

# Swiss Capital BBB Loan Program

«Senior Secured Corporate Loan Program for Institutional Investors»

Loans are a widespread asset class for institutional investors in US/UK

Attractive risk adjusted returns

Floating coupons lead to negative interest rate correlation

Top of capital structure (senior secured 1<sup>st</sup> lien)

Timely and attractive investment program



BBB rating by at least one of the three large rating agencies

Full transparency down to single investment level is ensured via managed accounts

No leverage

Highly diversified by region, by manager and by investment style; > 100 single positions



# Swiss Capital BBB Loan Program

## Description

### Opportunity

- **Senior secured loans as an asset class achieve high absolute returns** and currently the **highest risk adjusted returns** in the fixed income area
- **Investors benefit from «Floating Rate»** structure of coupon payments during **periods of rising interest rates**

### Concept

- **Multimanager concept** with 2–3 highly specialized managers
- **Diversification** of risk and return by **regions** and **sectors**
- **100% 1<sup>st</sup> lien senior secured loans at top of capital structure**

## Portfolio construction

Region	Manager style		
	Fundamental value		
US	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Manager <b>A</b></td> <td style="width: 50%; text-align: center;">Manager <b>B</b></td> </tr> </table>	Manager <b>A</b>	Manager <b>B</b>
Manager <b>A</b>	Manager <b>B</b>		
Europe	Manager <b>C</b>		

## Fund features

Inception	tbd
Subscription	individual
Maturity	8 years
Currency	USD
Min. subscription	USD 20 mio

## Overview of BBB Loan Program

**Target return** LIBOR + 4.5% (net)

### Portfolio

- Rating BBB
- Loan qualities B+/BB-
- Loan types 100% senior secured 1<sup>st</sup> lien
- # Sub-Manager 2–3

### Structure

- Instrument Bond
- Vehicle Irish SPV
- Listing Irish Stock Exchange
- Custodian Bank of New York Mellon

### Fees

- Management fee 0.325% p.a.
- Performance fee None

## Contact

Contact person	<b>Marcel Schindler</b>	<b>Urs von Büren</b>
Phone	+41 44 226 52 48	+41 44 226 52 03
Fax	+41 44 226 52 53	+41 44 226 52 53
Email	schindler@swisscap.com	vonbueren@swisscap.com
Address	Swiss Capital Alternative Investments AG Talacker 41 P.O. Box 2865 CH–8022 Zurich	