



Private Lending AMC

Private Lending

The Private Lending AMC (Actively Managed Certificate) pools investments to grant loans for up to three (3) years to wealthy private individuals or private investment companies (in case a personal guarantee is embedded) that have a net wealth of ideally more than CHF 15 million and are domiciled in Western Europe. When granting loans, the AMC relies on personal recourse and, therefore, on the size and quality of personal balance sheets rather than on specifically pledged assets. The average deal size is expected to be between CHF 1 million and CHF 5 million at a SARON (Swiss Average Rate Overnight) interest rate of (minimum 0%) plus 5% or more depending on the loan size as compared to net assets. Furthermore, a deal structuring fee of approximately 0.75% - 1.5% to be paid by the borrower will also be part of the investors' return.

Product	AMC
Counterparty	None
Asset Class	Alternative



Why Invest?

Earning High and Variable Yields

Attractive Risk Return Profile

Structuring Fee is Part of the Return

Why Invest?

Earning High and Variable Yields

Earning high and variable yields with a well-diversified loan portfolio that has a low correlation to the stock market is what makes this product so attractive. We expect an annual return of base rate (SARON) in the range of plus 4.5% - 6%.

Attractive Risk Return Profile

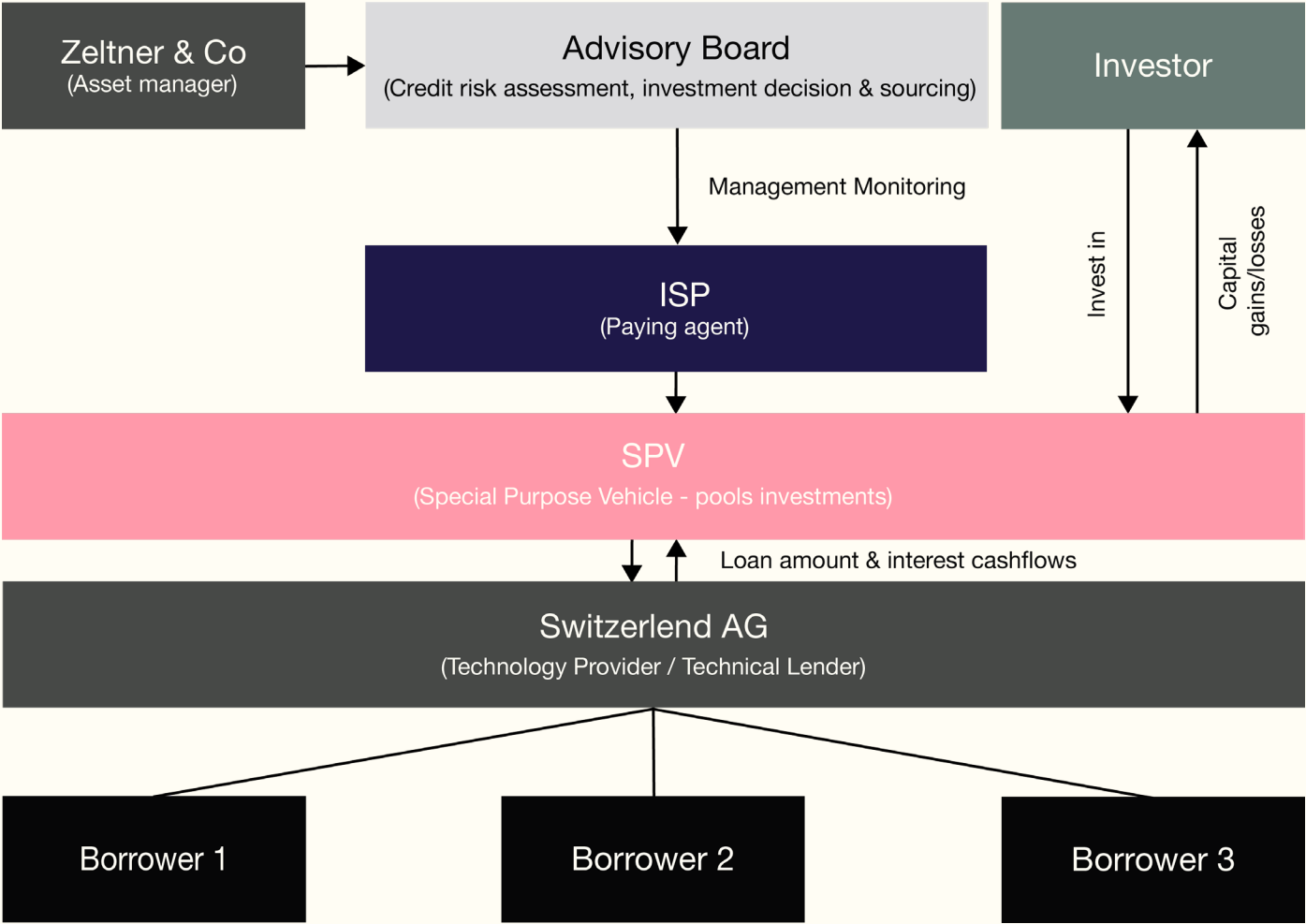
We believe that this AMC offers a very attractive risk return profile. It grants loans to borrowers in Western Europe who have a net wealth of at least CHF 5 million, which limits the risks. On the other hand, the product earns a premium for being able to offer tailor-made loans and great time-to-market.

Structuring Fee is Part of the Return

A team of experts will structure the loans, mitigating the risks and managing the portfolio while handing the structuring fee to the investor.



AMC Structure



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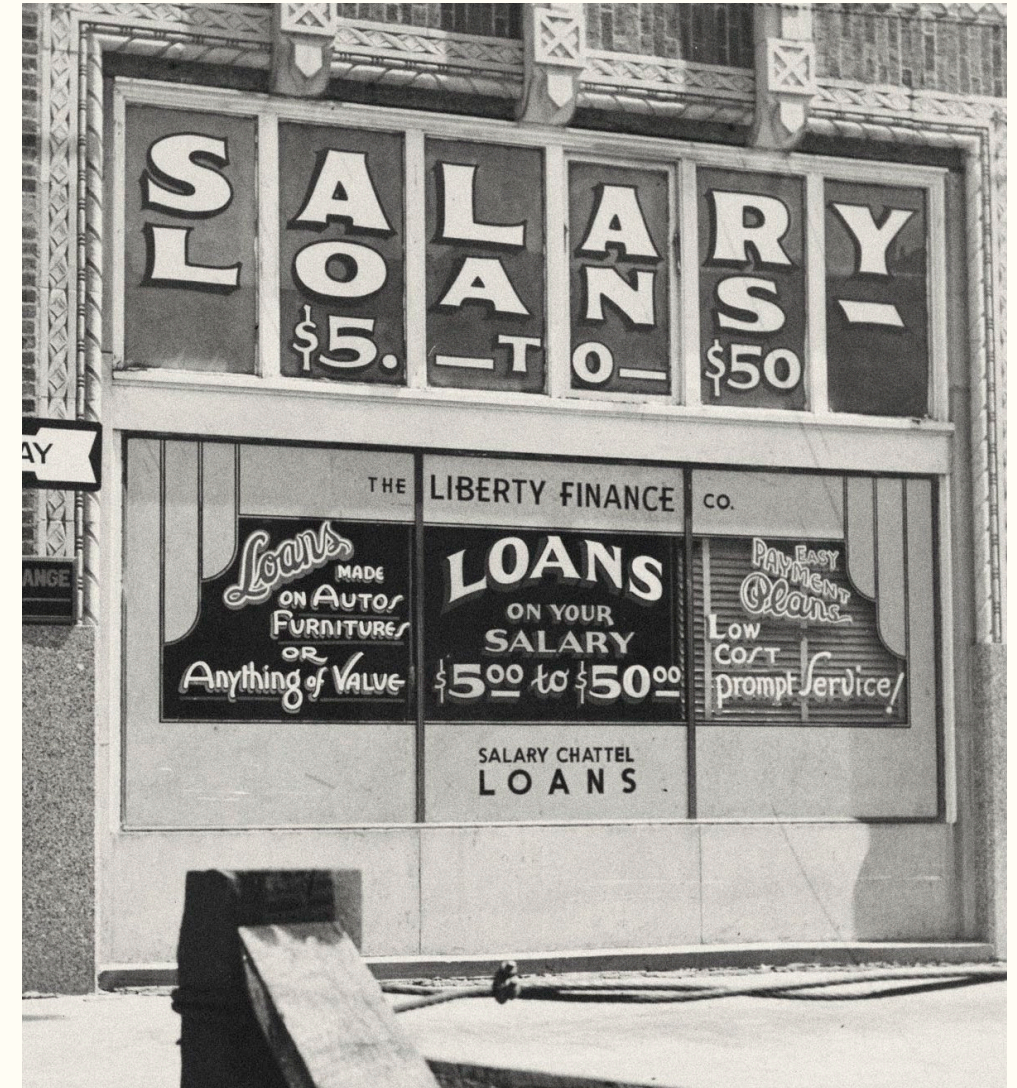
Accounting, Risk and Opportunity

Accounting Method and Risk

The Private Lending AMC accounts for loans based on the book value method. This normally allows a constant staircase-like development of the price chart. If a loan is spoken, the net asset value does not change except for the transaction fees. With each interest payment or structuring fee payment, the NAV (net asset value) increases to a new higher level. If the loan amount is repaid, the NAV does not change. If interest payments are in default, the NAV remains unchanged and the expected NAV increase does not materialise. If the loan amount defaults, the amount of the default is deducted directly from the NAV.

Why are wealthy borrowers paying these high interest rates

Wealthy private borrowers are willing to pay a premium to the AMC investors for reactivating less liquid assets, providing better time-to-market and tailor-made credit structuring. Thus, an investor can benefit from uncorrelated and attractive net returns that are linked to a diversified pool of risks. Zeltner & Co is recommending and investing in this product as a key fixed income substitute in CHF.



Key Terms

Product	Facts
ISIN	CH1108674792
Issuer	Asset Segregated SPV, Jersey
Paying Agent	ISP Securities AG
Asset Manager	Zeltner & Co GmbH
Type of Product	Actively Managed Certificate (AMC)
Category	Tracker Certificate
Currency	CHF
Launch Date	7 October 2022
Term	Open-End
Fix Fee (Administration and Management Fee)	2%
Performance Fee	0%
Liquidity	Quarterly
Issue Price	100% of basket value
Nominal	CHF 1'000
Agio	Up to 2%
Subscription Fee	0%
Redemption Fee	0%

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Learn About our Loan Structures

With this AMC’s risk appetite, a single loan would be structured with the following characteristics:

Minimum Net Wealth	Loan Amount	Maximum Risk	Security	Usage
In order to become a borrower of this Private Lending AMC, a proven net wealth of min. CHF 5 million is required.	The average loan amount ranges between 1-5 million while each loan is capped at max. 30% of a borrower’s proven net wealth.	The biggest loan we can grant is 25% of the entire AMC.	Loans are only granted subject to a personal recourse guarantee.	The borrower can use the loan amount without any restrictions.
Duration		Monitoring	Defined exit path	
Fixed loan durations up to 36 months are possible.		The borrower’s personal balance sheet is monitored on an annual basis.	A clear primary and secondary exit path on how the borrower plans to pay back the loan to the Private Lending AMC is a must.	

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Done Deal Example I

Borrower Background

The borrower is a software development company domiciled in Switzerland. The CEO and majority owner of the firm provides a personal guarantee. The company delivers tailor-made digital solutions. They develop ventures which are subsequently sold via external partners and on their own.

The company typically receives the majority of licensing fees at the beginning of the year. The inflow of the yearly licensing fees will repay the bridge facility. At the same time, the company is negotiating with investors to sell parts of its ventures.

The borrower has been able to launch additional venture opportunities with partners ahead of time due to the liquidity bridge.

Key Figures

Key Figures of borrower	
Borrower	Corporate with personal guarantee
Annual personal income	150'000 – 200'000 CHF
EBIT of company p.a.	150'000 – 200'000 CHF
Justified net wealth	10 – 15mn CHF
Jurisdiction	Switzerland

Key figures of loan	
Loan amount	CHF 650'000
Loan to net assets	<5%
Purpose of loan	Shareholder loan to own company
Interest rate	SARON + 8% p.a.
Structuring fee	1.5%
Term	4 months
Source of repayment	Secured and signed cash-flows from company

Done Deal Example II

Borrower Background

The borrower is a Swiss real estate company holding 7 buildings in Switzerland. The company is fully owned by a real estate entrepreneur who provides a personal guarantee.

Our credit specialists were working in parallel on a re-financing arrangement for a rental property located in an AAA location. This re-financing plan is the primary exit and repayment source for the bridge loan.

Due to the bridge loan, the entrepreneur has been able to optimise his mortgage structure and maintains the opportunity to buy a company that fits well with his operating business.

Key Figures

Key Figures of borrower	
Borrower	Corporate with personal guarantee
Annual personal income	250'000 CHF
EBIT of company p.a.	-500'000 – 1'000'000 CHF
Justified net wealth	50 – 70mn CHF
Jurisdiction	Switzerland

Key figures of loan	
Loan amount	CHF 1'000'000
Loan to net Assets	<5%
Purpose of loan	Maintaining an investment opportunity
Interest rate	SARON + 6% p.a.
Structuring fee	0.75%
Term	2 months
Source of repayment	Re-financing of buy-to-let property (prime location)

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Done Deal Example III

Borrower Background

The borrower is a successful IT entrepreneur in Switzerland who is experiencing significant growth in his company. With his company, he is onboarding a mix of European STOXX 500 companies, government entities and medium-sized companies in the DACH area as new clients, which will lead to negative EBITDAs of approx. 5mn next year according to budget.

The borrower’s company typically receives a partial payment at the beginning of an IT project and the remainder at the end of the project. However, the company needs to invest in project preparation activities (mainly onboarding and induction of employees and contractors) in good time before the project starts. Thanks to the bridge loan received from the Zeltner & Co Private Lending AMC, the entrepreneur was able to grant a shareholder loan to his company and successfully launched projects for key clients.

Key Figures

Key Figures of borrower	
Borrower	Natural person
Annual personal income	250'000 – 300'000 CHF
EBIT of company p.a.	50'000 – 100'000 CHF
Justified net wealth	25 – 50mn CHF
Jurisdiction	Switzerland

Key figures of loan	
Loan amount	CHF 1'000'000
Loan to net Assets	<5%
Purpose of loan	Shareholder loan to own company
Interest rate	SARON + 15% p.a.
Structuring fee	0.75%
Term	1 year
Source of repayment	Capital increase of company

Main Risks and Conflicts of Interest

Risks	Rationale
Credit Default Risk	Several interest payments and/or loan amount payments could be missed with a certain probability. This could lead to a declining NAV.
Cluster Risk	As the loans are all paid out to borrowers domiciled in Western Europe, there is a cluster risk if all wealthy individuals in Europe (Switzerland) suffer large financial losses at the same time.
Counterparty Risk	All counterparties required in the AMC structure have a potential risk of default. In this case, investors could be harmed.
Liquidity Risk	The AMC has only quarterly liquidity and is also provided with a notice period. This serves to protect investors to a certain extent in case many investors wish to disinvest at the same time, but can lead to illiquidity risks until the time they get their money back.
Financial Risk	The product does not guarantee risk-free performance and can also incur large losses.

Conflicts of Interest
<p>We could be mandated by a borrower:</p> <p>If we or our partner have a financial advisory contract with the borrowers, there is a potential conflict of interest as we are already mandated to seek financing solutions for them. To mitigate this conflict, it is clearly stipulated that neither we nor our partner will receive any success fee if the loan is approved by the Private Lending AMC. This ensures that our decisions remain free from financial incentives and are made solely in the best interest of the investor.</p>
<p>Borrowers may promise investments:</p> <p>There is a risk that borrowers may promise us investments in exchange for approving the loan. To counteract this possibility, no written agreement regarding investments will be made a condition for loan approval. However, it is not precluded that an investment may occur after the repayment of the loan amount. In the event of an investment during the loan term, it must serve as collateral to ensure that our decisions remain independent and do not create undue incentives for potential investments.</p>

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Advisory Board



Patrick Spichiger

Patrick Spichiger is the CEO of Zeltner & Co and serves on the Private Lending AMC Advisory Board as our credit structuring expert. In addition, he is a lending origination and credit risk expert for structured lending and property loans with more than 10 years experience in the financial industry. Having lead lending offerings and credit risk functions in wealth management boutiques, private banks and regional banks, Patrick Spichiger offers an in-depth end-to-end understanding of lending processes and credit business success factors in small and medium-sized financial institutions. Before assuming the role of CEO at Zeltner & Co., he successfully co-founded and led Cresolutions, a Zurich-based credit advisory and direct lending boutique.

A former handball player, Patrick has stayed connected to the sport as a coach. He also enjoys skiing and spending time in the mountains.



Kim Wirth

Kim Wirth is the co-founder of Zeltner & Co, where he serves as Chairman of the Board and Chief Investment Officer. He brings deep expertise in investment research, asset allocation, and portfolio management, developed through roles at leading firms, including an exchange-traded investment company, a Swiss private bank, and an investment consulting firm. Following an apprenticeship, Kim studied Economics at the University of Zurich and holds the Chartered Financial Analyst (CFA) designation.

Raised in the countryside near Solothurn, he now lives in Zurich. Outside of work, he is passionate about reading, endurance sports, and martial arts.

Advisory Board



Thomas Siegenthaler

Thomas Siegenthaler is an independent member of the Private Lending AMC Advisory Board and supports our clients when there is a need for financing. Thomas is an expert in complex loan structures such as single stock equity, concentrated securities portfolios, private equity, private debt and other liquid and illiquid assets. He originates residential and commercial mortgage loans and liquidity facilities against a pool of assets. Thomas has worked in the banking industry for over 30 years as a credit officer, credit structurer and lending product specialist for various client groups. His experience also includes hedge funds and distressed assets. He is also familiar with asset-backed securities and other asset pool solutions. Most recently, he was Chief Credit Officer at well-known Swiss banks prior to co-founding Cresolutions.

Thomas is passionate about travelling to Africa and is a football fan.

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