

# Benchmarks for Investment Strategies

The Strategy Indices of SIX make added-value measurable. They offer investors unique opportunities to compare structured products.

**SIX offers trading in around 15,000 strategy products that are included in the SSPA categories of participation, yield enhancement, and capital protection. In the context of this exceptional degree of product diversity, the Strategy Indices make it easier for investors to select a suitable structured product.**

The three indices "Participation" (SSPP®), "Yield Enhancement" (SSPY®), and "Capital Protection" (SSPC®) enable a performance comparison of an individual product with the indexed average in the respective investment category.

The transparent and representative benchmarks reflect the underlying investment concept of the corresponding product category and the risk-return profile of the respective strategy of the individual investment products. The periodic update of the indices ensures that the value of structured products is measurable in a timely manner.

## **Precise Mapping of Investment Strategies**

The indices are compiled and calculated according to specific rules and criteria. These have been set by taking into account the opinion of experts, analyses of new listings and turnover volumes. Furthermore, SIX uses two key figures that are essential for the selection process from Derivative Partners AG (dp), the leading data provider for structured products in Switzerland and information provider in the area of ETFs & indexing.

## **Your Benefits at a Glance**

- Make investment decisions based on reliable information
- Compare strategy products with the help of transparent indices
- Evaluate current performances thanks to regular index updates
- Clearly defined index rules with two-phased selection process
- Unique representation of risk-return-profiles
- Collaboration with experienced specialists
- Attractive for licensing by the issuer or asset manager

The basis universe for the Strategy Indices is formed of all the structured products traded on the Swiss stock exchange that are included in the SSPA categories of participation, yield enhancement, and capital protection.

#### Participation products

enable diversified investments to be made with small amounts at a low cost. As they directly reflect the performance of an underlying, the performance of the Participation index SSPP® can be ideally compared with the SMI®.

#### Capital protection products

minimize the market risk while offering conditional capital preservation. They are similar to bonds in their risk profile. The Capital Protection index SSPC® can therefore be ideally compared with the Total Return Index of all Swiss bonds published by Bloomberg.

#### Yield enhancement products

offer attractive value through coupons or discounts in the case of sideways-trending or slightly rising or falling markets. In order to compare the Yield Enhancement index SSPY® with an appropriate benchmark, a new synthetic index has been created. This reference index is made up of an equity component comprising 60% of the SMI® and a bond component comprising 40% of the Total Return Index of all Swiss bonds with an Investment Grade rating and a term of 5 to 10 years.

### Overview of Product Types

#### Participation products

Tracker Certificate

Outperformance Certificate

Bonus Certificate

Bonus Outperformance Certificate

Twin-Win Certificate

#### Yield enhancement products

Discount Certificate

Barrier Discount Certificate

Reverse Convertible

Barrier Reverse Convertible

Express Certificate without Barrier

Barrier Express Certificate

#### Capital protection products

Capital Protection Certificate with Participation

Barrier Capital Protection Certificate

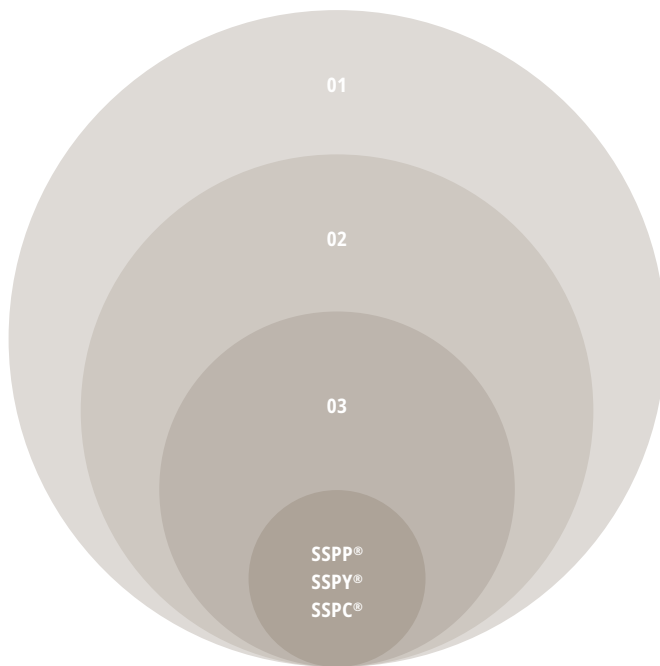
Capital Protection Certificate with Twin-Win

Capital Protection Certificate with Coupon

Each Strategy Index consists of a minimum of five and a maximum of ten products from the categories participation, capital protection, and yield enhancement. All products are all equally weighted and can only be part of one index. A minimum of three issuers must be represented in the index. The composition is reviewed and adapted on a regular basis.

In a first step, typical products of the category in question are selected. The definition is based on the factors residual maturity and moneyness as well as product-specific parameters, e.g. capital protection level for capital protection certificate. In a second step, optimum products for each corresponding index are selected by taking into consideration the “dp liquidity rating” and the “dp fair value gap” (see box “Key Figures”). A threshold value is defined which the products of the indices may not fall below or exceed.

### The Selection Process: “typical and optimal”



- 01 Determination of the product selection within the product universe. Including:
  - residual maturity
  - moneyness
- 02 Filtering of typical products.
- 03 Filtering of optimum products. Including:
  - average spread
  - average volume
  - price availability

#### Key Figures for an Optimum Product Selection

The “dp Liquidity Key Figures” are based on the “Quote Quality Metrics” (QQM) quality measurements. The Swiss stock exchange has been publishing the QQM since 2009. These observe the average spread, average volume, price (quote) availability, and corresponding daily closing prices for every listed structured product. The liquidity rating takes into account the availability of quotes, the maximum spread, and the volume of bid prices; it also provides information on the market-making quality of the issuer for any given structured product. The “dp Fair Value Gap” measures the percentage difference between the theoretical value of a structured product and the price currently offered by the issuer. Only products with the best price availability are considered for the selection of the index. Both key figures are calculated by Derivative Partners AG (dp).

## The Indices at a Glance

Strategy Indices	Symbol	ISIN	Security Number	Rebalancing
Participation Index SSPP®	SSPP	CH0113557455	11355745	monthly
Yield Enhancement Index SSPY®	SSPY	CH0113557489	11355748	bi-monthly
Capital Protection Index SSPC®	SSPC	CH0113557521	11355752	bi-monthly

The start date of the Strategy Indices was 27 February 2009 after close of trading at the level of 1,000 points.

## Factsheets and Information

You can find the continuously updated composition of the indices and current prices for the three Strategy Indices SSPP®, SSPY® and SSPC® on the [Structured Products website](#) of SIX. In addition, every two months an updated fact-sheet containing all key figures is published for each index. Further information about the product categories is provided by the [SSPA Swiss Derivative Map](#). Further information on index calculation can be found in the [rules](#).

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