



Benchmark Statement

Fixed Income and Money Market Benchmark Family

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1 General Information

According to Article 27 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council, of 8 June 2016, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "EU BMR"), SIX Financial Information AG, as the administrator of certain benchmarks which may be used in the European Union, shall publish a benchmark statement for each family of benchmarks (the "Benchmark Statement").

This Benchmark Statement has been created for the Fixed Income and Money Market Benchmark Family, which consists of several indices as outlined in the Appendix I. All benchmarks in the Fixed Income and Money Market Benchmark Family:

- Use readily available data, that is no contributed data is used.
- Classify as non-significant benchmarks (further details in the Appendix I)

This Benchmark Statement has been last updated and published on 17 December 2020.

2 Description of the Market or Economic Reality

The Fixed Income and Money Market Benchmark Family comprises benchmarks which aim to measure the performance of a selection of bonds that are traded on SIX Swiss Exchange or the average rate of repo transactions conducted on SIX Repo.

Each benchmark within the Fixed Income and Money Market Benchmark Family is constructed using bonds and/or prices from repo transactions from well-defined universes:

- The fixed income universe consists of all debt instruments listed on SIX Swiss Exchange that are denominated in CHF, have a remaining maturity of at least 1 year, a fixed coupon and exhibit a nominal amount of at least 100m CHF.
- The money market universe consists of overnight repo transactions on SIX Repo.

SIX defined transparent, accurate and concise rules about the eligibility and selection of benchmark constituents, the review frequency of a benchmark, as well as the weighting scheme within a benchmark and types of re-investment calculation applied in the respective methodology rulebooks. All benchmarks of the Fixed Income and Money Market Benchmark Family along with their corresponding methodology rulebook are listed in the Appendix I.

3 Potential Limitations of the Benchmark Family

If data which is necessary to determine the price or weight of an index component is not available to SIX due to trade suspensions or market distortions the latest available data is used. Such cases may lead to a deviation from the general principles of the indices defined in the respective methodology rulebooks. These changes may be related to review schedules, ordinary reviews as well as component and weighting changes outside of ordinary index reviews and are publicly announced with a notification period of at least 2 trading days.

In case of structural changes of the market or economic reality or in cases where the interest in a market has diminished or is non-functioning, the reliability of a methodology can no longer be ensured. SIX reviews the methodology rulebooks at least annually to anticipate any such changes and mitigate its consequences by adjusting the methodology accordingly.

4 Controls and Rules for the Exercise of Expert Judgement

The rules for each of the benchmarks within the Fixed Income and Money Market Benchmark Family have been designed to eliminate discretion or expert judgement for the benchmark calculation to the greatest extent possible. However, there might be unexpected events, such as complex corporate actions, structural changes to the markets, or operational issues at SIX Swiss Exchange/SIX Repo, which require actions that are not described in the methodology rulebooks.

In such (unexpected) cases, a pre-defined incident and escalation process has been established. SIX will evaluate and document the use of discretion as part of the incident management process. The goal will always be to update the respective methodology rulebook to capture these unexpected cases with a new transparent rule. In addition, any feedback from market participants about the use of discretion will usually be discussed in the upcoming Bond or Swiss Reference Rate Index Commission meeting.

SIX ensures that the rules of the benchmarks are applied correctly and fulfil the required quality standards. SIX works against structured processes to ensure compliance with a regulatory framework. Further documentation on regulation and processes can be found on the [SIX website](#). Based on the general principles outlined in the respective rulebooks (Fixed Income: “methodology rulebook governing bond indices”, section 2; Money Market: “methodology rulebook governing the swiss reference rates”, section 1.4), SIX reserves the right to adjust index compositions, component weightings or notification periods.



Rulebooks:

The **Methodology Rulebook Governing the Swiss Reference Rates** document can be downloaded from the following website:

<https://www.six-group.com>

The **Methodology Rulebook Governing Bond Indices** document can be downloaded from the following website:

<https://www.six-group.com>

5 Methodology of the Benchmark Family

The benchmark methodologies used in the Fixed Income and Money Market Benchmark Family are designed to measure the market or economic reality described in section 2. The benchmark methodologies are written using clear, transparent and concise rules, which makes it easy for the benchmark users to select the appropriate benchmark for their purpose.

SIX follows a structured and detailed process for benchmark methodology changes. A revised methodology must remain executable and result in an accurate and reliable representation of the economic realities of the interest the benchmark seeks to measure. Under no circumstances will SIX retrospectively change any of its rules and/or methodologies. SIX ensures that a change of methodology does not violate any of the requirements defined for developing a benchmark methodology and does not violate the minimum disclosure requirement defined for the content of the benchmark methodology.

Where feasible, SIX aims to consult on all material methodology changes with representatives of relevant clients and other stakeholder groups. A material methodology change comprises a change that “significantly modifies the procedures applied to the determination of a benchmark” and, therefore, the benchmark value compared to an unchanged scenario. Examples of changes that are considered material in their nature include changes in:

- Benchmark objective and the market it seeks to measure
- Benchmark component count (for fixed component indices)
- Periodical review frequency
- Component universe and selection rules

- Weighting rules
- Introduction or removal of fast exit/entry rules
- Component replacement procedures
- Corporate actions treatments including merger and takeover treatments, and/or
- Rebalancing rules.

A summary of the market consultations' comments and SIX' summary response to those comments will be made accessible to clients and stakeholders after any given consultation period, except where the originator of the comments has requested confidentiality.

The validity of the index methodology is reviewed on an annual basis. SIX has a right to stipulate changes to the rules if necessary to maintain the purpose of the index or if any law, regulation or decision by an authority makes this necessary or if such a change is considered appropriate due to a change in market practice. In exceptional cases a broad market consultation can be conducted. The changes to the index methodology are publicly announced with an appropriate lead time

Changes to a benchmark methodology or the cessation of a benchmark might be necessary due to several factors, both in SIX' control and beyond SIX' control. These include for example:

- Political and economic changes in markets
- Internal feedback from staff members
- External feedback from clients and other stakeholders
- Feedback from Oversight Function

Such changes or the cessation of a benchmark might have an adverse impact on financial contracts (such as derivatives), financial instruments (such as structured products) or investment funds.

For more information about the transition or cessation of a benchmark, please review the document "Procedures for cessation of a Benchmark".



The **Procedures for cessation of a Benchmark** document can be downloaded from the following website:

<https://www.six-group.com>

6 Determination of a Benchmark

All benchmarks in the Fixed Income and Money Market Benchmark Family use readily available prices ("Input Data") received from SIX Swiss Exchange AG/SIX Repo during the official trading hours. The benchmark methodologies do not define a minimum of data needed and do not use extrapolation to determine the benchmark value.

There is no defined hierarchy for the received Input Data. Where a benchmark is calculated intraday, prices are used as defined in the respective methodology rulebook, for example last available price.

The constituents of the fixed income benchmarks are rebalanced on a regular basis, usually at a monthly frequency. There are no constituents for the money market benchmarks and therefore no rebalancing takes place.

In case data necessary to determine the price or weight of a benchmark component is not available due to, for example, market distortions, the last available data is used.

Errors in Input Data affecting the benchmark which are detected the same trading day are corrected immediately. Errors in Input Data affecting the benchmark that are older than one trading day are corrected if technically possible and appropriate.

Further details about rebalance procedures and schedules, as well as errors in Input Data can be found in the corresponding methodology rulebooks listed in the Appendix I.

7 ESG Disclosures

None of the benchmarks in the Fixed Income and Money Market Benchmark family take account of environmental, social and governance (ESG) factors in the index design and they do not pursue any ESG objectives.

SIX does not administer any EU Climate Transition Benchmarks or any EU Paris-aligned Benchmarks.

The template for explaining how ESG factors are reflected for benchmarks in this benchmark statement can be found in Appendix II.

Appendix I

This Benchmark Statement comprises the following benchmarks.

Name	Return Type ¹	Currency	ISIN	Classification ²	Rulebook
SBI® Foreign AAA-BBB 1-5 Total Return	Total Return	CHF	CH0032974179	Non significant	Bond Indices
SBI® Foreign AAA-BBB 1-5 Price	Price	CHF	CH0032974187	Non significant	Bond Indices
SBI® Foreign AAA-BBB 1-5 Yield	n.a.	n.a.	CH0032974203	Non significant	Bond Indices
SBI® Foreign AAA-BBB 1-5 Duration	n.a.	n.a.	CH0032974211	Non significant	Bond Indices
SBI® Foreign AAA-BBB 5-10 Total Return	Total Return	CHF	CH0032974237	Non significant	Bond Indices
SBI® Foreign AAA-BBB 5-10 Price	Price	CHF	CH0032974252	Non significant	Bond Indices
SBI® Foreign AAA-BBB 5-10 Yield	n.a.	n.a.	CH0032974260	Non significant	Bond Indices
SBI® Foreign AAA-BBB 5-10 Duration	n.a.	n.a.	CH0032974278	Non significant	Bond Indices
SBI® Domestic Government 1-3 Total Return	Total Return	CHF	CH0016203413	Non significant	Bond Indices
SBI® Domestic Government 1-3 Price	Price	CHF	CH0016203405	Non significant	Bond Indices
SBI® Domestic Government 1-3 Yield	n.a.	n.a.	CH0016203421	Non significant	Bond Indices
SBI® Domestic Government 1-3 Duration	n.a.	n.a.	CH0016203439	Non significant	Bond Indices
SBI® Domestic Government 3-7 Total Return	Total Return	CHF	CH0016203454	Non significant	Bond Indices
SBI® Domestic Government 3-7 Price	Price	CHF	CH0016203447	Non significant	Bond Indices
SBI® Domestic Government 3-7 Yield	n.a.	n.a.	CH0016203462	Non significant	Bond Indices
SBI® Domestic Government 3-7 Duration	n.a.	n.a.	CH0016203470	Non significant	Bond Indices
Swiss Average Rate ON	n.a.	n.a.	CH0049613687	Non significant	Swiss Reference Rates
Swiss Average Rate ON (12:00 CE(S)T fixing)	n.a.	n.a.	CH0049613687	Non significant	Swiss Reference Rates
Swiss Average Rate ON (16:00 CE(S)T fixing)	n.a.	n.a.	CH0049613687	Non significant	Swiss Reference Rates

¹ Price: Only component prices are used for the index calculation, that is coupons/dividends are not re-invested

Total Return: Component prices are used for the index calculation and gross coupon/dividend amounts are re-invested

n.a.: Underlying pays no coupons/dividends

² According to Article 3(1)(27) of EU BMR

Name	Return Type ¹	Currency	ISIN	Classification ²	Rulebook
Swiss Average Rate ON (18:00 CE(S)T fixing)	n.a.	n.a.	CH0049613687	Non significant	Swiss Reference Rates
SARON Index	n.a.	n.a.	CH0100517157	Non significant	Swiss Reference Rates
SARON 1 month Compound Rate	n.a.	n.a.	CH0477123886	Non-significant	Swiss Reference Rates
SARON 3 months Compound Rate	n.a.	n.a.	CH0477123902	Non-significant	Swiss Reference Rates
SARON 6 months Compound Rate	n.a.	n.a.	CH0477123910	Non-significant	Swiss Reference Rates
SARON 1 IMM Compound Rate	n.a.	n.a.	CH0477123860	Non-significant	Swiss Reference Rates
SARON 3 IMM Compound Rate	n.a.	n.a.	CH0477123878	Non-significant	Swiss Reference Rates

Appendix II

Explanation of how ESG factors are reflected for benchmarks in this benchmark statement

Consideration of ESG Factors

Item 1. Name of the benchmark administrator.

SIX Financial Information AG

Item 2. Type of benchmark or family of benchmarks. Choose the relevant underlying asset from the list provided in Annex II of Commission Delegated Regulation (EU) 2020/1816.

Other Benchmark

Item 3. Name of the benchmark or family of benchmarks.

See list of benchmarks in Appendix I

Item 4. Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?

Yes No

Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?

Yes No

Item 6. Where the response to Item 5 is positive, provide below the details (score) for each benchmark, in relation to the ESG factors listed in Annex II, depending on the relevant underlying asset concerned.

Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in the benchmark statement. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years.

The score of the ESG factors shall not be disclosed for each constituent of the benchmark, but shall be disclosed at an aggregated weighted average value of the benchmark.

a) List of combined ESG factors:

Details on each factor:

b) List of environmental factors:

Details on each factor:

c) List of social factors:

Details on each factor:

d) List of governance factors:

Details on each factor:

Hyperlink to the information on ESG factors for each benchmark:

Item 7. Data and standards used

a) Description of data sources used to provide information on the ESG factors in the benchmark statement. Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.

b) Reference standards. List the supporting standards used for the reporting under item 6.

SIX

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It is the responsibility of the benchmark user to familiarize itself with and assess any applicable laws, regulations and decrees. Neither the benchmark administrator nor its affiliates provide any legal, compliance, financial, investment, tax or other advice. No representation, warranty, guarantee or undertaking is given and all liability is excluded to the extent permitted by law.

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