
Investor Presentation

May 2018

SAFE HARBOR STATEMENT

Forward Looking Statements

In addition to historical information, this earnings presentation contains "forward-looking" statements that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. These factors are noted throughout GAIN Capital's annual report on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on March 14, 2018, 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, errors or malfunctions in GAIN Capital's systems or technology, rapid changes in technology, effects of inflation, customer trading patterns, the success of our products and service offerings, our 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 we have acquired, our ability to effectively compete, 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 our ability to continue paying a quarterly dividend in light of future financial performance and financing needs. The forward-looking statements included herein represent GAIN Capital's views as of the date of this release. GAIN Capital undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

Non-GAAP Financial Measures

This presentation contains various non-GAAP financial measures, including adjusted EBITDA, adjusted net income, and adjusted EPS. 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 these non-GAAP financial measures assists investors in evaluating our historical and expected operating performance. However, because these 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. See the Appendix for a reconciliation of the non-GAAP financial measures used herein to the most directly comparable GAAP measure.

WHAT WE DO

Provide retail traders and institutions with exceptional liquidity, service and technology to trade OTC forex, CFD and exchange-traded markets

FOREX.com

CITYINDEX

 **GTX**

 **Daniels Trading**
INDEPENDENT. OBJECTIVE. RELIABLE.

 **FaradayResearch**

INVESTMENT HIGHLIGHTS



Proven Leader in a Large, Attractive and Growing Market



Highly Diverse and Scalable Business Model



Multiple Levers to Drive Growth and
Operational Efficiency



Risk Management Controls Limit
Market Volatility Headwinds



Strong Financial and Credit Profile



A LEADER IN MULTI-ASSET TRADING SOLUTIONS

Global markets

12,500+

OTC and exchange traded markets

Retail traders

132,000+

Customers across 180 countries

Institutional partners

1,200+

Institutional partners from 6 continents

Retail trading volume

\$12.4bn

Q1 average daily volume

Strong global regulatory protection

8 jurisdictions

US, Canada, UK, Australia, Hong Kong, Singapore, Japan and Cayman Islands

Staff

700+

Across 4 continents with Headquarters in Bedminster, NJ



OPERATING IN A TRULY GLOBAL, GROWING ASSET CLASS

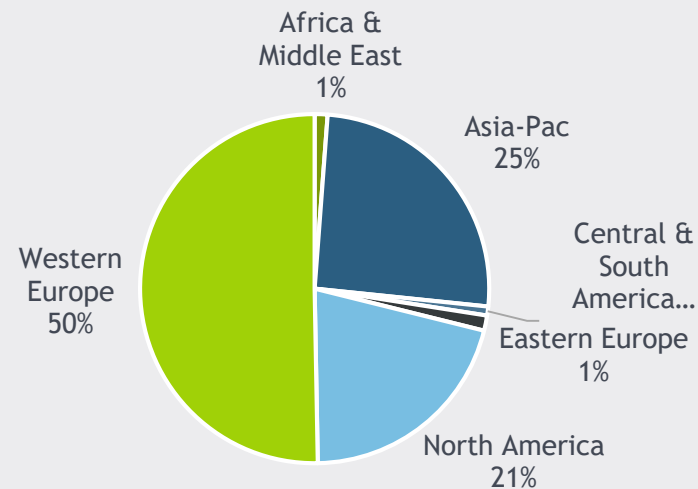
\$5.1 trillion FX market¹ is the world's largest, most liquid financial market



32% increase
in FX market size since
IPO in 2010 driven by:

- Globalization
- Political activity
- Monetary decisions

FX Value Traded by Region



Over **20x**
size of equity
market in terms
of notional
value traded²

Source: 2016 Triennial Bank Survey from the Bank for International Settlements.

1. Reflects average daily volume for 2016.

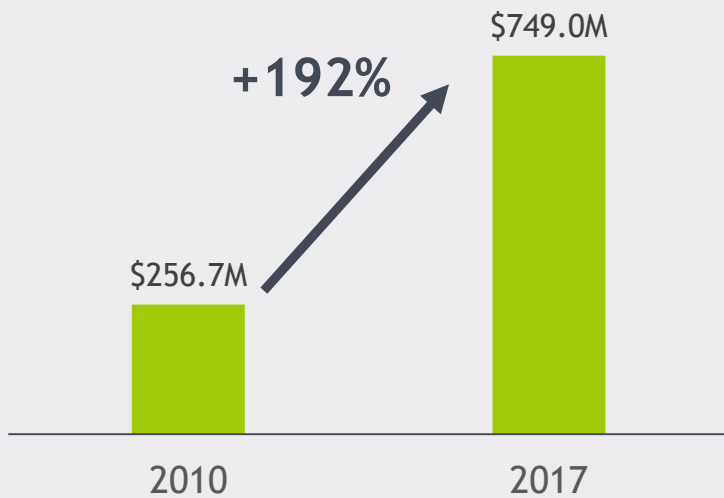
2. Equity market average daily volume for 2016 was \$336.8 billion, according to World Federation of Exchanges Annual Statistics Guide.



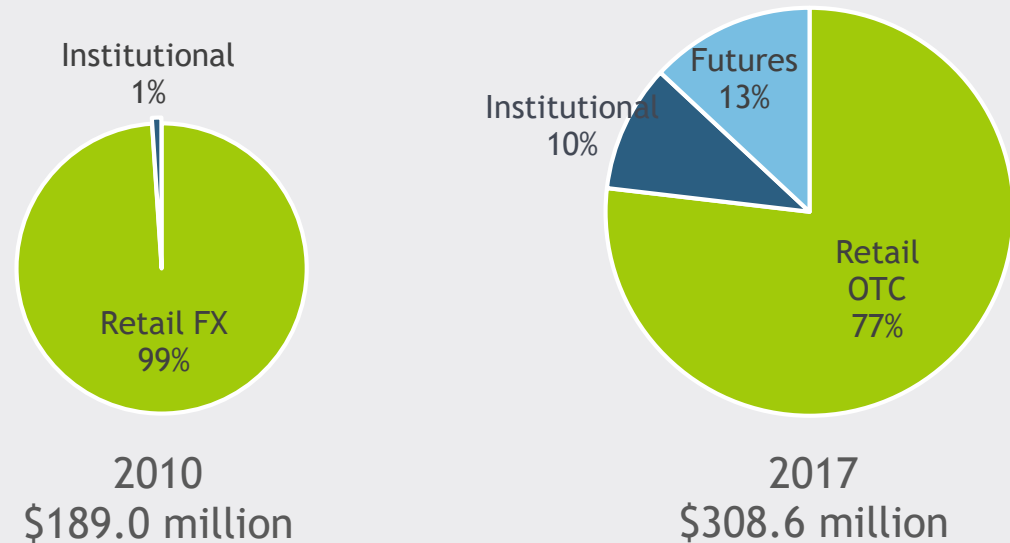
GROWING & DIVERSIFYING OUR PRODUCT MIX

Significantly grown legacy retail FX platform and expanded into other key segments including retail OTC beyond FX, institutional and futures trading

Retail Client Asset Growth Since 2010



Revenue Mix by Segment: 2010 vs. Today





LEADING PROVIDER OF MULTI-ASSET TRADING SOLUTIONS

RETAIL

FOREX.com

CITYINDEX

FaradayResearch

SALT

- #1 Retail FX trading platform in the US
- Access to over 12,500 FX and CFD products globally
- Clients consist of retail traders and partners
- Approximately 132,000 active client accounts¹

INSTITUTIONAL

GTX

- State-of-the-art ECN technology and trading solutions
- Increasing market share in a competitive space
- Clients consist of hedge funds, banks, financial institutions and high net worth
- ECN and Swap Dealer average daily volume over \$17.4 billion¹

FUTURES

dt Daniels Trading **TOP THIRD**
INDEPENDENT. OBJECTIVE. RELIABLE. **AG MARKETING**

GAIN CAPITAL FUTURES

- Innovative online futures broker with proprietary trading technology
- Clients consist of retail traders, institutional clients and agricultural hedgers

1. Data for the quarter ended March 31, 2018



OPERATING RESULTS BY SEGMENT

RETAIL

Total Revenue \$283.0 mm

Profit Margin 37%

ADV (bns) \$10.3

Active Accounts 131,764

INSTITUTIONAL

Total Revenue \$31.2 mm

Profit Margin 15%

ECN ADV (bns) \$12.3

Swap Dealer ADV (bns) \$2.6

FUTURES

Total Revenue \$40.8 mm

Profit Margin 10%

Avg. Daily Contracts 27,830

Active Accounts 7,959

Total Net Revenue: \$355.0 mm¹



PATH TO VALUE CREATION

Deliver Organic Growth

- Focus on direct business, leveraging brand assets & existing global footprint
- Pursue an attractive proposition for two distinct customer segments: experienced active trader & retail investor
- Enhance products and services

Increase Operational Excellence

- Increase automation and reduce service costs
- Simplify technology “stack”
- Rationalize and refocus brands
- Optimize insource vs. outsource

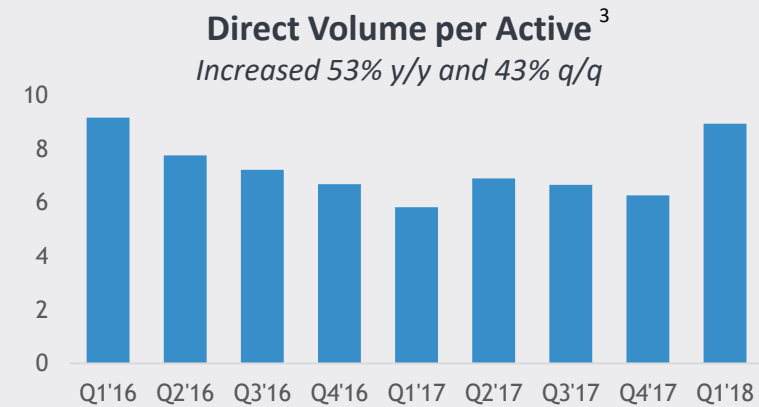
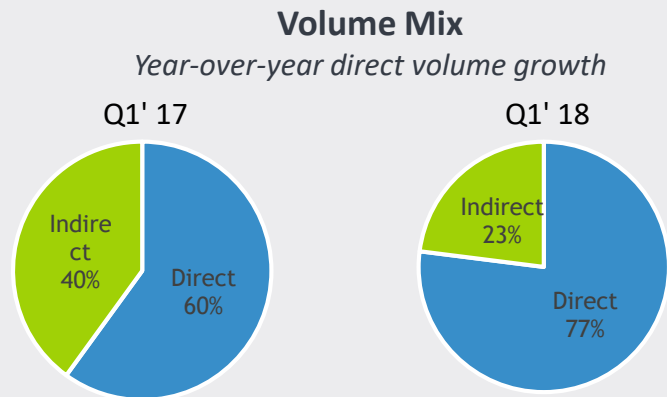
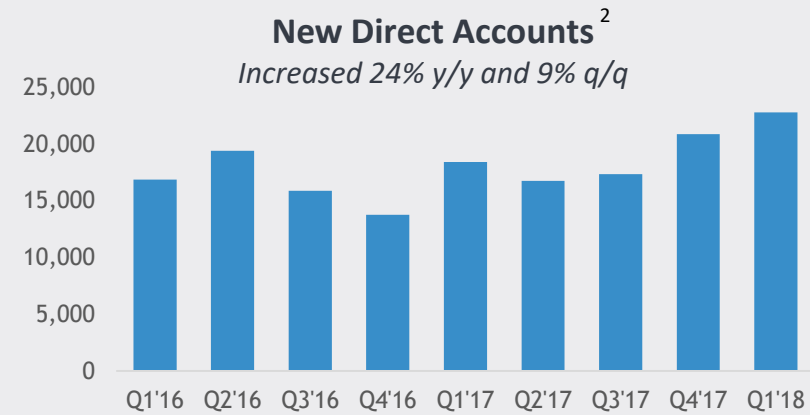
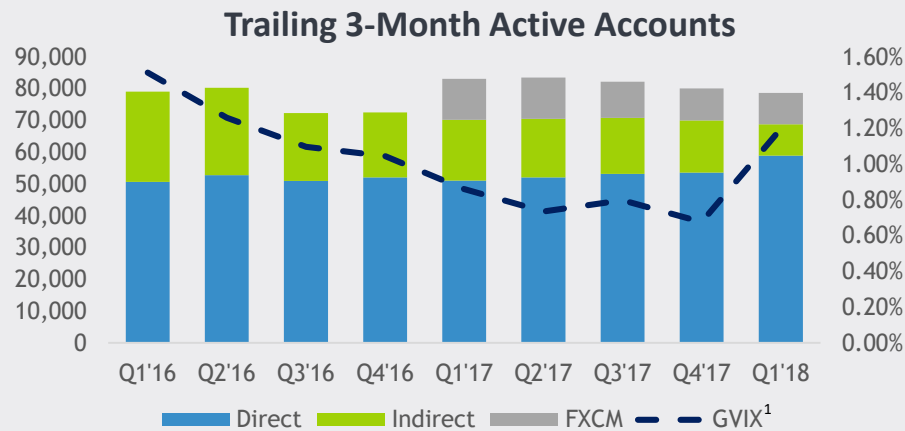
Reduce Revenue Volatility

- Increase efficiency of revenue capture
- Implement AI-driven hedging program
- Decrease cost of hedging
- Further optimize trade flow from indirect business



PATH TO VALUE CREATION: DELIVERING ORGANIC GROWTH - FOCUS ON DIRECT BUSINESS

Focusing on our direct customers will lead to margin expansion and increased client engagement



1. GVIX, GAIN's volatility indicator, is a metric calculated daily by volume weighting the 5-Day % average true ranges (ATR) of 6 of our major products (Dax, EUR/USD, GBP/USD, USD/JPY, Dow and Gold). The volume weights are based on the relative monthly volumes across these 6 markets.
 2. New direct accounts are defined as organically acquired clients that opened accounts during the corresponding period. By definition this figure will exclude the FXCM clients that were inorganically acquired in February 2017.
 3. Includes FXCM.



PATH TO VALUE CREATION:

DELIVERING ORGANIC GROWTH – FOCUS ON TWO DISTINCT CUSTOMER SEGMENTS

Well-positioned to target two distinct market segments by leveraging GAIN’s strengths, global footprint, brand assets and leading proposition

Experienced Active Traders

- Sophisticated, high value client base
- Gravitates to trusted, well-capitalized providers and develops long term relationships
- Trades multiple asset classes and demand high quality tools, competitive pricing and personalized & service
- The GAIN Capital brand best positioned to meet these customers’ needs

Retail Investors

Large numbers of retail investors can be served efficiently with global, low-touch offering that leverages strength of FOREX.com brand

- High quality, easy to use offering for self-directed traders
- Tend to prefer DIY approach to trading and service
- High volume, cost efficient acquisition via digital and affiliate channels

- Efficiently utilize **one technology stack** to present two tailored offerings
- GAIN Capital and FOREX.com **brands**
- **Highly automated** onboarding & funding - with innovative KYC techniques & expanded payment methods
- Nearly 20 years of **operating experience**
- Public-company **status and transparency**

PATH TO VALUE CREATION: BRAND AND PRODUCT STRATEGY FOR EACH TARGET CUSTOMER SEGMENT

EXPERIENCED ACTIVE TRADERS



- Premium service for experienced active traders
- Full range of 10k+ FX/CFD markets, including equities and options
- Robust proposition for active traders - tools, pricing, etc.
- Higher touch, personalized support model
- Allows for future product extension to attract wider investor audience

RETAIL INVESTORS



- User friendly experience for global retail audience, emphasis on mobile
- Focus on FX, cryptos and most popular global markets
- High volume, cost efficient customer acquisition model via digital & affiliate marketing channels
- Highly automated onboarding & funding
- Enhanced, AI-powered customer service model



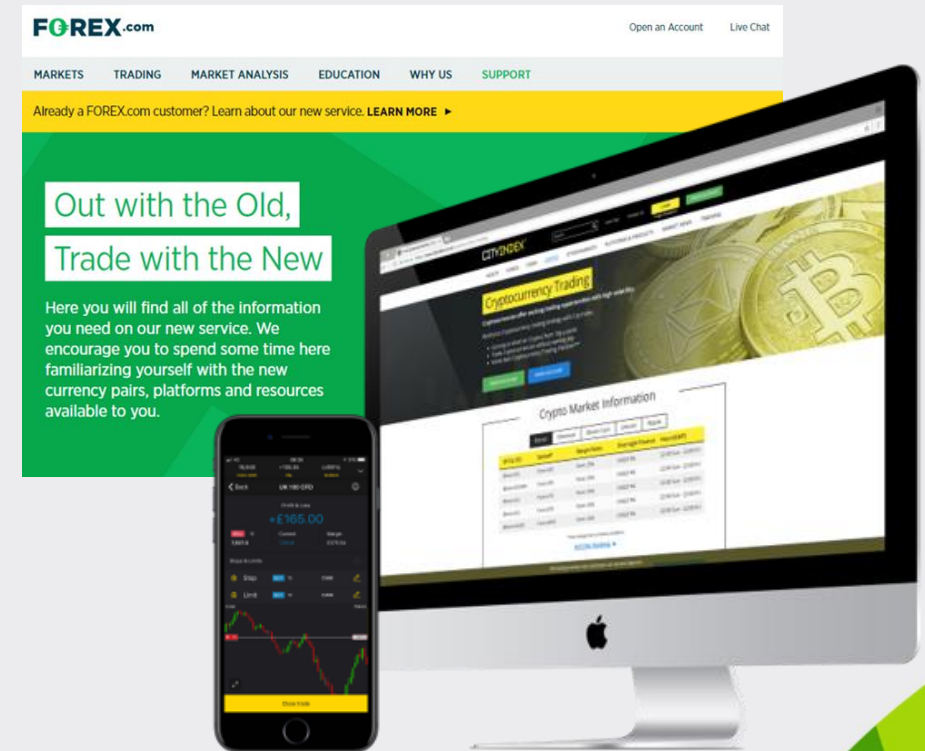
- Innovative, trade signals app for novice traders
- Simplified trading experience for non-‘self-directed’ investors
- Algo-generated signals across 40+ markets incl. FX, indices and gold
- Leverages existing offering / regulatory licenses
- Launched in UK market in December; global rollout planned in 2018



PATH TO VALUE CREATION: DELIVERING ORGANIC GROWTH - PRODUCTS AND INNOVATION

Investing in new products and services

- ✓ New web trading platform, now in Beta
- ✓ Upgraded mobile apps released globally in Q1
- ✓ Expanded cryptocurrency offering to include Ethereum, Litecoin, Ripple and Bitcoin Cash
- ✓ Enhanced service for high value clients
- ✓ GetGo Android version anticipated launch in May 2018
- ✓ U.S. service upgrade





RISK PREVENTION SYSTEMS IN PLACE

Our Philosophy on Risk Management

- ✓ Work within the local regulatory framework
- ✓ Report directly to the Risk Committee at each quarterly board meeting
- ✓ Manage the market vs. credit dynamic on a real-time basis
- ✓ Focus specific attention on tail risk
- ✓ Create management systems to communicate critical data and concepts
- ✓ Measure progress

Key Focus Areas

- Market risk
- Liquidity risk
- Counterparty risk
- Credit risk
- Operational risk

Structures & Systems

- Group Risk Committee
- Reporting / monitoring systems
- Daily risk report
- Position limits and hedging
- Concentration limits
- Tiered margins



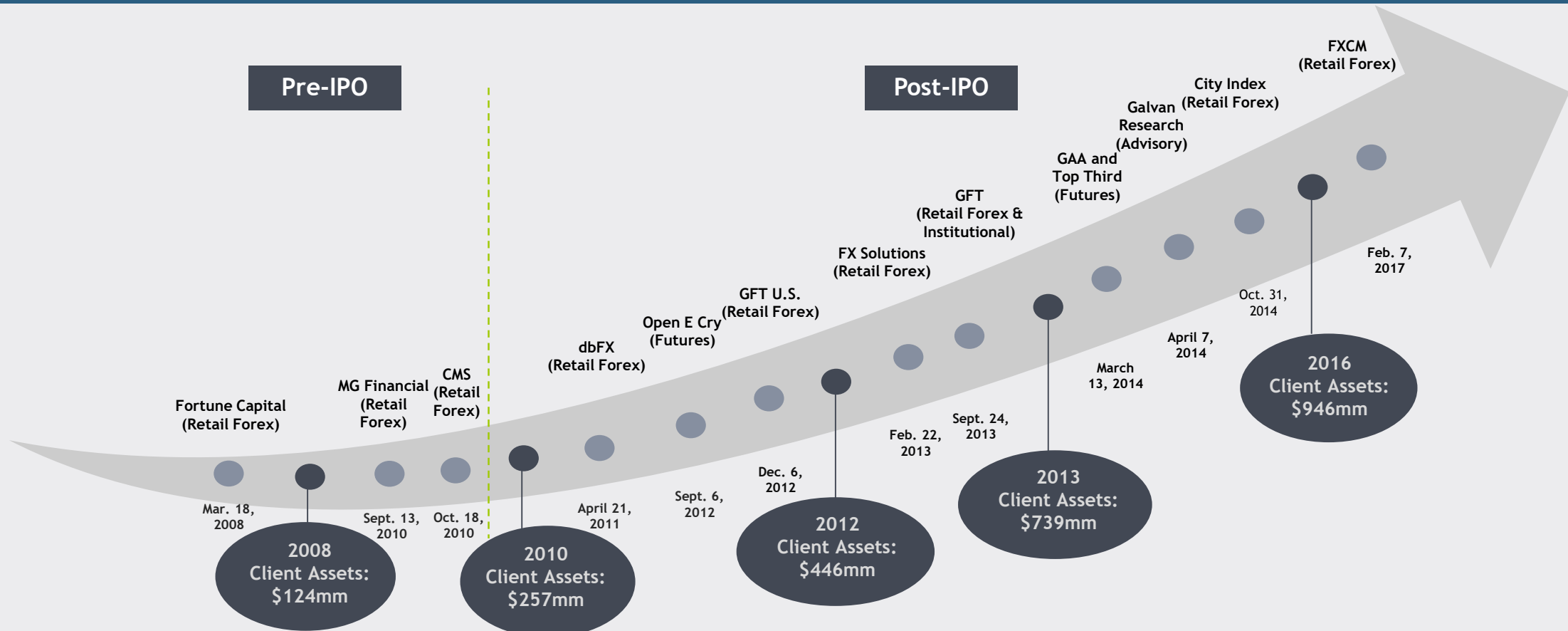
POSITIONED TO WEATHER INDUSTRY HEADWINDS

Proven track record of protecting our balance sheet during market disruptions and improving our future processes

	2016 BREXIT	2015 Swiss National Bank	2015 GREXIT
Planning	<ul style="list-style-type: none"> • Committee established in May 2016 • Extensive scenario-based stress testing before vote • Proactive margin policy management 	<ul style="list-style-type: none"> • Planning for potential Swiss depegging began months in advance, recognizing potential risk • Operational procedures formalized in the event that the 1.2 floor was removed • Market and credit exposure assessed weekly 	<ul style="list-style-type: none"> • Daily assessment of market and credit risk • Tiered margin was increased for larger positions
Execution	<ul style="list-style-type: none"> • Fully staffed risk desk, commercial team, customer service and compliance throughout the night • Trading systems performed extremely well in face of record volumes • Hedging program effectively utilized to remain market neutral 	<ul style="list-style-type: none"> • Planned procedures were implemented: <ul style="list-style-type: none"> • Position and PL calculation • Suspension of all relevant markets • Liquidation of clients at one price across all platforms once markets were back online 	<ul style="list-style-type: none"> • Market and credit risk were reduced over several weekends using a digital options hedging strategy
Results	<ul style="list-style-type: none"> • Record daily trading PnL: \$14.2M • Highest single day trading volume • Protected balance sheet 	<ul style="list-style-type: none"> • Ultimately posted positive PL, whereas other providers incurred terminal levels of bad debt • All products were reviewed, resulting in increases to pegged and exotic FX margins 	<ul style="list-style-type: none"> • No major issues • Reverted back to our daily stress tests, but incorporated more detailed options probability analysis



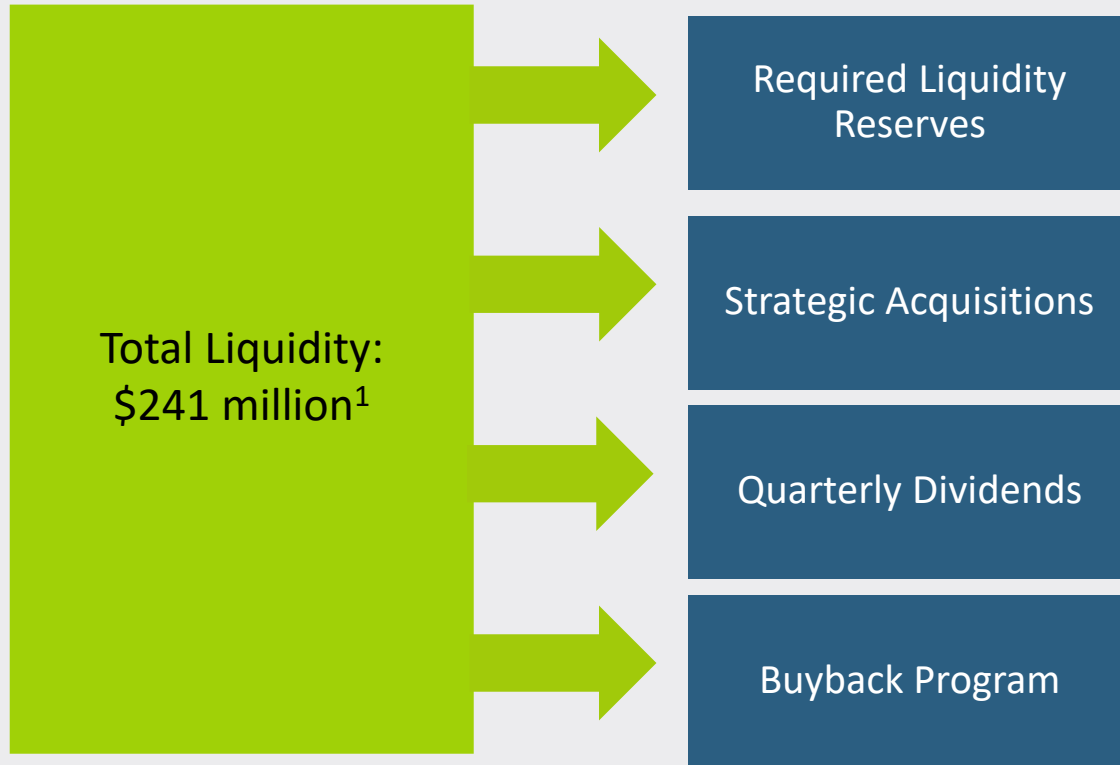
PROVEN SUCCESS AS AN INDUSTRY CONSOLIDATOR



Ten acquisitions since IPO in 2010



STRONG LIQUIDITY POSITION



Total liquidity of \$241 million at the end of Q1 2018

- 11% improvement over Q4 2017
- 78% improvement over Q1 2017, supported by the implementation of \$50 million credit revolver

Ten acquisitions since IPO in 2010

Well positioned for future opportunities

Quarterly dividend of \$0.06 per share approved

- Record date: June 12, 2018
- Payment date: June 19, 2018

Repurchased 580,064 shares at an average share price of \$7.20 during Q1 2018

Approximately \$34.1 million authorized and remaining for additional repurchases

1. Includes \$50 million credit revolver. Liquidity table available in appendix to this presentation.

INVESTMENT HIGHLIGHTS



Proven Leader in a Large, Attractive and Growing Market



Highly Diverse and Scalable Business Model



Multiple Levers to Drive Growth and
Operational Efficiency



Risk Management Controls Limit
Market Volatility Headwinds



Strong Financial and Credit Profile