



PRESS RELEASE | LEONTEQ ADJUSTS ITS INVESTMENT STRATEGY

Zurich, 18 September 2013

Leonteq AG (SIX:LEON), the Zurich-based integrated investment service provider, today announced that it has discontinued its diversified bond-portfolio and will primarily invest proceeds from own product issuance into short-term high-quality core government bonds and cash going forward. This step reflects Leonteq's increased focus on its white-labeling strategy, while at the same time improving its risk/return profile as well as contributing to continued stable results in the future. Leonteq's investment portfolio continued to achieve a net positive performance in the second half of 2013 to date.

Up to its IPO in October 2012, Leonteq had invested the proceeds from its own product issuance with EFG Bank, a subsidiary of the company's majority shareholder at the time. In late 2012, reflecting the decoupling from EFG, Leonteq started to build up its own diversified bond-portfolio as a means to reinvest such proceeds and to generate operating income from funding. This investment strategy was recently put under review, after Leonteq was able to confirm the concept of its core white-labeling strategy with its new partner, Notenstein Private Bank. Over the longer term and with the addition of further partners, Leonteq expects its white-labeling strategy to lead to a reduction in the issuance of products under its own name.

As a result, and in keeping with its conservative capital management approach, Leonteq has now decided to discontinue its diversified bond-portfolio and will primarily invest into short-term high-quality core government bonds and cash in the future. With this recently concluded asset allocation switch – that also took account of the compression in credit-spreads over the last twelve months and ongoing economic uncertainties – credit risk on Leonteq's investment portfolio has been reduced by approx. 85%. At the same time, the investment portfolio continued to generate a positive contribution to Leonteq's bottom-line in the second half of 2013 to date.

Given the company's solid performance, its diverse franchise and encouraging investor confidence, Leonteq is very comfortable with its new investment approach, foregoing potential future funding income (amounting to CHF 2 million as per 30 June 2013) for the benefit of stability and less volatility for investors and clients.

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Leonteq is an integrated investment service provider with a leading position in Switzerland and an international presence through offices in Zurich, Geneva, Monaco, Guernsey, Frankfurt, Paris, Madrid, London, Singapore and Hong Kong. Leonteq combines a modern and integrated investment service platform designed for flexibility, innovation, customer services and transparency with a highly experienced team of specialists. Leonteq's registered shares (LEON) are listed on the SIX Swiss Exchange.
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