



# Evaluated Pricing Service

Proven Defensibility at Your Fingertips

Today's regulatory environment, market volatility, and increasing demands for greater transparency have established evaluated pricing as a key input for managing daily portfolio servicing needs and for managing risk generally.

To meet that need, the SIX Evaluated Pricing Service (EPS) for fixed income and OTC derivatives sets a new benchmark for transparency, enabling clients to comply with accounting, auditing, and regulatory requirements in a cost-effective way.

## Transparent and independent

SIX EPS can be broadly split into two complementary components:

1. A core EP service for most widely held plain vanilla fixed income securities.
2. A satellite offering that adds to our core competency where prices are sourced from third parties who specialize in particular fixed income sub-asset classes and selected OTC derivatives. Our primary satellite offering covers asset backed bonds (MBS, CMBS, ARMS and other MBS derivatives) where SIX partners with JP Morgan's Pricing Direct

Our offering is an unbiased and completely independent pricing service with no vested interests. We offer complete model transparency for our core offering; there is no black-box effect.

Client queries concerning any facet of our pricing offering can be queried and clarified, including those offered by our third parties. Price challenges will typically be handled within 24 hours, with special cases stretching to 48 hours. For our Core service, market data is processed within ten

minutes and EPS valuations are delivered within one hour of a market snap.

Our Evaluated Pricing is available via the two most widely used delivery mechanisms in SIX, VDF and IPS.

## Key benefits:

- ☆ Significant added value for achieving regulatory compliance
- ☆ Efficient management of operational risks by transferring ownership and management of the valuation process to SIX
- ☆ Flexible and customized valuation reports via the IPS delivery mechanism of SIX
- ☆ For our Core offering: Valuation transparency for fixed income instruments accessible any time via our EP web tool
- ☆ Helps improve investor perception

	Instruments covered:	Features:
<b>Fixed Income</b>	Sovereign bonds, investment grade and selected non-investment grade corporate bonds and high yield bonds, zero coupon bonds, callable bonds, ABS, MBS, CMBS, RMBS, CLO, CMO, ARM, and inverse IO, municipal bonds, floating rate notes and non-rated bonds	<ul style="list-style-type: none"> <li>– Yield curves in 36 currencies</li> <li>– Investment grade coverage for AAA, AA, A &amp; BBB. Non-investment grade coverage for BB, B, CCC, CC and GOV</li> <li>– Rating data from JCR, Moody's, and S&amp;P</li> <li>– Convexity, duration, PVBP and accrued interest calculated for all bonds in our core offering</li> </ul>
<b>OTC derivatives</b>	Swaps, options, CoCos, equity linked notes, forwards, swaptions	<ul style="list-style-type: none"> <li>– Major currencies: USD, EUR, JPY, GBP, CHF</li> <li>– Most minor currencies</li> <li>– LIBOR, OIS, CCP curves</li> </ul>

### Comprehensive bond market and OTC coverage

Coverage for fixed income securities spans 36 currencies, investment grade and high yield securities, fixed and floating rate, callable/puttable and zero coupon notes, asset and mortgage backed securities, collateralized loan and mortgage obligations, agency and government debt, adjustable rate mortgages, and hard to value securities.

With access to interdealer broker data and market quotes, SIX uses proprietary tools to select the best market inputs for building spot curves and pricing bonds.

EPS is beneficial to anyone who requires a regularly and consistently updated valuation of their financial instruments from an independent source. The EPS features include:

- 6 well defined snaps for our core EP offering
- Trade setup and valuation processes that follow a “four eyes” approach

- Clean and dirty prices using bid, mid and ask market quotes
- Instrument level analytics
- Over 3,000 spot curves, used for valuation of our core product

By sourcing evaluated pricing from a select group of best in breed providers, clients can be assured that they are receiving high quality evaluated pricing all from one source, via standard interfaces, which will require less integration and lower maintenance levels.

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