



Investor presentation / Half-year report 2016

Kusnacht, July 29, 2016

Agenda

Overview

André Rüegg, Group CEO

Financial results H1 2016

Daniel Koller, Group CFO

Business highlights

André Rüegg, Group CEO

Outlook H2 2016

André Rüegg, Group CEO

Appendix

Bellevue Group – Overview

Summary

Operating performance diminished by market events

- Group operating profit declined 32% to CHF 6.8 mn
- Market-induced reduction in operating income -16% to CHF 31.2 mn, while recurring income as a % of total income rose again to reach 78% (prev. year 71%)
- Unrealized losses of CHF 2.5 mn on investments in own products (prev. year profit of CHF 1.4 mn) lowered after-tax profit to CHF 2.9 mn

Assets under management at new record high

- AuM jumped 30% to record high of CHF 6.9 bn
- Net new money of more than CHF 2.6 bn – acquisition-driven (CHF 2.48 bn) and organic (CHF 126 mn)
- Significant market correction in Q1 2016 (esp. in the biotech sector) led to a negative performance effect of minus CHF 1 bn

Strategic progress and challenges

- Acquisition of StarCapital successfully concluded in June – first full contribution to earnings will come in H2 2016
- First-ever capital increase by Bellevue Group raised gross proceeds of CHF 32.9 mn
- Structurally induced downturn in brokerage remains a challenge

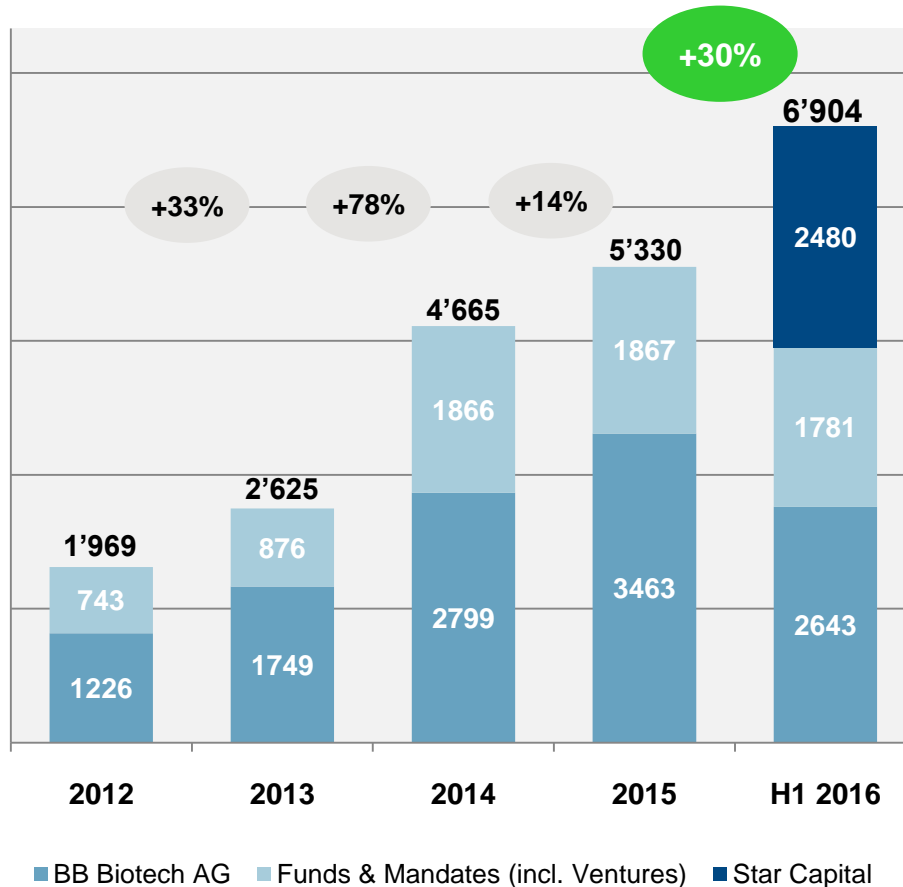
Positive forward movement still in focus

- Asset Management: Focus on organic growth, powered by stronger asset base and diversification as well as broader product offering
- Bank am Bellevue: Stabilization and revitalization of brokerage business and establishment of wealth management and advisory services for entrepreneurial private clients – through organic and acquisitive means

Further growth of client assets

Growth of assets under management (AuM) 2012 – H1 2016

CHF mn

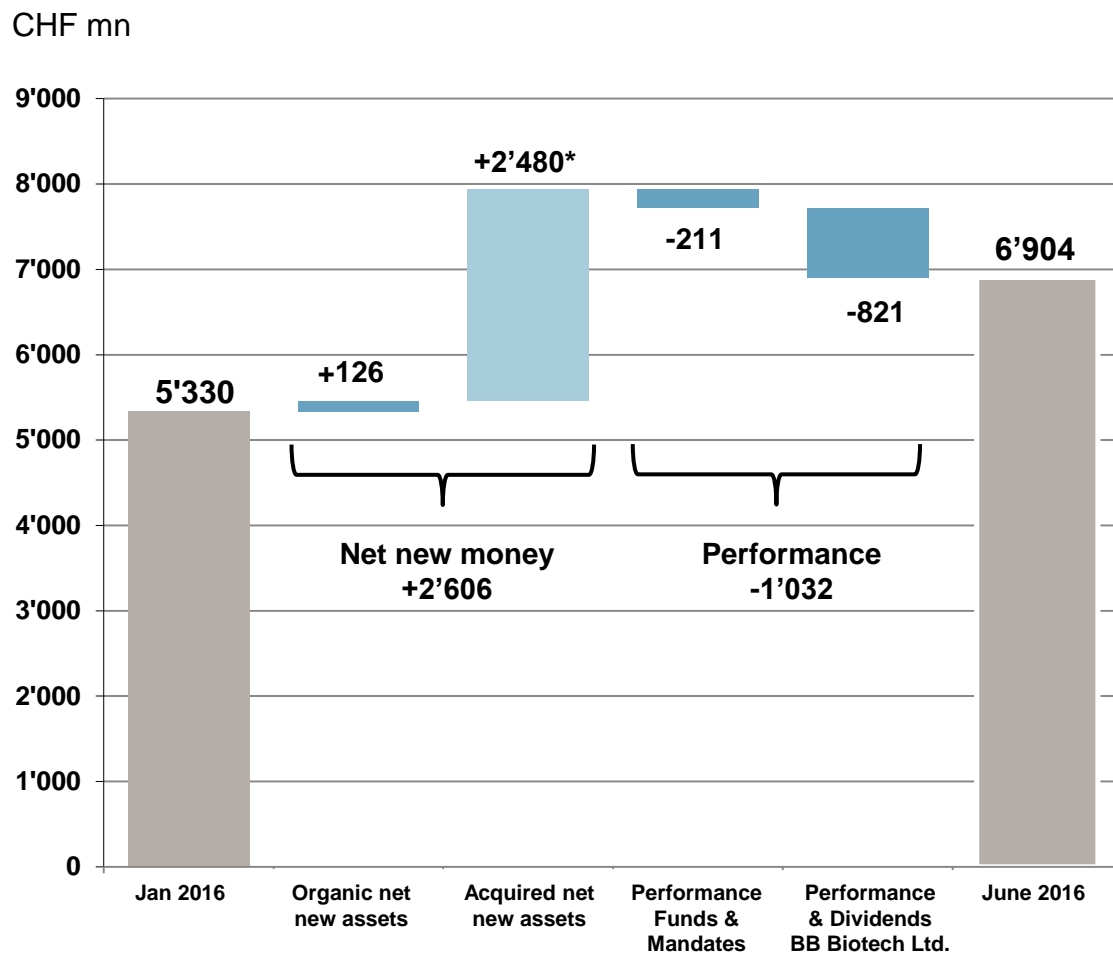


AuM at new record high of CHF 6.9 bn

- AuM increase of another CHF 1.6 bn or 30% despite considerable equity and currency market turmoils
- Growth exclusively driven by net new money of more than CHF 2.6 bn – related to acquisition (StarCapital) and to organic growth
- Market-induced slowdown in growth due to negative performance effect of more than CHF -1 bn
- Much better balance in business model with the broader range of activities (diversification)
- New assets (incl. StarCapital) start to feed through to income flows as from H2 2016

Net new money a driver of growth

Change in assets under management (AuM) H1 2016



Net new money of CHF 2.6 bn

- Positive organic net new money inflow of CHF 126 mn despite adverse market environment
- Acquisition of StarCapital with growth contribution of almost CHF 2.5 bn (end of Q2 2016)

Negative performance impact of CHF -1 bn

- Sharp market correction at the beginning of the year puts a dent in earnings for the entire H1 2016
- Healthcare sector (biotech in particular) was hit hard by sustained volatility and political uncertainty
- Stabilization observed in Q3 2016

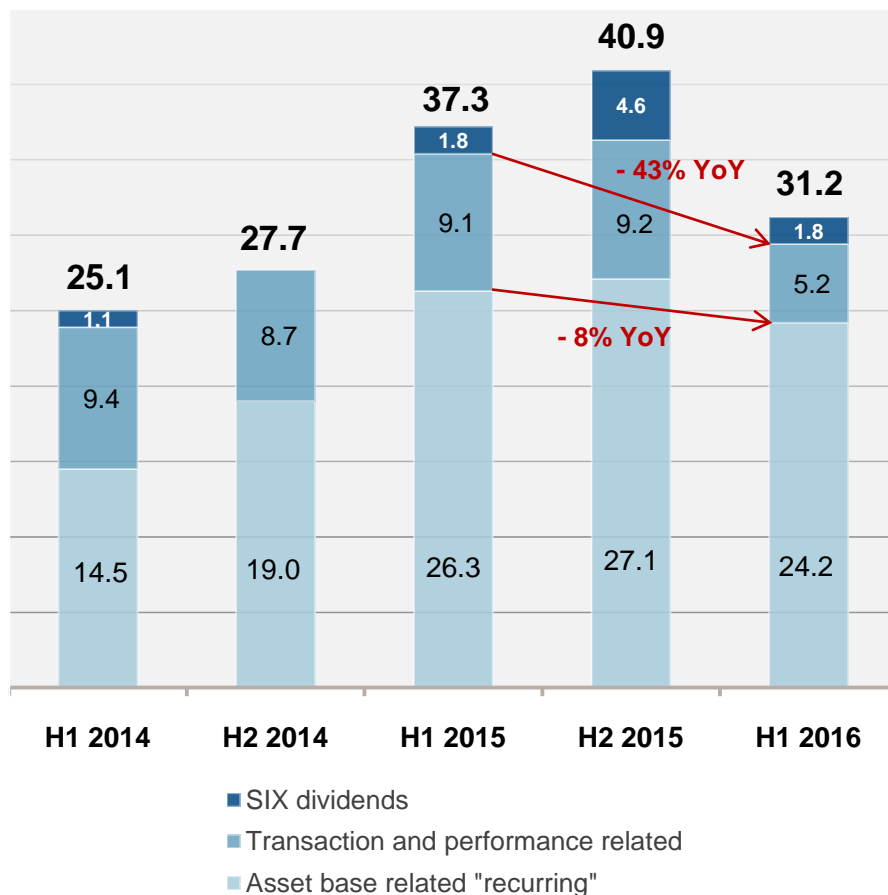
* Value per closing of transaction as of June 6, 2016

Market-induced decline in operating income

Change in operating income 2014 – H1 2016

Operating income

CHF mn



Earnings power temporarily diminished by negative market developments

- Market-induced 8% YoY decline in recurring income to CHF 24.2 mn
- Performance fees virtually non-existent in the first half (from CHF 3.1 mn to CHF 0.5 mn YoY)
- Intact and high quality earnings base (AuM) with greater growth momentum (delayed effect)
- New income effect of StarCapital (closing June) reflected with only one month contribution

Further erosion in transaction based revenues

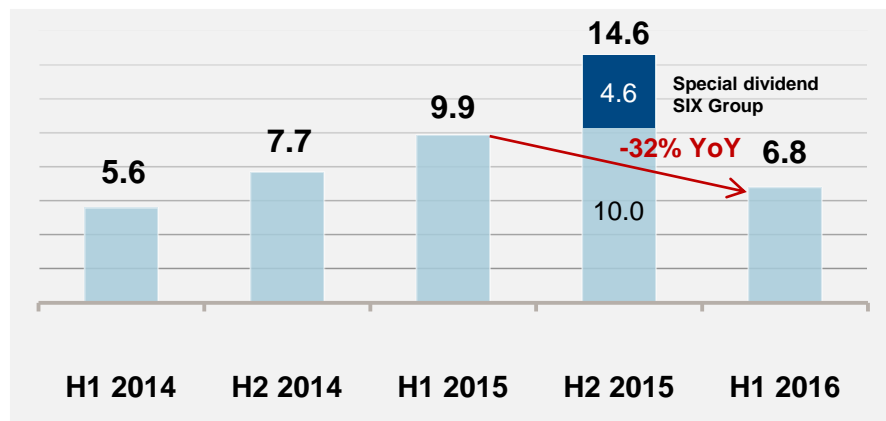
- Declining transaction based revenues down 14% to CHF 4.7 mn (prev. year: CHF 5.5 mn)
- Successful participation in capital market transactions (Corporate Finance) cannot fully offset persisting downturn in brokerage activities

Challenging environment dents operating profit

Change in operating profit and cost-/income ratio 2014 – H1 2016

Operating profit

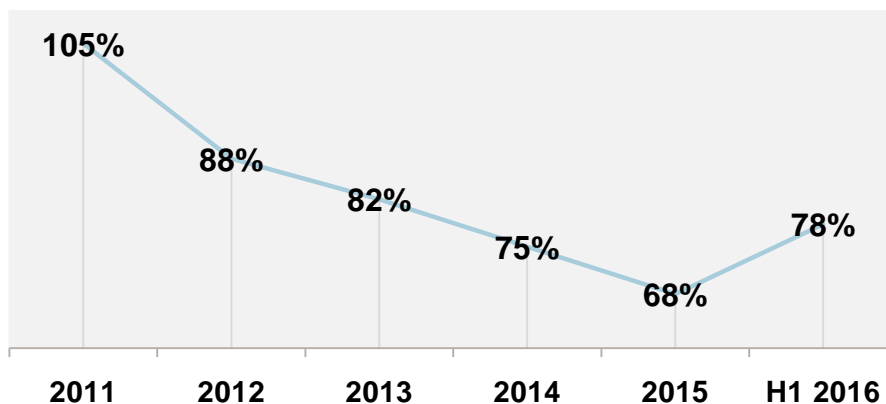
CHF mn



Group operating profit declined 32% to CHF 6.8 mn

- Operating income CHF 6.1 mn or 16% lower at CHF 31.2 mn
- Linear reduction in personnel expenses of 16% or CHF 3.1 mn owing to significant performance-based compensation component
- Other operating expenses virtually unchanged, cannot match drop on the income side

Cost-Income-Ratio (CiR)



Temporary increase of cost-/income ratio to 78%

- Income-related deterioration in CiR (+3% YoY)
- Considerable elasticity of CiR reflects high operating leverage of Group platform
- Further efficiency gains are possible in step with AuM growth

Source: Bellevue Group, as of June 30, 2016

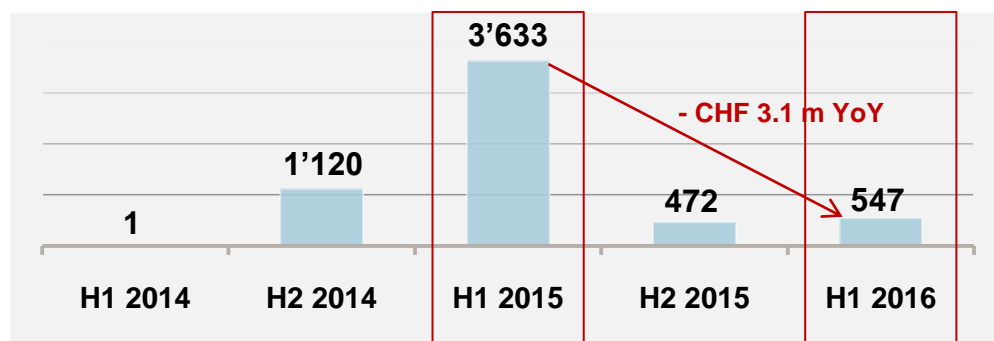
Non-recurring income fluctuates with market performance

Development 2014 – H1 2016

Performance fees

(operating)

CHF 1'000



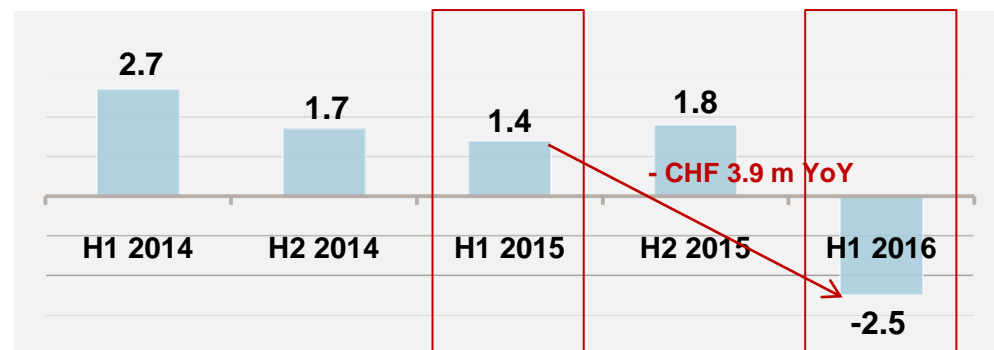
Performance fees distort operating profit

- Low share of 2% of total operating income (prev. year: 10%)
- Comparatively high performance fees of CHF 3.6 mn in first half of 2015
- Absolute reduction of CHF 3.1 mn (YoY) substantially distorts comparable operating income and profit

P&L on financial assets at fair value

(non-operating)

CHF mn



Investments in own products in alignment with market and clients

- Total investment CHF 23 mn (1.1.2016: CHF 26 mn)
- Unrealized loss of CHF 2.5 mn as of reporting date, despite partial hedge
- Absolute decline of CHF 3.9 mn distorts comparable result after tax

Agenda

Overview

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Financial results H1 2016

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Business highlights

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Outlook H2 2016

André Rüegg, Group CEO

Appendix

Operating result – Bellevue Asset Management

CHF 1'000	H1 2016	H1 2015	Δ	
Management fee	24'202	26'290	-2'088	-7.9%
Performance fee	547	3'633	-3'086	-84.8%
Other income and expense	-644	-556	-88	+15.8%
Service from/to other segments	-17	-12	-5	+41.7%
Operating income	24'088	29'355	-5'267	-17.9%
Personnel expense	-10'570	-13'588	+3'018	-22.2%
General expense	-3'762	-3'589	-173	+4.8%
Service from/to other segments	-243	-107	-136	+127.1%
Operating expense	-14'575	-17'284	+2'709	-15.7%
Operating result	9'513	12'071	-2'558	-21.2%
Cost/income ratio	60.5%	58.9%	-	+1.6%
Seed capital (CHF m)	23	23	0	0.0%
Assets with management mandate (CHF m)	6'881	5'189	+1'692	+32.6%
Total net new money (CHF m)	2'593	-7	+2'600	n.m.
∅ FTE 30.06.	63.5	46.7	+16.8	+36.0%

Bellevue Group – Financial results H1 2016

Operating result – Bank am Bellevue

CHF 1'000	H1 2016	H1 2015	Δ	
Brokerage und corporate finance	4'968	5'796	-828	-14.3%
Interest income	1'860	1'760	+100	+5.7%
Trading income	-77	-233	+156	-67.0%
Other income and expense	709	649	+60	+9.2%
Service from/to other segments	27	16	+11	+68.8%
Operating income	7'487	7'988	-501	-6.3%
Personnel expense	-5'089	-4'338	-751	+17.3%
General expense	-3'412	-3'116	-296	+9.5%
Service from/to other segments	-134	30	-164	<i>n.m.</i>
Operating expense	-8'635	-7'424	-1'211	+16.3%
Operating result	-1'148	564	-1'712	<i>n.m.</i>
Cost/income ratio	115.3%	92.9%	-	+22.4%
Asset with management mandate (CHF m)	23	10	+13	+130.0%
Total client assets (CHF m)	2'556	1'473	+1'083	+73.5%
Total net new money (CHF m)	1'204	-56	+1'206	<i>n.m.</i>
Ø FTE 30.06. (per Stichtag)	37.9	33.6	+4.3	+12.8%

Operating result – Group

CHF 1'000	H1 2016	H1 2015	Δ	
Interest income	-17	0	-17	<i>n.m.</i>
Other income and expense	6	7	-1	-14.3%
Service from/to other segments	-10	-4	-6	+150.0%
Operating income	-21	3	-24	<i>n.m.</i>
Personnel expense	-1'066	-1'900	+834	-43.8%
General expense	-898	-917	+19	-2.1%
Service from/to other segments	377	77	+300	+390%
Operating expense	-1'587	-2'740	+1'153	-42.1%
Operating result	-1'608	-2'737	+1'129	-41.2%
∅ FTE 30.06.	3.8	3.6	+0.2	+5.5%

Operating result – Bellevue Group (consolidated)

CHF 1'000	H1 2016	H1 2015	Δ	
Commission income	29'832	36'312	-6'480	-17.8%
Interest income	1'928	1'689	+239	+14.2%
Trading income	-626	-687	+61	-8.9%
Other income and expense	26	34	-8	-23.5%
Operating income	31'160	37'348	-6'188	-16.6%
Personnel expense	-16'725	-19'825	+3'100	-15.6%
General expense	-7'678	-7'622	-56	+0.7%
Service from/to other segments	0	0	0	<i>n.m.</i>
Operating expense	-24'403	-27'447	+3'044	-11.1%
Operating result	6'757	9'901	-3'144	-31.8%
Cost/income ratio	78.3%	73.5%	-	+4.8%
Assets with management mandate (CHF m)	6'904	5'199	+1'705	+32.8%
Other assets under management (CHF m)	2'532	1'463	+1'069	+73.1%
Total net new money (CHF m)	3'796	-63	+3'859	<i>n.m.</i>
∅ FTE 30.06.	105.2	83.9	+21.3	+25.4%

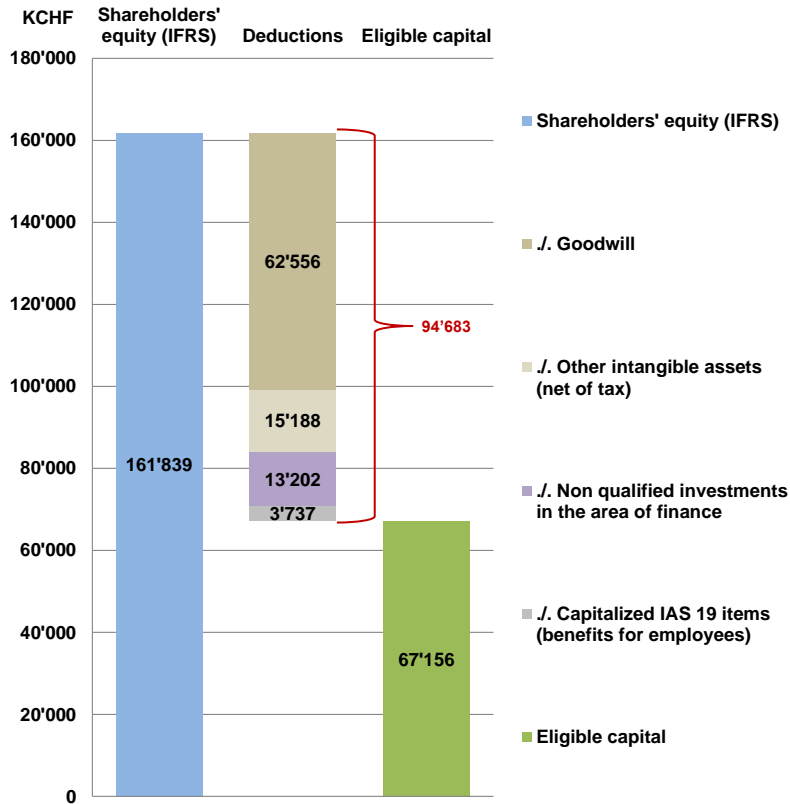
Non-operating items – Bellevue Group (consolidated)

CHF 1'000	H1 2016	H1 2015	Δ	
Operating result	6'757	9'901	-3'144	-31.8%
Income from the sale of associated companies	0	0	0	<i>n.m.</i>
P&L on other financial assets at fair value	-2'517	1'434	-3'951	<i>n.m.</i>
Depreciation	-1'134	-4'029	+2'895	-71.9%
Provisions	0	-22'000	+22'000	-100.0%
Taxes	-260	-836	+578	-69.1%
Group net profit	2'846	-15'530	+18'378	<i>n.m.</i>

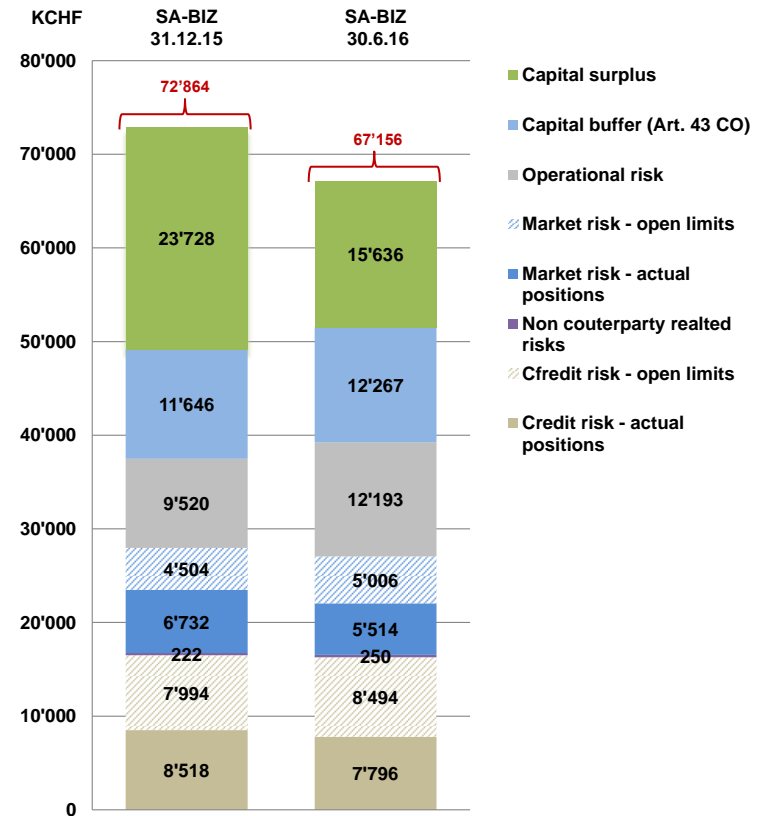
Bellevue Group – Financial results H1 2016

Consolidated capital

Eligible capital
as of 30. June 2016



Regulatory capital requirement



Agenda

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Outlook H2 2016

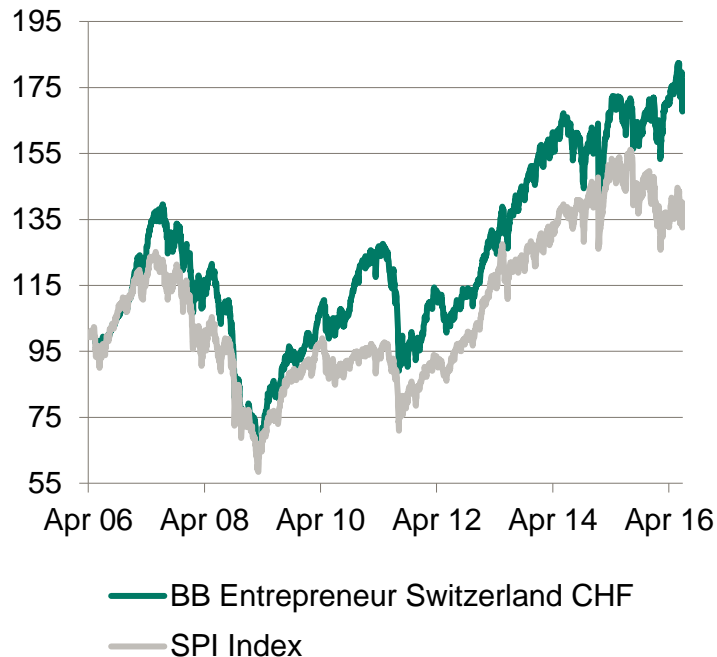
André Rüegg, Group CEO

Appendix

Excellent performance in regional niche strategies

BB Entrepreneur Switzerland

Performance since inception (in CHF)



	YTD	3 years	5 years	ITD
BB Entrepreneur Switzerland	3.4%	35.2%	50.5%	77.1%
SPI Index	-4.8%	19.5%	52.4%	39.9%

Investment strategy and product focus

- Investment in listed Swiss **family businesses (Swiss equities)**
- Founder and family-controlled companies manage their company **more long-term and sustainably** than non-entrepreneurial companies
- **Self-financed more soundly** than not-family-controlled companies – family-controlled companies **are able to invest anticyclical**
- Concentration on **market leaders in their niches** with mostly high degree of internationalization
- **Scientifically confirmed** – Self-managed companies are more profitable in the long run than manager-led ones
- Focused, fundamental and bottom-up



Convincing track record in absolute return strategies

BB Global Macro

Performance since inception (in EUR)



Investment strategy and product focus

- Global macro strategy investing in **multi asset classes**, targets to achieve **consistent positive returns** over the cycle
- Can hold **long as well as short positions and a partial leverage**
- Top-down based **on proprietary screening models** that were refined and optimized over the last 17 years
- Expanding monetary policies offer a highly attractive environment for global macro strategies
- Among the first global macro funds under UCITS IV Partie I **offering daily liquidity**

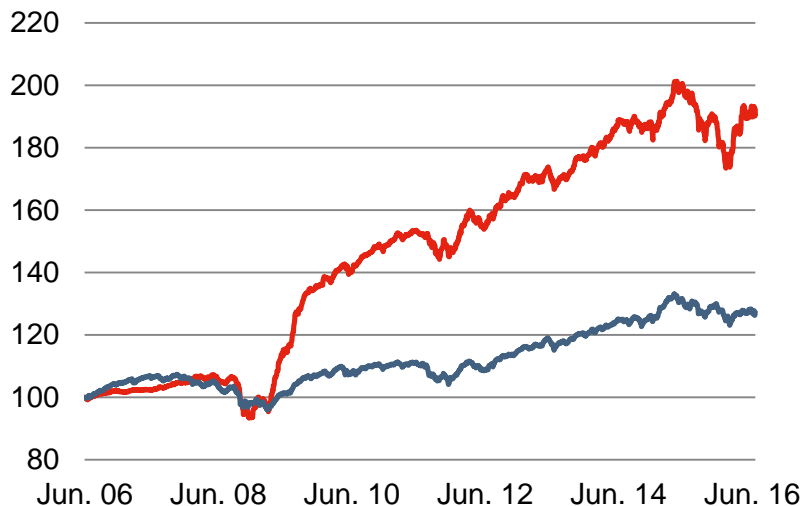


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2010				0.2%	0.2%	0.4%	-0.7%	1.1%	0.2%	0.3%	0.5%	1.5%	+2.4%
2011	0.0%	0.8%	-1.1%	1.5%	0.3%	-1.0%	0.8%	-6.1%	-0.7%	2.2%	-1.0%	1.3%	-3.2%
2012	0.8%	0.6%	-0.8%	-0.1%	-4.2%	2.4%	-0.6%	1.0%	0.5%	0.9%	0.7%	1.3%	+2.6%
2013	0.5%	-0.4%	-0.9%	3.5%	-0.8%	-3.3%	2.9%	0.7%	2.6%	2.3%	0.4%	-1.3%	+6.2%
2014	2.5%	1.1%	-0.2%	0.0%	1.6%	+0.2%	-0.2%	0.8%	-0.3%	0.5%	1.4%	-0.6%	+7.2%
2015	4.2%	0.9%	2.8%	-0.3%	0.2%	-2.0%	1.6%	-1.2%	0.2%	1.3%	-0.3%	-1.3%	+6.1%
2016	-0.2%	-0.1%	2.2%	0.5%	0.3%	0.1%							+2.8%

Source: Bellevue Asset Management, as of June 30, 2016

StarCapital's high quality offering provides strong complement StarCap Winbonds plus

Performance since inception (in EUR)



- StarCapital Winbonds plus EUR
- Morningstar Peergroup (Mischfonds EUR defensiv)

	YTD	3 years	5 years	ITD
StarCapital Winbonds plus EUR	5.8%	14.8%	26.5%	92.3%
MS-Peergroup	-0.5%	9.8%	15.2%	27.3%

Investment strategy and product focus

- Defensive asset allocation strategy
- **Global** investment universe
- Flexible choice of investments among all asset allocation segments of **global equity and bond markets**
- Maximum equity quota of 20%
- **Counter-cyclical** investment style
- **Benchmark independent** allocation decisions
- **Highly successful multi-year track record (>10 years)**



Peter E. Huber



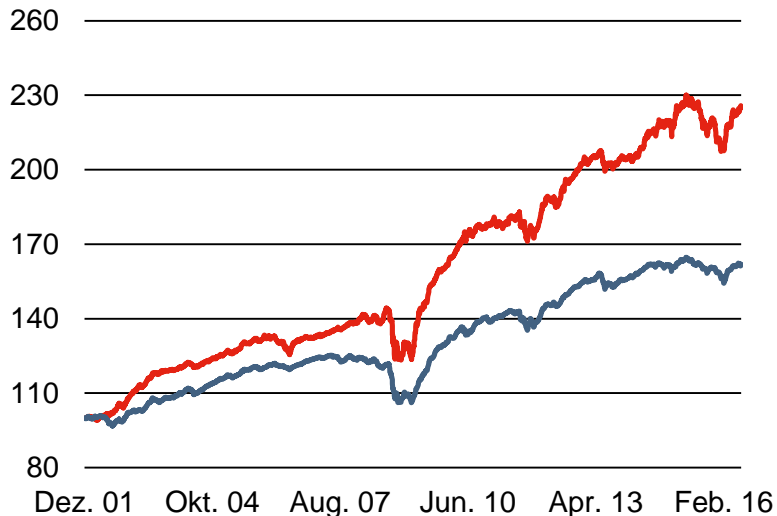
Michael Merz

Sauren Golden Awards (2 & 3) continuously since 2006



StarCapital's high quality offering provides strong complement StarCap Argos

Performance since inception (in EUR)



■ **StarCapital Argos EUR**

■ **Morningstar Peergroup (Anleihen Flexibel Global - EUR-H)**

	YTD	3 years	5 years	ITD
StarCapital Argos EUR	6.5%	12.4%	25.5%	125.8%
MS-Peergroup	2.1%	6.0%	14.0%	62.0%

Source: StarCapital, as of June 30, 2016

Investment strategy and product focus

- Global investment universe
- Flexible choice of investments among all segments of **global bond markets**
- Active management of duration, credit and currency
- **Counter-cyclical** investment style
- **Benchmark independent** allocation decisions
- **StarCapital is a pioneer manager** of “unconstrained” investment strategies
- **Highly successful multi-year track record**



Peter E. Huber



Michael Merz

Sauren Golden Awards (2 & 3) continuously since 2006



Business Update – Bank am Bellevue

Further progress in Corporate Finance despite volatile market environment

Successfully concluded Corporate Finance transactions in H1 2016

- 1 M&A
- 1 Capital increase
- 1 Block transaction
- 1 Public tender offer
- 1 IPO



Corporate Finance outlook for H2 2016

- Promising M&A and ECM pipeline with high quality projects
- Market environment expected to remain volatile

INVESTIS

June 2016

CHF 163 million

Investis Holding SA
Initial Public Offering
on SIX Swiss Exchange

*Bank am Bellevue acting as
Co-Lead Manager*

EQT

KUONI GROUP

May 2016

CHF 1.4bn

Public Tender Offer of EQT
for all publicly held registered
shares
of Kuoni Travel Holding Ltd

*Bank am Bellevue acting as
Offer Manager*

MOLECULAR partners

April 2016

CHF 30 million

Molecular Partners AG
Capital Increase by way of
Private Placement

*Bank am Bellevue acting as
Co-Lead Manager*

B|B Bellevue Group

April 2016

CHF 33 million

Bellevue Group AG
Capital Increase
via Rights Offering

*Bank am Bellevue acting as
Sole Lead Manager*

StarCapital®

February 2016

Undisclosed

Acquisition of
StarCapital
by Bellevue Group

*Bank am Bellevue acting as
Sole Financial Advisor to the
Buyer*

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Overview

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Financial results H1 2016

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Business highlights /

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Appendix

Outlook / Priorities H2 2016

Prepared for next growth steps

Integration and development of StarCapital

- Gradual integration of StarCapital while maintaining high local autonomy (structure, activities, market presence)
- Further corporate development and namely addition of further analysis and portfolio management competencies
- StarCapital's full earnings power only comes into effect as from H2 2016

Asset Management: Primary focus on organic growth

- Acceleration of net new money dynamics on the back of positive momentum and extended product offering
- Substantial expansion of distribution capacities, above all in Germany (institutional and intermediary channels) and other target markets in Continental Europe
- Launch of a UK healthcare investment trust at the London Stock Exchange

Bank am Bellevue: Accentuation and revitalization

- Further intensifying of client interaction activities and M&A segment as well as stock market transactions with promising project pipeline
- Launch of «Wealth Management» services for entrepreneurial private clients – through organic growth and selective acquisitions

Capital market recovery triggers new growth opportunities

- Clear signs of a capital market recovery following various market shocks in H1 2016 (incl. Brexit)
- Attractive valuations combined with intact fundamentals trigger new growth potentials in the healthcare and namely also in the biotech sector

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Financial results H1 2016

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Business highlights

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Outlook H2 2016

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Appendix

Appendix

Overview Bellevue Group

Segments

Group CEO: André Rüegg; CFO: Daniel Koller	
Bank am Bellevue CEO: Serge Monnerat	Asset Management CEO: André Rüegg

Business Activities

Independent Research & Brokerage Corporate Finance Wealth Management	Healthcare investments Regional and thematic niche strategies Multi Asset Class solutions Fixed income strategies
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Bellevue Group is an independent Swiss financial boutique listed on the SIX Swiss Exchange. Established in 1993, the company and its approximately 110 employees are specialists in the fields of Asset Management, Brokerage and Corporate Finance. Bellevue Group includes the two business segments Asset Management and Bank am Bellevue. Bellevue Asset Management is focused on selected active equity, bond, multi asset and ETF-FoF strategies. The bank boasts superb knowledge of the Swiss stock and bond market and offers independent research opinions and recommendations as well as viable solutions for capital market transactions.

Year of foundation

1993

No. of employees, FTE

105

Client assets, CHF

9.4 bn

Shareholders' equity, CHF

162 mn

Shares owned by anchor investors & employees

44%

Bellevue Group – organizational stability, continuity and development



Superior stability and tenure in personnel

- Fluctuation massively under 5%
- Losses of key personnel and talents are extremely rare

Ongoing strengthening of personnel and organizational basis

- Expansion of international presence in London and Frankfurt
- Constant increase in efficacy and broadening of investment and analysis competencies in all locations
- Successful recruitment in new business areas (Wealth Management)

Increased attractiveness and continuity

- Continuous and sustainable improvement of organizational quality leads to markedly higher attractiveness for qualified professionals
- «Talent pool» is constantly growing

Investment highlights Bellevue Group

- **Leading financial boutique in the growing sector of global wealth and asset management business**
 - Independent, efficient and entrepreneurially managed since its foundation in 1993
 - Swiss roots with focus on attractive growth and niche markets
 - Long-term oriented anchor shareholders (41% of shares owned by anchor investors and employees)
- **Original research, investment and capital markets expertise for highly demanding private and institutional clients**
 - Active investment approach, benchmark-independent and mostly equity strategies
 - Excellent long-term track records of superior investment performance
 - Renowned expertise in the field of healthcare owing to constant success with BB Biotech and the successful integration of Adamant Biomedical Investment
- **Robust and risk averse financial profile**
 - Sustainable revenues (>2/3 recurring) with high margins
 - Solid capital base with CET 1 ratio of 23.3%
 - Shareholder friendly dividend policy with attractive yields (6.7% in 2015)
 - Investment ability to sustain next stage of growth secured
- **Significant potential for further growth in an ambivalent market environment**
 - Agile, scalable business model with low degree of complexity opens opportunities for profitable growth
 - Established growing local and international client base
 - Experienced and proven management team and continuous increase of international «talent pool»

Contact



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