



*February 2014*

# Safe Harbor Statement

In addition to historical information, this presentation contains "forward-looking" statements that reflect management's expectations for the future. The forward-looking statements contained in this presentation include, without limitation, statements relating to GAIN's expectations regarding the opportunities and strengths of the combined company created by the combination of GAIN and GFT, anticipated cost and revenue synergies as well as expected growth in financial and operating metrics, the strategic rationale for the business combination, including expectations regarding product offerings, growth opportunities, value creation, and financial strength. A variety of important factors could cause results to differ materially from such statements. These factors are noted throughout GAIN's annual report on Form 10-K, as filed with the Securities and Exchange Commission on March 18, 2013, and include, but are not limited to, the actions of both current and potential new competitors, fluctuations in market trading volumes, financial market volatility, evolving industry regulations, including changes in regulation of futures companies, errors or malfunctions in our systems or technology, rapid changes in technology, effects of inflation, customer trading patterns, the success of our products and service offerings, GAIN's ability to continue to innovate and meet the demands of our customers for new or enhanced products, our ability to successfully integrate assets and companies GAIN has acquired, including the successful integration of Open E Cry and GFT, GAIN's ability to effectively compete in the OTC products and futures industries, changes in tax policy or accounting rules, fluctuations in foreign exchange rates and commodity prices, adverse changes or volatility in interest rates, as well as general economic, business, credit and financial market conditions, internationally or nationally, and GAIN's ability to continue paying a quarterly dividend in light of future financial performance and financing needs. The forward-looking statements included herein represent GAIN's views as of the date of this presentation. GAIN undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

## Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA are non-GAAP financial measures that represent our historical and pro forma earnings before interest, taxes, depreciation, amortization and non-recurring expenses. These non-GAAP financial measures have certain limitations, including that they do not have a standardized meaning and, therefore, our definitions may be different from similar non-GAAP financial measures used by other companies and/or analysts. Thus, it may be more difficult to compare our financial performance to that of other companies. We believe our reporting of EBITDA and Adjusted EBITDA assists investors in evaluating our historical and expected operating performance. However, because EBITDA and Adjusted EBITDA are not measures of financial performance calculated in accordance with GAAP, such measures should be considered in addition to, but not as a substitute for, other measures of our financial performance reported in accordance with GAAP, such as net income.

# GAIN: Global Markets for Active Traders

	Retail OTC	Institutional	Exchange-Based
Description	Award-winning service supports traders in 180 countries with access to over 12,500 FX and CFD products	State-of-the-art ECN technology and tools Sales Trader business acquired from GFT	Innovative online futures broker with proprietary trading technology and strong sales distribution
Clients	Self-directed retail traders White-label partners	Hedge funds Banks Other financial institutions	Retail traders Institutional clients
Key Metrics	9M13 Revenue <sup>(1)</sup> \$202mm % of total revenue <sup>(1)</sup> 74%  FY13 Volume <sup>(1)</sup> :      \$2.4tr Active OTC accounts <sup>(2)</sup> : 105,536	9M13 Revenue <sup>(1)</sup> \$51mm % of total revenue <sup>(1)</sup> 19%  FY13 Volume <sup>(1)</sup> :      \$4.5tr	9M13 Revenue <sup>(1)</sup> \$17mm % of total revenue <sup>(1)</sup> 6%  FY 13 DARTs:      13,785 Accounts <sup>(2)</sup> ~9,300

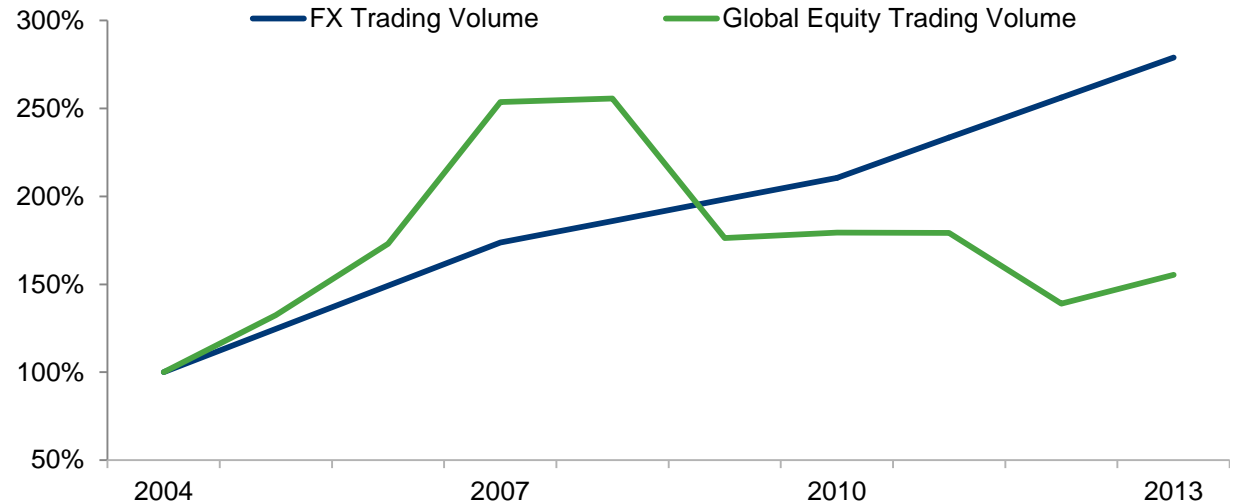
(1) Pro forma for GFT

(2) Account metrics as of December 31, 2013

# Focus on Truly Global and Growing Asset Class

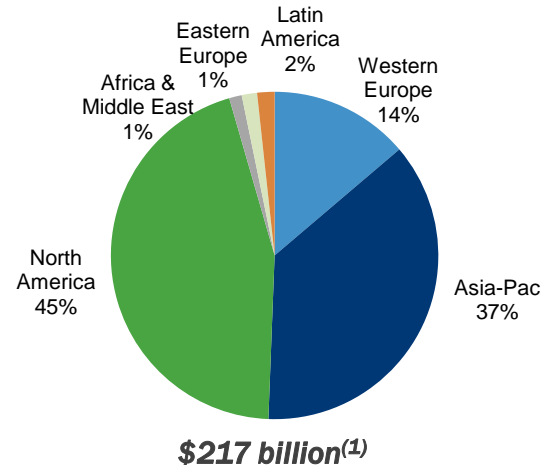
- FX market has seen consistent growth in the last decade
- FX market has a truly global distribution, with particularly high share of non-North American participants

## Annual Trading Volume

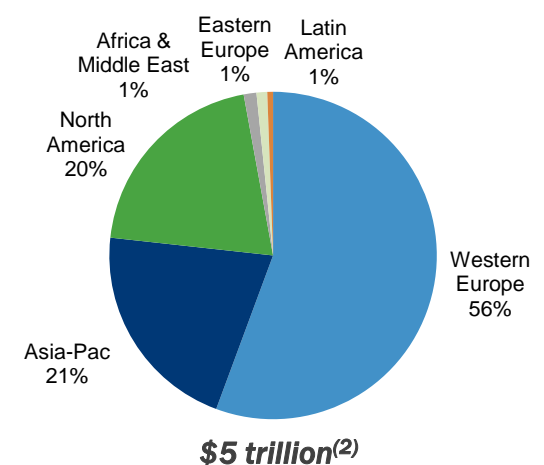


## Value Traded by Region

*Equity Value Traded by Region*



*FX Value Traded by Region*



Source: BIS, World Federation of Exchanges.

(1) Average daily volume for the nine months ended September 30, 2013.

(2) Average daily volume for April 2013.

# Investment Highlights



**Strong Market Position Across Business Lines**

**Large and Growing Client Asset Base**

**GFT Acquisition Offers Scale Increase, Synergies**

**Successfully Executing Diversification Strategy**

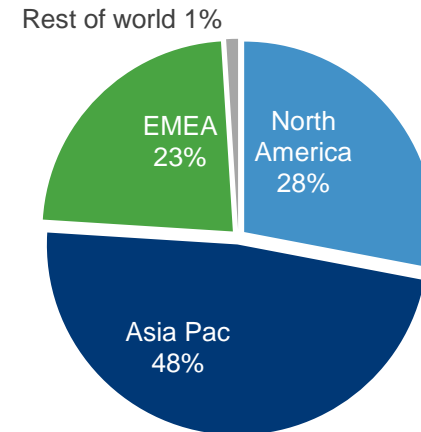
**Strong Financial Profile**

**Well-Positioned as a Consolidator in a Fragmented Market**

# Forex.com: Premier Retail FX Brand

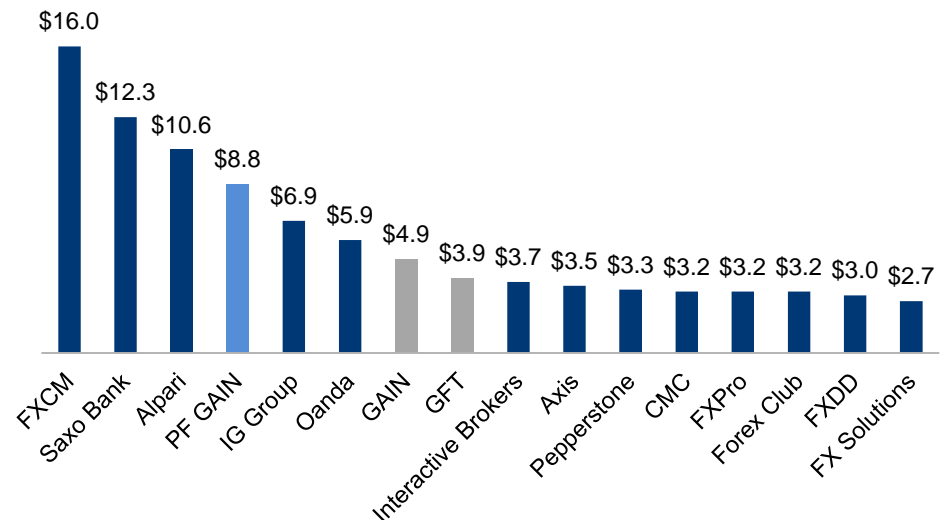
- Retail customers in 180 countries
- 12,500+ products covering FX and CFDs on Commodities (Metals, Energy, Ags), Indices and Rates
- Geographically diversified business; multi-language offering targeting high growth markets in Middle East and Asia Pacific
  - Fully localized FOREX.com service in Chinese, Japanese, Arabic, Russian & German
- Acquire customers directly and via partners
  - 52% direct volume in 9M13<sup>(1)</sup>
  - 48% via white labels and introducing brokers <sup>(1)</sup>
- Native mobile apps to increase client engagement
- <sup>(1)</sup> Represents 74% of 9 mos. 2013 revenue

9M 2013 Retail OTC Volume<sup>(1)</sup>



Total: \$1.9 trillion

Top 5 Player Globally <sup>(2)</sup>



(1) Pro forma for GFT.

(2) Source: Forexmagnates.com , as of March 31, 2013; excludes Japanese market

# Hybrid Execution Model With Robust Risk Management

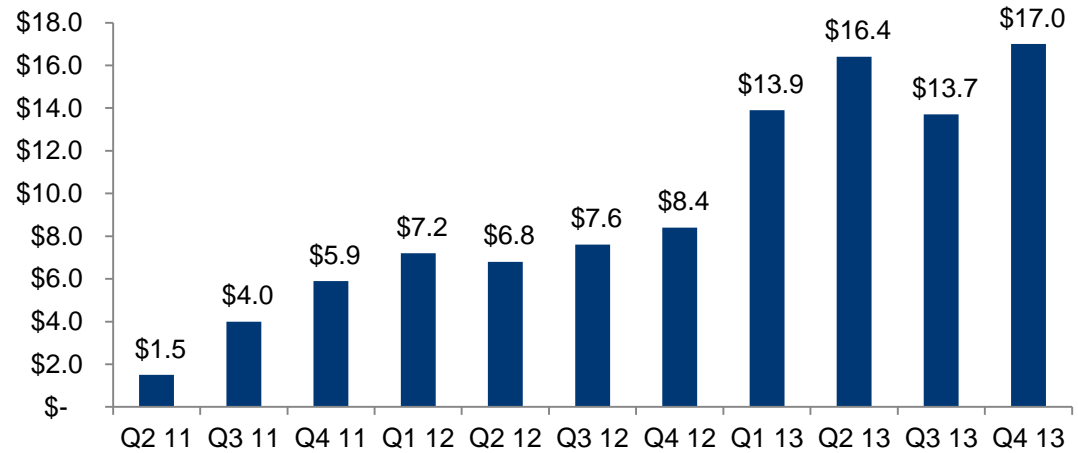
- Like all trading firms, GAIN employs a hybrid execution model, with both principal and agency-like execution
- More than 95% of OTC trades are hedged internally or via a liquidity provider
- GAIN's principal execution benefits customers via 25-30% lower transaction costs and improved execution speed/quality
- Principal execution allows GAIN to offer broader range of OTC products including CFDs

# GTX: A Growing Force in Institutional FX Trading

- FX ECN for hedge funds and institutions launched in late 2010
  - Peer to peer trading capabilities
  - Prime brokerage credit, central clearing model
- Growth in volume outstripping peers
- Revenues rose more than ~4x Q3 2011- Q3 2013
- Represented 19%<sup>(1)</sup> of 9M 2013 revenue
- Increasing liquidity pool drawing more clients
- GFT Sales Trade business adds new stream of institutional-like revenue

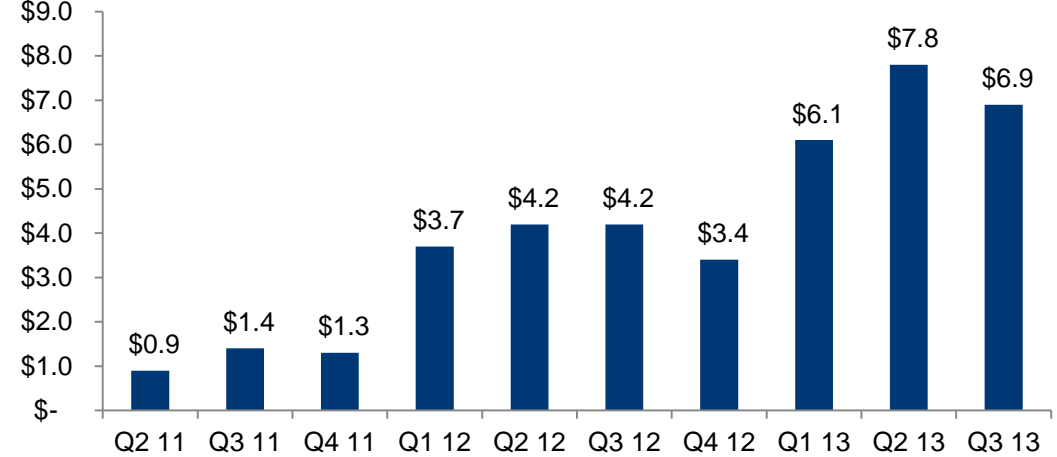
## Average Daily Volume

(\$ in billions)



## Quarterly Revenue

(\$ in millions)



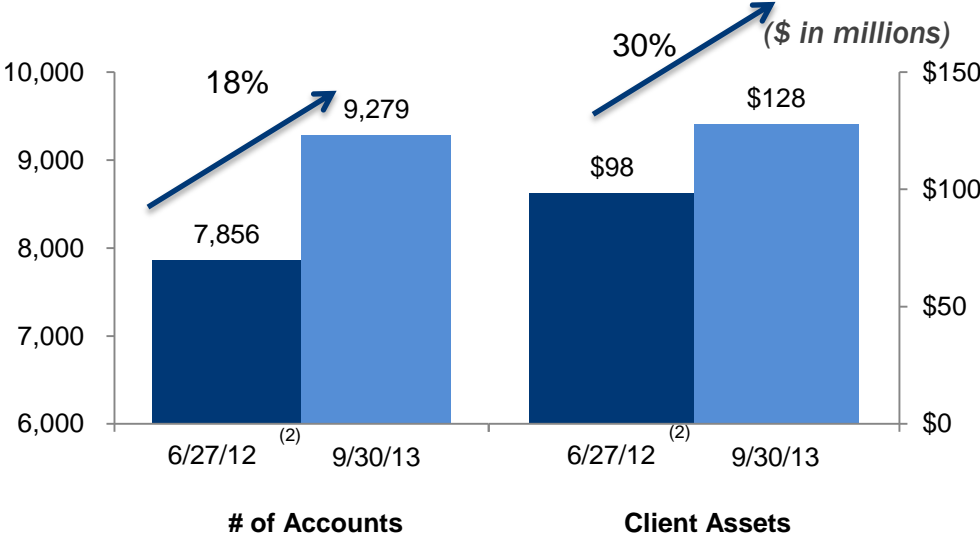
<sup>(1)</sup> Pro forma to include GFT



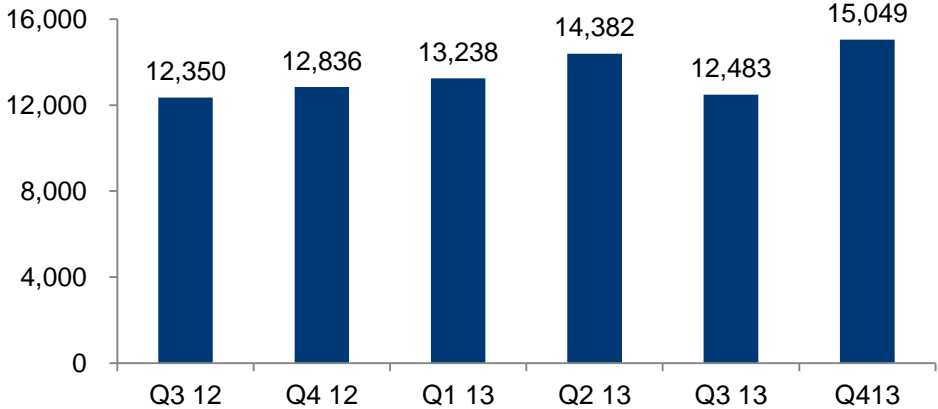
# GAIN Futures: Exchange-Traded Platform

- Strategic entry into exchange-traded futures via acquisition from Schwab in Q3 2012
  - Complementary product with retail FX
  - Commission-based revenue stream
- Business delivering strong results
  - 6%<sup>(1)</sup> of YTD 9/30/13 revenue
  - Run-rate revenue rising (~\$22mm based on 9M 2013)
  - ~9,300 accounts as of September 30, 2013
  - 4Q 2013 DARTs: 15,049
- New initiatives to boost growth and margins
  - Enhanced marketing efforts to grow direct business
  - New sales team in place to attract institutional customers and partners

## Strong Growth in Customer Accounts and Assets



## Futures DARTs



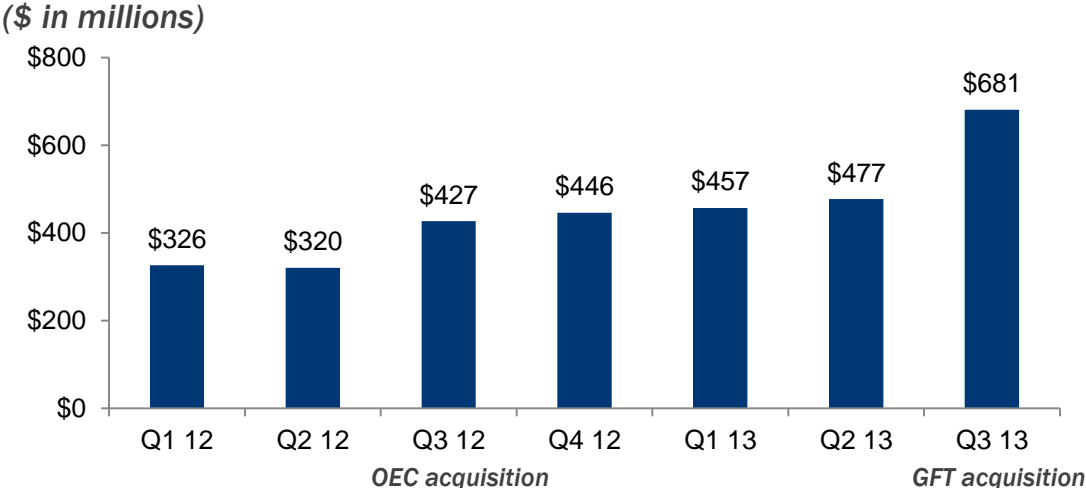
(1) Pro forma for GFT.

(2) Announcement date of OEC acquisition (data actually as of March 31, 2012).

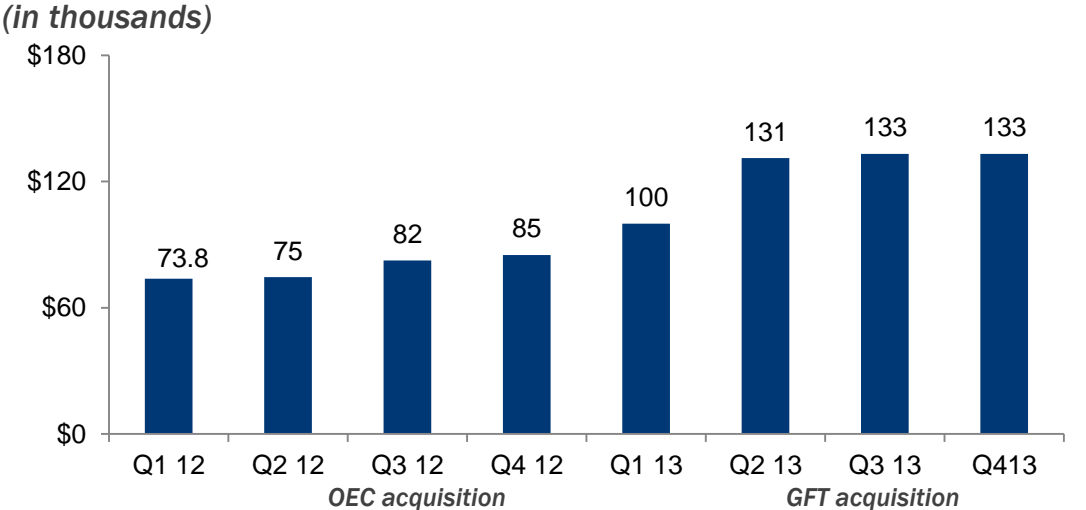
# Large and Growing Client Base

- Client assets up more than 100% in two years
- Funded accounts up 80%
- Organic growth and strategic acquisitions driving client assets
- Opportunity to cross sell products between different client bases
- Potential upside from higher global interest rates

## Client Assets



## Funded Accounts



# GFT Acquisition: Increased Scale, Broader Product Offering

- Closed acquisition of GFT on September 24, 2013
  - \$108 million purchase price (\$40 million cash, \$33 million loan payable, 3.6 million shares and \$77 million net cash acquired)
- **Immediate scale increase**
  - Nearly \$700 million total post-acquisition client assets and over 130,000 total post-acquisition funded accounts
  - Wider range of products, geographies and partners offer greater resilience to market conditions
- **Enhanced product offering and global footprint**
  - Over 12,500 tradable products
  - Increased presence in key markets, including Continental Europe and S.E. Asia
- **Diversified revenue streams**
  - Expanded partner-based business through GFT's long-standing relationships
  - New institutional-like Sales Trader revenue stream complements and augments GAIN's institutional business

# GFT Acquisition: Conservative and Achievable Cost Synergies

(\$ in millions)

- GAIN estimates year 1 cost synergies of \$35 million - \$45 million
  - Represent 13%-17% of combined company's FY 2012 operating expenses
- Synergies to be achieved principally from reductions in:
  - Headcount
  - Marketing
  - Technology
  - Professional Fees
- Integration already underway
  - 22% reduction in GFT headcount as of Sep 30, 2013
  - Further progress in synergies in coming quarters

## Pro Forma Income Statement 9M13 <sup>(1)</sup>

Revenue	\$270.0
Operating Expenses	231.4
<b>EBITDA</b>	<b>\$38.6</b>
Restructuring & Acquisition Costs	1.9
One-time GFT Liability Accrual	8.8
<b>Adjusted EBITDA</b>	<b>\$49.3</b>
Synergies	30.0 <sup>(2)</sup>
<b>Adjusted EBITDA (incl. Synergies)</b>	<b>\$79.3</b>
<i>% Margin</i>	29%

(1) Pro forma for GFT.

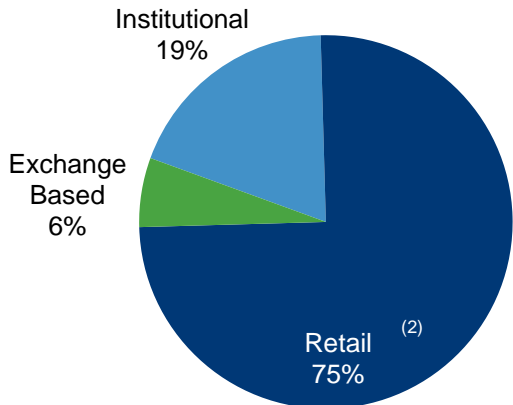
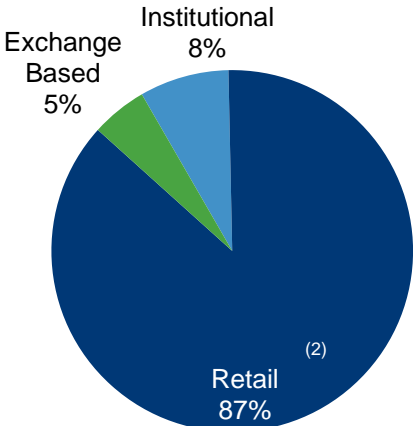
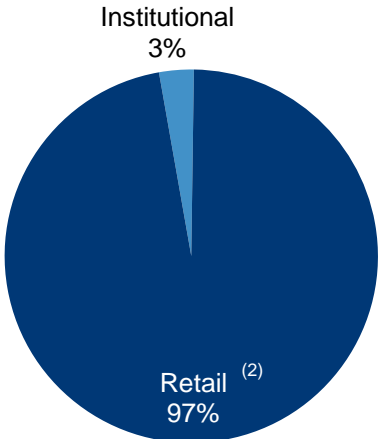
(2) Represents 75% of the midpoint of anticipated year 1 cost synergies (\$35 million - \$45 million).

# Successfully Executing Diversification Strategy

- Focus on augmenting core retail OTC revenue with commission-based revenue to reduce earnings volatility
- GAIN has made progress diversifying revenue through product expansion and M&A
  - Rapidly growing institutional business
  - Acquisition of OEC in 3Q12
  - GFT acquisition in 3Q13 accelerated diversification
- Continuing to explore organic and M&A opportunities to further expand commission-based revenue streams

## Revenue Composition

FY 2011	FY 2012	9M13 <sup>(1)</sup>
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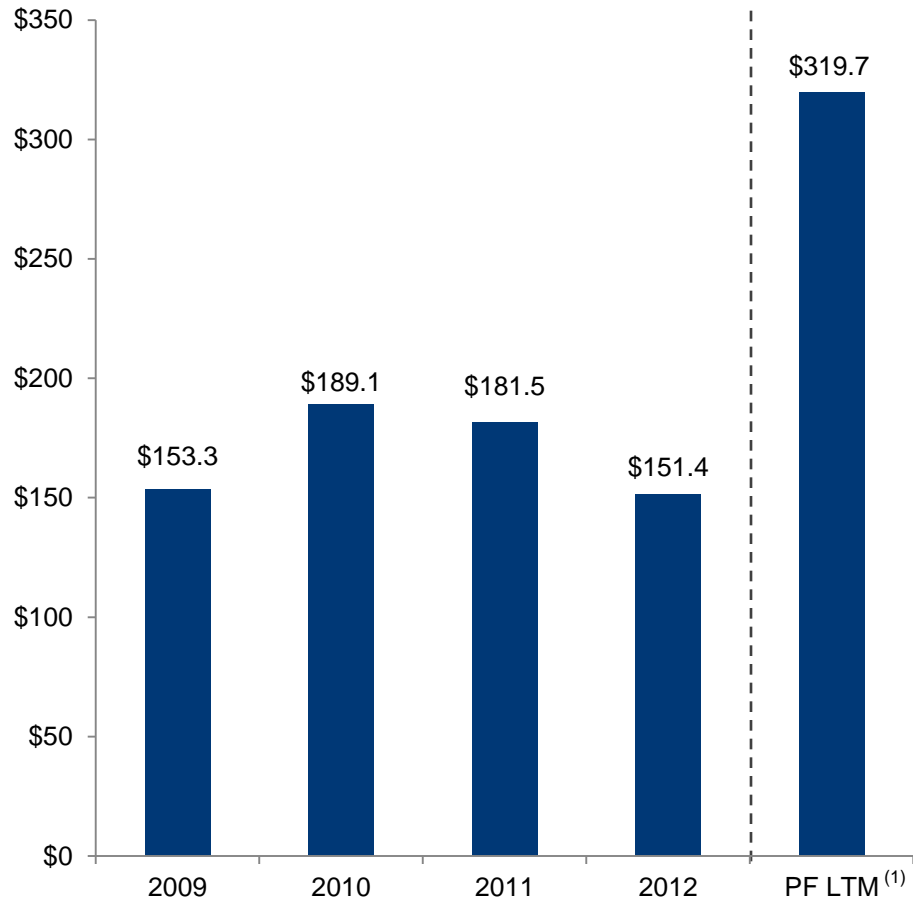


<sup>1</sup> Pro forma for GFT  
<sup>2</sup> Includes "other revenue"

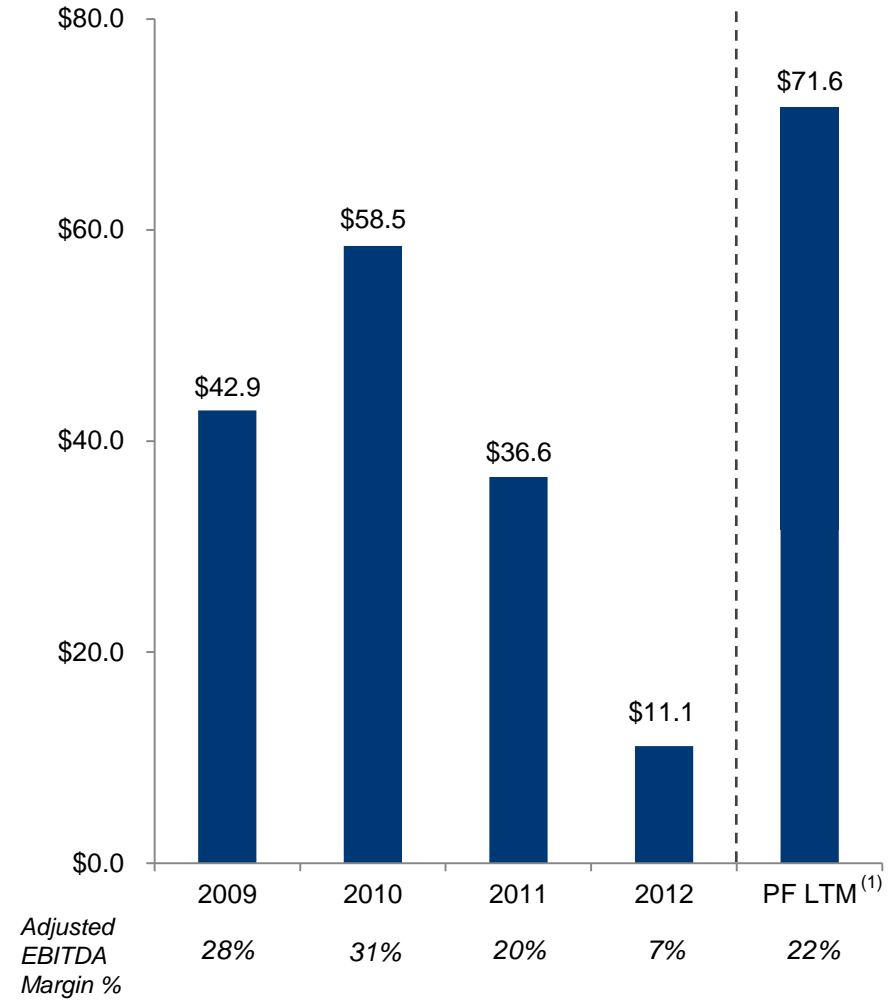
# Financial Highlights

(\$ in millions)

## Revenue



## Adjusted EBITDA



(1) Pro forma for GFT. Adjusted EBITDA includes the midpoint of anticipated year 1 cost synergies (\$35 million - \$45 million).

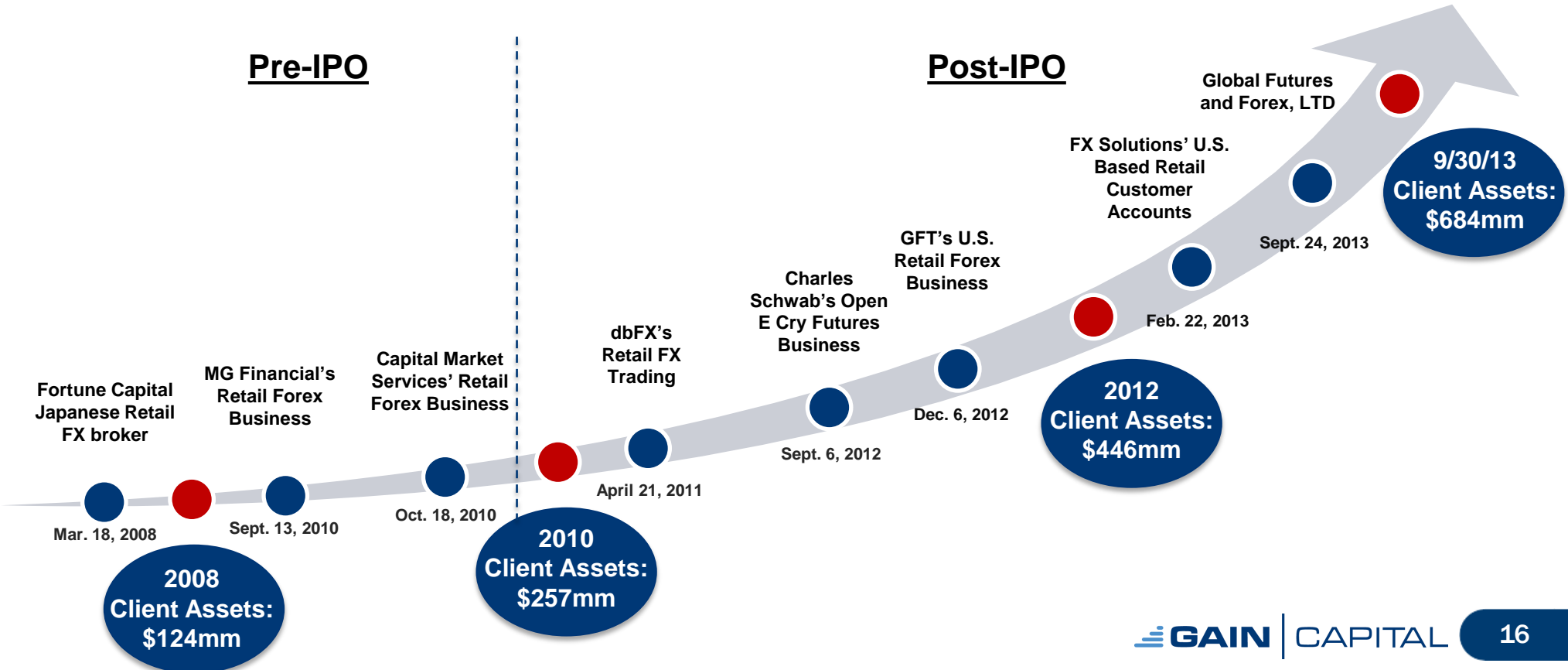
# Strong Financial Profile

- **GAIN maintains a robust balance sheet with strong credit metrics**
  - Debt/ LTM Adjusted EBITDA of 1.1X
  - Debt/ tangible equity of 0.5x
- **Committed to shareholder value**
  - Quarterly dividend of \$0.05/ share
  - Ongoing share buyback program
- **Strategic use of capital markets financing**
  - \$80m convertible refinanced GFT-related debt and raised funds for M&A
  - Access to additional liquidity for working capital
- **Free cash available <sup>(1)</sup> of \$87m provides firepower for accretive M&A**

(1) Total cash minus customer cash, minimum regulatory requirements and long-term debt. See page 20 for calculation

# Active Acquirer in a Rapidly Consolidating Industry

- Increasing capital requirements and regulatory compliance costs continue to drive industry consolidation
- Disciplined M&A strategy focuses on expanding into new products, customer segments and geographies
- Strength in M&A driven by previous transaction experience; reputation as trusted partner of choice
- GFT acquisition was largest in GAIN's history to date
- Robust pipeline with several potential acquisitions being reviewed





# Conclusion

- Focus on achieving GFT synergies, with significant progress already made
- Expanded product diversity and revenue synergies reduce impact on revenue during times of low FX volatility
- Increasing commission-based revenue stream through expansion of GTX and exchange-traded futures
- Opportunity to increase client engagement via cross selling
- Strong M&A pipeline with several strategic acquisition discussions underway

# Annex

# Adjusted EBITDA Reconciliation

(\$ in millions)

	9/30/2013	
	YTD	LTM
<b>Net Income</b>	<b>\$15.5</b>	<b>\$1.5</b>
Income Tax Expense	9.3	0.9
Interest Expense	2.3	3.0
Depreciation and Amortization	7.5	10.0
Purchased Intangible Amortization	4.0	5.6
<b>EBITDA</b>	<b>\$38.6</b>	<b>\$20.9</b>
 <u>Adjustments</u>		
Restructuring and Acquisition Costs	\$1.9	\$1.9
One-time GFT Accrual	8.8	8.8
<b>Adjusted EBITDA</b>	<b>\$49.3</b>	<b>\$31.6</b>
Cost Synergies		\$40.0 <sup>(1)</sup>
<b>Adjusted EBITDA (incl. Synergies)</b>		<b>\$71.6</b>

Note: Pro forma for GFT. Adjusted EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation, amortization and non-recurring expenses.

(1) Reflects the midpoint of anticipated year 1 cost synergies (\$35 million - \$45 million).

# Free Cash Available

	Free Cash Available		
	9/30/2013		12/31/2013
	Pro Forma <sup>(1)</sup>	Reported	Reported
Cash and Cash Equivalents	\$ 74.7	\$ 28.3	\$ 36.8
Cash and Securities Held for Customers	684.1	684.1	446.3
Short Term Investments <sup>(2)</sup>	0.8	0.8	1.4
Receivables from banks and Brokers <sup>(3)</sup>	186.4	186.4	89.9
Total Operating Cash	\$ 946.0	\$ 899.6	\$ 574.4
Less: Cash and Securities Held for Customers	(684.1)	(684.1)	(446.3)
Free Operating Cash	\$ 261.9	\$ 215.5	\$ 128.1
Less: Minimum Regulatory Capital Requirements	(94.9)	(94.9)	(45.6)
Free Cash Available Before LT Debt	\$ 167.0	\$ 120.6	\$ 82.5
Less: LT Debt	(80.0)	(33.2)	-
Free Cash Available <sup>(4)</sup>	\$ 87.0	\$ 87.4	\$ 82.5

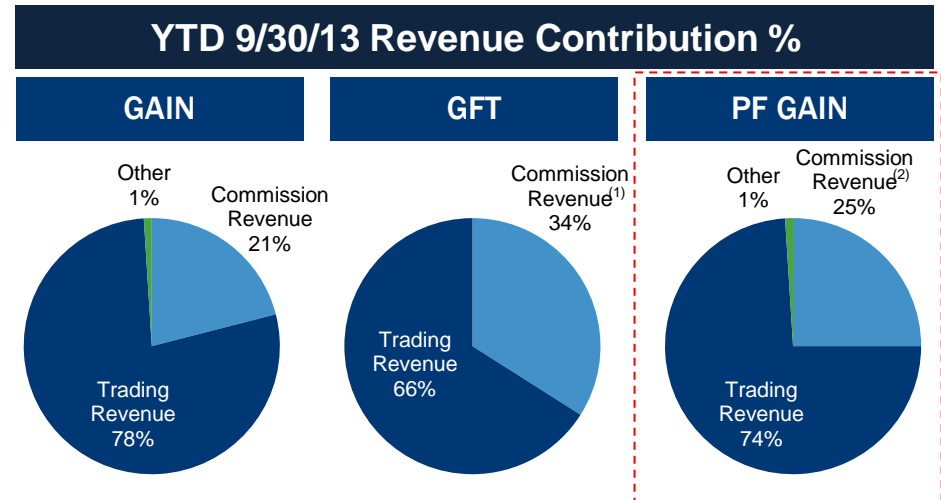
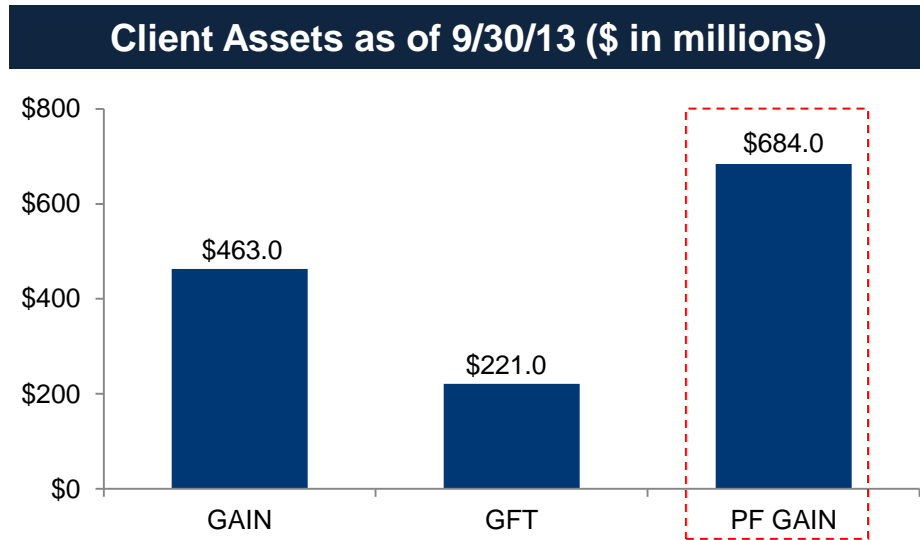
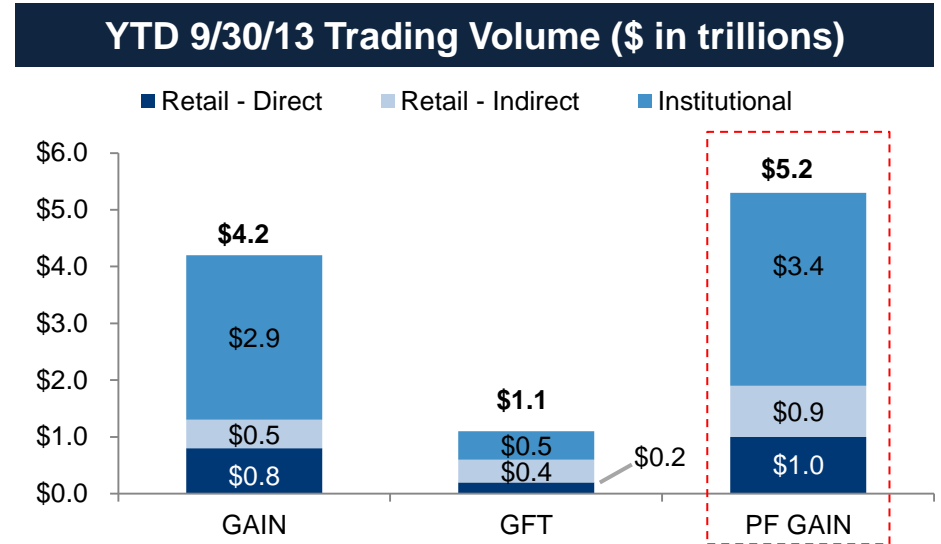
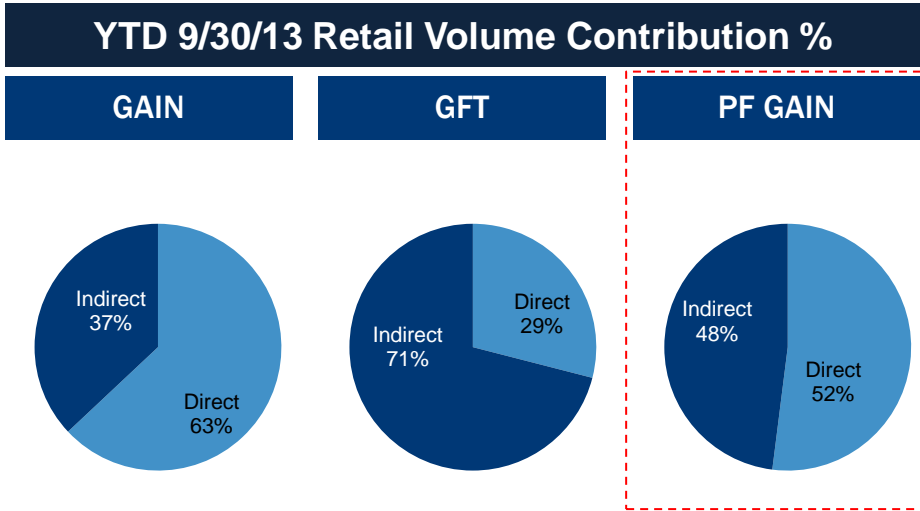
(1) Assumes \$80.0 million convertible debt issuance and repayment of existing \$33.2 million note payable.

(2) Reflects cash that would be received upon the liquidation of short term investments.

(3) Reflects cash that would be received from brokers following the close-out of all open positions.

(4) Excludes current liabilities of \$59.7mm and \$19.9mm as of September 30, 2013 and December 31, 2012, respectively, and capital charges associated with open positions. Free cash available is a non-GAAP financial measure.

# GFT Acquisition: Pro Forma Financial & Operating Metrics



(1) Commission revenue represents revenue from Sales Trader clients.  
 (2) Commission revenue represents revenue from Sales Trader clients and GTX.

# Definition of Metrics

- **Funded Accounts**
  - Retail accounts who maintain a cash balance
- **Active OTC Accounts**
  - Retail accounts who executed a transaction during a given period
- **Trading Volume**
  - Represents the U.S. dollar equivalent of notional amounts traded
- **Futures DARTs**
  - Represents the average daily trades transacted by OEC customers
- **Customer Assets**
  - Represents amounts due to clients, including customer deposits and unrealized gains or losses arising from open positions



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