

# Results and Review Full Year 2018

21 February 2019



# Agenda

---

**2018 Review**

**David Jacob, Group CEO**

**2018 Financial results**

**Richard McNamara, Group CFO**

**Strategy update and outlook**

**David Jacob, Group CEO**

**Q&A**

**Appendix**

---

# **2018** REVIEW

David Jacob, Group CEO

---

# 2018 Summary

A challenging year for GAM given ARBF, and for the whole industry

## Investment management

- **AuM down CHF 28.3bn** with ARBF liquidation contributing CHF 11.0bn<sup>1</sup>
- **CHF 10.5bn** of net outflows<sup>2</sup>
- **66%** of AuM<sup>3</sup> in funds outperforming benchmark over three years
- **Morningstar peer rankings show 77%** of fund AuM<sup>3</sup> in 1<sup>st</sup> or 2<sup>nd</sup> quartile over three years

## Private labelling

- **CHF 8.3bn** of net inflows – business building further scale

## Profitability

- **CHF 126.7m** underlying profit before taxes, down 27%
- **CHF 40m+** savings from restructuring by end-2019<sup>4</sup>, with full benefits in 2020
- **CHF 883.4m** of goodwill impairment charges – cash and tangible equity unaffected

## New dividend policy

- **Dividend of at least 50%** of underlying net profit targeted for FY 2019 and beyond – **no dividend proposed for FY 2018**

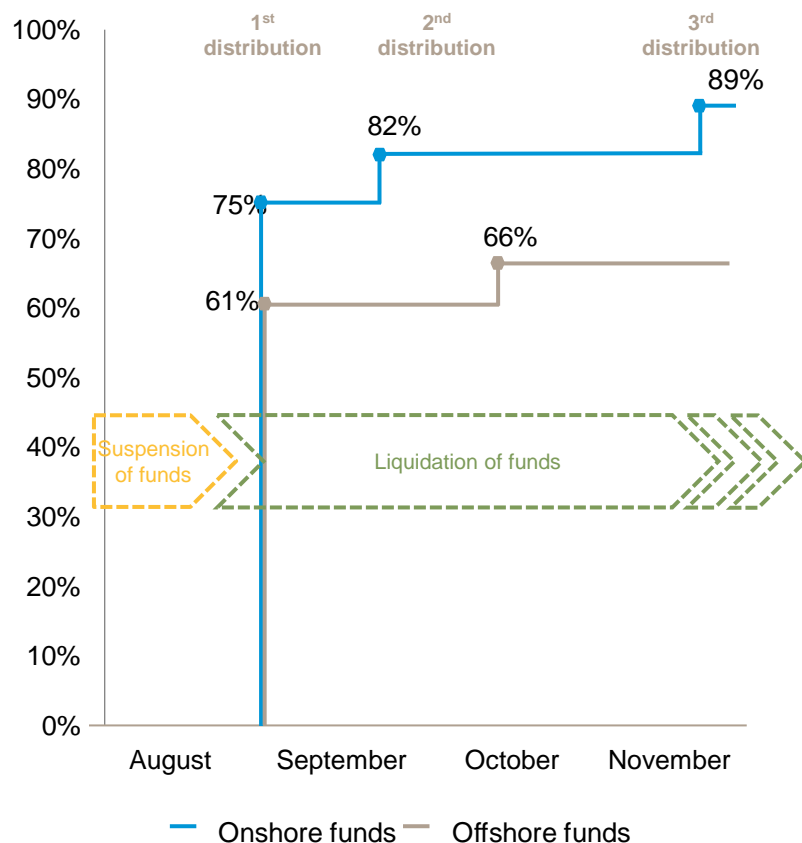
Abbreviation: ARBF = Unconstrained/absolute return bond fund.

<sup>1</sup> Including CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018. <sup>2</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>3</sup> Definitions can be found on page six of this presentation. <sup>4</sup> Exit run-rate 2019 compared with FY 2018 fixed personnel and general expenses of CHF 282m.

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

CHF 9.5bn of ARBF assets returned to investors in three months

## Return of ARBF assets<sup>2</sup>



- A complex and challenging situation impacting multiple stakeholders
- We did, and continue to do, the right thing to protect the interests of our clients
- Seeking the optimal combination of delivering value and liquidity to clients
- Orderly liquidation of funds over the last six months against a backdrop of challenging credit markets
- CHF 1.5bn of remaining ARBF assets expected to be returned to clients in the next few months, subject to market conditions
- Internal investigation and disciplinary process is completed and the investment director has been dismissed

<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> As at 31.12.2018, between 89% and 92% of Luxembourg and Irish-domiciled funds (collectively onshore funds), and 66% to 72% of the assets in the Cayman and Australian feeder funds (collectively offshore funds) have been returned to clients. The chart displays the AuM weighted-average percentage of assets returned to clients. Further details can be found in the appendix on page 29.

# Investment performance<sup>1</sup>

Three and five year track record remains strong

Capability	% of AuM outperforming benchmark			
	3-year		5-year	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Fixed income	81%	82%	80%	51%
Absolute return	49%	76%	53%	66%
Equity	24%	67%	17%	68%
Systematic	60%	100%	47%	40%
Alternatives	24%	0%	15%	0%
<b>Total</b>	<b>66%</b>	<b>77%</b>	<b>63%</b>	<b>56%</b>

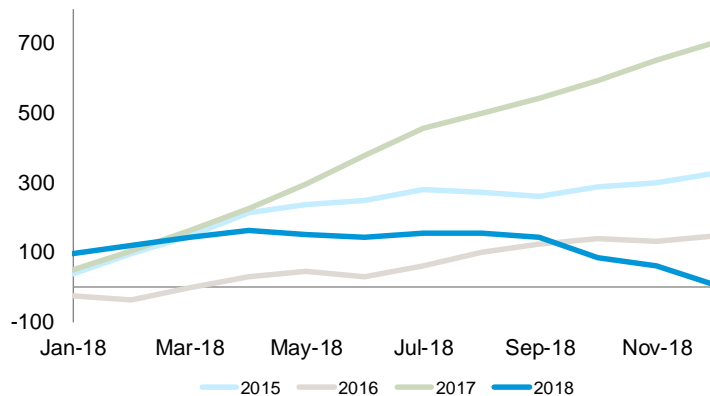
**Morningstar peer rankings show 77% and 79% of AuM<sup>2</sup> in funds in 1<sup>st</sup> or 2<sup>nd</sup> quartile for 3 and 5 years respectively**

<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 33.3bn and CHF 31.6bn 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.

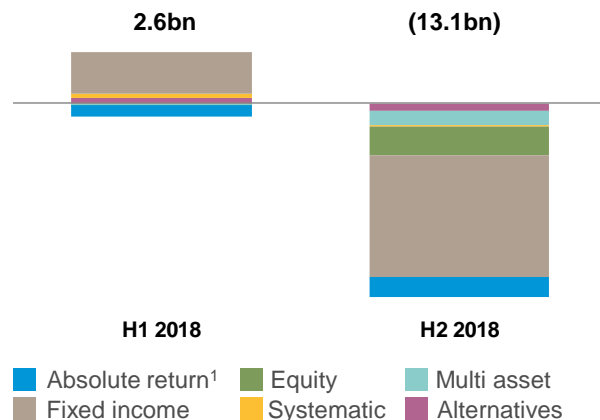
# Net flows, excluding ARBF

Contrasting halves with H2 2018 impacted by ARBF and challenging market conditions

## Cumulative net fund sales in Europe<sup>1</sup> (in EUR bn)



## Net flows excluding ARBF<sup>2</sup> (in CHF bn)



- **Industry picture:** Flows “slowing then going”, especially in Europe
- **Strategies:** Credit opportunities and LEBF gave back 2017 flow gains alongside equities. Positive momentum across ARP, EM equity, UK equity income, Japan leaders, Cat bonds
- **Geography:** Outflows in core Europe, but APAC and Latam less impacted, with significant ongoing traction and pipeline contribution
- **Channel:** Low persistency money redeemed through wholesale channels; consultant relationships intact
- **Rebuilding trust** ongoing:
  - Fundamental investment strength intact
  - Continue to offer distinctive investment strategies that address client needs

Abbreviations: LEBF = Local Emerging Bond Fund; ARP = Alternative Risk Premia.

<sup>1</sup> Source: Broadridge FundFlash Europe, December 2018; net fund sales refer to fund flows in Europe, into any type of asset class except for money market.

<sup>2</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.

# A diverse set of distinctive strategies<sup>1</sup>

Taking market share and delivering performance

Indicative strategies	Net flows 3 years	AuM as at 31.12.2018	Net flows 3 years	Rank 3 years <sup>2</sup>	Sector flows 3 years
	CHF m	CHF m	%	Quartile	%
Credit opportunities	5,614	7,669	231%	2	(14%)
Local emerging bond	3,550	7,846	90%	1	49%
Systematic alternative risk premia	1,549	1,718	939%	1	5%
Mortgage-backed securities	853	1,722	113%	1	34%
Emerging markets equity	833	921	505%	1	14%
Japan leaders	821	849	733%	1	(6%)
Catastrophe bonds	841	3,222	37%	1	31%

<sup>1</sup> Strategies represent the aggregate number of several funds and mandates following the same strategy.

<sup>2</sup> Based on Morningstar's quartile ranking as at 31.12.2018.



# Early progress on restructuring

Restructuring to drive reduced complexity and greater focus on GAM's strengths

---

- CHF 40m+ of cost saving measures implemented by end-2019, carefully planned and underway
- Approximately one third of identified roles already removed or in consultation
- More efficient **and** more effective
  - Fixed income expertise simplified into five groups to drive growth
  - European long-only expertise largely consolidated

---

# **FY 2018** **FINANCIAL RESULTS**

Richard McNamara, Group CFO

---

# FY 2018 Financial summary

Lower profitability driven by revenue decline

(in CHF m, except where indicated)	2018	2017	Change <sup>1</sup>
Net management fees and commissions	495.4	503.6	(2%)
of which investment management	453.6	463.8	(2%)
of which private labelling	41.8	39.8	5%
Net performance fees	4.5	44.1	(90%)
<b>Net fee and commission income</b>	<b>499.9</b>	<b>547.7</b>	<b>(9%)</b>
Net other income	0.3	2.2	(86%)
<b>Income</b>	<b>500.2</b>	<b>549.9</b>	<b>(9%)</b>
Expenses	373.5	377.4	(1%)
<b>Underlying profit before taxes</b>	<b>126.7</b>	<b>172.5</b>	<b>(27%)</b>
Underlying income tax expense	28.5	35.4	(19%)
<b>Underlying net profit</b>	<b>98.2</b>	<b>137.1</b>	<b>(28%)</b>
IFRS net (loss) / profit	(929.1)	123.2	n/m
<b>Diluted underlying EPS (CHF)</b>	<b>0.63</b>	<b>0.86</b>	<b>(27%)</b>
<b>Operating margin</b>	<b>25.3%</b>	<b>31.1%</b>	<b>(5.8pp)</b>
<b>AuM investment management (CHF bn)</b>	<b>56.1<sup>2</sup></b>	<b>84.4</b>	<b>(34%)</b>
<b>AuM private labelling (CHF bn)</b>	<b>76.1</b>	<b>74.3</b>	<b>2%</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 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

# Management fee margin

Impacted by mix in AuM and some fee pressure

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

(in bps)



## Management fee margin by capability

(in bps, except where indicated)

Capability	AuM as at 31.12.2018 (in CHF bn)	Management fee margin (in bps)		
		2018	H1 2018	2017
Fixed income	29.2	59	61	58
Absolute return	1.9 <sup>2</sup>	74	73	77
Equity	8.7	74	75	73
Systematic	4.2	74	77	100
Multi asset	7.7	20	22	23
Alternatives	4.4	47	50	55

- Decline mainly due to shifts in asset mix, especially in the systematic, alternatives and absolute return capabilities
- Some fee pressure post MiFID II implementation
- December 2018 exit margin for investment management was at approximately 54bps
- Growth expected in strategies priced between 50 and 100bps

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

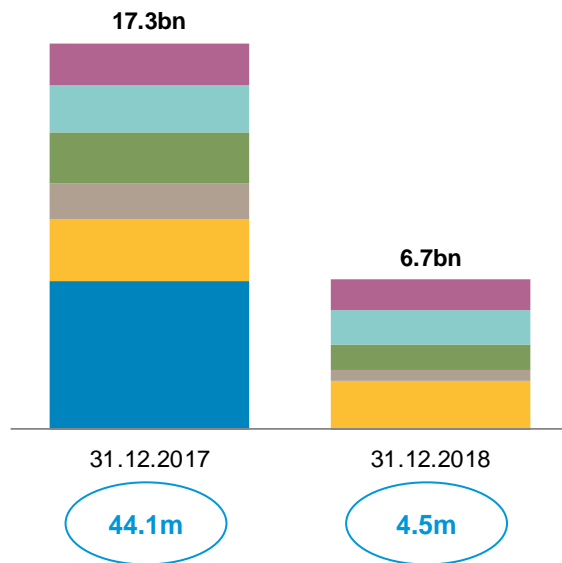
<sup>2</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

# Performance fees

Performance fee eligible assets declined

## Performance fee eligible assets and performance fees

(in CHF)



  Net performance fees

## Performance fee eligible funds by AuM

Fund	AuM CHF bn	% >< HWM
MBS	1.3	2%
Quantitative Fund	0.8	(29%)
Core Macro	0.8	(11%)
GAM Star (Lux) - European Alpha	0.4	(13%)
GAM Star Global Rates	0.4	(14%)
Star (Lux) - Merger Arbitrage	0.3	(0%)
GAM Absolute Return Europe Equity	0.2	(11%)
Alternative Risk Premia	0.1	(4%)
Other Non-Directional Equity	0.1	(11%)
GAM Systematic Core Macro	0.1	(6%)
Other FI funds and mandates	0.1	(8%)
GAM Talentum Europe L/S	0.1	(12%)

# Expenses

Operating leverage helping to support profitability but costs still weigh on profitability

	2018	2017	Change	
in CHF m, except where indicated				
Fixed personnel expenses <sup>1</sup>	153.9	150.1	3%	Market pressure and contractor costs for change projects
Variable personnel expenses <sup>2</sup>	85.7	114.5	(25%)	Lower contractual and discretionary bonuses given revenue and profits decline
<b>Personnel expenses</b>	<b>239.6</b>	<b>264.6</b>	<b>(9%)</b>	
General expenses	127.7	106.1	20%	Data and research expenses following MiFID II, consulting services and certain one-off expenses
Depreciation and amortisation	6.2	6.7	(7%)	
<b>Expenses</b>	<b>373.5</b>	<b>377.4</b>	<b>(1%)</b>	
<b>Headcount (FTEs)<sup>3</sup></b>	<b>925</b>	<b>927</b>	<b>0%</b>	Restructuring impact from 2019 onwards
<b>Compensation ratio</b>	<b>47.9%</b>	<b>48.3%</b>	<b>(0.4pp)</b>	<b>Decrease in personnel expenses greater than decline in revenues</b>

<sup>1</sup> Includes salaries and other personnel expenses.

<sup>2</sup> Includes discretionary and contractual bonuses as well as share-based payment expenses.

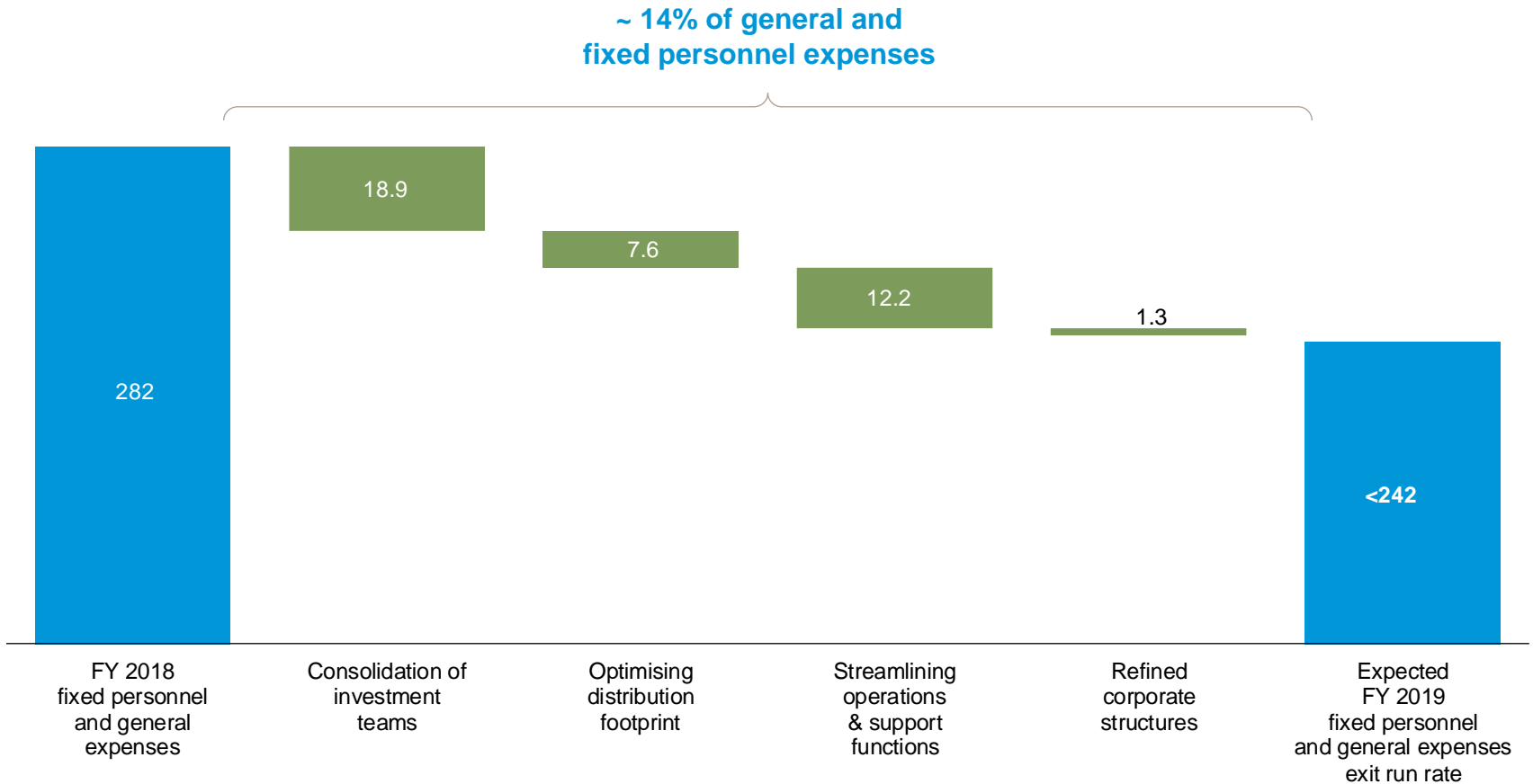
<sup>3</sup> Full-time equivalents as at 31.12.

# Restructuring plan

CHF 40m+ of net cost savings by end-2019, with full benefit in 2020

## Savings across the business

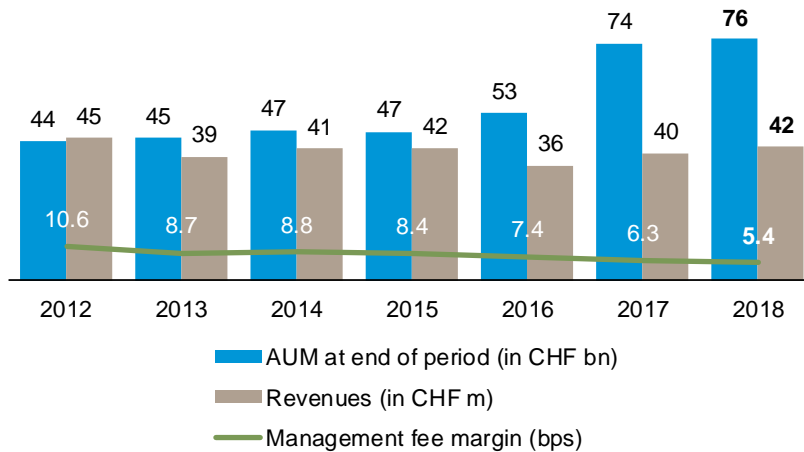
(in CHF m)



# Private labelling

Tailored fund services leveraging existing infrastructure of IM business

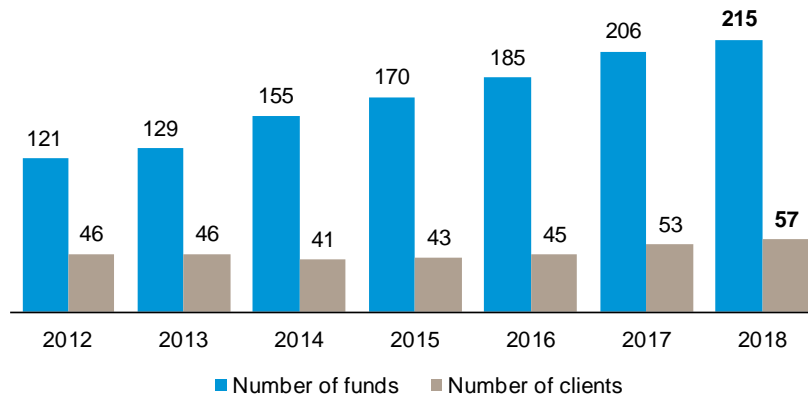
## AuM, revenues and management fee margin



## Building scale

- 11% growth rate<sup>1</sup>
- Capitalising on long-standing client relationships and outsourcing trend of management company services
- Decrease of management fee margin to ~4bps in 2019 as one large client moves to a more appropriate market rate with a long-term contract

## Number of funds and clients



## Expanding our client reach

- 12 client directors, supported by experts from legal, risk management, marketing and operations
- Operating over 200 funds for over 50 clients
- Average length of client relationships is in excess of six years<sup>2</sup>
- New client wins in 2018, including our first client in Asia

<sup>1</sup> 2018 net inflows of CHF 8.3bn divided by AuM as at 31.12.2017 of CHF 74.3bn.

<sup>2</sup> As at 31.12.2018, including new clients acquired during 2018.



# 2018 IFRS Net profit

Non-recurring items impacted IFRS net profit

(in CHF m, except where indicated)	2018	2017	Change
<b>Underlying profit before taxes</b>	<b>126.7</b>	<b>172.5</b>	<b>(27%)</b>
Acquisition-related items <sup>1</sup>	18.4	(3.1)	n/m
Non-recurring items <sup>2</sup>	(1,078.5)	(21.2)	n/m
<b>IFRS (loss) / profit before taxes</b>	<b>(933.4)</b>	<b>148.2</b>	<b>n/m</b>
Income tax (credit) / expense	(4.3)	25.0	n/m
<b>IFRS net (loss) / profit</b>	<b>(929.1)</b>	<b>123.2</b>	<b>n/m</b>
<b>Underlying effective tax rate (%)</b>	<b>22.5</b>	<b>20.5</b>	<b>2.0pp</b>

<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.

# Non-recurring items

Driven by impairment charges related to the Group's goodwill and Cantab IMCCs

## Non-recurring items<sup>1</sup>

(in CHF m, except where indicated)

	2018	2017
Impairment of goodwill	(883.4)	-
Impairment of IMCCs	(146.3)	(6.8)
Deal and integration costs	-	(1.3)
Pension plan adjustments	5.3	-
Reorganisation charges	(37.0)	(12.3)
ARBF matters	(12.6)	-
Other	(4.5)	(0.8)
<b>Total</b>	<b>(1,078.5)</b>	<b>(21.2)</b>

## Goodwill impairment

- Mainly created in 2005 when Julius Baer acquired GAM from UBS
- Driven by lower profit forecasts, mainly as a result of the decline of investment management AuM

## Impairment of IMCCs

- Unrelated to the goodwill write-down
- Impairment of IMCCs mainly related to Cantab
- Only based on products acquired through the Cantab acquisition in 2016<sup>2</sup>, excluding new products launched on the systematic platform
- Driven by lower cash flow forecasts as a result of lower than originally forecast AuM

Abbreviation: IMCCs = Investment management and client contracts.

<sup>1</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 (pre-tax figures). <sup>2</sup> AuM of CHF 4.0bn at the time of the acquisition compared to CHF 2.5bn as at 31.12.2018.

# Acquisition-related items

Reduction of Cantab-related deferred consideration liability to CHF 33.1m

## Acquisition-related items<sup>1</sup>

(in CHF m, except where indicated)

	2018	2017
Adjustment of DCL	48.9	35.1
Finance charges on DCL	(5.7)	(7.0)
Amortisation of IMCCs	(24.8)	(31.2)
<b>Total</b>	<b>18.4</b>	<b>(3.1)</b>

## Cantab deferred consideration liability

- Liability decreased from CHF 92.3m at acquisition, to CHF 33.1m as at 31 December 2018, due to lower cash flow forecasts
- Three deferred payments for financial years 2018 – 2020, paid in the subsequent year

# Capital management

Prudent approach requires dividend pause for FY 2018 and new dividend policy

## Cash and capital

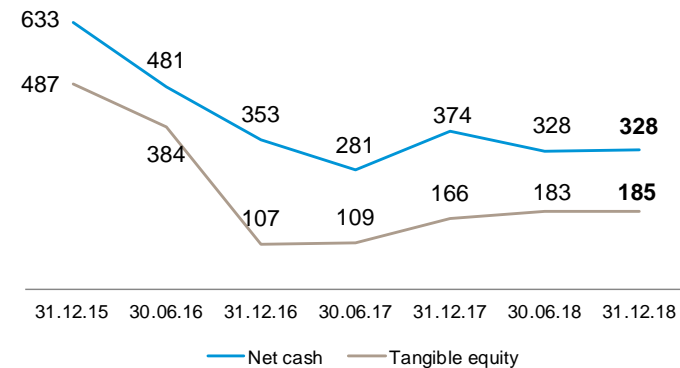
- No external debt
- Revolving credit facility of CHF ~100m
- No FY 2018 dividend proposed to accelerate re-build of capital buffers

## Shareholder returns

- **New dividend policy** – target at least 50% of underlying net profit to be returned to shareholders going forward
- **Business investments** – focus on organic growth and further improving control environment
- **Additional shareholder returns** – surplus capital distribution evaluated based on business needs and outlook

## 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 46 and 47.

---

# **STRATEGY UPDATE** AND OUTLOOK

David Jacob, Group CEO

---

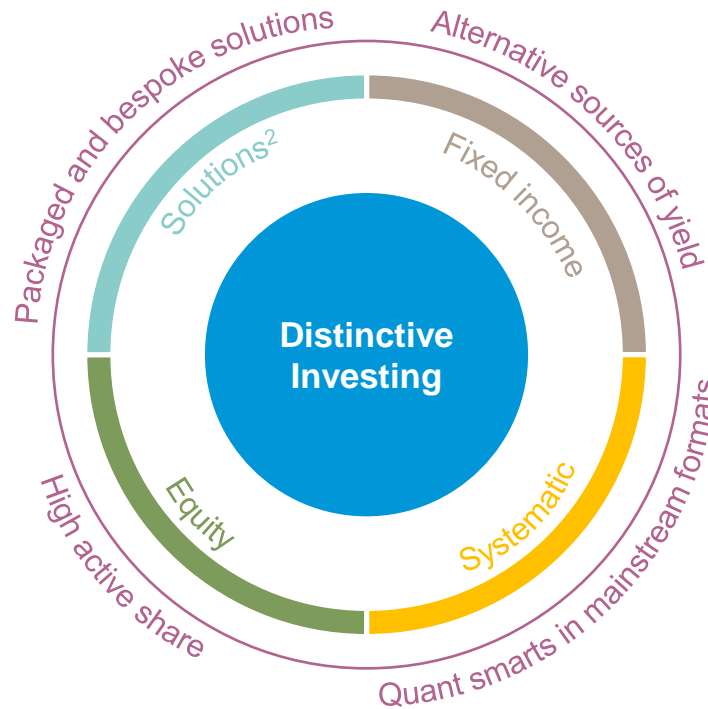
# Reshaping the business around what sets us apart

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

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

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

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



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

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

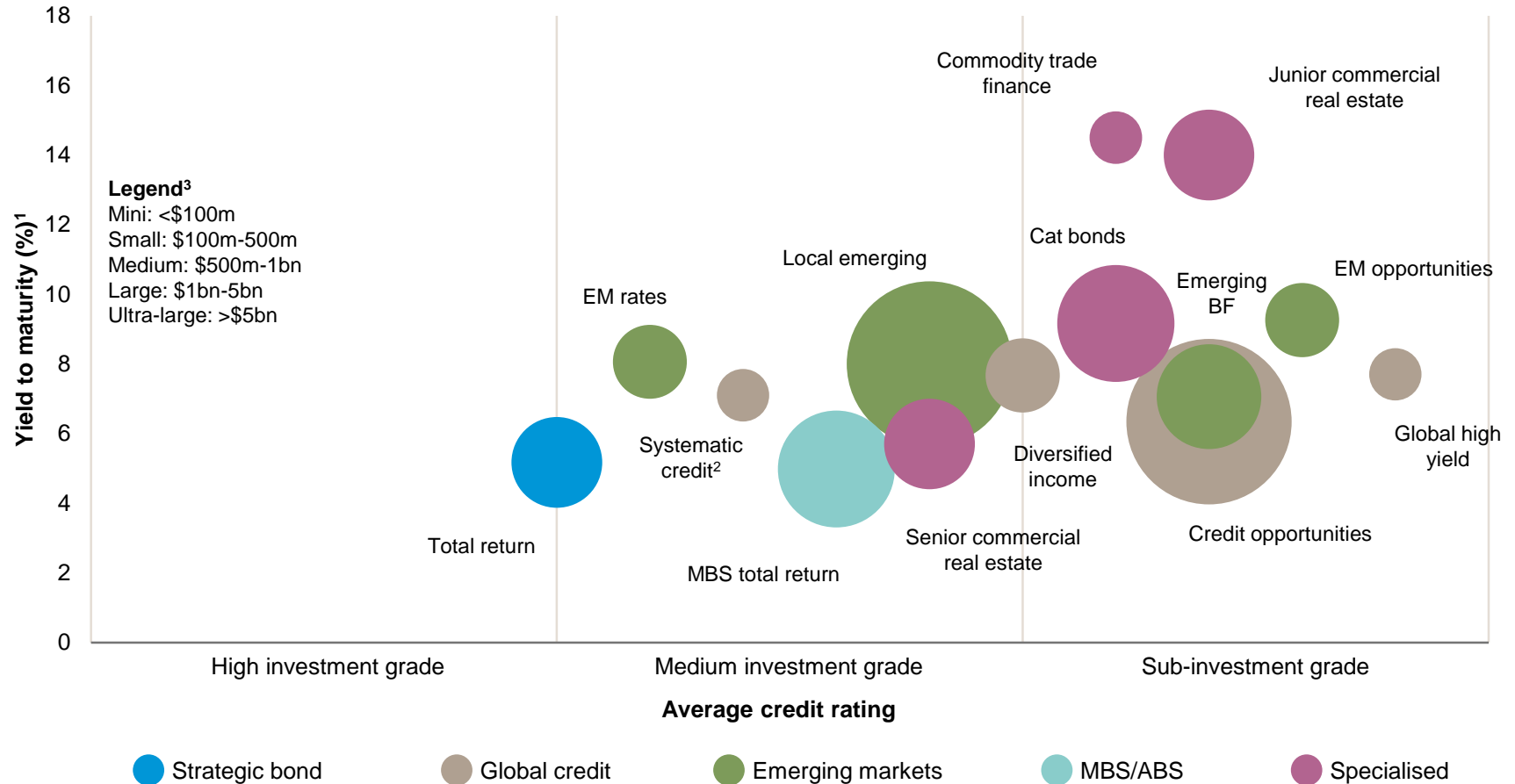
Abbreviation: LO = Long-only.

<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.

# A world-class spectrum of innovative sources of yield

Addressing deep and growing pools of investor demand globally



Abbreviations: MBS = Mortgage-backed securities; ABS = Asset-backed securities; EM = Emerging markets; BF = Bond fund.

<sup>1</sup> Normalised to USD yield to maturity. <sup>2</sup> YTM not available; simulated annualised returns used. <sup>3</sup> Bubble sizes (AuM) are not to scale. For markets with typically no external ratings for the relevant fixed income investments, average ratings are based on proprietary internal rating assessments and analysis.

# Targeted engagement with clients globally

A strong sales team with a clear strategy

## Sales strength

### Valuable set of solid, long-standing client relationships globally

- Deep, long-standing relationships e.g. key GFI relationships go back over a decade
- 2,000+ network of distribution agreements
- 75 consultant relationships worldwide

### The right set-up to engage with clients

- Expertise in distinctive strategies addressing client demand
- Key team intact, motivated and rebuilding trust
- Picking our spots and tailoring our presence accordingly

## Regional strategy<sup>1</sup>



## Channel strategy

### Institutional channel

- Maintaining targeted investment in global consultant relationship coverage and institutional sales

### Intermediary channel

- Maintain wholesale strength

### Balance across all channels

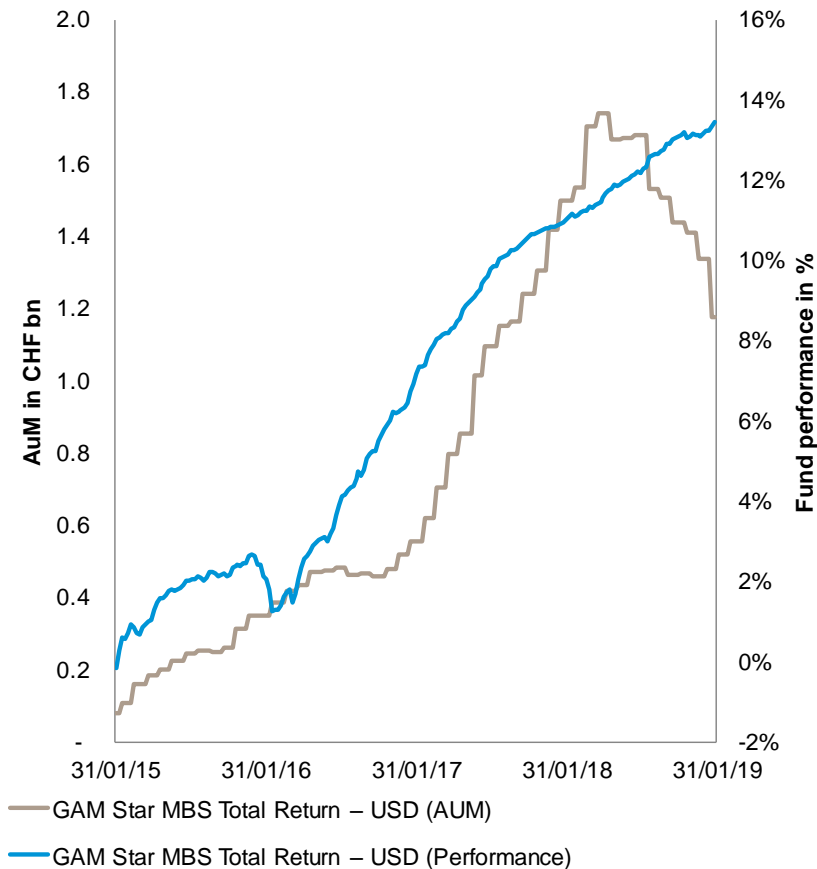
- Pursuing potential of new institutional relationships
- Leverage historic strength in the intermediary channel



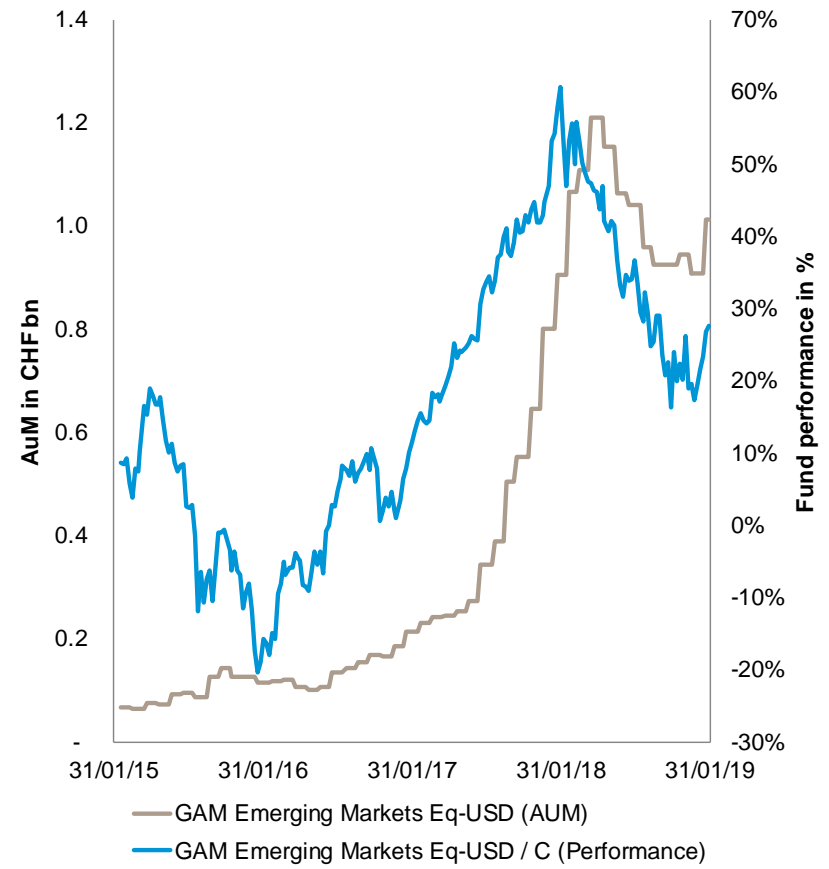
# Illustrative examples of GAM's sales dynamics

Bringing on new offerings to sustain momentum

## Mortgage-backed securities (MBS)



## Emerging market equity (EM Equity)



# Priorities for 2019

Further stabilising the business and rebuilding trust while performing for our clients

## Distinctive investment strategies and services

- Finalise the ARBF liquidation
- Stabilise business and continue to rebuild client trust
- Deliver strong investment performance
- Invest in new talent
- Build further scale in private labelling

## Addressing client needs

- Rebuild and extend relationships with clients and consultants
- Further diversify geographic footprint
- Continued focus on enhancing client service

## Delivering efficiency

- Realise CHF 40m+ of cost savings
- Simplify our operating platform
- Drive for further savings

## Near-term priorities

**Deliver investment performance for our clients**

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

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

- Improved YTD market conditions compared to Q4 2018
- Environment continues to be volatile and investors remain cautious and price sensitive, but GAM is well positioned to address their needs
- The daily flow position has improved in the first weeks of 2019 compared to December 2018, however, institutional flows remain unpredictable
- H1 2019 and FY 2019 underlying net profit materially below H1 2018 and FY 2018 respectively
- We remain focused on:
  - performing for our clients
  - finalising the liquidation of ARBF
  - delivering at least CHF 40 million cost savings by end of 2019, fully benefitting FY 2020
  - further stabilising business and rebuilding trust

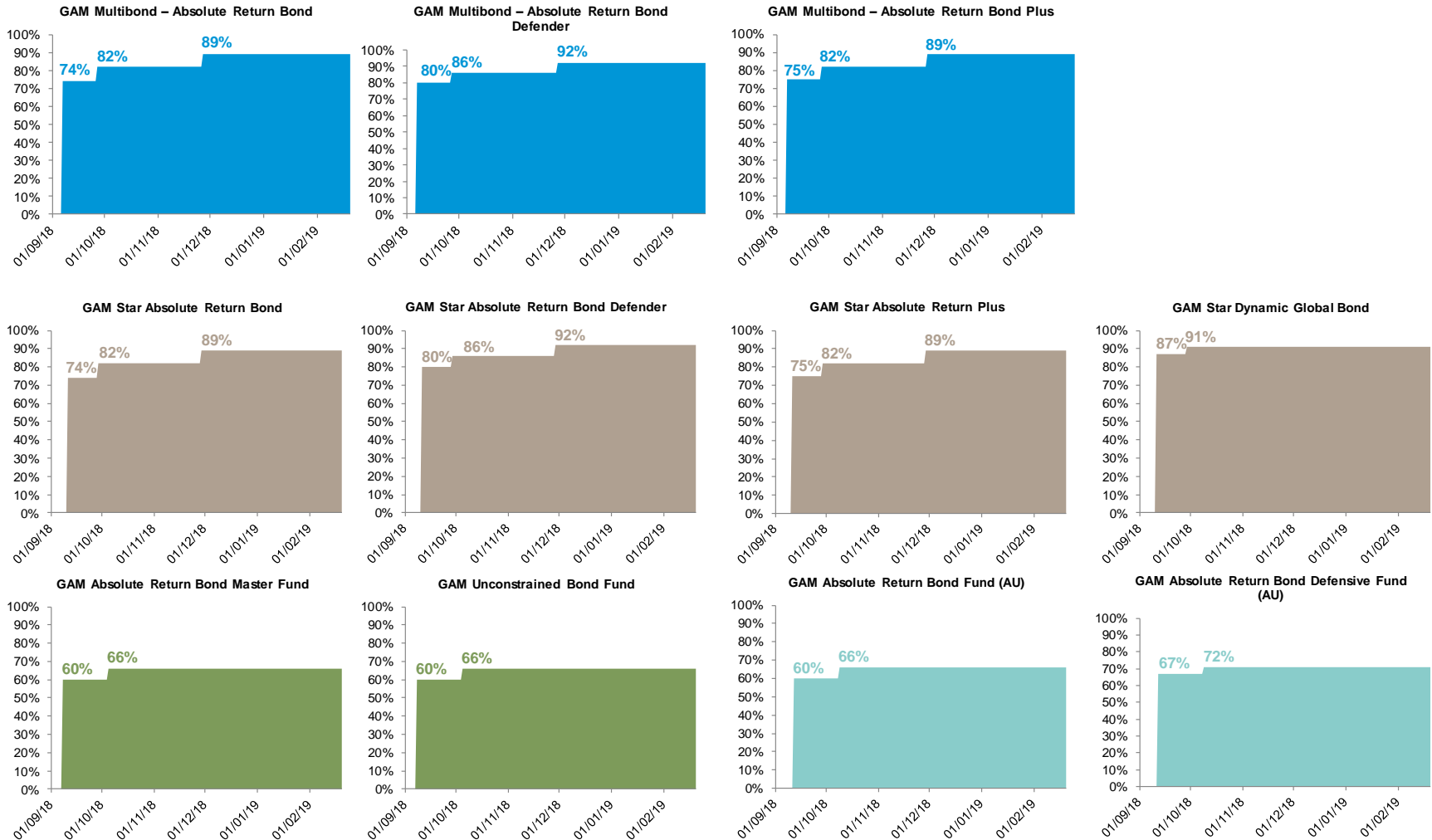
---

# APPENDIX

---

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

Distribution pattern per fund



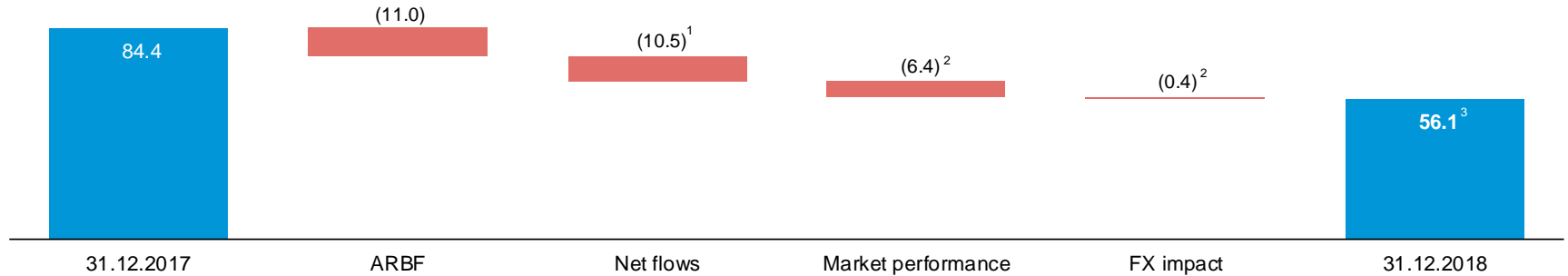
<sup>1</sup> The strategy included funds and mandates with AuM of CHF 11.0bn at an average management fee margin of 61.9bps as at 31.07.2018.

# Assets under management

Assets in IM declined to 56.1bn, PLF up at CHF 76.1bn

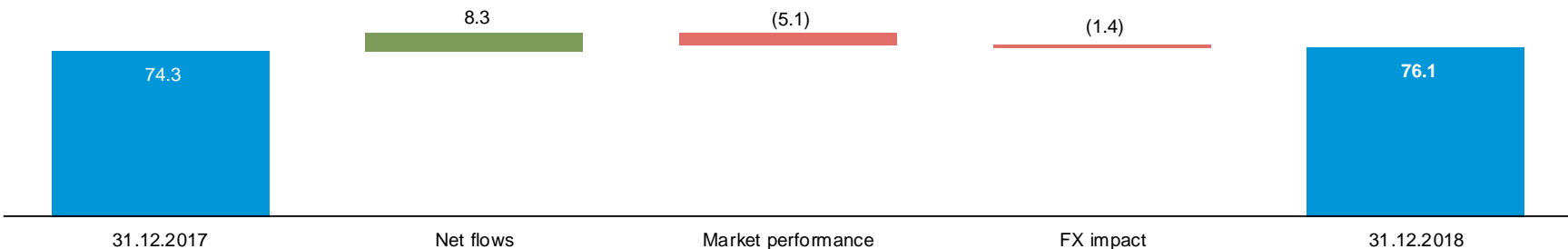
## Investment management

(in CHF bn)



## Private labelling

(in CHF bn)



<sup>1</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>2</sup> Excluding ARBF-related market and FX effects through H2 2018 of CHF 0.1bn.

<sup>3</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

# AuM development by capability

## Investment management

(in CHF bn)

Capability	AuM 31.12.17	Net flows	Market	FX	AuM 30.06.18	Net flows	ARBF <sup>1</sup> impact	Market	FX	AuM 31.12.18
Absolute return	15.6	(0.8)	(0.5)	0.1	14.4	(1.4)	(11.0)	(0.1)	-	1.9
Fixed income	37.1	2.8	(1.6)	0.3	38.6	(8.2)	-	(0.6)	(0.6)	29.2
Equity	12.6	-	(0.2)	0.1	12.5	(1.9)	-	(1.8)	(0.1)	8.7
Systematic	4.7	0.3	(0.5)	0.1	4.6	(0.1)	-	(0.2)	(0.1)	4.2
Multi asset	9.5	(0.1)	(0.1)	-	9.3	(0.9)	-	(0.5)	(0.2)	7.7
Alternatives	4.9	0.4	(0.3)	-	5.0	(0.6)	-	-	-	4.4
<b>Total</b>	<b>84.4</b>	<b>2.6</b>	<b>(3.2)</b>	<b>0.6</b>	<b>84.4</b>	<b>(13.1)</b>	<b>(11.0)</b>	<b>(3.2)</b>	<b>(1.0)</b>	<b>56.1<sup>2</sup></b>

<sup>1</sup> Including CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

<sup>2</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

# 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
Absolute return	22.2	21.5	23.1	19.2	16.3	16.1	15.6	14.4	1.9 <sup>1</sup>
Fixed income	19.5	19.0	18.6	19.3	20.8	27.4	37.1	38.6	29.2
Equity	13.8	13.9	13.4	10.7	12.5	11.0	12.6	12.5	8.7
Systematic	-	-	-	-	3.8	3.7	4.7	4.6	4.2
Multi asset	12.9	12.2	11.9	10.7	9.6	9.1	9.5	9.3	7.7
Alternatives	7.7	6.9	5.3	5.6	5.2	4.9	4.9	5.0	4.4
<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>

## 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
Absolute return	1.1	1.0	(2.6)	(3.1)	(0.6)	(1.0)	(0.8) <sup>2</sup>	(1.4) <sup>3</sup>
Fixed income	1.0	(0.6)	(0.2)	1.3	6.0	7.9	2.8	(8.2)
Equity	(0.2)	(0.3)	(1.6)	(1.7)	(2.2)	-	-	(1.9)
Systematic	-	-	-	(0.2)	(0.1)	0.2	0.3	(0.1)
Multi asset	0.3	(0.4)	(1.0)	(1.4)	(0.9)	(0.1)	(0.1)	(0.9)
Alternatives	(0.2)	(1.4)	(0.2)	-	(0.3)	(0.3)	0.4	(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</b>	<b>(13.1)</b>

<sup>1</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

<sup>2</sup> Including ARBF-related net inflows in H1 2018 of CHF 0.3bn.

<sup>3</sup> Excluding ARBF-related net flows in H2 2018 and fund assets liquidated as at 31.12.2018.



# 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
Luxembourg SICAVs	26.1	23.9	20.5	19.0	20.5	23.5	22.8	14.6
Segregated accounts	18.2	17.4	15.6	17.4	15.3	15.7	15.2	10.1
Ireland UCITS	14.4	15.7	14.7	14.3	18.9	26.1	26.7	16.5
Offshore	8.3	7.4	6.4	6.6	6.0	5.9	6.5	2.4
Swiss fund	7.2	6.2	6.7	6.4	6.6	6.9	6.7	6.3
OEICs/unit trusts	1.9	1.5	1.4	1.7	1.4	1.1	1.1	1.0
AIF	-	-	-	-	-	-	0.1	0.3
FCP RAIF	-	-	-	-	-	0.2	0.2	0.2
LPs & LLCs	-	0.2	0.2	2.8	3.5	5.0	5.1	4.7
<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>

# 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
Intermediaries	32.8	31.6	31.4	27.2	28.4	31.7	40.6	41.8	27.4
Institutional clients	34.3	33.8	33.7	32.0	34.0	35.4	38.5	37.6	24.7
Private clients	9.0	8.1	7.2	6.3	5.8	5.1	5.3	5.0	4.0
<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>

## 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
Intermediaries	0.6	(0.5)	(3.3)	(2.2)	2.3	5.9	2.7	(9.8)
Institutional clients	1.9	(0.6)	(1.5)	(2.2)	0.3	1.0	0.2	(2.8)
Private clients	(0.5)	(0.6)	(0.8)	(0.7)	(0.7)	(0.2)	(0.3)	(0.5)
<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>2</sup></b>	<b>(13.1)<sup>3</sup></b>

<sup>1</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

<sup>2</sup> Including ARBF-related net inflows in H1 2018 of CHF 0.3bn.

<sup>3</sup> Excluding ARBF-related net flows in H2 2018 and fund assets liquidated as at 31.12.2018.

# 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
Switzerland	35.4	37.9	31.4	31.7	31.7	33.1	33.6	34.2	33.3
Rest of Europe	9.0	10.6	15.3	16.3	20.8	26.0	40.7	45.2	42.8
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>

## 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
Fixed income	20.4	21.8	19.3	19.8	23.5	28.6	34.8	39.3	37.6
Equity	20.4	22.3	20.5	21.1	21.4	22.7	24.7	25.4	22.7
Money market	3.0	2.9	2.5	2.4	2.5	2.5	2.7	2.8	4.3
Alternative	3.3	3.7	4.4	4.7	5.1	5.3	12.1	11.9	11.5
<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>

# 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
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
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
<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>
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>
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
Net flows (bn)	2.0	(1.7)	0.3	(5.6)	(5.1)	(10.7)	1.9	6.7	8.6	2.6	(13.1)	(10.5) <sup>2</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
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

## 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
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
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>
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
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
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
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

<sup>1</sup> Excluding CHF 1.5bn ARBF-related assets under management in liquidation as at 31.12.2018.

<sup>2</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.

# Performance fee eligible assets and income

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

(in CHF bn)

	31.12.12	30.06.13	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
Unconstrained fixed income	13.0	16.0	14.1	14.1	12.4	10.6	8.7	6.7	5.9	6.2	6.6	6.2	-
Global macro/managed futures	2.1	3.4	2.7	2.8	3.0	3.4	3.9	3.2	2.4	1.7	1.6	1.1	0.6
Non-directional equity	1.4	2.1	2.7	3.6	3.8	4.1	5.7	5.1	3.7	2.7	2.3	1.9	1.1
Other fixed income strategies	0.9	0.6	1.1	1.4	1.4	1.3	1.4	1.4	1.3	1.9	2.2	2.2	1.5
Systematic	-	-	-	-	-	-	-	-	2.9	2.4	2.8	2.3	2.1
Other	0.8	0.8	2.0	2.5	2.6	2.5	1.8	1.2	1.4	1.6	1.8	1.8	1.4
<b>Performance fee eligible assets</b>	<b>18.2</b>	<b>22.9</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>

## Net performance fees

(in CHF m)

	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018
Unconstrained fixed income <sup>2</sup>	16.8	0.5	26.9	(0.1)	0.8	-	-	-	11.3	0.1	(0.7)	-
Global macro/managed futures	38.2	5.7	(0.8)	11.8	26.0	4.7	-	0.1	0.4	0.6	-	-
Non-directional equity	10.2	21.6	4.5	11.8	10.7	32.9	-	0.6	0.4	1.0	0.4	0.1
Other fixed income strategies	2.3	0.9	2.9	5.9	5.8	0.7	1.0	1.0	4.3	1.1	1.2	0.2
Systematic	-	-	-	-	-	-	-	0.1	0.4	21.9	0.4	0.1
Other	3.4	1.1	1.4	1.6	0.8	0.4	0.2	-	2.5	0.1	1.0	1.8
<b>Net performance fees</b>	<b>70.9</b>	<b>29.8</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>

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

<sup>2</sup> H1 2018 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)	-	0.6	1.1	2.1	1.5	1.4	6.7
No. of PF eligible funds/mandates	2	4	11	11	11	18	57
Performance fees 2018 (CHF m)	(0.7)	-	0.5	0.5	1.4	2.8	4.5
Number of funds/mandates generating fees in 2018	3	-	9	9	5	8	34
AuM on 31.12.2018 generating performance fees in 2018 (CHF bn)	-	-	0.4	1.9	1.3	0.8	4.4
AuM with potential crystallisation in H1 2019 <sup>2</sup> (CHF bn)	-	0.4	0.7	2.1	1.1	0.5	4.8
AuM with potential crystallisation in H2 2019 (CHF bn)	-	0.2	0.4	-	0.4	0.9	1.9
No. of funds/mandates with potential crystallisation in 1H 2019 <sup>3</sup>	2	3	5	11	7	5	33
No. of funds/mandates with potential crystallisation in 2H 2019	-	1	6	-	4	13	24
AuM at or above high-water mark/benchmark as at 31.12.2018 (CHF bn)	-	-	0.1	-	0.8	0.8	1.7
AuM within 5% of high-water mark/benchmark as at 31.12.2018 (CHF bn)	-	-	0.2	0.2	0.6	0.3	1.3
Performance fee range	10 - 15%	10%	10 - 20%	10 - 25%	10 - 20%	7 - 15%	
Frequency	Quarterly & 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 2.2bn 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 14 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 31.12.2018				
Fund	AuM	% (below)/ above HWM	Crystallisation date	Performance fee rate	Last HWM date	
	CHF bn					
<b>Systematic</b>	Quantitative Fund	0.8	(29%)	quarterly	20%	31.12.2017
	Core Macro	0.8	(11%)	quarterly	10%	31.12.2017
	Discovery	0.0	(11%)	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	(1%)	30.06	15%	30.06.2017
	Alternative Risk Premia	0.1	(4%)	30.06	15%	30.04.2018
	Managed accounts	0.3	(29%)	various	various	various
<b>Total AuM</b>	<b>2.1</b>					
<b>Global macro/ managed futures</b>	GAM Star Global Rates	0.4	(14%)	30.06	10%	30.06.2015
	Global Rates Hedge	0.1	(7%)	31.12	10%	31.12.2017
	Managed accounts	0.1	(14%)	31.12	10%	various
	<b>Total AuM</b>	<b>0.6</b>				
<b>Non-directional equity</b>	GAM Absolute Return Europe Equity	0.2	(11%)	30.06	10%	30.06.2015
	GAM Star (Lux) - European Alpha	0.4	(13%)	quarterly	15%	31.12.2015
	Star (Lux) - Merger Arbitrage	0.3	(0%)	31.12	15%	31.12.2017
	GAM Talentum Europe L/S	0.1	(12%)	31.12	20%	31.12.2015
	Other Non-Directional Equity	0.1	(11%)	various	various	various
	Managed accounts	0.0	(14%)	31.12	15% / 20%	various
<b>Total AuM</b>	<b>1.1</b>					
<b>Other fixed income</b>	MBS	1.3	2%	various	10% / 20%	30.06.2018
	EM Debt	0.1	(3%)	various	10% / 20%	30.06.2017
	Other FI funds and mandates	0.1	(8%)	various	various	various
	<b>Total AuM</b>	<b>1.5</b>				

# General expenses

(in CHF m)	2018	2017	Change	Comments
Occupancy	22.2	22.2	0%	
Technology and communication	14.1	12.7	11%	Telephone and video conferencing and other IT expenses
Data and research	23.4	17.9	31%	External data providers driven by MiFID II
Professional and consulting services	17.6	15.5	14%	Increased audit, legal and consulting expenses
Marketing and travel	17.6	18.2	(3%)	Reduction driven by PR and events
Administration	9.5	8.8	8%	
Other general expenses	23.3	10.8	116%	Higher irrecoverable VAT, regulatory and insurance premiums as well as certain one-off items
<b>General expenses</b>	<b>127.7</b>	<b>106.1</b>	<b>20%</b>	



# Operating margin and compensation ratio

(in CHF m)	2012	2013	2014	2015	2016	2017	2018
Net fee and commission income	578.9	654.8	608.8	600.6	473.5	547.7	499.9
Net other income	16.0	15.4	14.7	0.7	5.1	2.2	0.3
<b>Income</b>	<b>594.9</b>	<b>670.2</b>	<b>623.5</b>	<b>601.3</b>	<b>478.6</b>	<b>549.9</b>	<b>500.2</b>
Personnel expenses	285.6	321.3	293.2	290.0	246.2	264.6	239.6
General expenses	106.9	108.7	105.8	104.9	102.9	106.1	127.7
Depreciation and amortisation	7.2	7.1	7.8	8.6	9.4	6.7	6.2
<b>Expenses</b>	<b>399.7</b>	<b>437.1</b>	<b>406.8</b>	<b>403.5</b>	<b>358.5</b>	<b>377.4</b>	<b>373.5</b>
Operating margin <sup>1</sup>	31.0%	33.2%	33.2%	32.8%	24.3%	31.1%	25.3%
Compensation ratio <sup>2</sup>	49.3%	49.1%	48.2%	48.3%	52.0%	48.3%	47.9%

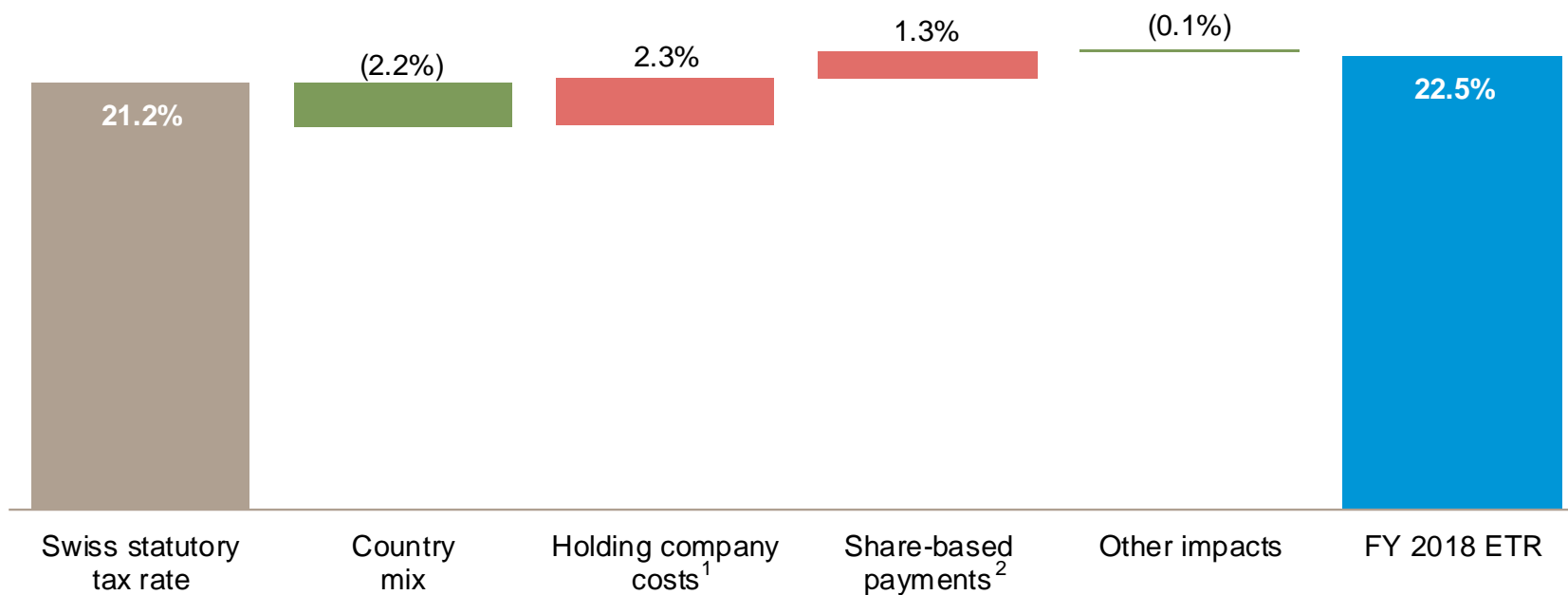
<sup>1</sup> Net fee and commission income minus expenses divided by net fee and commission income.

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

# Basic and diluted underlying EPS

(in million shares, except where indicated)	2012	2013	2014	2015	2016	2017	2018
Weighted average number of shares in issue	189.7	178.2	169.8	165.1	162.0	160.0	159.7
Weighted average number of treasury shares held	18.5	14.8	7.5	5.2	4.3	3.0	4.3
Weighted average number of shares outstanding for basic EPS	171.2	163.4	162.3	159.9	157.7	157.0	155.4
Dilution driven by share-based compensation plans	-	2.6	1.1	0.9	0.1	1.8	1.2
Weighted average number of shares outstanding for diluted EPS	171.2	166.0	163.4	160.8	157.8	158.8	156.6
Underlying net profit (CHF m)	162.0	210.2	177.2	158.4	94.2	137.1	98.2
Basic underlying EPS (CHF)	0.94	1.26	1.07	0.99	0.60	0.87	0.63
Diluted underlying EPS (CHF)	0.94	1.24	1.06	0.98	0.60	0.86	0.63

# Underlying effective tax rate (ETR)

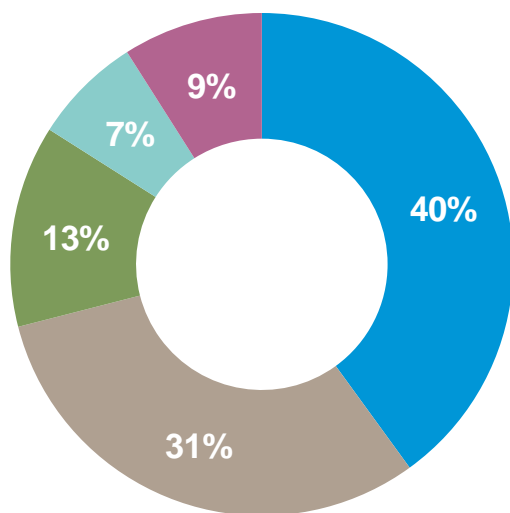


<sup>1</sup> Holding company costs which are offset by non-taxable income and therefore do not represent a tax deduction.

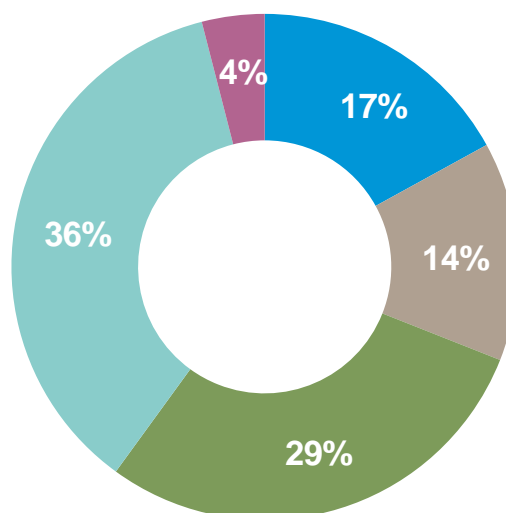
<sup>2</sup> Non-deductible expenses in relation to IFRS 2.

# Currency split – revenues, expenses and AuM

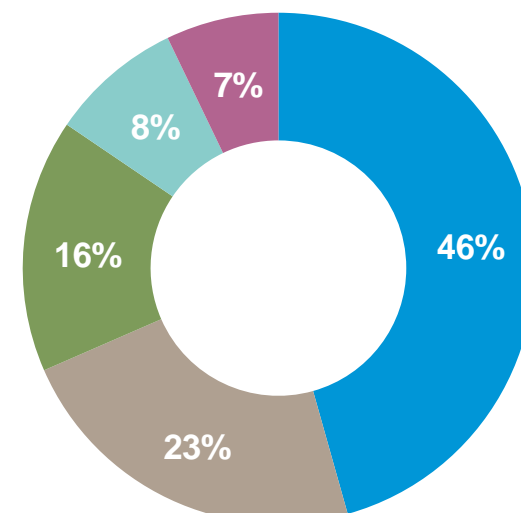
**Group income<sup>1</sup>**  
FY 2018



**Group expenses<sup>2</sup>**  
FY 2018



**Investment management AuM<sup>3</sup>**  
as at 31.12.2018



■ USD

■ EUR

■ CHF

■ GBP

■ 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.

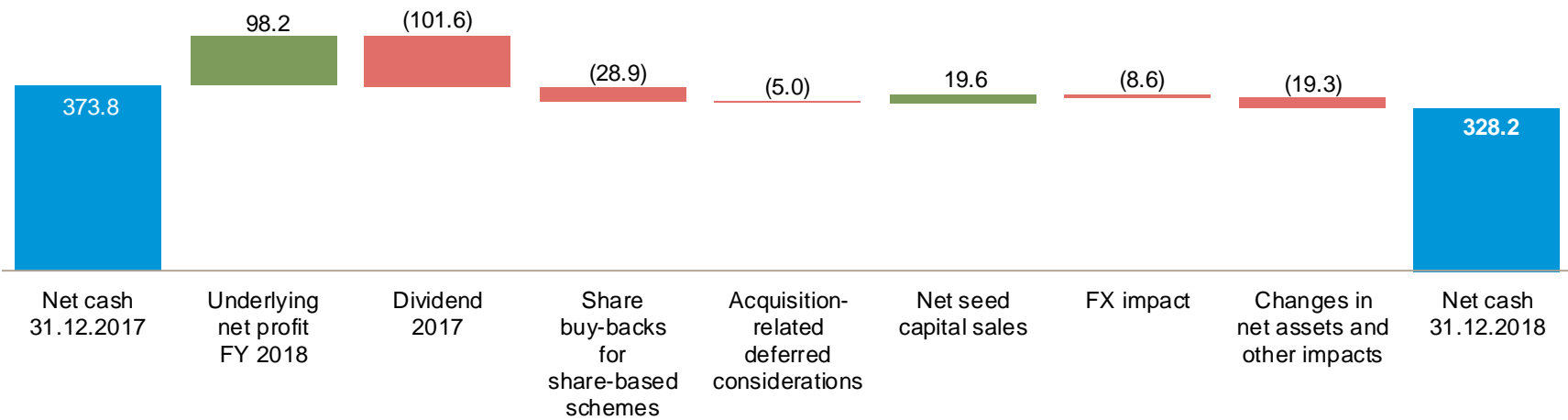
<sup>3</sup> Excluding CHF 1.5 billion ARBF-related assets under management in liquidation as at 31.12.2018.

# Group balance sheet

(in CHF m)	31.12.15	31.12.16	31.12.17	31.12.18
Cash and cash equivalents	633	353	374	328
Seed capital investments	67	84	84	68
Other assets	208	205	270	207
Goodwill and other intangible assets	1,389	1,737	1,717	655
<b>Assets</b>	<b>2,297</b>	<b>2,379</b>	<b>2,445</b>	<b>1,258</b>
Current liabilities	297	255	327	305
Non-current liabilities	124	280	235	114
Equity	1,876	1,844	1,883	839
<b>Liabilities &amp; equity</b>	<b>2,297</b>	<b>2,379</b>	<b>2,445</b>	<b>1,258</b>
<b>Tangible equity</b>	<b>487</b>	<b>107</b>	<b>166</b>	<b>185</b>

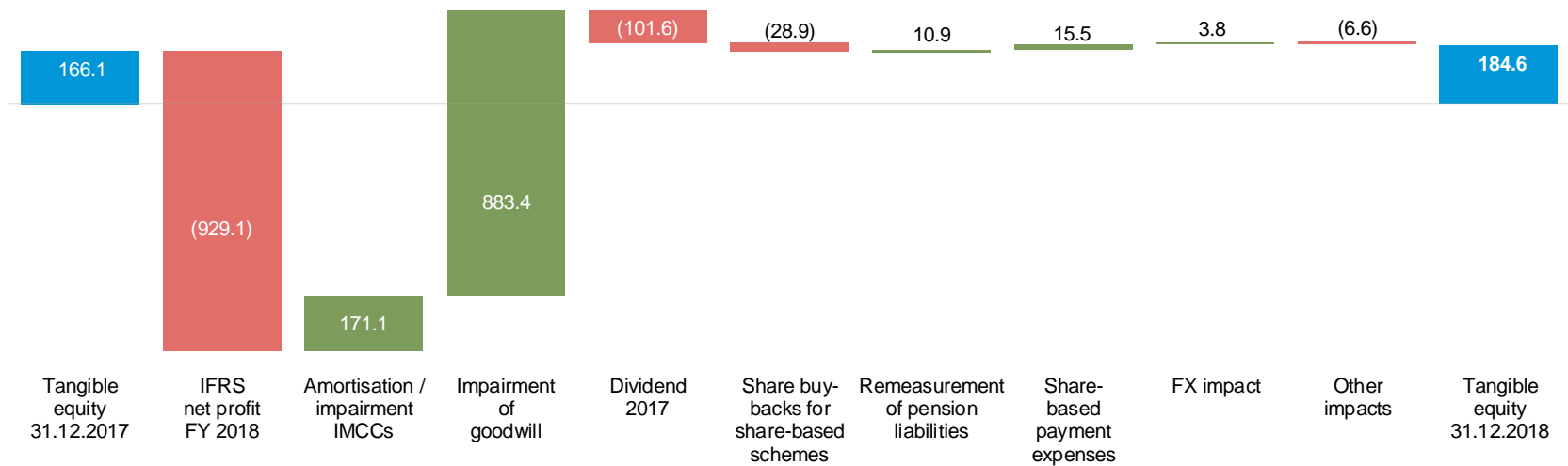
# Net cash

(in CHF m)



# Tangible equity

(in CHF m)



# GAM equity capability

Five clusters of investment expertise



## Global equities

Global equities  
Global emerging markets  
Systematic global equities



## European equities

Core Europe  
UK equities



## Asian equities

Japan  
Asia Pacific and China (core)  
Asia Pacific and China (growth)



## Specialist equities

Swiss equities  
US growth  
Technology  
Luxury  
Healthcare



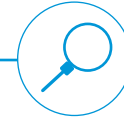
## Absolute return equities

Non-directional equities  
Global absolute return



# GAM fixed income capability

Five clusters of investment expertise



## Strategic bond

Global strategic bond  
Total return bond

## Global credit

Credit opportunities  
Diversified income  
Global high yield

## Emerging markets

Local currency  
Hard currency  
Inflation linked  
Corporate  
Blend  
EM rates

## MBS/ABS

MBS/ABS

## Specialist

Cat bonds  
Commodity trade finance  
Convertibles  
Global rates  
Insurance linked securities  
Real estate debt  
Supply chain finance

# GAM systematic capability

Scientific investing across asset classes and investment styles



## Equities

Global equities  
(long only)  
Global equity market  
neutral



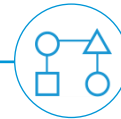
## Fixed income

Dynamic credit



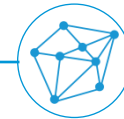
## Multi-asset unconstrained

Core macro  
Quantitative fund  
Discovery



## Multi-asset long-only

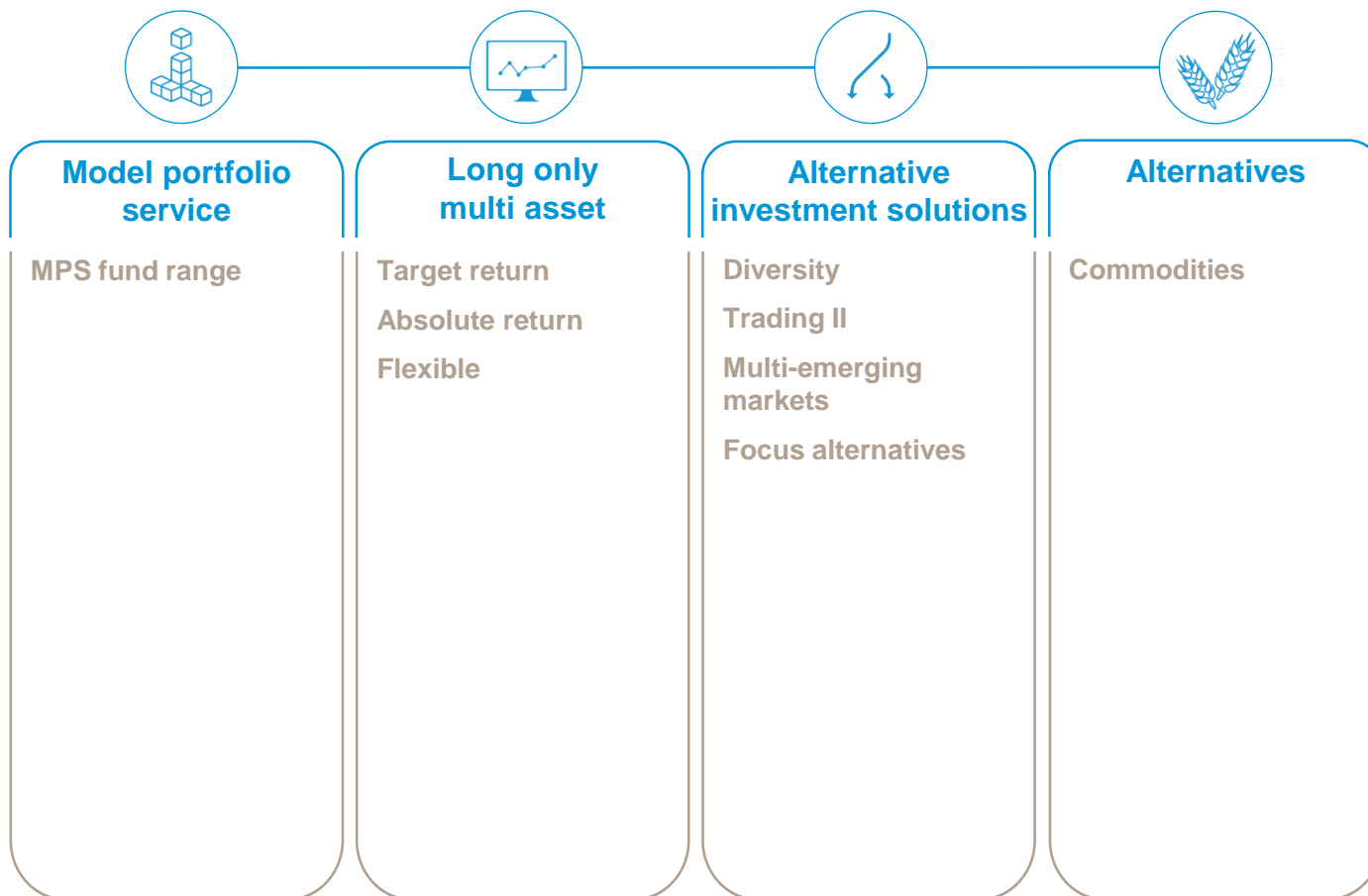
Dynamic multi asset<sup>1</sup>



## Alt risk premia

Alternative risk  
premia

<sup>1</sup> Expected launch by 1Q 2019.



<sup>1</sup> Includes alternatives and multi asset.

# Corporate calendar and contacts

## Forthcoming events

<b>17 April 2019</b>	Interim management statement Q1 2019
<b>08 May 2019</b>	Annual General Meeting
<b>30 July 2019</b>	Half-year results 2019
<b>17 October 2019</b>	Interim management statement Q3 2019

## 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 4326 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.