

# 4Q 2017 Investor Presentation

Noah Holdings Limited (NYSE: NOAH)

*March 2018*

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## Who We Are

### Industry Overview

### Overview of Noah

### Financial Performance

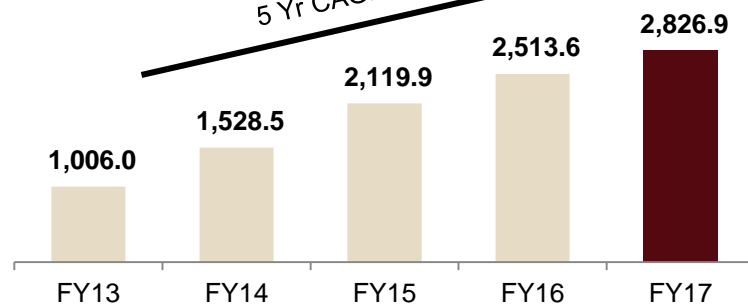
### Appendices

# A GROWING COMPANY IN SUNRISE INDUSTRIES

## Net Revenues

(RMB mm)

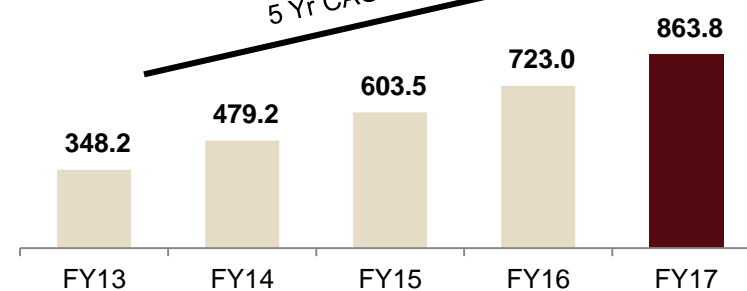
5 Yr CAGR : 29.5%



## Non-GAAP Net Income<sup>(1)</sup>

(RMB mm)

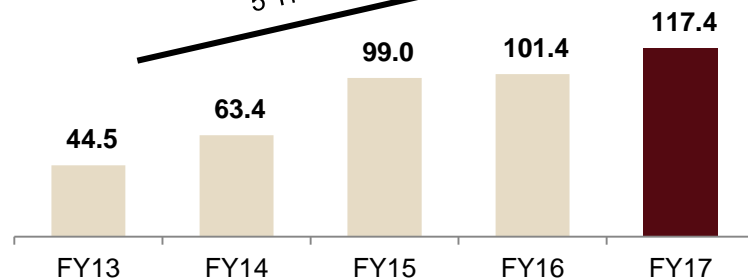
5 Yr CAGR : 25.5%



## Transaction Value

(RMB bn)

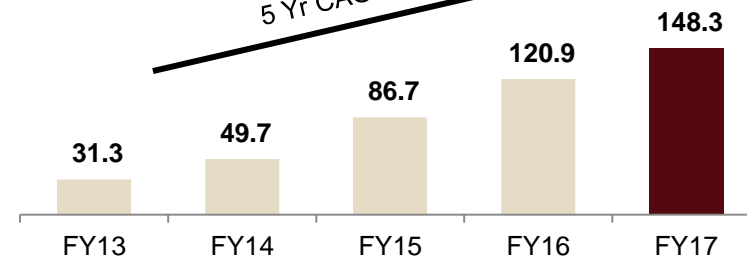
5 Yr CAGR : 27.4%



## Gopher AUM

(RMB bn)

5 Yr CAGR : 47.5%



Source: Company Filings

(1) Representing non-GAAP net income attributable to Noah Shareholders, based on non-GAAP financial measures that exclude the effects of all forms of share-based compensation

# WE ARE MORE THAN A WEALTH MANAGER

## Comprehensive Financial Platform



### Wealth Management

- FY17 Transaction Value of USD18.0 bn
- 186,918 Registered High-Net-Worth Clients
- 1,335 Dedicated Relationship Managers



### Asset Management

- Gopher<sup>(1)</sup> as Leading Multi-Asset Manager in China
- FY17 Total AUM at USD22.8 bn
- 59% AUM in PE Investment



### Global Platform

- Overseas Offices in Hong Kong, Taiwan, Canada, Australia and U.S.A
- Ark Trust (HK & Jersey)
- FY17 Overseas AUM at USD3.3 bn



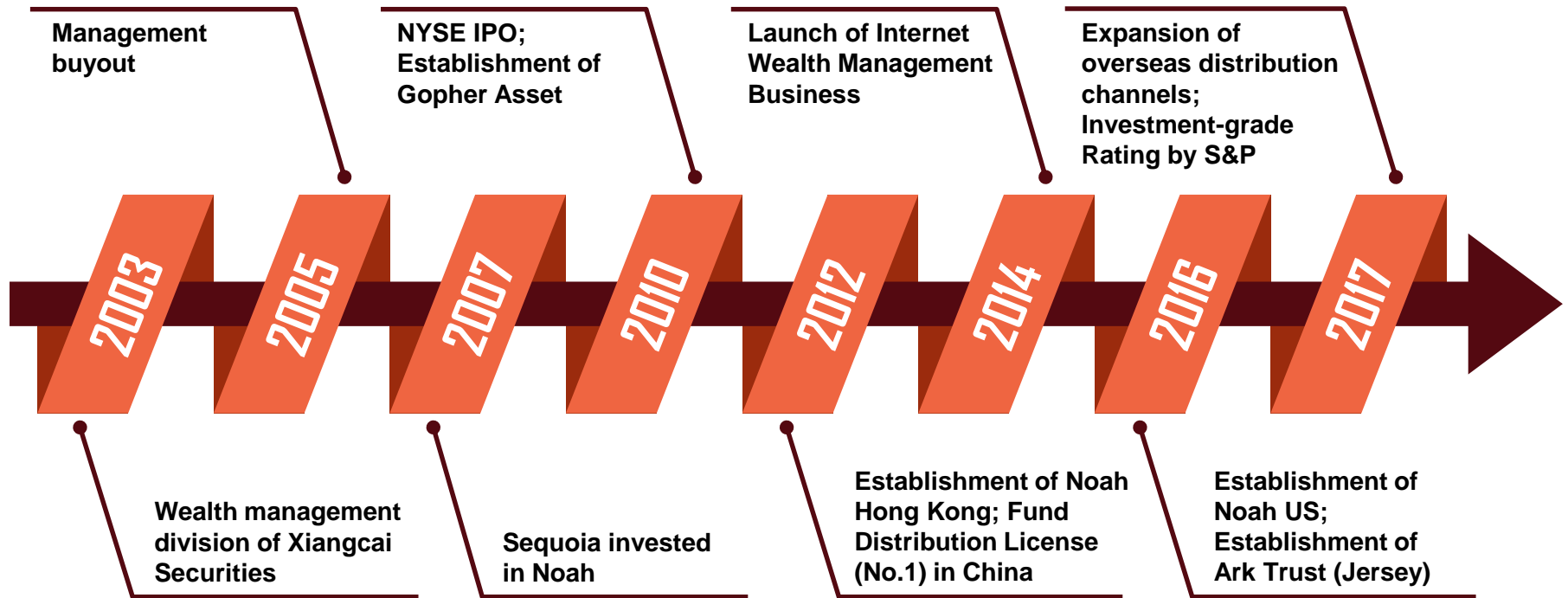
### Internet Financial Services

- Online Mutual Fund Platform
- Small Short-term Loans
- Transaction Data Processing

## Open Architecture Product & Service Platform

(1) Gopher Asset Management (Gopher) is Noah's wholly-owned subsidiary and the brand for asset management business

# OUR HISTORY AND KEY MILESTONES



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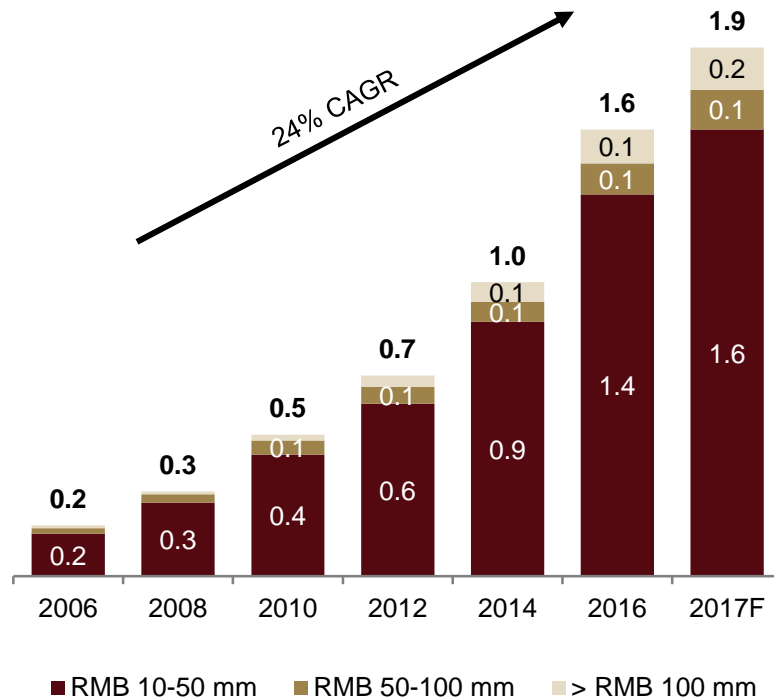
Financial Performance

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# STRONG WEALTH CREATION IN CHINA

## Number of HNWI<sup>(1)</sup> in China

HNWI (mm)

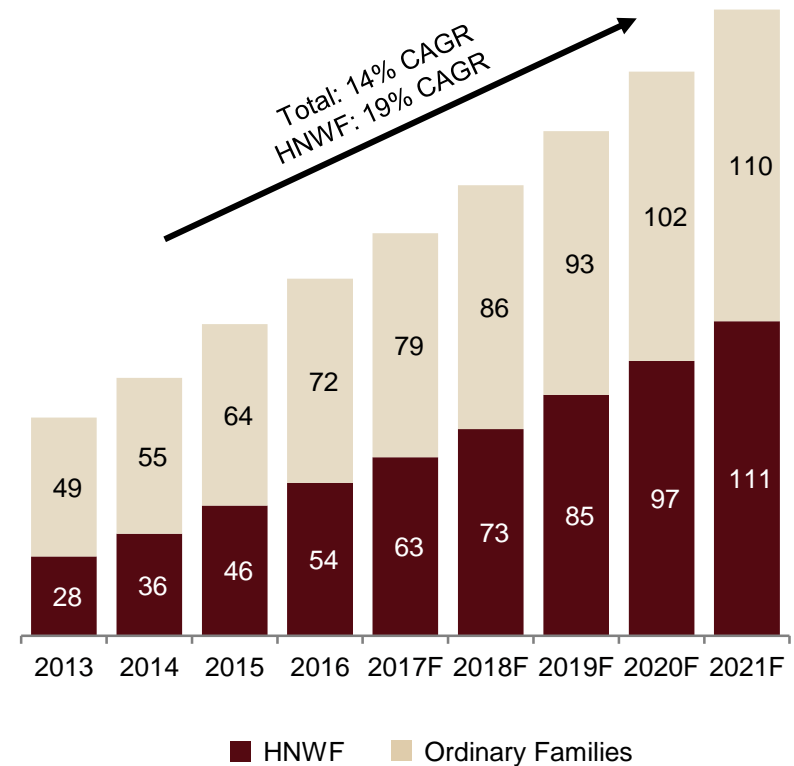


Source: Bain & Company & CMB report, 2017

(1) HNWI stands for High Net Worth Individuals, whose investable assets exceed RMB 10 million

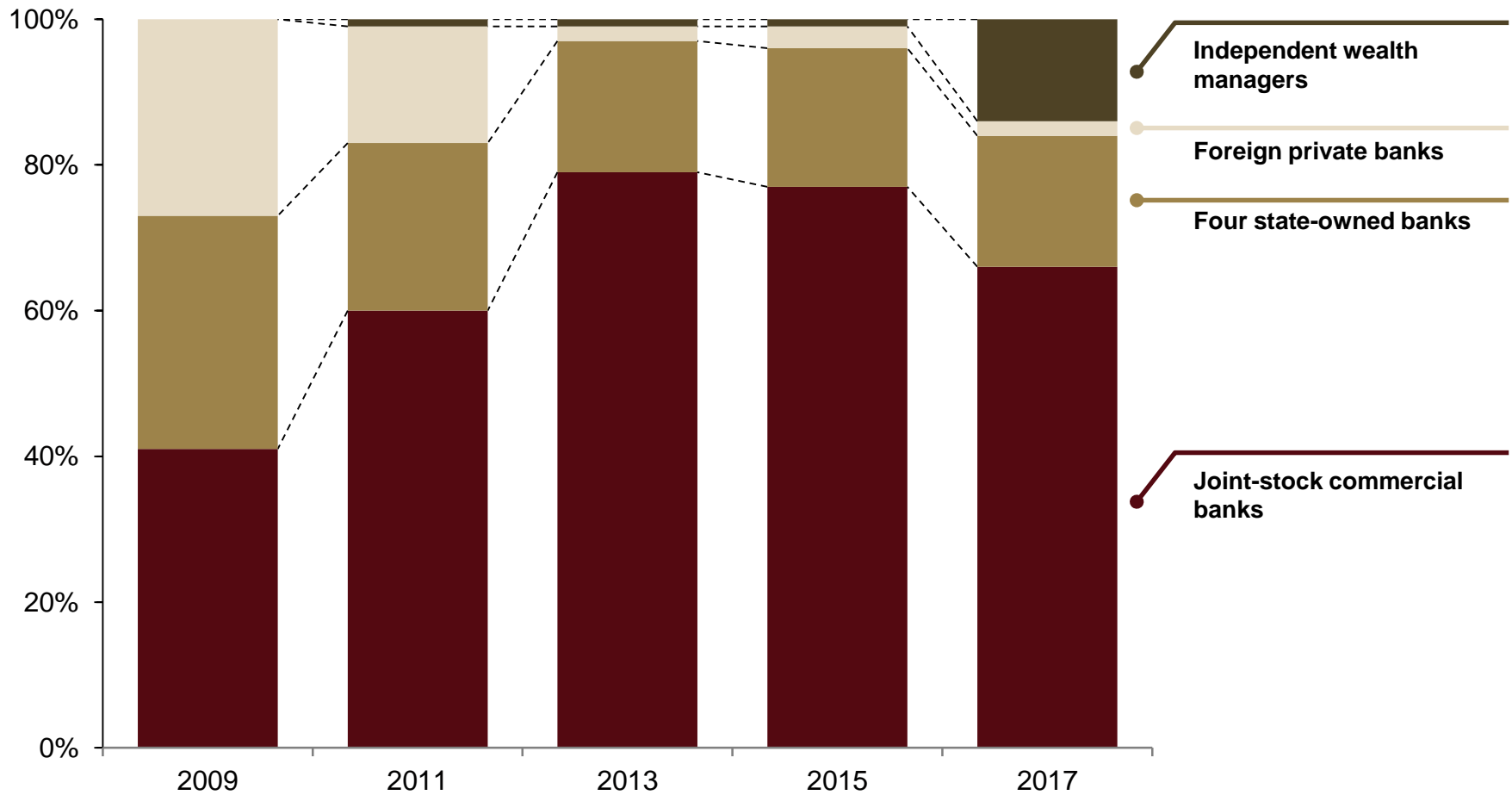
## Total Household Assets in China from 2013 to 2021F

(RMB tn)



Source: Industrial Bank & BCG report, 2017

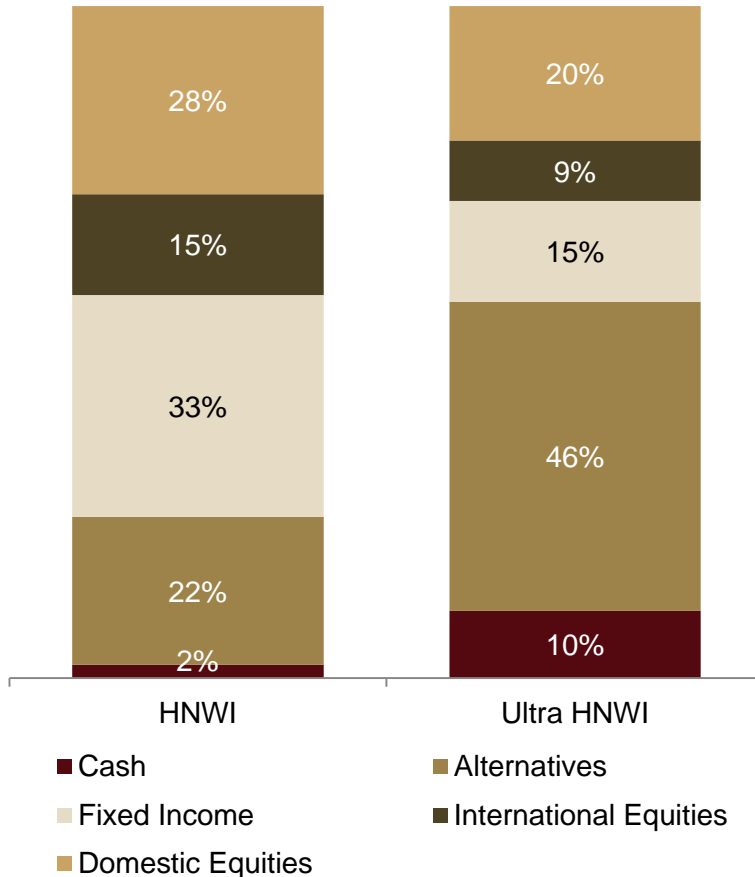
# INDEPENDENT WEALTH MANAGEMENT COMPANIES GAINING MORE MARKET SHARE



Source: Bain & Company & CMB report, 2017

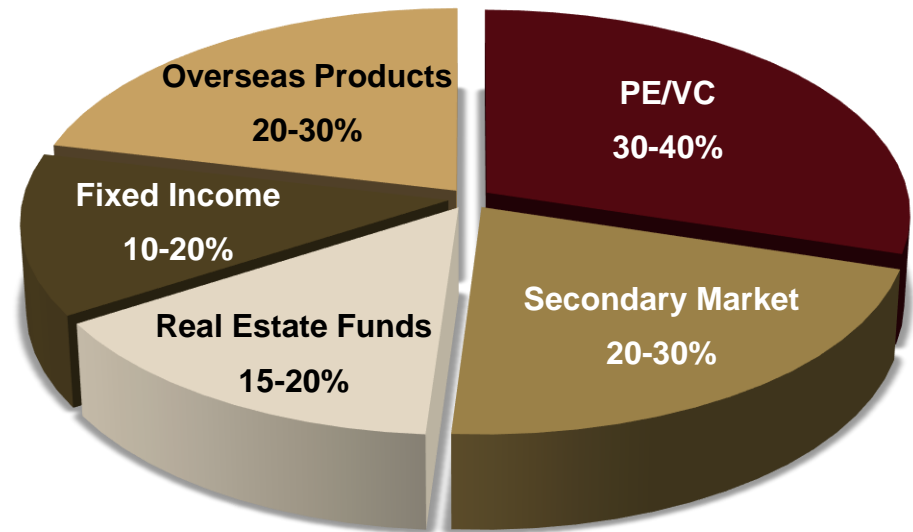
# HNWIs HAVE STRONG PREFERENCE FOR ALTERNATIVE INVESTMENTS

Global HNWI & Ultra HNWI Asset Allocation



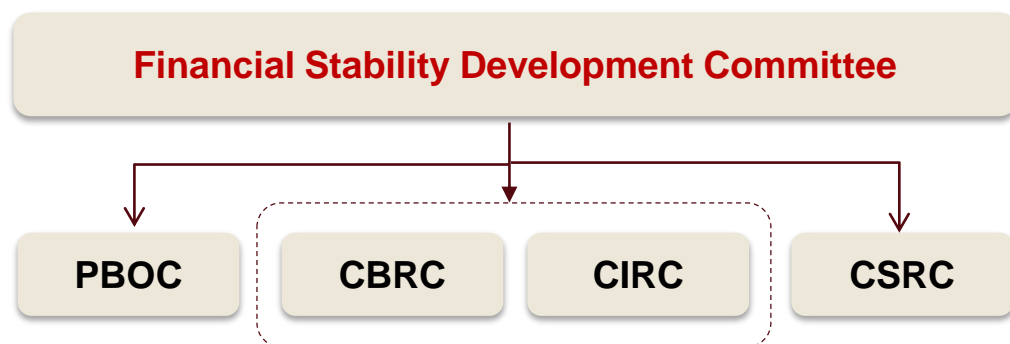
Data Source: The Ultra High Net Worth Investor White Paper by KKR (May 2017)

Noah's Asset Allocation Strategy 2018



Data Source: 1H2018 Noah Investment Strategy Report

# NEW REGULATIONS TO RESHAPE FINANCIAL SYSTEM IN CHINA



## Theme:

- Finance Serving Real Economy
- Preventing Systemic Financial Risk

## Supervision Documents

1H 2017	➤ AMAC: "Document 4" aiming at RE projects 16 cities
	➤ CBRC: intensive supervision over banks
	➤ CSRS: Stock-selling rules by major shareholders
2H 2017	➤ Guidelines on Regulating the Asset Management Business
	➤ PBOC: New rules on cash credit business
2018	➤ CBRC: New rules on entrusted loans

## Regulatory Impact

- Increased Supervision
- Higher Compliance Cost
- Survival of the Fittest Players



**Unlicensed and non-compliant financial institutions will be weeded out of the market**

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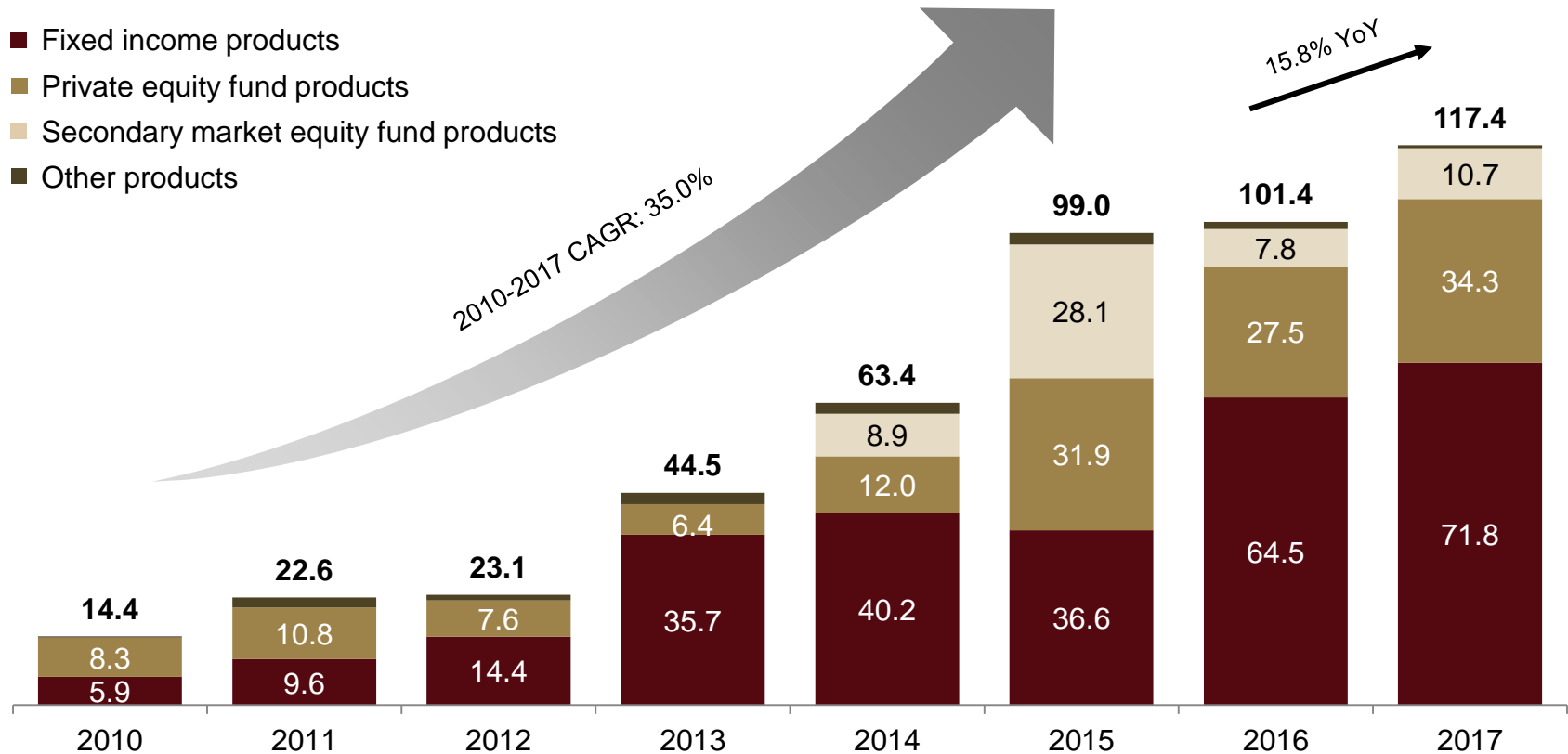
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# OVERVIEW OF WEALTH MANAGEMENT BUSINESS

## Transaction Value of Financial Products

(RMB bn)

- Fixed income products
- Private equity fund products
- Secondary market equity fund products
- Other products

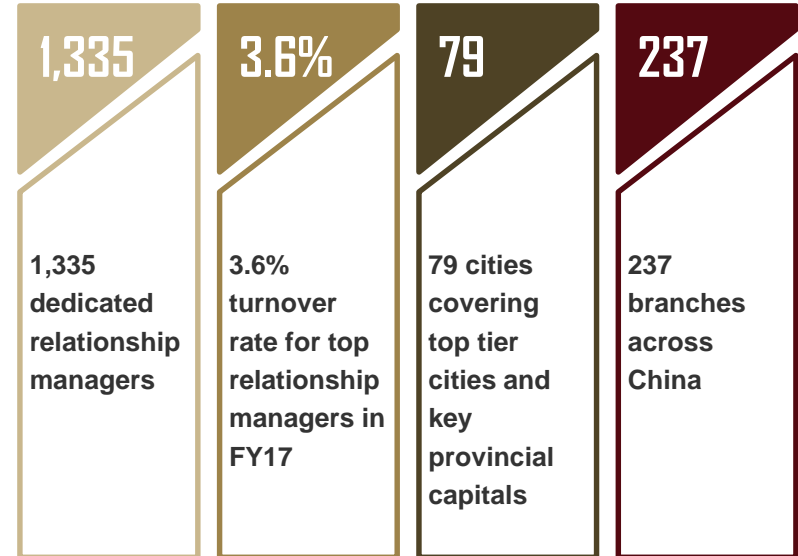
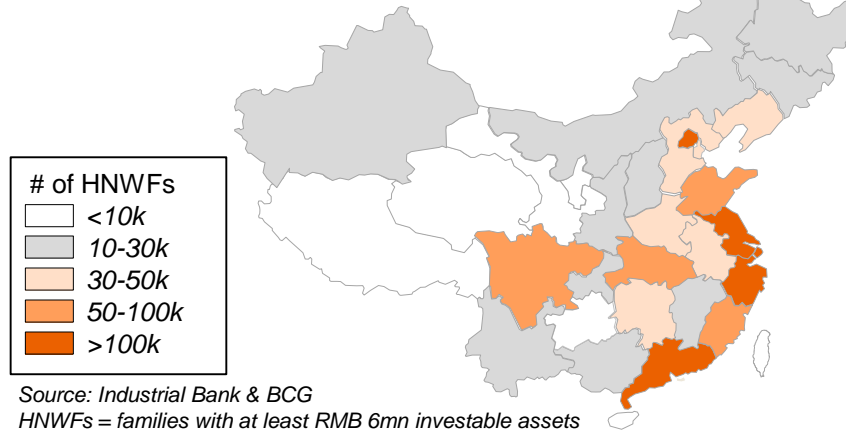


\* Secondary market equity products were included in "other products" before 2013

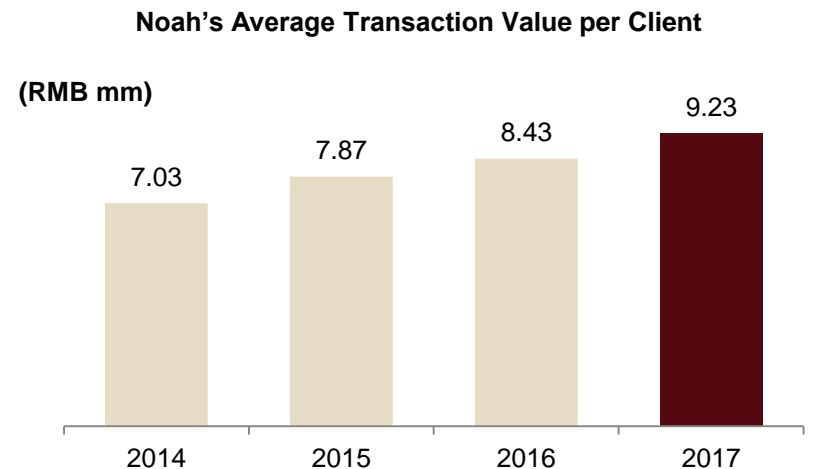
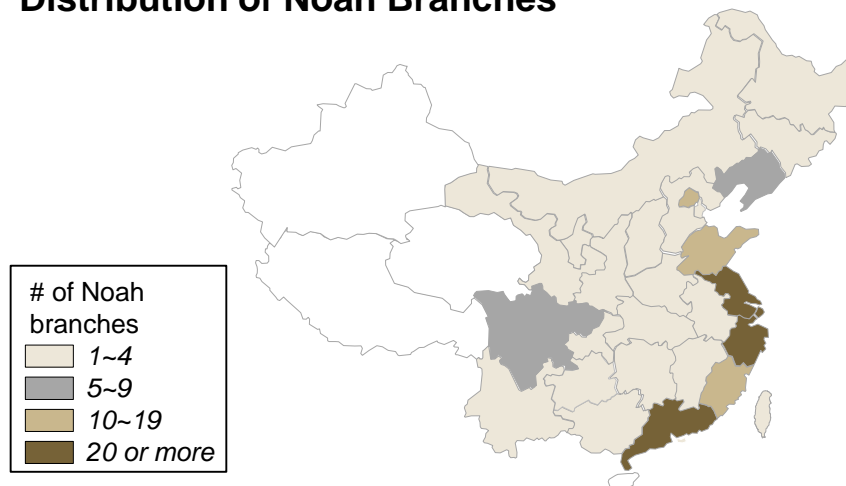
\*\* Mutual fund products were not included in "other products" since 2016

# NATIONWIDE NETWORK COVERAGE & STABLE SALES TEAM

## Distribution of Chinese High-Net-Worth Families



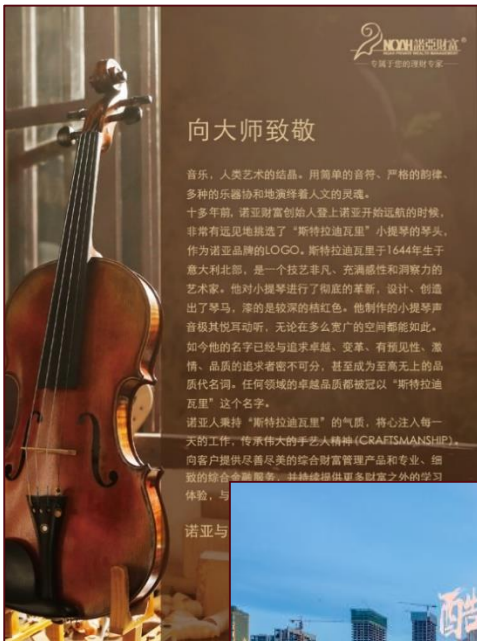
## Distribution of Noah Branches



# WEALTH MANAGEMENT FROM PRODUCT DRIVEN TO COMPREHENSIVE SERVICES DRIVEN



# NEW MEDIA MARKETING & BRANDING



# OVERVIEW OF ASSET MANAGEMENT BUSINESS

## 歌斐資產 G○PHER

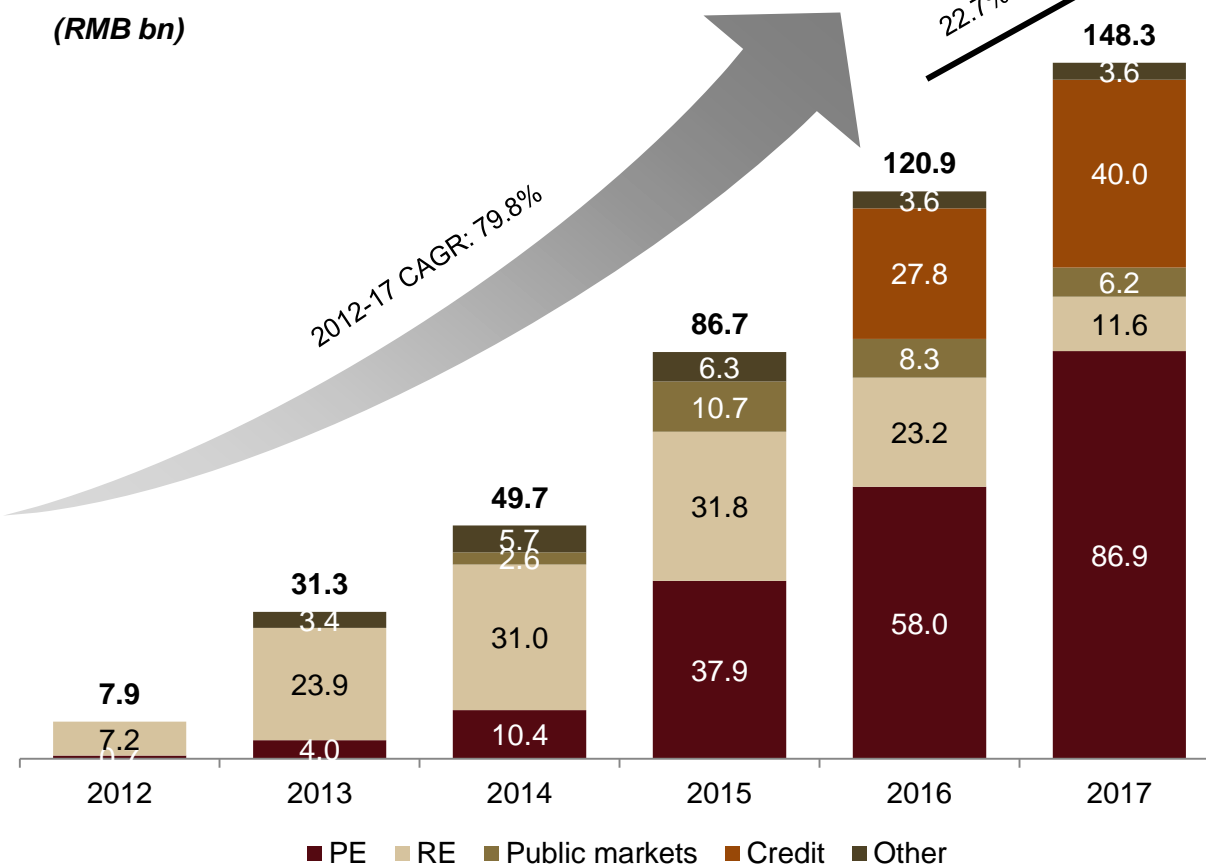
ASSET MANAGEMENT

(RMB bn)

AUM\*

2012-17 CAGR: 79.8%

22.7% YoY



### Segment strategy

- More diversified credit products
- More portfolios, less single asset-backed products
- Fund of hedge funds
- MOM
- More commercial, less residential
- More value-added, less project development
- PE/VC FOF
- PE/VC secondary funds
- Co-investments
- Direct investments

\* Assets under management figures shown is on historical cost basis, not NAV, except for public market products

\*\* Credit investments were included in "other" investments before 2Q17, and AUM balance is restated for comparison purpose

# WE PARTNER WITH LEADING GPs



達晨創投

**LEGEND  
CAPITAL**  
君聯資本



**KKR**

**THE CARLYLE GROUP**



## TOP 20 RMB VC Funds

2. Sequoia China (紅杉中國)\*
4. Qiming Venture (啟明創投)\*
6. IDG Capital\*
7. GGV Capital (紀源資本)\*
8. Northern Light VC (北極光創投)\*
9. Shenzhen Capital (深創投)\*
10. Legend Capital (君聯資本)\*
11. Banyan Capital (高榕資本)\*
12. GSR Ventures (金沙江創投)\*
13. SAIF Partners (賽富投資基金)\*
15. Fortune Capital (達晨創投)\*

Source: China FOF Association

## TOP 20 RMB PE Funds

2. CDH Investments (鼎暉投資)\*
3. Hillhouse Capital (高瓴資本)\*
6. IDG Capital\*
8. Legend Capital (君聯資本)\*
11. Carlyle Group\*
13. JD Capital (九鼎投資)\*
15. Warburg Pincus\*
18. CITIC Capital (中信資本)\*

Source: China FOF Association

## TOP 10 USD PE Funds

1. Blackstone Group\*
2. Goldman Sachs
3. Carlyle Group\*
4. KKR\*
5. TPG\*
6. Oaktree Capital\*
7. Apollo Global Mgmt\*
8. Bain Capital\*
9. Lone Star Funds
10. Warburg Pincus\*

Source: Preqin

## TOP 10 RMB Hedge Funds

1. Dapu Fund (大朴資產)\*
2. Springs Capital (淡水泉投資)\*
3. Chongyang Inv't (重陽投資)\*
4. Daoyi Fund (道宜資產)
5. DF Asset (鼎鋒資產)\*
6. F&D Assets (富恩德資產)
7. Heju Fund (和聚投資)\*
8. Huizheng Inv't (惠正投資)
9. Elitimes Capital (菁英時代)
10. Greenwoods Asset (景林資產)\*

Source: ChinaFund



**華興資本**  
CHINA RENAISSANCE

**IDG資本**  
IDG Capital Partners



**弘尚資產**



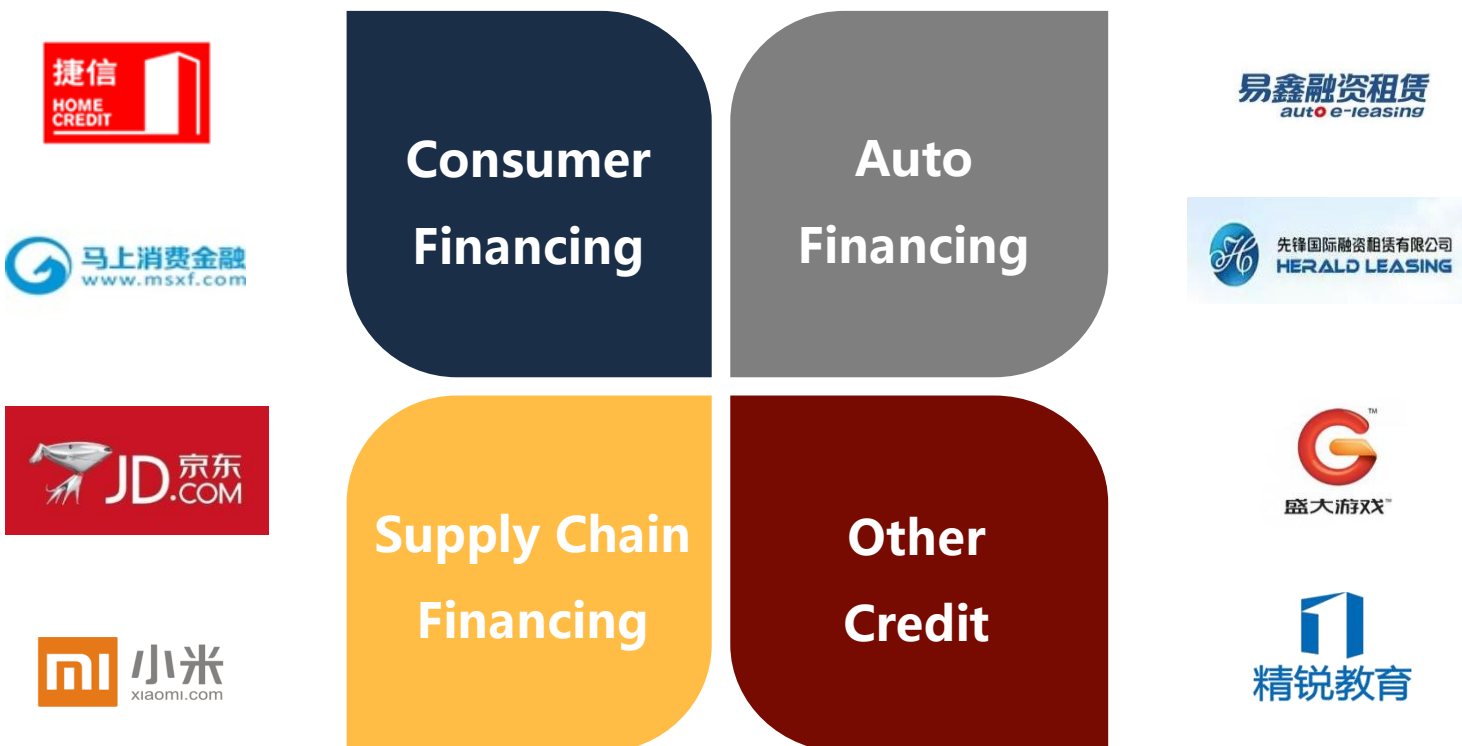
\* Asterisk and bolding indicate the partners Noah and (or) Gopher have cooperated with

# OUR PE/VC PRODUCTS FOCUS ON NEW ECONOMY SECTORS



\* Unicorn companies refer to the unlisted companies valued over \$1 bn

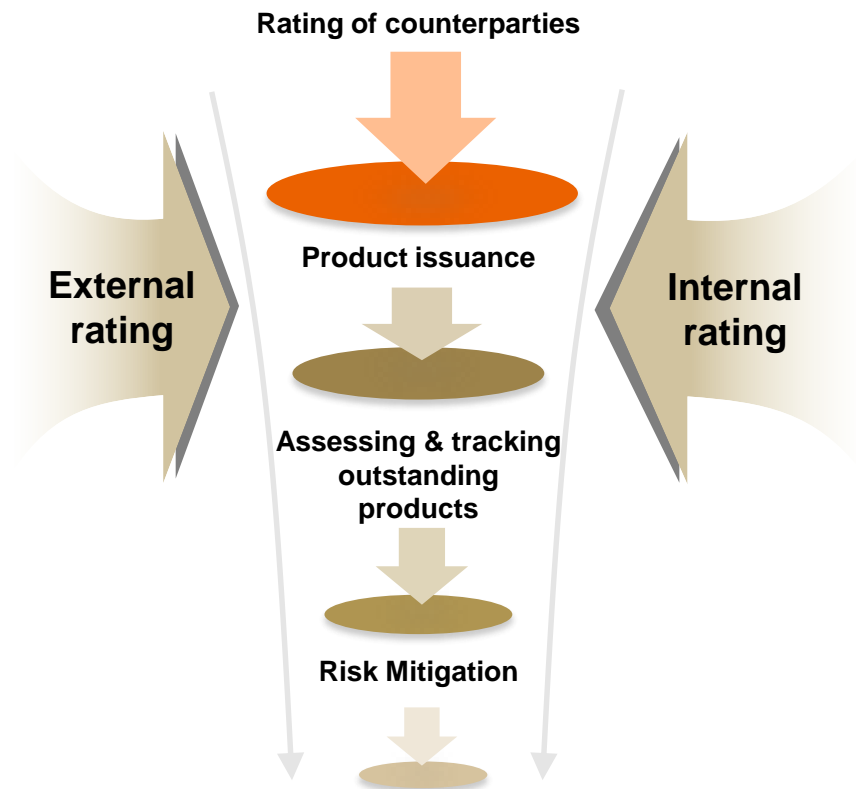
# CREDIT STRATEGY IN LINE WITH SUPERVISION TREND



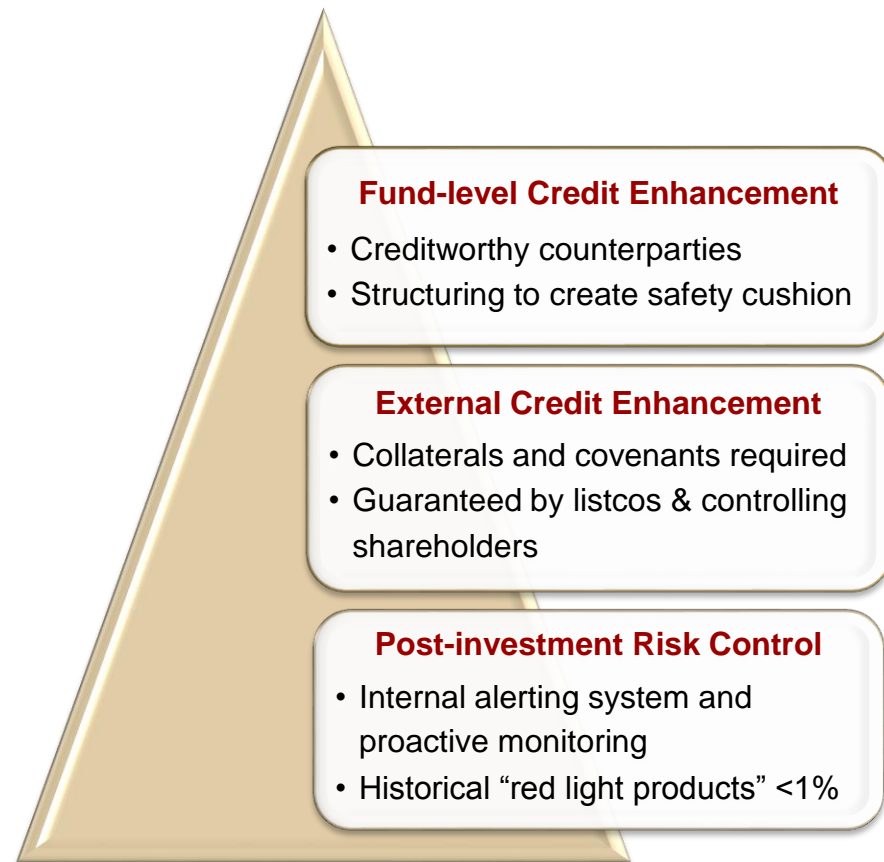
**Industry Coverage+ Database Research**  
**Diversified High-Quality Underlying Assets**

# STRINGENT RISK MANAGEMENT PROCESS

## Risk Assessment Process at Noah



## Structuring and Execution Methods



**Comprehensive risk management system**

# NEW REAL ESTATE INVESTMENT STRATEGIES

**Preferred Stock  
of RE  
Developers**

**Core and  
Value-added  
Funds**

**RE  
Opportunistic  
Strategy**

## Gopher RE Investment Track Record

- Accumulated assets invested: RMB**85 bn** (125 funds)
- Amongst 97 exited funds (projects):
  - ✓ Credit-based RE funds: principals & interests **100%** paid on time
  - ✓ Equity-based RE funds: **12-15%** average IRR, **0** loss incurred

# SECONDARY MARKET PRODUCT HIGHLIGHTS

## Hedge Funds selected by Noah (Full Year 2017)

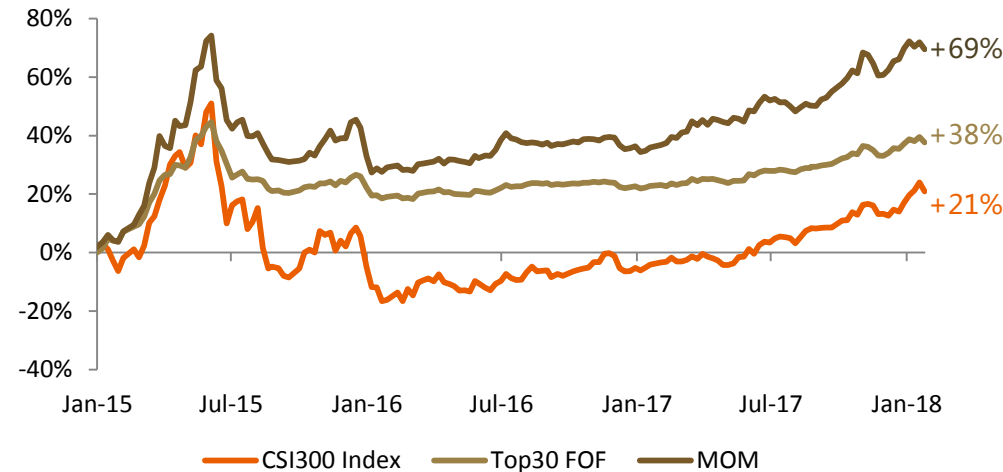
- **80%** fund assets under advisory achieved annual return of 12%
- Top 5 products average return: **+60.6%**
- Top 10 products average return: **+52.4%**
- Top 20 products average return: **+39.4%**

## Mutual Funds selected by Caifupai (Full Year 2017)

- **9** out of 10 funds recommended outperformed respective benchmarks
- Selected funds average return: **+33%**
- Selected funds median return: **+28%**

\* Source: [www.simuwang.com](http://www.simuwang.com), WIND, Noah CBS

## Gopher Long/Short FOF & MOM NAV vs CSI 300



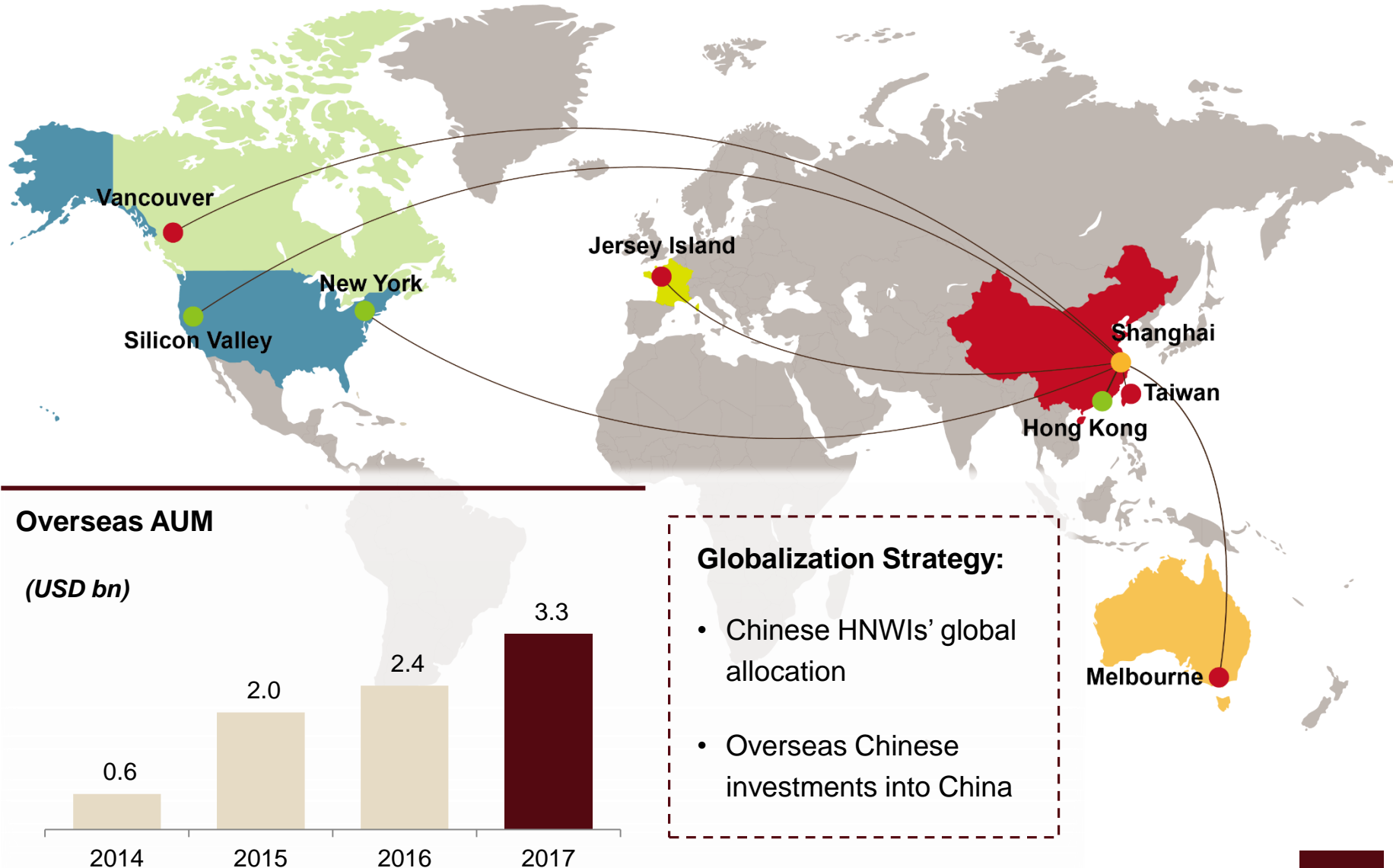
\* All the performance results are dated between Jan. 1 2015 and Feb.2 2018



## Gopher Offshore Select Hedge Fund of Funds

- Past **12** months compound annual return: **36.2%** (February 2017 – January 2018)
- Past **36** months compound annual return: **14.5%** (February 2015 – January 2018)
- **No. 2 Top Performing Fund of Funds – Emerging Markets Hedge Funds** (ranked by Barclay Hedge)

# NOAH / GOPHER GLOBALIZATION 3.0



# OVERVIEW OF INTERNET FINANCIAL SERVICES (IFS) BUSINESS



## Online mutual fund platform

Offers mutual fund products and related services targeting mass affluent individuals in China



## Small short-term loans

Provides small short-term loan services as the loan originator to create synergies with other services

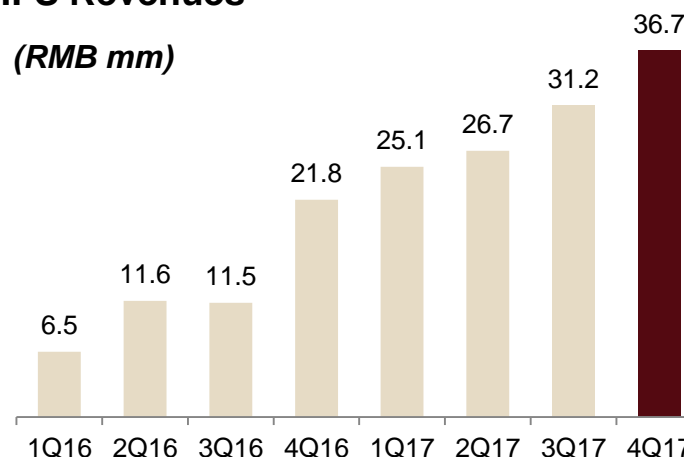


## Transaction data processing and related services

Facilitates transaction data processing by transferring customer data to licensed third-party payment companies

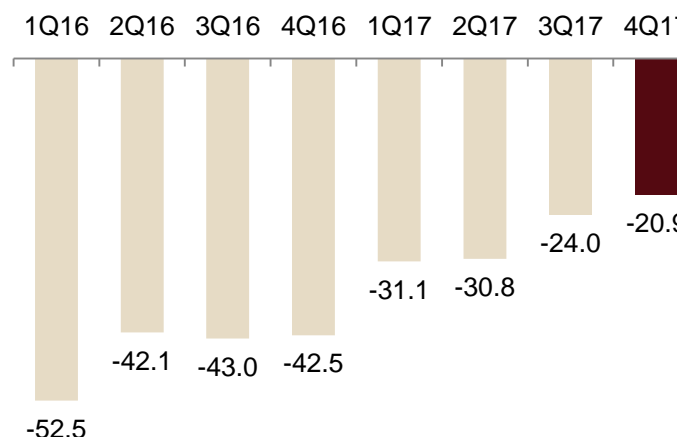
## IFS Revenues

(RMB mm)



## IFS Income from Operations

(RMB mm)



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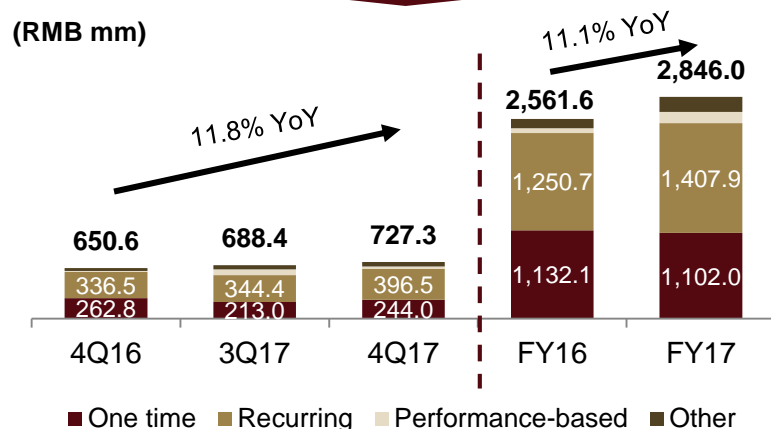
Overview of Noah

**Financial Performance**

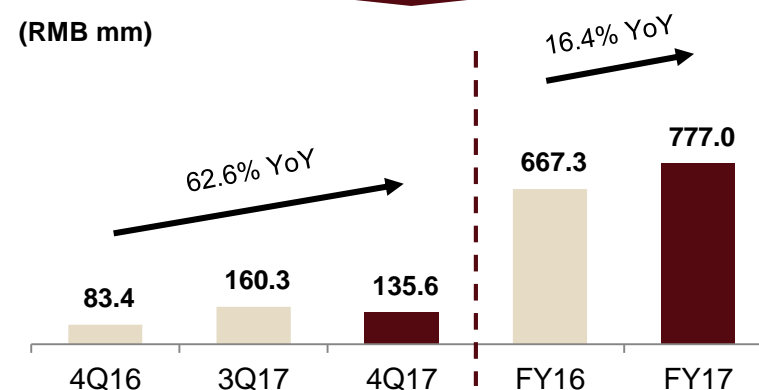
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# SOLID 4Q17 PERFORMANCE

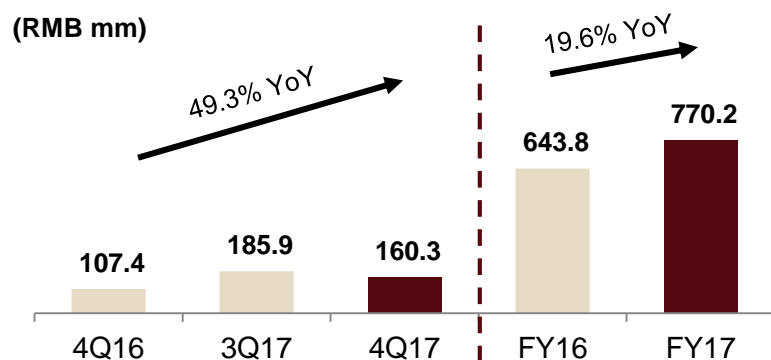
## Revenues



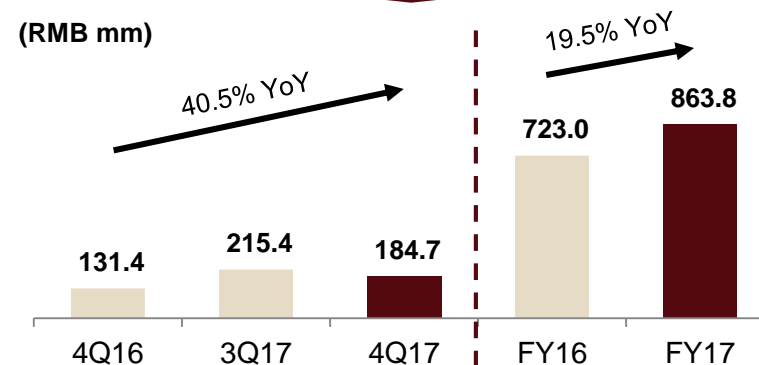
## Income from Operations<sup>(1)</sup>



## Net Income



## Non-GAAP Net Income

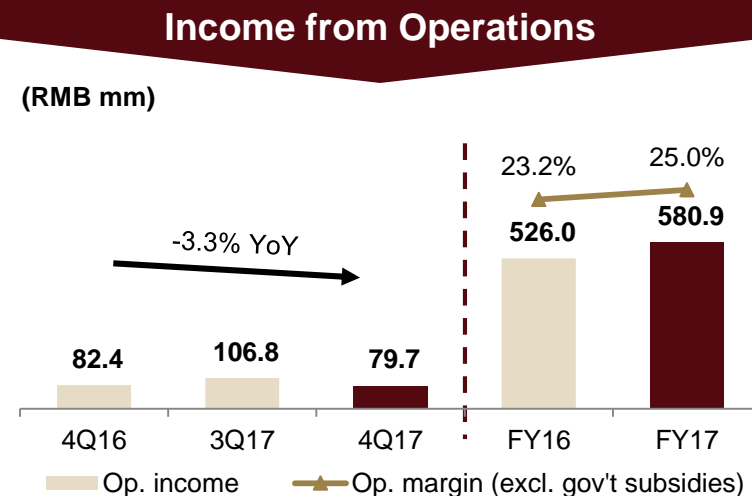
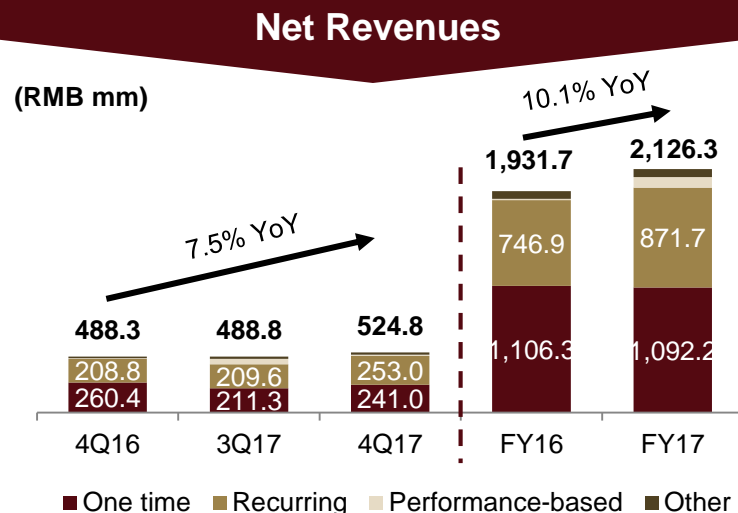


Source: Company Filing

(1) Company received RMB 14.1mm, RMB 5.2mm, RMB 25.2mm in government subsidies in 4Q16, 3Q17 and 4Q17 respectively

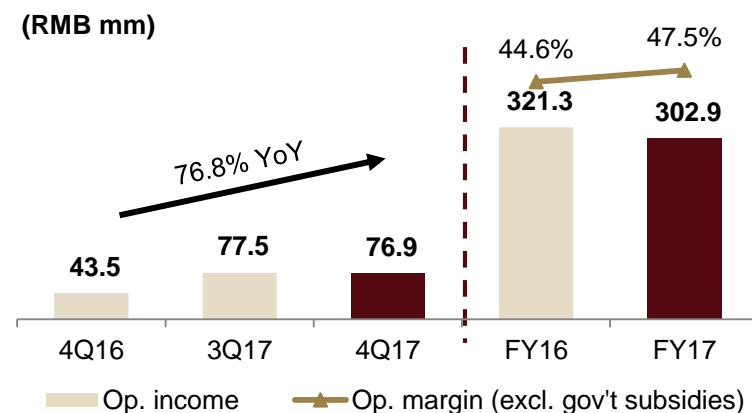
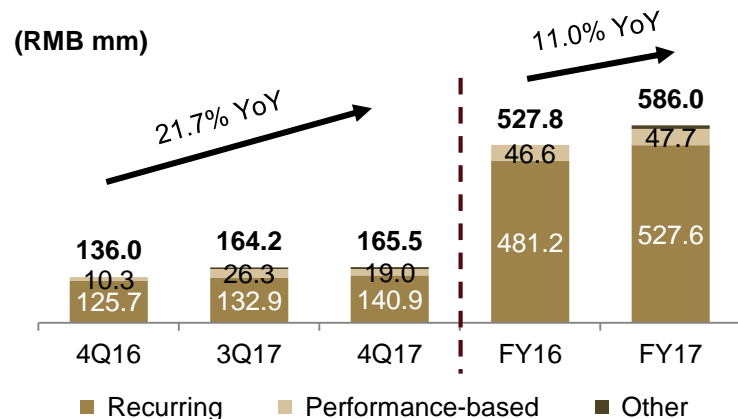
# 4Q17 FINANCIAL BREAKDOWN BY SEGMENT

## Wealth Management



- (1) Wealth management business received RMB 9.2mm, RMB 3.1mm and RMB 20.8mm government subsidies in 4Q16, 3Q17 and 4Q17 respectively  
(2) Wealth management business received RMB 78.4mm and RMB 49.0mm government subsidies in 2016 and 2017 respectively

## Asset Management

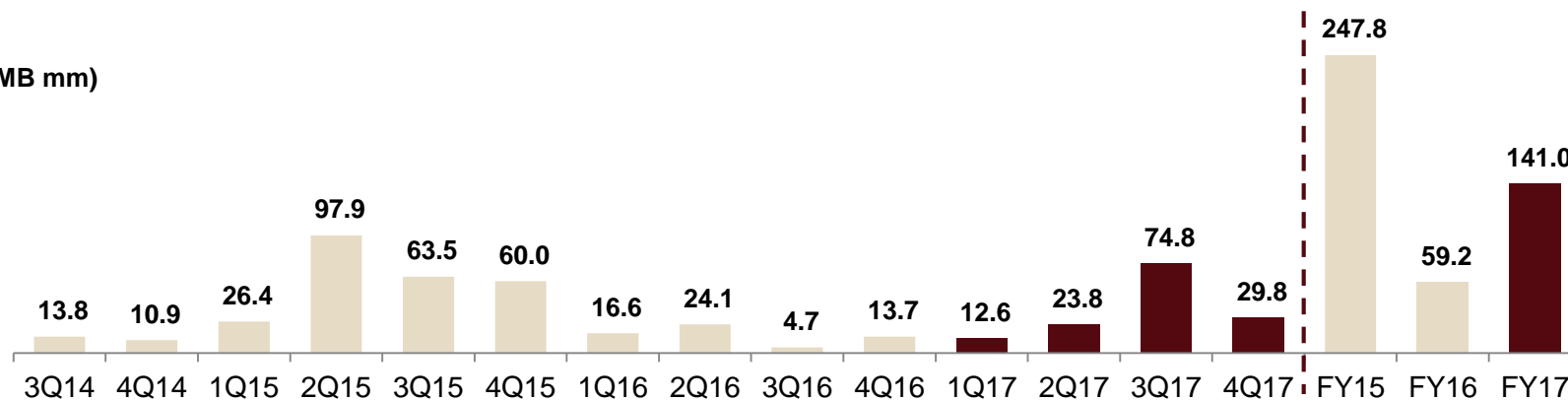


- (1) For asset management, one-time commissions are included in other revenues  
(2) Asset management business received RMB 4.8mm, RMB 2.1mm and RMB 3.1mm government subsidies in 4Q16, 3Q17 and 4Q17 respectively  
(3) Asset management business received RMB 83.9mm and RMB 23.8mm government subsidies in 2016 and 2017 respectively

# SUSTAINABLE PERFORMANCE-RELATED INCOME

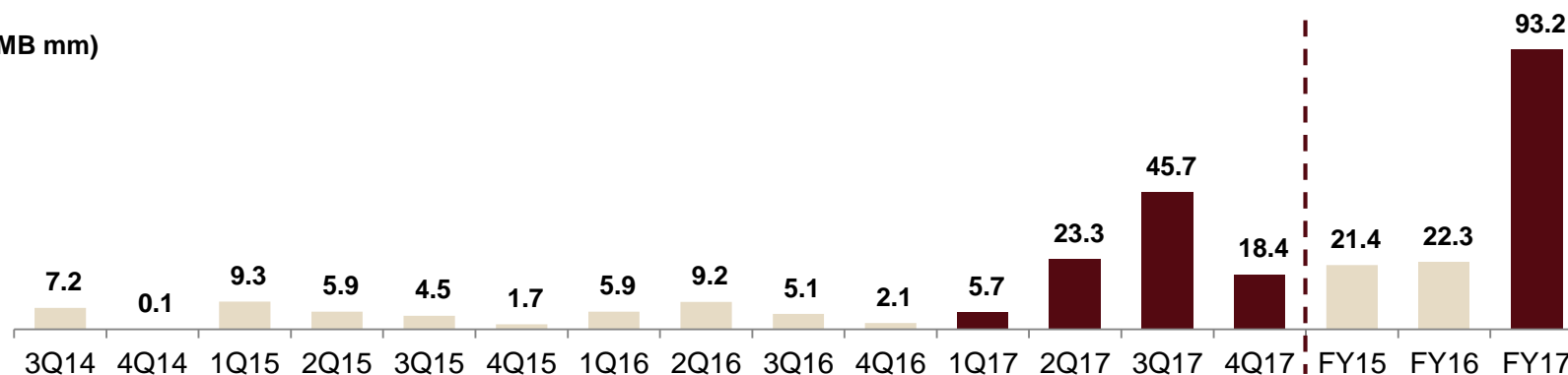
## Revenues from Performance-based Income

(RMB mm)



## Income from Equity in Affiliates

(RMB mm)



Source: Company Filings

# NOAH'S LONG TERM GROWTH DRIVERS



**FY2018 Guidance:**

**RMB 1bn to RMB 1.05bn**

Non-GAAP net income  
attributable to Noah shareholders  
Implied 15.8%-21.6% YoY growth

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# Appendix 1: Major Shareholders

## Major Share Ownership As of December 31, 2017





Shareholder	Ownership %	Title
Jingbo Wang*	24.5%	Chairman, CEO, Co-Founder
Sequoia China	8.0%	
Frances Chia-Yue Chang	7.5%	Chief Marketing Officer
Zhe Yin**	5.9%	Co-Founder, CEO of Gopher AM
Boquan He	5.8%	
Ward Ferry Management	4.8%	
Wellington Management	3.3%	
Coronation Fund Management	3.2%	
Yiheng Capital	2.8%	
Tiger Pacific Capital	2.5%	
J.P. Morgan Asset Management	2.4%	
Fidelity Worldwide	2.4%	
Davis Selected Advisors	2.4%	
<b>Total</b>	<b>75.5%</b>	

\* Under the Dual-Class Share Structure, Class B shareholder Ms. Jinbo Wang has 51% of total voting rights

\*\* Under the Dual-Class Share Structure, Class B shareholder Mr. Zhe Yin has 12% of total voting rights

Source: Company data, Ipreo

## Appendix 2: Noah's Licenses and Certifications

 <b>Mainland China</b>	 <b>Hong Kong</b>
<ul style="list-style-type: none"> <li>• Fund Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Dealing in Securities (#1)</li> </ul>
<ul style="list-style-type: none"> <li>• Qualified Private Fund Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Advising in Securities (#4)</li> </ul>
<ul style="list-style-type: none"> <li>• Micro Lending</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Management (#9)</li> </ul>
<ul style="list-style-type: none"> <li>• Financial Leasing</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance Brokerage</li> </ul>
<ul style="list-style-type: none"> <li>• Factoring Business (Supply Chain Financing)</li> </ul>	<ul style="list-style-type: none"> <li>• Family Trust</li> </ul>
 <b>U.S.A</b>	 <b>Jersey Island</b>
<ul style="list-style-type: none"> <li>• Registered Investment Advisor (RIA)</li> </ul>	<ul style="list-style-type: none"> <li>• Money Lender</li> </ul>
<ul style="list-style-type: none"> <li>• Insurance Brokerage</li> </ul>	<ul style="list-style-type: none"> <li>• Family Trust</li> </ul>

## Appendix 3-1: Management Profiles



**Jingbo Wang**

Co-founder,  
Chairman, Group CEO

- Over 20 years of experience in asset management and wealth management services
- Head of the private banking department at Xiangcai Securities
- Deputy head of ABN AMRO Xiangcai Fund Management Co., Ltd
- Head of the asset management department at Xiangcai Securities



**Zhe Yin**

Co-founder, and  
CEO of Gopher AM

- Over 15 years of experience in asset management and wealth management services
- Deputy general manager of the wealth management department at Xiangcai Securities
- Wealth and product manager at Bank of Communications of China
- Executive MBA degree from China Europe International Business School



**Kenny Lam**

Group President

- Global Partner, McKinsey & Company
- Co-leader, McKinsey Asia Financial Services Practice and Head of McKinsey Asia Private Banking and Wealth Management Practice
- Over 17 years of experience in strategic and operational transformations for global and regional leading financial institutions
- M.A. (Honors) in Law from Oxford University and B.S. in Finance Magna Cum Laude from the Wharton School of the University of Pennsylvania

## Appendix 3-2: Management Profiles



**Shang Chuang**

Chief Financial Officer

- CEO and Executive Director, Noah Hong Kong
- Vice President, IBD & Asia Private Equity, Bank of America Merrill Lynch
- Over 13 years of experience in financial services
- B.S. in Finance Magna Cum Laude from the Stern School of Business, New York University



**Frances Chang**

Chief Marketing Officer

- CEO for China, ABN AMRO Asset Management Asia
- CEO for Greater China and South East Asia, Robeco
- 25+ years of experience in asset management
- MA in Library Science from UCLA



**Harry Tsai**

Chief Operating Officer

- COO for North Asia, ABN AMRO
- COO and Executive Vice President, Yuanta Securities of Taiwan
- 25+ years of experience in securities, asset management and lending
- M.S. in Chemical Engineering from University of Southern California
- MBA in Finance from University of Illinois, Urbana-Champaign



Wealth management and asset management  
Comprehensive financial services enabled by leading technologies

## Expertise, Commitment and Professionalism

Finding the meaning of wealth and beyond

Mainland China (79 cities)  
Hong Kong ▪ Taiwan ▪ U.S.A ▪ Canada ▪ Australia

[www.noahwm.com](http://www.noahwm.com) | [www.gopherasset.com](http://www.gopherasset.com)