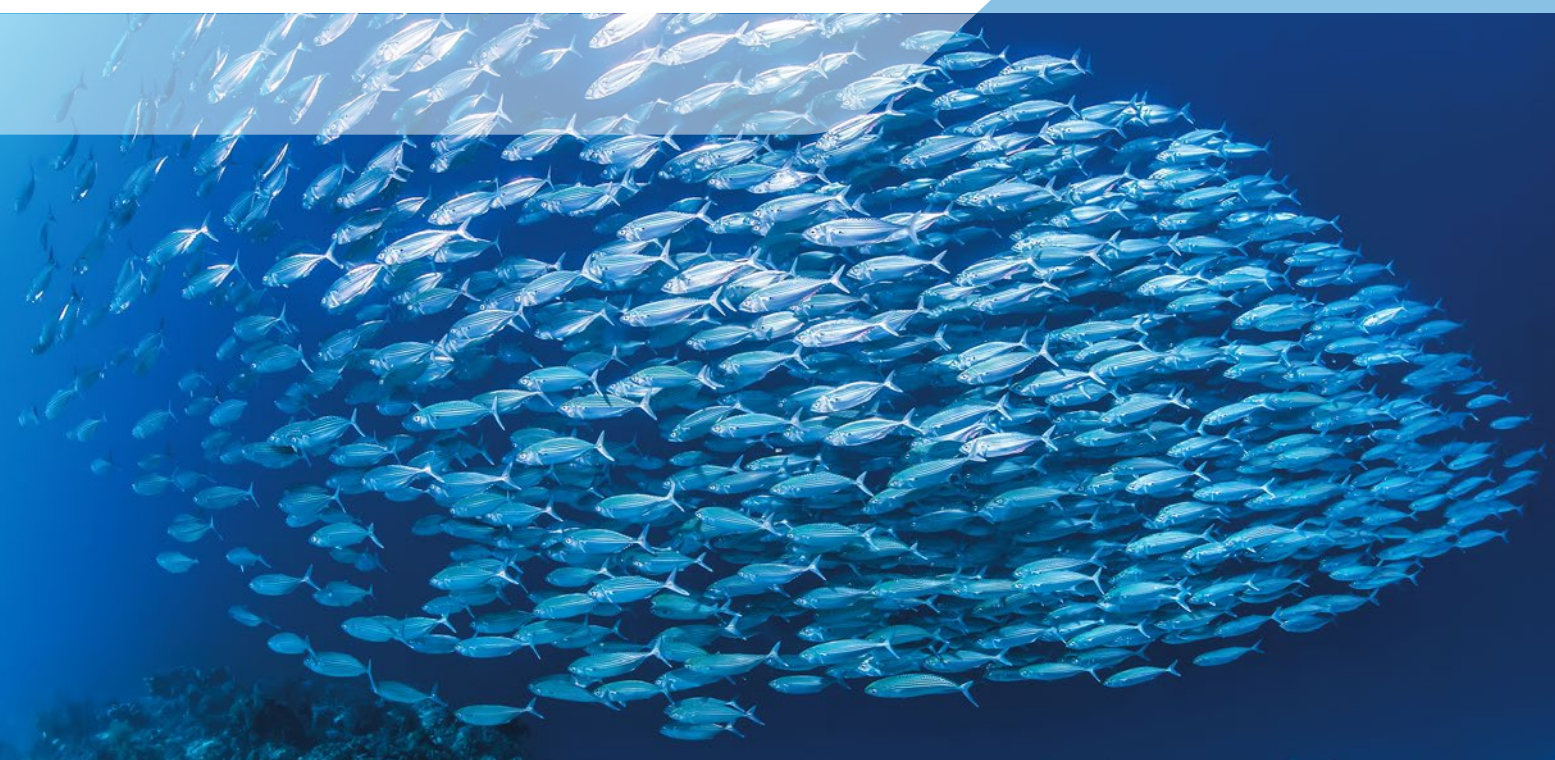




Benchmarks for Investment Strategies

SIX Structured Products Strategy Indices



Bank on Strategy Indices

Comparison made possible by Strategy Indices

The world of structured investment products is characterized by three strategies: participation, capital protection, and yield enhancement. There are currently around 11,000 such strategy products in Switzerland tradable at SIX Structured Products. This exceptional degree of product diversity makes it difficult to gain a proper overview of the market, and an investor's decision on a suitable product is no less challenging.

The SIX Structured Products Strategy Indices offer investors unique opportunities for comparison: Each of the three strategy indices enable a performance comparison of an individual product with the indexed average in the respective investment category.

Value is measurable

The calculation of the indices is rule-based and is updated on a regular basis. This reflects an up-to-the-minute and precise performance comparison and makes the value of structured products measurable.

How the indices work

First-class index concept

The three indices are compiled according to specific rules and criteria. They are established once only and reflect the underlying investment concept of the corresponding product category. The basis universe is formed of all the structured products traded at SIX Structured Products that are included in the SVSP categories of participation, yield enhancement, and capital protection. The first step involves selecting products for the three strategies that are typical of the product category in question. The definition is based on the following factors:

- Residual maturity
- Moneyness
- Other product-specific parameters (e.g. capital protection level for capital protection certificate)

In a second step, the optimum products for each corresponding index are then selected by taking into consideration the "dp liquidity rating" and the "dp fair value gap".

Experienced partner

Indexing is high-quality work and requires experienced specialists for the daily tasks. The three indices SIX Structured Products Participation Index (SSPP®), SIX Structured Products Yield Enhancement Index (SSPY®), and SIX Structured Products Capital Protection Index (SSPC®) were developed by Derivative Partners Ltd (dp) in cooperation with SIX Structured Products. Derivative Partners is the leading data provider for structured products in Switzerland and is an established information provider in the area of ETFs & indexing.

Key figures

The two key figures "dp liquidity rating" and "dp fair value gap" play a vital role in the index selection procedure. None of the products of the indices may fall below or exceed a particular threshold value. dp calculates the liquidity rating based on the "Quote Quality Metrics" (QQM) quality measurements. The Swiss Exchange for Structured Products 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, and provides information on the market-making quality of the issuer for any given structured product.

The second key figure, 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. Furthermore, only products with the best prices available are considered for the selection of the index.

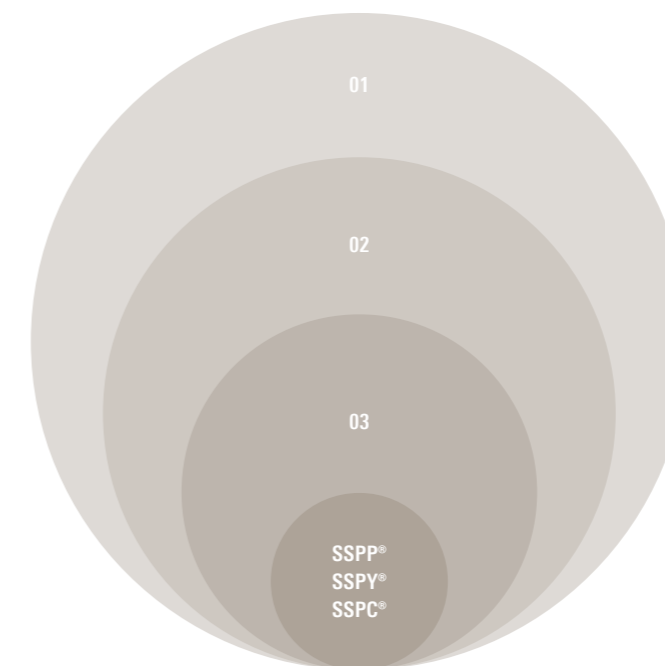
The Selection Process

The selection of typical and optimum products is in line with the following requirements:

- The SMI® is defined as the underlying
- The strategy index consists of a minimum of five and a maximum of ten products
- If insufficient products are available on the SMI®, products on the Euro STOXX 50® underlying are permitted

- A minimum of three issuers must be represented in the index
- The composition of the three indices is reviewed on a regular basis

Selection procedure for the index



- 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

Your benefits at a glance

- Transparent benchmark indices for all products and general asset classes traded on the Swiss Exchange for Structured Products
- Indices in line with the risk-return profile of the respective strategy of the individual investment products
- Illustration of average investment performance and category comparison possible
- By updating on a regular basis, a more precise and up-to-the-minute benchmark is continuously mapped
- By incorporating an index into a particular portfolio, it is possible to carry out historic simulations
- Attractive for licensing by the issuer or asset manager

Participation Index SSPP®

Participation products enable direct investment in a particular underlying and participation in its performance. The SSPP® Index maps this investment strategy precisely.

Index composition

The Participation Index SSPP® replicates the segment of participation products, and is characterized by direct participation in the performance of an underlying. Typical products of the following types qualify for the Participation Index SSPP®:

- Tracker Certificates
- Outperformance Certificates
- Bonus Certificates
- Bonus Outperformance Certificates
- Twin-win Certificates

The optimal products selected according to the above-mentioned criteria are all given equal weighting within the index. The SSPP® first opened on February 27, 2009, at the level of 1,000 points.

Rebalancing

The index composition is reviewed each month and the index is updated if necessary.

Benchmark

The Participation Index also needs a benchmark index against which its performance can be measured. As participation products directly reflect the performance of their underlyings, the SSPP® can be ideally compared with the SMI®.

SSPP® vs. SMI® reference index



The chart shows the development of the SIX Structured Products Participation Index, SSPP®, as compared with its benchmark, the SMI®.

Chart: Derivative Partners, December 2015

- SSPP®
- SMI® (rebased to 1,000 points)

Yield Enhancement Index SSPY®

Yield enhancement products offer attractive value through coupons or discounts in the case of sideways-trending or slightly rising underlyings. The SSPY® Index reflects this investment strategy precisely.

Index composition

Typical products of the following types from the category of yield enhancement products qualify for the Yield Enhancement Index SSPY®:

- Discount Certificates
- Barrier Discount Certificates
- Reverse Convertibles
- Barrier Reverse Convertibles
- Express Certificates

Of the typical products, only those with "clean" pricing (including accrued interest) are taken into account. Here, accrued interest is factored in separately when calculating the index. Three quarters of the yield enhancement products listed in Switzerland are "cleanly" priced. The optimal products selected according to the above-mentioned criteria are all given equal weighting within the index. The SSPY® first opened on February 27, 2009, at the level of 1,000 points.

Rebalancing

Due to its investment character, the index composition is reviewed only every two months and updated if necessary, in contrast to SSPP®, whose composition is reviewed monthly.

Benchmark

In order to compare the yield enhancement index 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 published by Bloomberg (Bloomberg code: SZGATR). This make-up gives an approximation of the structure and the risk of yield enhancement products.

SSPY® vs. reference index SMI® 60% / CH Bond Index SZGATR 40%



The following chart shows the development of the SIX Structured Products Yield Enhancement Index, SSPY®, as compared with its benchmark.

Chart: Derivative Partners, December 2015

- SSPY®
- SMI® 60% / CH Bond Index SZGATR 40% (rebased to 1,000 points)

Capital Protection Index SSPC®

Capital protection products stand for capital preservation and loss minimization. The SSPC® Index maps this investment strategy precisely.

Index composition

The following product types are selected from the capital protection products category to form the Capital Protection Index SSPC®:

- Capital Protection Certificate with Participation
- Convertible Certificate
- Barrier Capital Protection Certificate
- Capital Protection Certificate with Coupon

The optimal products selected according to the above-mentioned criteria are all given equal weighting within the index. The SSPC® first opened on February 27, 2009, at the level of 1,000 points.

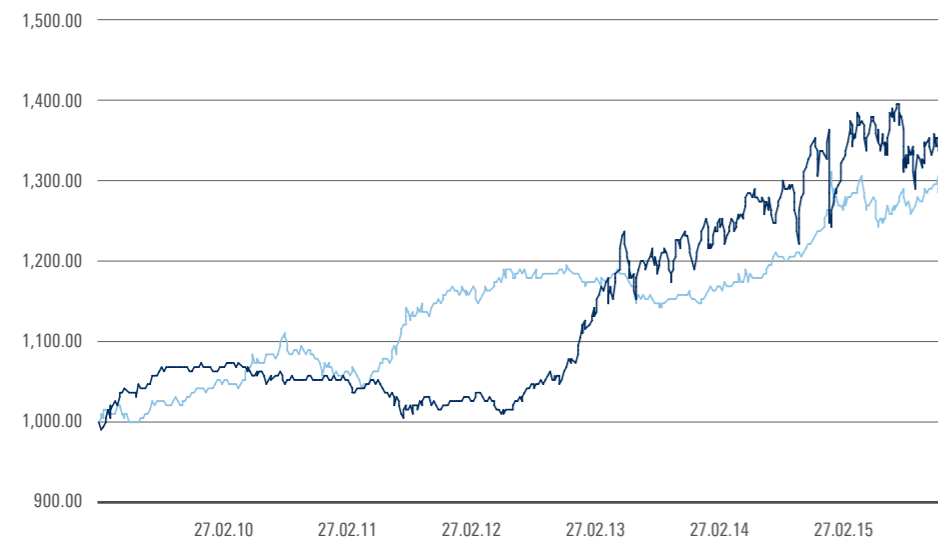
Rebalancing

Due to its investment character, the index composition is reviewed every two months, as at SSPY®, and updated if necessary.

Benchmark

Structured products of this category are characterized by the protection they afford to the invested capital. They are similar to bonds in their risk profile. The SSPC® can therefore be ideally compared with the Total Return Index of all Swiss bonds published by Bloomberg (Bloomberg code: SZGATR).

SSPC® vs. reference index CH Bond Index SZGATR



The chart shows the development of the SIX Structured Products Capital Protection Index, SSPC®, as compared to its benchmark – the Swiss Bond Index published by Bloomberg (Bloomberg code: SZGATR).

Chart: Derivative Partners, December 2015

- SSPC®
- CH Bond Index SZGATR (rebased to 1,000 points)

The indices at a glance

Strategy Indices	Symbol	ISIN	Security number	Start date	Index level
Participation Index SSPP®	SSPP	CH0113557455	11355745	Feb. 27, 2009	1,000
Yield Enhancement Index SSPY®	SSPY	CH0113557489	11355748	Feb. 27, 2009	1,000
Capital Protection Index SSPC®	SSPC	CH0113557521	11355752	Feb. 27, 2009	1,000

Factsheets and information

You can find the continuously updated composition of the indices (product details) and current prices for the three strategy indices SSPP®, SSPY® and SSPC® on our website www.six-structured-products.com. In addition, every two months an updated factsheet containing all key figures is provided for each index online.

SIX Structured Products Exchange Ltd

Selnaustrasse 30

Postfach

CH-8021 Zürich

T + 41 58 399 5454

F + 41 58 499 5455

structured-products@six-swiss-exchange.com

www.six-structured-products.com

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