

---

## Swiss Private and SME Debt Bond Series I

Investment access to the Swiss and Liechtenstein private and SME loans market

4-year term | 4.0% coupon per annum | CHF | ISIN LI0457769300 | Valor 45776930

The Issuer

**ALKIONE**

## Investment idea

The Alkione Swiss Private and SME Debt Bond is a bond with a maturity of 4 years and a coupon of 4.00% per annum (paid semi-annually). The issuance proceeds of the bond will be used to buy a diversified loan portfolio of short- and long term loans to private as well as small and medium enterprises (SME) and self-employed individuals. Loans will be acquired directly from CreditGate24 (Schweiz) AG (“CreditGate24”).

Usually, loans have the following characteristics (deviations are possible):

Loan characteristics			
	SME instalment loan	SME short-term loan	Private instalment loan
Duration (months)	12 – 72	1 – 6	12-72
Average loan amount (CHF)	40'000	300'000	20'000
Repayment	Monthly instalments	At maturity only	Monthly instalements
Collateral	Loans are partially or fully collateralized (i.e. land charge certificate, personal guarantee, assignment of receivables)		Loans over CHF 150'000 have to be collateralized (i.e. land charge certificate, 3rd part guarantee, etc.)
Term life insurance (Key person risk)	Mandatory life insurance (on company owner) up to a residual loan amount of CHF 100,000 (i.e. for a loan of CHF 125,000 maximum CHF 100,000 can be insured)		Mandatory life insurance up to a residual loan amount of CHF 100,000 (i.e. for a loan of CHF 125,000 maximum CHF 100,000 can be insured)

## Target allocation and expected gross and net returns of CHF-denominated loans

The tables “Target allocation and expected gross and net returns of CHF-denominated loans” illustrate the range of the gross and net returns for each rating class and for CHF-denominated loans. The differences between the gross and net returns are the expected defaults. The expected defaults calculated by CreditGate24 are based on various factors including:

- Historical default data collected from major banks in Switzerland
- Financial information of the borrower
- Historical payment behavior of the borrower (internal sources and publicly available data provided by various different data providers)
- Soft factors like e.g. education, experience, personal network
- Quality of collateral

CreditGate24 differentiates between seven rating classes AAA, AA, A, B, C, D and E whereas AAA is the best rating class.

The better the rating, the higher the likelihood that the borrower will pay back the loan on time and in full. The worse the rating, the higher the likelihood that the loan will default. Individuals and SMEs with a D and E rating are rejected and will not be offered a loan by CreditGate24.

SME instalment loan				SME short-term loan		
Rating class	Target allocation	Gross return (expected)	Net return (expected)	Target allocation	Gross return (expected)	Net return (expected)
AAA	5.0%	3.63%	3.38%	0.0%		
AA	10.0%	4.82%	4.07%	5.0%	4.38%	3.63%
A	10.0%	5.97%	4.72%	7.5%	6.33%	5.08%
B	10.0%	7.77%	6.02%	10.0%	7.26%	5.51%
C	7.5%	10.19%	7.19%	7.5%	9.59%	6.59%

Private instalment loan			
Rating class	Target allocation	Gross return (expected)	Net return (expected)
AAA	5.0%	2.85%	2.83%
AA	5.0%	3.58%	3.08%
A	7.5%	4.25%	3.25%
B	5.0%	5.7%	4.2%
C	5.0%	7.1%	5.2%

Source: CreditGate24 (Schweiz) AG, as of 1 June 2019. The range reflects the returns from the minimum loan duration net of CreditGate24's fee.

---

## CreditGate24 at a glance

Founded	2015
Total financed loan volume	Approx. CHF 250,000,000
Defaults	Approx. CHF 550,000
Registered users on platform	Approx. 15,000
Employees	33
Memberships/ licences	<ul style="list-style-type: none"><li>– Member of the self-regulatory organisation Verein zur Qualitätssicherung von Finanzdienstleistungen (VQF)</li><li>– Licensed to grant consumer credit by the Office for Economy and Labour of the Canton of Zurich</li><li>– Licensed as a consumer credit broker by the Office for Economy and Labour of the Canton of Zurich</li><li>– Member of the Verein zur Führung einer Zentralstelle für Kreditinformation (ZEK)</li><li>– Member of Konsumfinanzierung Schweiz (KFS)</li></ul>

## Advantages

- Investment access to Swiss and Liechtenstein Private and SME loans market
- SME loans are (partially or fully) collateralized
- Diversification benefits versus financial markets
- Attractive risk-return profile in a negative interest rate environment

CreditGate24 is Switzerland's leading marketplace lending platform allowing investors to invest in a diversified portfolio of collateralised and uncollateralised SME and personal loans. CreditGate24 eliminates traditional finance intermediaries, including banks, operates exclusively online, avoids the high administrative costs associated with branch offices and therefore maximizes the returns for investors and keeps at the same time costs for borrowers as low as possible.

Source: CreditGate24 (Schweiz) AG, as of 1 June 2019

## Risks

- Investors bear the credit risk of the borrower and the issuer
- A worsening of the economic conditions in Switzerland and Liechtenstein could lead to borrower defaults and write-downs of the underlying collaterals
- Investors bear the interest rate risk, reinvestment risk (loan repayments and loan interest payments need to be reinvested) and liquidation risk (existing loans need to be sold by the issuer at maturity of the bond)
- Investors could lose all or part of the invested capital
- Limited secondary market
- The issuer may seek additional borrowing or issue additional bond series

## Key facts

Issuer	Alkione (Liechtenstein) AG PCC – Segment 6
Issuance size	up to CHF 50,000,000
Series	1
ISIN	LI0457769300
Valor	45776930
Denomination	CHF 125,000
Issue date	5 July 2019
Term	4 years
Issue Price	100%
Use of funds	Purchase of a diversified portfolio of private and SME loans
Collateral	SME loans are partially or fully collateralized
Coupon p.a.	4.0%
Coupon payment date	Semi-annually
Overperformance fee	14 days after maturity of the bond, the Issuer shall distribute 100% of the net proceeds of segment 6 (overperformance) to the investors on a pro rata basis, if the price of the bond is >100% (after deduction of fees and coupon payments).
Quotation	Clean
Repurchase	According to the private placement memorandum
Distribution fee	up to 1.00%
Repurchase commission	0.5% (in favour of the Issuer)
Withholding tax	Not applicable
Paying agent	Bank Frick & Co. Aktiengesellschaft, Principality of Liechtenstein
Auditors	ReviTrust Grant Thornton AG, Principality of Liechtenstein
Applicable law	Law of the Principality of Liechtenstein

Source: CreditGate24 (Schweiz) AG, June 2019.

---

## The issuer

Founded in August 2017, Alkione (Liechtenstein) AG PCC is a Liechtenstein public limited company in the form of a protected cell company (PCC) and is registered in Schaan, Principality of Liechtenstein. The issuer is a segment of the PCC with the name - Segment 6.

The purpose of Alkione (Liechtenstein) AG PCC and its segments is to issue this and other bonds, the proceeds of which can be used to buy CreditGate24 (Schweiz) AG loan receivables. By working in partnership with CreditGate24, Alkione benefits from innovative fintech solutions and the many years of banking experience of CreditGate24's management team.

---

## Disclaimer

The information contained in this document does not constitute investment advice or a recommendation, nor does it constitute an offer or invitation for an offer to acquire a financial product. It is instead provided solely for Alkione's marketing and information purposes and is intended solely for professional investors in selected jurisdictions.

Subscription of the bonds mentioned is governed solely by the private placement memorandum the risk disclosures therein. Potential investors must take their tolerance of risk into consideration before investing in the bond. Potential investors must be aware that there is always a risk of total loss of the entire capital invested. The private placement memorandum contains a more detail explanation of the risks. Alkione (Liechtenstein) AG PCC does not offer any warranties whatsoever regarding the suitability of the bond for a particular investor. Past performance is not a reliable indicator for future results.

Before deciding whether to subscribe, potential investors are expressly advised to read the entire relevant private placement memorandum including the terms and conditions contained therein. All statements made in this document are estimates/forecasts of the issuer that may be changed without prior notice. Indications of results and events in previous periods do not establish any warranty for the future. To the extent that the data contained in the document clearly come from third parties (e.g. where sources are indicated), no warranty as to the correctness and completeness of these data is offered.

Corporate bonds/bearer bonds/debentures may only be subscribed on the basis of the relevant complete private placement memorandum and the terms and conditions contained therein. These are available free of charge from the issuer.

In the European Economic Area (EEA) the products may not be offered, sold or otherwise made available to retail investors within the meaning of Regulation (EU) no 1286/2014 (the "PRIIPs Regulation"). In consequence, no substantive investor information that is required under the PRIIPs Regulation in order to offer, sell or otherwise make the products available to retail investors in the EEA has been produced. For this reason it may be unlawful under the PRIIPs Regulation to offer, sell or otherwise make the products available to retail investors in the EEA.