



# Revision of the SIX Blue-Chip Indices Methodology

8 September 2023

# SMI Market Consultation

## Purpose

The consultation asks for stakeholders' views on whether the SMI would benefit from an increased number of components, or if the current size of 20 stocks would suffice



## Potential Changes

- The SMI would increase from 20 to 30 stocks
- The Free Float Market Capitalization over 12 months would be employed as the sole selection criterion for the SMI, SMIM and SLI
- The currently used 12-month order book turnover would be no longer applied for the SMI, SMIM and SLI

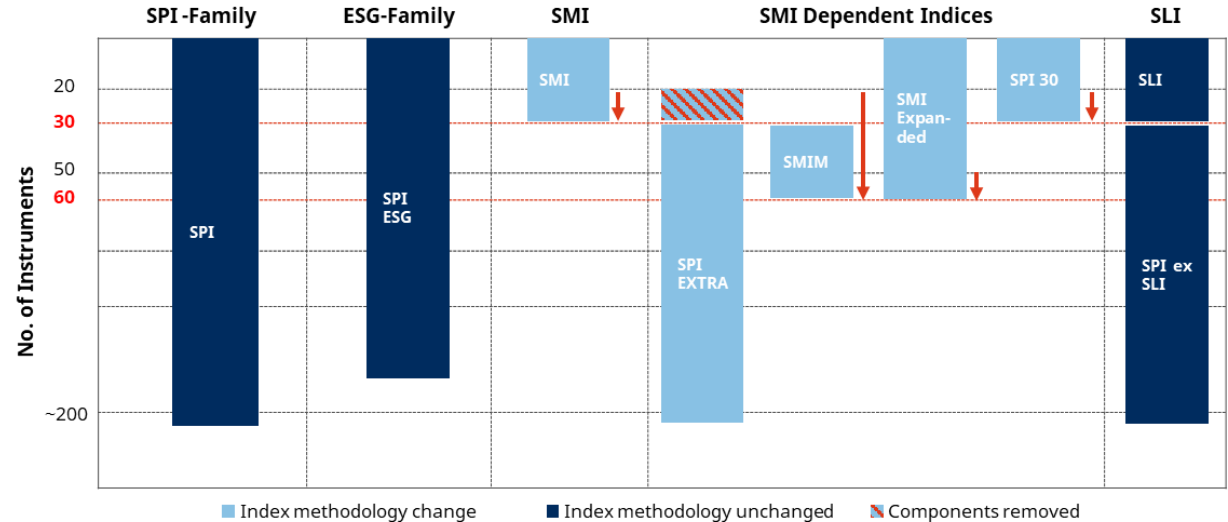


## Indices Dependent on the SMI Composition Would Be Impacted as Well

- SPI 20 (all SMI companies, but without 18% weighting limit) would be renamed to SPI 30
- SMIM (30 mid-cap stocks) would contain companies ranked from 31 to 60 instead of 21 to 50
- SPI Extra (all Swiss Equities minus the SMI components) would decrease by 10 components
- SMI Expanded (SMI + SMIM) would increase the number of components to 60

# Illustration of the Potential Changes

- With 30 stocks the SMI and SPI 30 increase the representation of the market in terms of coverage and diversification
- These additional 10 companies represent approx. CHF 100bn as of August 2023 in free float market capitalization, accounting for c. 8% weight of the SMI
- Nestlé as the largest company in the SMI has a weight of c. 18% with a free float market capitalization of above CHF 200bn



# Differences between the SMI, SLI and SPI 30

- By changing the methodology of the SMI and SPI 30, all three indices would share the same composition in the future, but have different weighting schema as shown in the examples\* below
- The indices fulfill different client demands and regulatory concepts concerning diversification and maximum weights (international standards for investment funds UCITS (5/10/40) and UCITS (20/35))

Company	SMI (UCITS 20/35; weights limited to 18%)	SPI 30 (weights not limited)	SLI (weights limited to 9% & 4.5%)
Nestle	18.0%	23.0%	9.0%
Novartis	16.5%	15.5%	8.5%
Roche	16.0%	15.0%	8.3%
UBS	6.5%	6.2%	8.0%
Richmont	5.5%	5.4%	4.5%
...			

\*All data is for illustrative purposes only.

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