

Press release

GenTwo founders now enabling full collateralization of securitized assets

Zurich, August 12, 2021 – **Assets that have been rendered investable through the issuance solution of the innovative securitizer GenTwo can now be 100% collateralized, thus offering professional investors additional protection. As a result, structured products based on the corresponding assets are, de facto, no longer exposed to issuer risk. This advance is made possible by Security Agent Services AG (SAS)*, a company founded by GenTwo's two co-founders, which represents investors in the creation of securities through asset monetization.**

Patrick Loepfe and Philippe A. Naegeli, the two founders of GenTwo, a provider of modern securitization solutions, established a new company in early 2021. Security Agent Service AG (SAS), based in Zug, will become the central element of a new solution for investors. With immediate effect, any assets that have been securitized via GenTwo and GenTwo digital platforms can be fully collateralized. For professional investors, this achievement sets a new security standard for structured products.

Since any investment product that is securitized via GenTwo and GenTwo Digital can now be launched as a "collateralized security", professional investors are fully protected against a potential default of the issuer. Due to the 100% collateralization in favor of the investors, who are jointly represented by SAS in the context of creating and monetizing the collateral, the corresponding investments are no longer exposed to issuer risk.

"With the option of securing structured products by making use of individual cells, we took an important step in March 2021 towards greater security for securitized assets," said Patrick Loepfe, co-founder of Security Agent Services (SAS). ***"Now, by fully collateralizing any conceivable asset, we are setting completely new standards in the investment market. This represents a true milestone in how this attractive segment of the so-called private markets will develop."***

Philippe A. Naegeli, also co-founder of Security Agent Services AG (SAS), adds: ***“Investors demand the highest possible degree of security when it comes to their investments. This new future-oriented solution responds to this need. The option of fully collateralizing assets ultimately leads to the best sustainable offering in the modern securitization market. At the same time, this innovation is an excellent enhancement to our already very successful business model.”***

GenTwo and GenTwo Digital have been in the business of establishing off-balance sheet securitization platforms for their institutional clientele since February 2018. These clients comprise asset managers and banks, for example, which make use of GenTwo's issuing solution to launch investment products based on any asset and without the involvement of a bank as issuer – and with a Swiss ISIN. The platforms are set up off-balance-sheet and separately from one another, which eliminates any transfer of risk between platforms. In March 2021, GenTwo took a step towards the development of greater security by upgrading the company's offer to include two-stage segregation (platform-integrated, cellular units). Since then, successful segregation has not only been carried out at the level of the platforms, but also on the individual product level. Now, by acting as an independent third party, SAS is contributing to an even higher level of protection. For the benefit of investors in structured products, whether based on one specific asset or a basket of several assets, SAS can create a security by monetizing the asset(s), pledged and deposited with a financial intermediary. This ensures that the investments concerned are protected at all times – regardless of a possible default by the issuer.

About GenTwo

Zurich-based innovative securitization specialist GenTwo has created a new generation of financial products. The company builds securitization platforms for its institutional clientele and enables professional investors to securitize not only bankable, but also non-bankable assets with a Swiss ISIN. The focus on so-called off-balance-sheet investment products solves the problem of declining margins and growth barriers for many financial market players. It opens up new performance potential by creating access to a theoretically unlimited world of asset classes. Financial intermediaries, including banks, can use GenTwo setup to realize their own product and business innovations. GenTwo: gentwo.com, GenTwo Digital: g2d.io

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* Security Agent Services AG (SAS) does not undertake any activities as a financial intermediary but aims exclusively to represent creditors in the context of creating and monetizing collateral. Contact SAS: Security Agent Services AG, Baarerstrasse 75, 6300 Zug, Switzerland, +41 43 558 7016, www.saservice.com