



Swiss Index

Methodology Rulebook Governing Dividend Point Indices
for SMI, SMIM, SLI

Table of Content

1	Index Structure	3
1.1	Introduction	3
1.2	General Principles	3
1.3	Ordinary Adjustment Date	3
1.4	Historical Data	3
1.5	Index Commission	3
1.6	Review of Index Concept	3
1.7	Termination of the Index Calculation	4
2	Index Calculation	5
2.1	Index Formula	5
2.2	Treatment of Dividends and other Payments	5
2.2.1	Regular Cash Dividend	5
2.2.2	Repayments of Capital Instead of a Cash Dividend	5
2.2.3	Extraordinary Payments	5
2.2.4	Share Dividend (Company's Own Shares)	6
2.2.5	Share Dividend (Shares of another Company)	6
2.2.6	Extraordinary Situations	6
2.3	Calculation Interval and Publication	6
2.4	Information on Index Adjustments	6
2.5	Trade Suspensions and Market Distortions	6
2.6	Index Corrections	7
3	Trademark Protection, Use and Licensing	8
3.1	Protection	8
3.2	Licensing	8
3.2.1	Free Usage	8
3.2.2	Usage Subject to License	8
4	Contact	9
5	Static Data	10

1 Index Structure

1.1 Introduction

The total performance of an equity index can be separated into the performance of the constituents' stock price movements and the performance of cash distributions received from those stocks. The dividend point indices are a measure of the regular cash distributions (see "regular cash dividends" or "repayments of capital instead of a cash dividend" in section 2.2) of constituents of an underlying parent index such as the SMI®, SMIM® and SLI®.

1.2 General Principles

In order to achieve the stated index objective, SIX defines the general principles that govern the index methodology. SIX publishes the index objective and rules for all indices.

- **Representative:**
The development of the market is represented by the index.
- **Tradable:**
The index components are tradable in terms of company size and market.
- **Replicable:**
The development of the index can be replicated in practice with a portfolio.
- **Stable:**
High index continuity.
- **Rules-based:**
Index changes and calculations are rule-based.
- **Projectable:**
Changes in rules are with appropriate lead time (usually at least 2 trading days) – no retrospective rule changes.
- **Transparent:**
Decisions are based on public information.

1.3 Ordinary Adjustment Date

The dividend point indices are reset to 0 ("zero") points every Monday after the third Friday in December.

1.4 Historical Data

Historical data for the dividend point indices are available from 22 December 2008.

1.5 Index Commission

The Management Committee of SIX Financial Information is supported by the Index Commission (advisory board) in all index-related matters, notably in connection with changes to the index rules and adjustments, additions and exclusions outside of the established review and acceptance period.

The Index Commission convenes at least twice a year. It provides valuable input on how existing products can be improved and new ones created.

1.6 Review of Index Concept

The validity of the index concepts and rules is reviewed on a regular basis. In exceptional cases a broad market consultation can be conducted. The changes to the index rules are publicly announced with appropriate lead time (usually 3 months).

1.7 Termination of the Index Calculation

A decision to discontinue will be publicly announced by SIX with appropriate lead time.

In case of existing financial products linked to the index, of which SIX is aware, a market consultation is conducted in advance and a transition period is introduced before the definitive termination. Otherwise no market consultation will be carried out.

2 Index Calculation

2.1 Index Formula

Dividend capitalization (not published):

$$DA_t = \sum_{i=1}^n d_{i,t} * x_{i,t} * f_{i,t} * k_{i,t} * r_s$$

Dividend point index:

$$DP_t = DP_{t-1} + \frac{DA_t}{D_t}$$

Legend:

t:	Current day
s:	Time the dividend capitalization is computed
DA_t:	Dividend capitalization on day t
DP_t:	Dividend point index on day t
DP_{t-1}:	Dividend point index on day t-1
k_{i,t}:	Capping factor for security i on day t
d_{i,t}:	Dividend amount for security i on day t
x_{i,t}:	Number of shares for security i on day t
f_{i,t}:	Free float for security i on day t
r_s:	CHF exchange rate at time s
D_t:	Divisor of the underlying index on day t

2.2 Treatment of Dividends and other Payments

The treatment of dividends and other payments is determined in line with the [“Methodology Rulebook Governing Equity and Real Estate Indices”](#).

2.2.1 Regular Cash Dividend

Regular cash dividends are fully taken account of in the dividend point indices. Dividend payments are always treated as gross amounts, including the withholding tax portion.

Dividend Points	
Regular cash dividend	Yes

2.2.2 Repayments of Capital Instead of a Cash Dividend

Repayments of capital through the reduction of a share's par value, which can take the place of a regular cash dividend or constitute a component of the regular distribution, are treated in the same way as a normal dividend payment.

Dividend Points	
Repayments of capital instead of a cash dividend	Yes

2.2.3 Extraordinary Payments

Distributions (e.g., special dividends and anniversary bonuses) that, contrary to the company's usual dividend policy, are paid out or declared extraordinary dividends are not deemed dividends in the above sense.

Dividend Points	
Extraordinary payments	No

2.2.4 Share Dividend (Company's Own Shares)

Share dividends are not treated like ordinary dividend payments. The increase in the number of shares is offset by the lower price of the share on the ex date.

Dividend Points	
Share dividend (company's own shares)	No

2.2.5 Share Dividend (Shares of another Company)

The distribution of a dividend on shares of another company is not classified as an ordinary dividend payment.

Dividend Points	
Share dividend (shares of another company)	No

2.2.6 Extraordinary Situations

At variance to the treatment of dividends and other distributions described in Section 2.2.1 through 2.2.5 above, SIX reserves the right in justifiable instances to diverge from those provisions.

2.3 Calculation Interval and Publication

The dividend point indices are calculated and published once a day. All index data are distributed by SIX Exfeed Ltd (a SIX Group Ltd subsidiary).

2.4 Information on Index Adjustments

Any relevant forthcoming extraordinary corporate events that result in an adjustment to the indices are published by email via "Index Service".

The registration form is available on the [SIX website](#). SIX accepts no liability for Investor Service.

2.5 Trade Suspensions and Market Distortions

Should a data source (for example a price source) not be available as result of challenging economic conditions or other market distortions the last available data will normally be used.

In extreme cases a deviation from the rules defined in this rulebook can occur, for example, shifting the schedule of a regular index review.

All changes will be publicly announced at least two trading days in advance.

2.6 Index Corrections

Index corrections distinguish between calculation errors and incorrect input data.

Calculation errors detected within a trading day are corrected immediately. Intraday tick data are not corrected retrospectively.

Calculation errors that are older or based on erroneous input data are corrected if technically possible and economically viable. If significant differences exist, index values can also be corrected retrospectively.

Interested parties may subscribe to an email notifications service on the website. SIX distributes notifications over this channel on

- Changes in corporate actions and dividends
- Updates to the periodic index reviews
- Problems and error in the index calculation
- The launch of new indices
- General information on SMI indices

3 Trademark Protection, Use and Licensing

3.1 Protection

The [Indices Trademarks](#) are internationally registered trademarks of SIX Swiss Exchange.

3.2 Licensing

3.2.1 Free Usage

The [Indices Trademarks](#) may be freely used for the purpose of honest reporting of the relevant index. Insofar as it is technically possible, the symbols ® and ™ should be used, possibly with a footnote stating that these names are registered trademarks of SIX Swiss Exchange, Zurich.

3.2.2 Usage Subject to License

Any additional use of the [Indices Trademarks](#) or any commercial use of the index figures (e.g., issue of index-linked financial instruments or capital insurance with or without mention of the trademark in the name or description) is only permissible with a valid licensing agreement.

Offering prospectuses must include the disclaimer which is available on the [SIX website](#).

4 Contact

Information concerning the indices of SIX (index adjustments, announcements etc.) is available at the following Internet address:

www.six-group.com/indices

Any requests with respect to the indices may be directed to the following address:

SIX

Swiss Index

Pfingstweidstrasse 110

P.O. Box

CH-8021 Zurich

Email: indexsupport@six-group.com

Phone: +41 58 399 22 29

5 Static Data

Underlying Index	Symbol	ISIN
SMI [®] Swiss Market Index Price	SMI	CH0009980894
Dividend Point Index	Symbol	ISIN
SMI [®] Dividend Points	SMIDVP	CH0049815704

Underlying Index	Symbol	ISIN
SMIM [®] (SMI MID) Price	SMIM	CH0019399838
Dividend Point Index	Symbol	ISIN
SMIM [®] Dividend Points	SMIMDP	CH0049815712

Underlying Index	Symbol	ISIN
SLI [®] Swiss Leader Index Price	SLI	CH0030252883
Dividend Point Index	Symbol	ISIN
SLI [®] Dividend Points	SLIDP	CH0049815720

A current list of all indices calculated by SIX is accessible at the SIX website:

https://www.six-group.com/exchanges/downloads/indexinfo/online/calculated_indices.xls

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