



GENTWO
FINANCIAL PRODUCTS

Testimonial
2018

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Issuance Platform



CAT FINANCIAL PRODUCTS

ISSUANCE PLATFORM

for all asset classes powered by GENTWO

«We recommend GENTWO to all our clients»

Giuliano Glocker, CEO of CAT Financial Products AG, on the use of GENTWO in his company

CAT Financial Products AG (CATFP) is one of the leading Swiss providers of investment solutions in the market for structured products. Since 2008 the company has offered its services to professional asset managers, banks and institutional investors via one of the most innovative technologies. Here the focus is on three main areas: 1. Best execution (multi-issuing house platform, certificates (MIFID II)), 2. Reporting and lifecycle management (fully automatic lifecycle management, alert system, web portal, white labelling) and 3. Investment solutions (financial engineering, product and portfolio analysis, back-testing and stress tests). Now the logical next step is the issue of its own structured products too.

Why have you chosen a partnership with GENTWO?

In recent years we have issued some non-standard products. Where banks could or would not help, we had to build our own solutions and then we soon turned to some special purpose vehicle (SPV) providers in Europe. Unfortunately, this collaboration turned out to be very difficult. Besides excessive costs, lack of know-how and, above all, a setup in Switzerland that had not been thought through were the main problems. So in 2017 we decided to pick up the baton ourselves and we intended to set up our own issue platform via SPVs. When we heard about GENTWO's plan, we knew straight away: Why do everything ourselves? We did not have either the staff capacity or the time for that. Our core area is structuring investment solutions for our institutional clientele. But for some projects we wanted to be able to undertake the structuring ourselves and to be able to offer new services in this area.



Where do you see the crucial difference from existing solutions?

The new investment solutions are highly complementary to the existing business. In recent years we have issued several thousand standardised structured products for our clients. In this context we have in each case sought for our clients the best price in the market through 30 issuing houses and have always given our clients independent advice. This business will be scarcely affected. The idea is to allow new approaches and products and to achieve new flexibility and to do so independently of banks. We can now undertake securitisations for our clients that were previously not possible as such. We now offer the securitisation of investment products of all kinds via several SPVs.

What types of products can you now offer with this?

The most straightforward products are of course tracker certificates, AMCs, credit-linked notes and capital-protected products. This range of standardised products is constantly being expanded. Here it is all about segregating risks and being able to choose all the parties involved for yourself. So the platform makes a great deal of sense, especially for banks and securities traders.

We have also already looked at or launched projects mainly in the areas of financing of all kinds and loans, with and without collateral, private equity and private debt transactions, securitisation of non-back investments such as art, wine, licences, airplane leasing and crypto certificates. For us, the last item in particular is a completely new service for our clients. And with the first item too, we can score with this new and totally transparent approach.

How will your company change as a result?

Our goal is innovation and constant and permanent improvement in our services. We wanted to be the first independent financial service provider in Switzerland that can offer the issue of its own product. We have now achieved this. With this, as well as with the new services and especially the new classes of investment, we can in particular serve new clients. So with this we are expanding our range of services within our core area, whilst the new products and clients are complementary to the existing business





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What goals will you pursue with GENTWO in the future?

We want to grow and to penetrate additional markets, enter into further cooperation arrangements and offer new services. SPVs are certainly not a new invention. However, the new setup, the scalability and the Swiss Made stamp were decisive for us. But I was persuaded about GENTWO above all for one reason. The products offered can change the financial market place. It is not just about offering new products that only banks have been able to offer in the past. Banks can also use these products since then they are no longer accumulating the risks on the balance sheet and they can also offer their clients considerably more flexible and less expensive products. That is in fact why it is called Generation Two – the next generation. We are proud to be able to contribute our small part to this positive development. Specifically, we are now moving towards internationalisation. The biggest potential is probably to be found in Asia whilst Europe, the Middle East and South America are extremely interesting markets. Since the GENTWO model can flexibly exchange any party (the custodian bank, the processing and also the jurisdiction of the SPV), there are practically no limits to the area of their application! We are ready for everything.



To whom and why would you recommend GENTWO?

We recommend GENTWO to all our clients. They are professional asset managers, securities traders, banks and institutional investors. GENTWO makes sense in particular for securities traders and banks that want to offer their clients their own products. Instead of buying the products from other banks and playing a pure sales role as they have to date, in addition to sales they can now also undertake the structuring (manufacturing), the custody of deposits and the trading and thereby cover the entire value chain without major additional cost and with an opportunity to manage the risks.

However, this service is also interesting to every traditional structured product issuing house. Via their own SPVs and the special setup they could in fact offer an entirely new flexibility and above all segregate the risks instead of accumulating them. That would of course also be reflected in the costs and/or in a growing margin. It is not for nothing that Patrick Loepfe has advised issuing houses on value chain optimisation in recent years.

AMCs offer new prospects for every asset or fund manager. They offer the optimum, flexible investment vehicle for implementing and operating investment strategies. Moreover, these products are of interest to anyone who is looking for an investment vehicle so as to undertake securitisation, for financing, private equity and debt companies. In short, for everyone.



Giuliano Glocker, CEO of CAT Financial Products AG



MEDIA RELEASE



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CAT Financial Products extends its core business with its next-generation securitisation platform

Zurich, 13.09.2018: CAT Financial Products (CATFP) is one of the leading Swiss providers for investment solutions in the structured products market. Now, the company is the first bank-independent financial services provider in Switzerland to offer its own issuing platform via special purpose vehicles (SPVs) in collaboration with GENTWO. In addition to the existing services, this allows clients of CATFP to securitise their own tailor-made products at very low prices without an investment bank and controlled counterparty risks. The customer feedback is overwhelming.

As an innovation leader, CATFP is the first financial services provider in Switzerland to offer its customers their own issuing platform powered by GENTWO. Allowing all kinds of financial products to be securitised quickly, cost-effectively, without an investment bank involved and with controlled counterparty risk. The platform is based on balance sheet-neutral special purpose vehicles (SPVs) and covers the entire value chain, from advice, structuring, securitization and daily valuation to booking into the client's bank account. The daily secondary market, the ease of setup, the maximum security and the ability to freely choose all parties involved, provide a new form of flexibility in this business. In addition to the structuring of classic structured products such as tracker certificates, AMCs, credit linked notes and capital protected products, the securitisation of non-bankable assets such as crypto currencies, real estate or art is also possible.

Successful launch of first projects

Most recently, exciting projects in the real estate and lending business were securitized (including deposited collateral). Giuliano Glocker, CEO of CATP: *"The platform is a complete success. It allows us to quickly, easily and cost-effectively carry out securitisations that previously were not possible in this way. Within a short time, new customers were able to convince themselves of the platform and implement their first projects - the customer feedback is overwhelming."* The platform is thus to be understood as complementary to the core business. It expands the range of services within the core area, while the new products and customers complement the existing business.

The new SPV solution separates the traditional issuer from the custodian bank and order processing and also appeals to asset managers and managers who want to securitize their strategies in new investment vehicles. But also lawyers and trustees belong with their clientele to the new customer group.

Furthermore, the SPV solution integrates well with CATFP's growth and cooperation plans. Thanks to the flexible interchangeability of the custodian bank, the settlement and jurisdiction of the SPVs, even new markets such as Asia, the Middle East or South America can be easily reached. In the area of application there are almost no limits.

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The technology is open to all market participants

The SPV platform offered by CATFP to its customers as a complete solution is provided by the Swiss FinTech startup GENTWO Financial Products. Working in partnership, GENTWO takes care of setting up the SPVs and the termsheet, while CATFP mainly structures the products and connects them with their own life cycle management tool. For customers who want their own SPV, the entire process can be outsourced to GENTWO.

In addition to the high flexibility, transparency and price advantages, long-term market risks are also reduced. Instead of aggregating the risks in the bank balance sheets as they have done so far, they are now distributing themselves on safe, transparent SPVs covered only financially by the product components. Also to family offices, private banks and private asset managers, the solution is particularly suitable for banks and securities dealers who want to offer their customers significantly more flexible and cheaper products while avoiding additional risks as well as covering the entire value chain themselves.

Giuliano Glocker: *"We are proud to be a small part in this positive development."*

About CAT Financial Products

Since 2008, CATFP, based in Zurich and Bern with around 20 specialists, has become one of the most successful Swiss structured products broker - not at least thanks to constant investments in innovative technologies. The main areas are certified best execution, fully automated life cycle management and investment solutions. As a result CATFP gives its customers access to more than 30 issuers and finds the right product at the best price out of thousands products. The excellent IT software is constantly being developed, is available in white-label format and is already being used by several Swiss private and cantonal banks as well as foreign institutions. The CATFP offer has now been expanded to include its own issuing platform.

About the CAT Financial Group

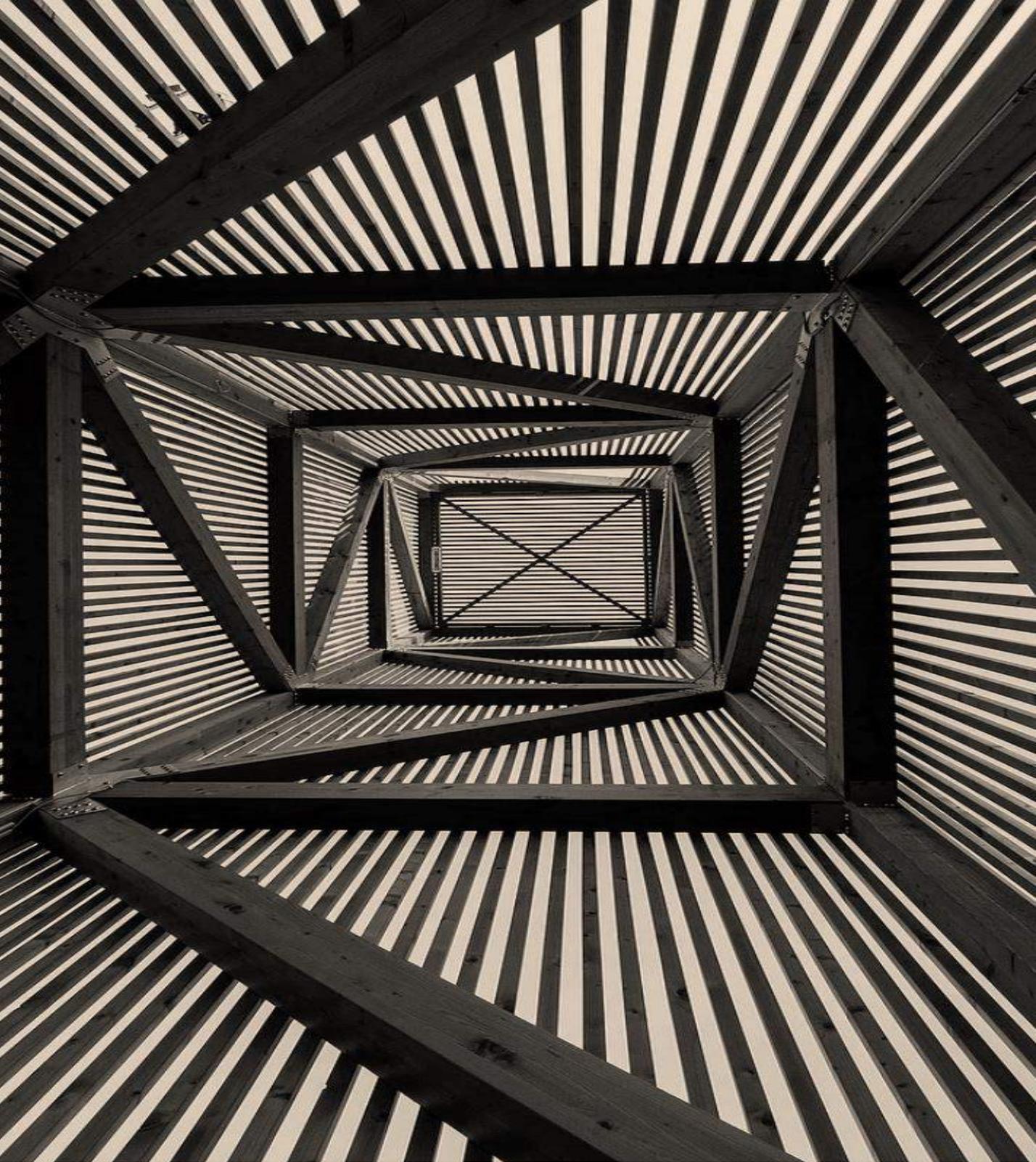
CAT Wealth Management AG is an independent Swiss wealth manager for private and institutional clients. Also based in Zurich and Bern, CATWM combines the tradition of traditional private banking with the modern world of wealth management.

CAT Growth AG enables and manages direct investment by investors in SME's who are in succession planning or seeking growth financing. The team of experts focuses on private equity and private debt transactions in the area of established SMEs in the DACH region.

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