3 2019
- Further simplification of our business and focus on our recognised areas of expertise
- FY 2019 underlying pre-tax profit expected to be materially below FY 2018, driven by significantly lower average assets under management in investment management

# What clients are saying about GAM

## **MEDIA ONLY FUELLING CONCERNS – INVESTORS**

**REWARDED FOR THEIR PATIENCE** *“(…) There are two aspects regarding what has happened that provide food for thought. One of these is that investors who have suffered as a result of the wait, reading in recent months even scandalous articles in the media that frequently did not report on the merits of the story and only fuelled concerns, can now finally consider the chapter serenely closed. Another aspect is that, thanks to GAM Investments’ high quality management team and the internal investment control processes in full compliance with strict Swiss regulations, it was possible to repay a total percentage of assets of between 99.6% and 101.0% depending on the fund.”*

*Extract from an influential industry blog*

**DOING WELL IN ADVERSE TIMES** *”It’s easy to do well when all is well: it is much more difficult to do well in adverse times. I congratulate you on having handled the situation as painlessly and elegantly as possible.”*

*Senior Portfolio Manager and Head of Institutional Clients at an asset manager*

## **CLIENTS AT THE CENTRE OF OUR ACTIONS**

*“I must say that you have achieved a truly extraordinary result for clients, given that exactly one year ago, when this unfortunate matter came to light, we would not have bet on the investment value being fully recovered. Objectively, you have placed clients at the centre of your actions. We are very happy and will not fail to point this out. The key players in our management team are copied in this e-mail. Thank you again best regards.”*

*Head of Wealth Management and Investment Management of a financial institution*

## **WE WILL SUPPORT YOU TO THE GREATEST EXTENT POSSIBLE**

*“This is excellent news, I confirm our trust in you and our willingness to collaborate. Your communication strategy will now be very important in order to regain the trust of the distributors – we will support you to the greatest extent possible across our insurance platforms.”*

*CEO of an insurance company*



---

# APPENDIX

---

# AuM development by capability

## Investment management

(in CHF bn)

Capability	AuM 31.12.18	Net flows	Market	FX	AuM 31.03.19	Net flows	Market	FX	AuM 30.06.19
Fixed income	29.2	(0.8)	0.8	0.2	29.4	(2.5)	0.6	(0.4)	27.1
Equity	8.7	(2.3)	1.0	0.1	7.5	(0.5)	0.3	(0.2)	7.1
Multi asset	7.7	(0.2)	0.5	-	8.0	(0.2)	0.1	(0.1)	7.8
Alternatives	4.4	(0.3)	-	-	4.1	(0.1)	0.2	-	4.2
Systematic	4.2	(0.1)	0.4	-	4.5	(0.1)	0.1	-	4.5
Absolute return	1.9	(0.3)	-	-	1.6	(0.2)	-	-	1.4
<b>Total</b>	<b>56.1<sup>1</sup></b>	<b>(4.0)</b>	<b>2.7</b>	<b>0.3</b>	<b>55.1<sup>2</sup></b>	<b>(3.6)</b>	<b>1.3</b>	<b>(0.7)</b>	<b>52.1<sup>3</sup></b>

<sup>1</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018.

<sup>2</sup> Excluding CHF 1.35bn ARBF-related AuM in liquidation as at 31.03.2019.

<sup>3</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019.

# AuM and net flows by capability

## Investment management AuM by capability

(in CHF bn)

	31.12.14	30.06.15	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Fixed income	19.5	19.0	18.6	19.3	20.8	27.4	37.1	38.6	29.2	27.1
Equity	13.8	13.9	13.4	10.7	12.5	11.0	12.6	12.5	8.7	7.1
Multi asset	12.9	12.2	11.9	10.7	9.6	9.1	9.5	9.3	7.7	7.8
Systematic	-	-	-	-	3.8	3.7	4.7	4.6	4.2	4.5
Alternatives	7.7	6.9	5.3	5.6	5.2	4.9	4.9	5.0	4.4	4.2
Absolute return	22.2	21.5	23.1	19.2	16.3	16.1	15.6	14.4	1.9	1.4
<b>Total</b>	<b>76.1</b>	<b>73.5</b>	<b>72.3</b>	<b>65.5</b>	<b>68.2</b>	<b>72.2</b>	<b>84.4</b>	<b>84.4</b>	<b>56.1<sup>1</sup></b>	<b>52.1<sup>2</sup></b>

## Investment management net flows by capability

(in CHF bn)

	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Fixed income	1.0	(0.6)	(0.2)	1.3	6.0	7.9	2.8	(8.2)	(3.3)
Equity	(0.2)	(0.3)	(1.6)	(1.7)	(2.2)	-	-	(1.9)	(2.8)
Multi asset	0.3	(0.4)	(1.0)	(1.4)	(0.9)	(0.1)	(0.1)	(0.9)	(0.4)
Systematic	-	-	-	(0.2)	(0.1)	0.2	0.3	(0.1)	(0.2)
Alternatives	(0.2)	(1.4)	(0.2)	-	(0.3)	(0.3)	0.4	(0.6)	(0.4)
Absolute return	1.1	1.0	(2.6)	(3.1)	(0.6)	(1.0)	(0.8)	(1.4)	(0.5)
<b>Total</b>	<b>2.0</b>	<b>(0.4)</b>	<b>(2.8)</b>	<b>(3.3)</b>	<b>1.9</b>	<b>6.7</b>	<b>2.6<sup>3</sup></b>	<b>(13.1)<sup>4</sup></b>	<b>(7.6)<sup>5</sup></b>

<sup>1</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018. <sup>2</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019. <sup>3</sup> Including ARBF-related net inflows in H1 2018 of CHF 0.3bn. <sup>4</sup> Excluding ARBF-related net flows in H2 2018 and fund assets liquidated as at 31.12.2018.

<sup>5</sup> Excluding CHF 0.5bn ARBF-related assets liquidated during H1 2019.

# AuM by product type

## Investment management AuM by product type

(in CHF bn)

	31.12.14	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Luxembourg SICAVs	26.1	23.9	20.5	19.0	20.5	23.5	22.8	14.6	14.1
Segregated accounts	18.2	17.4	15.6	17.4	15.3	15.7	15.2	10.1	9.1
Ireland UCITS	14.4	15.7	14.7	14.3	18.9	26.1	26.7	16.5	15.3
Offshore	8.3	7.4	6.4	6.6	6.0	5.9	6.5	2.4	2.4
Swiss fund	7.2	6.2	6.7	6.4	6.6	6.9	6.7	6.3	6.4
OEICs/unit trusts	1.9	1.5	1.4	1.7	1.4	1.1	1.1	1.0	0.9
AIF	-	-	-	-	-	-	0.1	0.3	1.3
FCP RAIF	-	-	-	-	-	0.2	0.2	0.2	0.3
LPs & LLCs	-	0.2	0.2	2.8	3.5	5.0	5.1	4.7	2.3
<b>Total</b>	<b>76.1</b>	<b>72.3</b>	<b>65.5</b>	<b>68.2</b>	<b>72.2</b>	<b>84.4</b>	<b>84.4</b>	<b>56.1<sup>1</sup></b>	<b>52.1<sup>2</sup></b>

# AuM and net flows by client segment

## Investment management AuM by client segment

(in CHF bn)

	31.12.14	30.06.15	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Intermediaries	32.8	31.6	31.4	27.2	28.4	31.7	40.6	41.8	27.4	23.9
Institutional clients	34.3	33.8	33.7	32.0	34.0	35.4	38.5	37.6	24.7	24.5
Private clients	9.0	8.1	7.2	6.3	5.8	5.1	5.3	5.0	4.0	3.7
<b>Total</b>	<b>76.1</b>	<b>73.5</b>	<b>72.3</b>	<b>65.5</b>	<b>68.2</b>	<b>72.2</b>	<b>84.4</b>	<b>84.4</b>	<b>56.1<sup>1</sup></b>	<b>52.1<sup>2</sup></b>

## Investment management net flows by client segment

(in CHF bn)

	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Intermediaries	0.6	(0.5)	(3.3)	(2.2)	2.3	5.9	2.7	(9.8)	(4.5)
Institutional clients	1.9	(0.6)	(1.5)	(2.2)	0.3	1.0	0.2	(2.8)	(2.5)
Private clients	(0.5)	(0.6)	(0.8)	(0.7)	(0.7)	(0.2)	(0.3)	(0.5)	(0.6)
<b>Total</b>	<b>2.0</b>	<b>(1.7)</b>	<b>(5.6)</b>	<b>(5.1)</b>	<b>1.9</b>	<b>6.7</b>	<b>2.6<sup>3</sup></b>	<b>(13.1)<sup>4</sup></b>	<b>(7.6)<sup>5</sup></b>

<sup>1</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018. <sup>2</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2019. <sup>3</sup> Including ARBF-related net inflows in H1 2018 of CHF 0.3bn. <sup>4</sup> Excluding ARBF-related net flows in H2 2018 and fund assets liquidated as at 31.12.2018.

<sup>5</sup> Excluding CHF 0.5bn ARBF-related assets liquidated during H1 2019.

# Private labelling AuM breakdowns

## By fund domicile

(in CHF bn)

	31.12.14	30.06.15	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Switzerland	35.4	37.9	31.4	31.7	31.7	33.1	33.6	34.2	33.3	36.4
Rest of Europe	9.0	10.6	15.3	16.3	20.8	26.0	40.7	45.2	42.8	47.6
Other	2.7	2.2	-	-	-	-	-	-	-	-
<b>Total</b>	<b>47.1</b>	<b>50.7</b>	<b>46.7</b>	<b>48.0</b>	<b>52.5</b>	<b>59.1</b>	<b>74.3</b>	<b>79.4</b>	<b>76.1</b>	<b>84.0</b>

## By asset class

(in CHF bn)

	31.12.14	30.06.15	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Fixed income	20.4	21.8	19.3	19.8	23.5	28.6	34.8	39.3	37.6	41.9
Equity	20.4	22.3	20.5	21.1	21.4	22.7	24.7	25.4	22.7	25.5
Money market	3.0	2.9	2.5	2.4	2.5	2.5	2.7	2.8	4.3	4.1
Alternative	3.3	3.7	4.4	4.7	5.1	5.3	12.1	11.9	11.5	12.5
<b>Total</b>	<b>47.1</b>	<b>50.7</b>	<b>46.7</b>	<b>48.0</b>	<b>52.5</b>	<b>59.1</b>	<b>74.3</b>	<b>79.4</b>	<b>76.1</b>	<b>84.0</b>

# Key figures

## Investment management

(in CHF, except where indicated)

	H1 2015	H2 2015	FY 2015	H1 2016	H2 2016	FY 2016	H1 2017	H2 2017	FY 2017	H1 2018	H2 2018	FY 2018	H1 2019
Net management fees and commissions (m)	236.9	239.3	476.2	214.1	220.3	434.4	218.7	245.1	463.8	261.6	192.0	453.6	148.3
Net performance fees (m)	44.1	38.7	82.8	1.2	1.8	3.0	19.3	24.8	44.1	2.3	2.2	4.5	5.4
<b>Net fee and commission income (m)</b>	<b>281.0</b>	<b>278.0</b>	<b>559.0</b>	<b>215.3</b>	<b>222.1</b>	<b>437.4</b>	<b>238.0</b>	<b>269.9</b>	<b>507.9</b>	<b>263.9</b>	<b>194.2</b>	<b>458.1</b>	<b>153.7</b>
Assets under management at the end of the period (bn)	73.5	72.3	72.3	65.5	68.2	68.2	72.2	84.4	84.4	84.4	56.1	56.1 <sup>1</sup>	52.1 <sup>2</sup>
Average assets under management (bn)	73.6	73.8	73.7	68.5	67.7	68.3	70.0	79.0	74.7	85.5	69.1	76.8	55.0
Net flows (bn)	2.0	(1.7)	0.3	(5.6)	(5.1)	(10.7)	1.9	6.7	8.6	2.6 <sup>3</sup>	(13.1) <sup>3</sup>	(10.5) <sup>3</sup>	(7.6) <sup>4</sup>
Total fee margin (bps)	76.4	75.3	75.8	62.9	65.7	64.1	68.0	68.3	68.0	61.7	56.2	59.6	55.9
Management fee margin (bps)	64.4	64.8	64.6	62.5	65.1	63.6	62.5	62.1	62.1	61.2	55.6	59.1	53.9

## Private labelling

(in CHF, except where indicated)

	H1 2015	H2 2015	FY 2015	H1 2016	H2 2016	FY 2016	H1 2017	H2 2017	FY 2017	H1 2018	H2 2018	FY 2018	H1 2019
Net management fees and commissions (m)	20.8	20.8	41.6	17.5	18.6	36.1	19.7	20.1	39.8	23.8	18.0	41.8	17.4
Net performance fees (m)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net fee and commission income (m)</b>	<b>20.8</b>	<b>20.8</b>	<b>41.6</b>	<b>17.5</b>	<b>18.6</b>	<b>36.1</b>	<b>19.7</b>	<b>20.1</b>	<b>39.8</b>	<b>23.8</b>	<b>18.0</b>	<b>41.8</b>	<b>17.4</b>
Assets under management at the end of the period (bn)	50.7	46.7	46.7	48.0	52.5	52.5	59.1	74.3	74.3	79.4	76.1	76.1	84.0
Average assets under management (bn)	49.5	49.9	49.6	47.2	50.5	48.9	56.4	69.5	63.3	76.9	78.6	77.6	81.4
Net flows (bn)	4.3	(1.6)	2.7	0.9	3.4	4.3	4.5	11.2	15.7	6.7	1.6	8.3	2.4
Management fee margin (bps)	8.4	8.3	8.4	7.4	7.3	7.4	7.0	5.8	6.3	6.2	4.6	5.4	4.3

<sup>1</sup> Excluding CHF 1.45bn ARBF-related AuM in liquidation as at 31.12.2018. <sup>2</sup> Excluding CHF 1.0bn ARBF-related AuM in liquidation as at 30.06.2018. <sup>3</sup> Including ARBF-related net inflows in H1 2018 of CHF 0.3bn and excluding ARBF-related net flows in H2 2018 and fund assets liquidated as at 31.12.2018. <sup>4</sup> Excluding CHF 0.5bn ARBF-related assets liquidated during H1 2019.

# Performance fee eligible assets and income

## Performance fee eligible assets<sup>1</sup>

(in CHF bn)

	31.12.13	30.06.14	31.12.14	30.06.15	31.12.15	30.06.16	31.12.16	30.06.17	31.12.17	30.06.18	31.12.18	30.06.19
Unconstrained fixed income	14.1	14.1	12.4	10.6	8.7	6.7	5.9	6.2	6.6	6.2	-	-
Global macro/managed futures	2.7	2.8	3.0	3.4	3.9	3.2	2.4	1.7	1.6	1.1	0.6	0.4
Non-directional equity	2.7	3.6	3.8	4.1	5.7	5.1	3.7	2.7	2.3	1.9	1.1	0.8
Other fixed income strategies	1.1	1.4	1.4	1.3	1.4	1.4	1.3	1.9	2.2	2.2	1.5	1.5
Systematic	-	-	-	-	-	-	2.9	2.4	2.8	2.3	2.1	2.2
Other	2.0	2.5	2.6	2.5	1.8	1.2	1.4	1.6	1.8	1.8	1.4	1.1
<b>Performance fee eligible assets</b>	<b>22.6</b>	<b>24.4</b>	<b>23.2</b>	<b>21.9</b>	<b>21.5</b>	<b>17.6</b>	<b>17.6</b>	<b>16.5</b>	<b>17.3</b>	<b>15.5</b>	<b>6.7</b>	<b>6.0</b>

## Net performance fees

(in CHF m)

	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Unconstrained fixed income	26.9	(0.1)	0.8	-	-	-	11.3	0.1	(0.7)	-	-
Global macro/managed futures	(0.8)	11.8	26.0	4.7	-	0.1	0.4	0.6	-	-	-
Non-directional equity	4.5	11.8	10.7	32.9	-	0.6	0.4	1.0	0.4	0.1	0.2
Other fixed income strategies	2.9	5.9	5.8	0.7	1.0	1.0	4.3	1.1	1.2	0.2	1.1
Systematic	-	-	-	-	-	0.1	0.4	21.9	0.4	0.1	4.4
Other	1.4	1.6	0.8	0.4	0.2	-	2.5	0.1	1.0	1.8	(0.3) <sup>2</sup>
<b>Net performance fees</b>	<b>34.9</b>	<b>31.0</b>	<b>44.1</b>	<b>38.7</b>	<b>1.2</b>	<b>1.8</b>	<b>19.3</b>	<b>24.8</b>	<b>2.3</b>	<b>2.2</b>	<b>5.4</b>

<sup>1</sup> Excludes performance fee eligible assets for which 100% of generated performance fees are paid to external partners.

<sup>2</sup> H1 2019 includes prior year adjustments.



# Performance fee eligible assets analysis

	Unconstrained fixed income	Global macro/managed futures	Non-directional equity	Systematic	Other fixed income strategies	Other <sup>1</sup>	Total
Performance fee eligible AuM (CHF bn)	0.0	0.4	0.8	2.2	1.5	1.1	6.0
No. of PF eligible funds/mandates	1	3	10	11	9	12	46
Performance fees H1 2019 (CHF m)	0.0	0.0	0.2	4.4	1.1	(0.3)	5.4
Number of funds/mandates generating fees in H1 2019	1	0	5	9	4	2	21
AuM on 30.06.2019 generating performance fees in H1 2019 (CHF bn)	0.0	0.0	0.5	1.1	1.4	0.5	3.5
AuM with potential crystallisation in H1 2019 <sup>2</sup> (CHF bn)	0.0	0.3	0.5	2.1	1.2	0.3	4.4
AuM with potential crystallisation in H2 2019 (CHF bn)	0.0	0.1	0.3	0.1	0.3	0.8	1.6
No. of funds/mandates with potential crystallisation in H1 2019 <sup>3</sup>	1	1	6	10	5	4	27
No. of funds/mandates with potential crystallisation in H2 2019	0	2	4	1	4	8	19
AuM at or above high-water mark/benchmark as at 30.06.2019 (CHF bn)	0.0	0.0	0.1	1.2	1.4	0.7	3.4
AuM within 5% of high-water mark/benchmark as at 30.06.2018 (CHF bn)	0.0	0.1	0.2	0.8	0.1	0.1	1.3
Performance fee range	10%	10%	10-20%	10-20%	10-20%	8-15%	
Frequency	Annually	Bi-annually	Quarterly & annually	Monthly, quarterly & annually	Quarterly & annually	Quarterly & annually	
Methodology	High-water mark & benchmark	High-water mark & benchmark	High-water mark & benchmark	High-water mark & benchmark	High-water mark & benchmark	High-water mark & benchmark	

<sup>1</sup> Mainly representing strategies managed by external fund managers, for which performance fees are shared between these managers and GAM.

<sup>2</sup> H1 2019 including CHF 2.1bn AuM with quarterly crystallisation dates (31.03/30.06/30.09/31.12). These AuM are excluded from H2 2019.

<sup>3</sup> H1 2019 including 10 funds and mandates with quarterly crystallisation dates (31.03/30.06/30.09/31.12). These funds and mandates are excluded from H2 2019.

# Key performance fee eligible strategies

		As at 30.06.2019				
	Fund	AuM	% (below)/ above HWM	Crystallisation date	Performance fee rate	Last HWM date
		(CHF bn)				
<b>Systematic</b>	Quantitative Fund	0.9	1%	Various	10% / 15% / 20% / 30%	31.12.2017
	Core Macro	0.7	5%	Quarterly	10%	31.12.2017
	Discovery	0.0	(1%)	30.06	20%	02.10.2017
	GAM Systematic Core Macro	0.1	6%	30.06	10%	30.06.2018
	GAM Systematic Global Equity Market Neutral	0.0	(3%)	30.06	15%	30.06.2017
	GAM Systematic Dynamic Credit	0.0	1%	30.06	10%	31.12.2018
	Alternative Risk Premia	0.2	2%	30.06	15%	30.04.2018
	Managed accounts	0.3	3%	Various	Various	Various
	<b>Total AuM</b>	<b>2.2</b>				
<b>Global macro/ managed futures</b>	GAM Star Global Rates	0.3	(11%)	30.06	10%	30.06.2015
	Global Rates Hedge	0.1	(3%)	31.12	10%	31.12.2017
	Managed accounts	0.0	8%	31.12	10%	various
	<b>Total AuM</b>	<b>0.4</b>				
<b>Non-directional equity</b>	GAM Absolute Return Europe Equity	0.1	(8%)	30.06	10%	30.06.2015
	GAM Star (Lux) - European Alpha	0.3	(8%)	Quarterly	15%	31.12.2015
	Star (Lux) - Merger Arbitrage	0.2	0%	31.12	15%	31.12.2017
	GAM Talentum Europe L/S	0.1	(5%)	31.12	20%	31.12.2015
	Other Non-Directional Equity	0.1	(12%)	Various	10% / 15% / 20%	Various
	Managed accounts	0.0	(3%)	31.12	20%	Various
	<b>Total AuM</b>	<b>0.8</b>				
<b>Other fixed income</b>	MBS	1.3	3%	Various	10% / 20%	30.06.2018
	EM Debt	0.1	(1%)	Various	10% / 20%	30.06.2017
	Other FI funds and mandates	0.1	(3%)	Various	10%	Various
	<b>Total AuM</b>	<b>1.5</b>				

# General expenses

(in CHF m)	H1 2019	H2 2018	H1 2018	Change H1 2019 vs H1 2018	Comments
Occupancy	3.7	10.9	11.3	(67%)	Driven by new IFRS lease standard
Technology and communication	11.0	6.6	7.5	47%	Expenses for outsourced IT services
Data and research	10.7	11.9	11.5	(7%)	Reduced level of services
Professional and consulting services	10.3	6.7	10.9	(6%)	
Marketing and travel	6.6	8.6	9.0	(27%)	Reduced spend for event and travel
Administration	3.6	4.4	5.1	(29%)	Decrease driven by lower AuM
Other general expenses	6.2	14.7	8.6	(28%)	Certain one-off items in H1 2018, partly offset by higher irrecoverable taxes in H1 2019
<b>General expenses</b>	<b>52.1</b>	<b>63.8</b>	<b>63.9</b>	<b>(18%)</b>	

# Operating margin and compensation ratio

(in CHF m)	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Net fee and commission income	301.8	298.8	232.8	240.7	257.7	290.0	287.7	212.2	171.1
Net other income/(expenses)	1.8	(1.1)	2.7	2.4	(0.2)	2.4	(0.7)	1.0	(3.8)
<b>Income</b>	<b>303.6</b>	<b>297.7</b>	<b>235.5</b>	<b>243.1</b>	<b>257.5</b>	<b>292.4</b>	<b>287.0</b>	<b>213.2</b>	<b>167.3</b>
Personnel expenses	145.2	144.8	125.1	121.1	125.7	138.9	128.9	110.7	104.0
General expenses	52.6	52.3	50.6	52.3	53.2	52.9	63.9	63.8	52.1
Depreciation and amortisation	4.3	4.3	4.8	4.6	3.2	3.5	2.9	3.3	9.1
<b>Expenses</b>	<b>202.1</b>	<b>201.4</b>	<b>180.5</b>	<b>178.0</b>	<b>182.1</b>	<b>195.3</b>	<b>195.7</b>	<b>177.8</b>	<b>165.2</b>
Operating margin <sup>1</sup>	33.0%	32.6%	22.5%	26.1%	29.3%	32.7%	32.0%	16.2%	3.4%
Compensation ratio <sup>2</sup>	48.1%	48.5%	53.7%	50.3%	48.8%	47.9%	44.8%	52.2%	60.8%

<sup>1</sup> Net fee and commission income minus expenses divided by net fee and commission income.

<sup>2</sup> Personnel expenses divided by net fee and commission income.

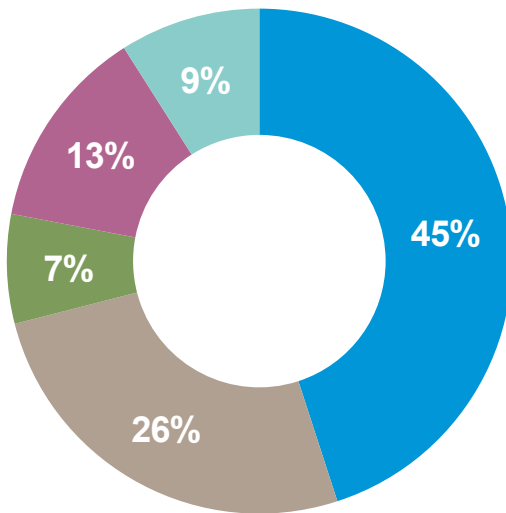
# Basic and diluted underlying EPS

(in million shares, except where indicated)

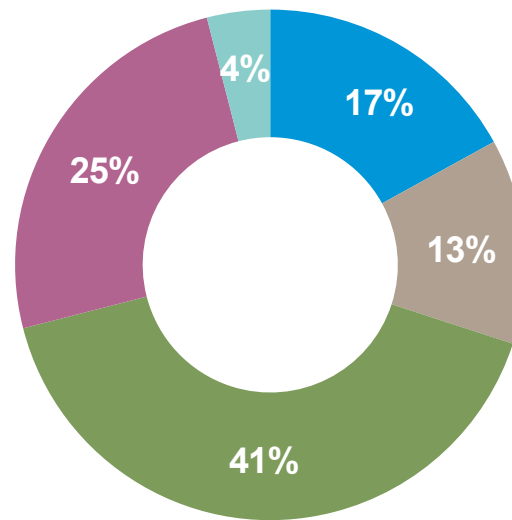
	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019
Weighted average number of shares in issue	166.7	163.7	163.4	160.5	160.3	159.7	159.7	159.7	159.7
Weighted average number of treasury shares held	(6.1)	(4.6)	(5.7)	(2.9)	(3.0)	(3.0)	(3.9)	(4.7)	(4.3)
Weighted average number of shares outstanding for basic EPS	160.6	159.1	157.7	157.6	157.3	156.7	155.8	155.0	155.4
Dilution driven by share-based compensation plans	1.2	0.8	0.1	0.2	0.7	2.9	4.2	0.8	-
Weighted average number of shares outstanding for diluted EPS	161.8	159.9	157.8	157.8	158.0	159.6	160.0	155.8	155.4
Underlying net profit/(loss) (CHF m)	81.2	77.2	42.2	52.0	58.7	78.4	71.7	26.5	(1.1)
Basic underlying EPS (CHF)	0.51	0.49	0.27	0.33	0.37	0.50	0.46	0.17	(0.01)
Diluted underlying EPS (CHF)	0.50	0.48	0.27	0.33	0.37	0.49	0.45	0.17	(0.01)

# Currency split – revenues, expenses and AuM

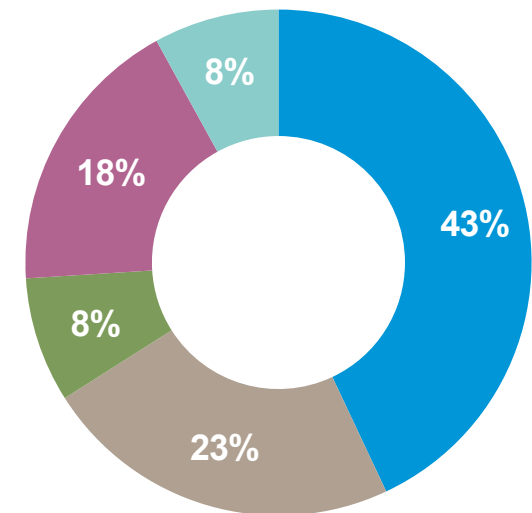
**Group income<sup>1</sup>**  
HY 2019



**Group expenses<sup>2</sup>**  
HY 2019



**Investment management AuM<sup>3</sup>**  
as at 30.06.2019



■ USD

■ EUR

■ GBP

■ CHF

■ Other

<sup>1</sup> Percentage splits are estimated based upon the currency exposure of the underlying AuM on which the revenues are earned.

<sup>2</sup> Percentage splits are estimated based upon the transactional currency, except for contractual bonuses which follow the same basis as revenue.

<sup>3</sup> Excluding CHF 1.0 billion ARBF-related AuM in liquidation as at 30.06.2019.

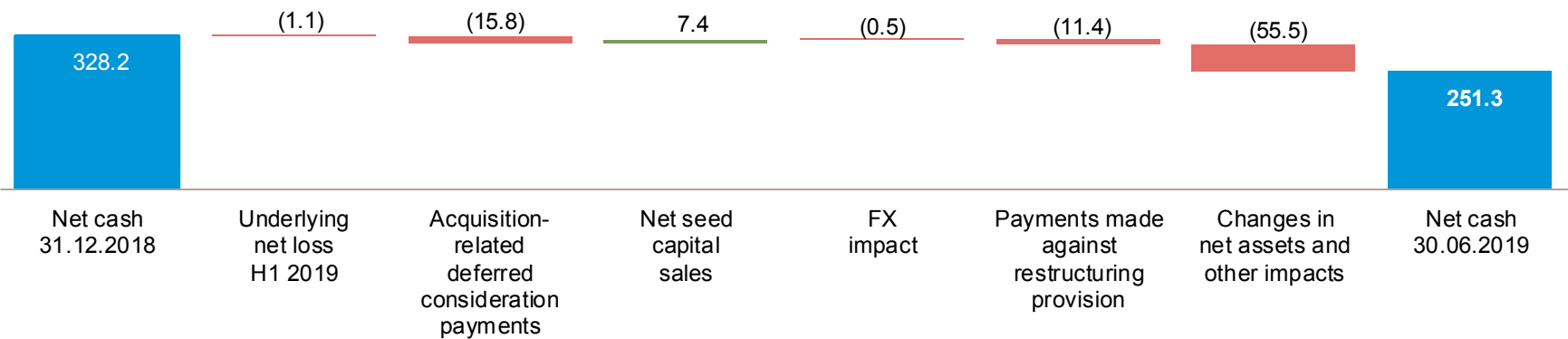
# Group balance sheet

(in CHF m)

	30.06.18	31.12.18	30.06.19
Cash and cash equivalents	328	328	251
Seed capital investments	51	68	55
Other assets	227	207	358
Goodwill and other intangible assets	1,631	655	650
<b>Assets</b>	<b>2,237</b>	<b>1,258</b>	<b>1,314</b>
Current liabilities	284	305	327
Non-current liabilities	139	114	163
Equity	1,814	839	824
<b>Liabilities &amp; equity</b>	<b>2,237</b>	<b>1,258</b>	<b>1,314</b>
<b>Tangible equity</b>	<b>183</b>	<b>185</b>	<b>174</b>

# Net cash

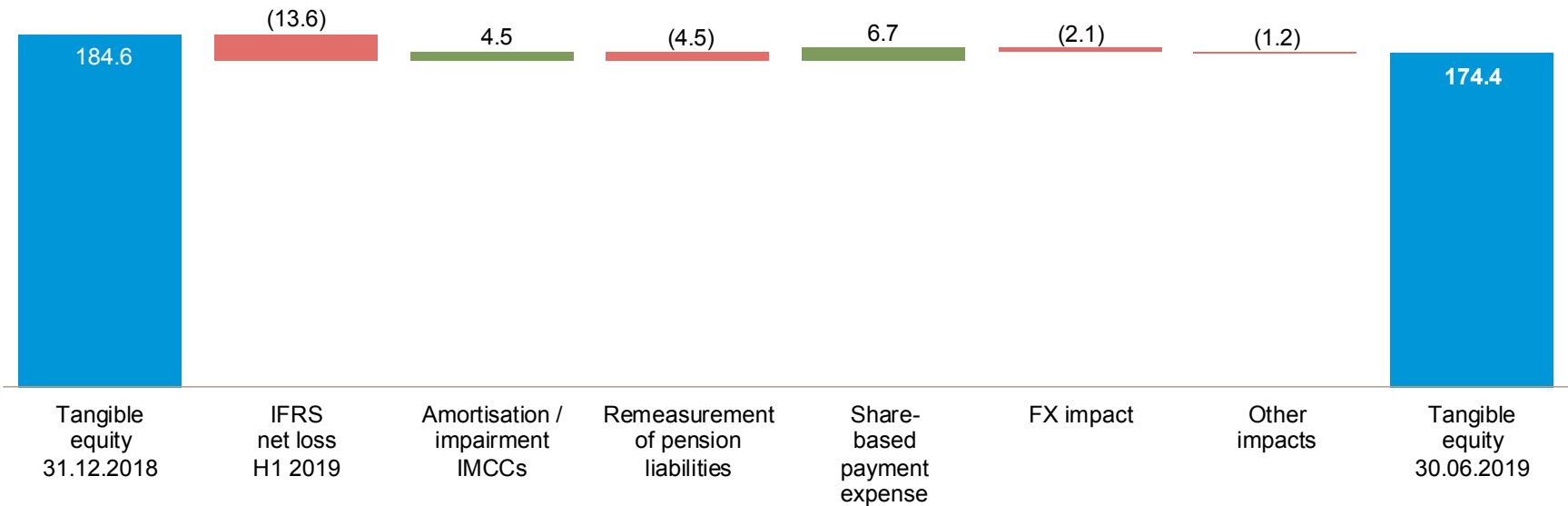
(in CHF m)





# Tangible equity

(in CHF m)



# Corporate calendar and contacts

## Forthcoming events

<b>17 October 2019</b>	Interim management statement Q3 2019
<b>20 February 2020</b>	Full year results 2019
<b>23 April 2020</b>	Interim management statement Q1 2020

## Contacts

Investor relations:	Patrick Zuppiger T +41 58 426 31 36 patrick.zuppiger@gam.com	Jessica Grassi T +41 58 426 31 37 jessica.grassi@gam.com
Media relations:	Marc Duceck T +41 58 426 62 65 marc.duceck@gam.com	Tobias Plangg T +41 58 426 31 38 tobias.plangg@gam.com

# Cautionary statement on forward-looking information

This presentation by GAM Holding AG ('the Company') does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

This presentation by the Company includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, legislative, fiscal and regulatory developments, general economic conditions, and the Company's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. The Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation and any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.