



SIX Decrement Indices

The Alternative Swiss Indices for Issuers of Financial Products

Decrement indices are versatile tools in the financial market. They are used for various purposes, including enhancing the risk-return profile to the benefit of the end investor, and offering customizable features to meet specific investment themes.

Introduction

The SIX Decrement Indices replicate an investment in an underlying index, less a constant Decrement in the form of a fixed annualized percentage value or a fixed annualized index point value. The performance reduction is applied daily and pro-rated with an actual/365 day-count convention. Decrement index versions are available for various indices, including but not limited to, the SMI and the SXI Switzerland Sustainability 25.

Market Context

Decrement indices are versatile tools in the financial market. They are used for various purposes, including enhancing the risk-return profile to the benefit of the end investor, and offering customizable features to meet specific investment themes.

One common application is the funding of additional features of the end financial products, aiming at providing a more attractive payout to the investor.

One example is as a synthetic dividend. By being fixed and predefined in nature, decrements can act as deterministic dividends: the uncertainty around a dividend's size and timing is removed, making the pricing of derivatives more efficient. These indices are increasingly accepted as underlying for structured products due to their comprehensive coverage of key equity markets and their simplified applicability for financial instruments.

Governance

SIX is committed to the IOSCO Principles for Financial Benchmarks and the EU Benchmark Regulation. This ensures the international use of the SIX benchmarks for customers and financial service providers. A current list of all endorsed indices can be found on the <https://www.six-group.com/en/market-data/indices/regulations/benchmark/switzerland.html>.

Advantages

- ✓ Higher yields and improved capital protection for structured products
- ✓ Enhanced efficiency and reduced transaction costs
- ✓ Eliminates dividend uncertainty
- ✓ Transparent, rules-based calculation
- ✓ No seasonality; daily decrement release (Act/365)
- ✓ Compliant with international benchmarks
- ✓ Widely accepted for Swiss Blue Chip equity market products

Licensing

The use of SMI Decrement Indices in the portfolio management process and as underlying for financial products as well as the access to restricted index data are governed by a licensing agreement.

Identifiers

ISIN	Symbol	Name	Base Date	Base Value	Launch Date
CH1151583031	SMID25	SMI TR Decrement 2.50%	30.12.2021	12'875.66	07.01.2022
CH1151583056	SMID30	SMI TR Decrement 3.00%	30.12.2021	12'875.66	07.01.2022
CH1151583049	SMID35	SMI TR Decrement 3.50%	30.12.2021	12'875.66	07.01.2022
CH1151583064	SMID40	SMI TR Decrement 4.00%	30.12.2021	12'875.66	07.01.2022
CH1151583072	SMID45	SMI TR Decrement 4.50%	30.12.2021	12'875.66	07.01.2022
CH1151583080	SMID50	SMI TR Decrement 5.00%	30.12.2021	12'875.66	07.01.2022

ISIN	Symbol	Name	Base Date	Base Value	Launch Date
CH1154162064	SMID320P	SMI TR Decrement 320 Points	30.12.2021	12'875.66	07.01.2022
CH1154162072	SMID390P	SMI TR Decrement 390 Points	30.12.2021	12'875.66	07.01.2022
CH1154162080	SMID450P	SMI TR Decrement 450 Points	30.12.2021	12'875.66	07.01.2022
CH1154162098	SMID520P	SMI TR Decrement 520 Points	30.12.2021	12'875.66	07.01.2022
CH1154162106	SMID580P	SMI TR Decrement 580 Points	30.12.2021	12'875.66	07.01.2022
CH1154162114	SMID640P	SMI TR Decrement 640 Points	30.12.2021	12'875.66	07.01.2022

ISIN	Symbol	Name	Base Date	Base Value	Launch Date
CH1281755616	SSUSTD35	SXI Switzerland Sustainability 25 NR Decrement 3.5%	10.06.2014	100	21.07.2023
CH1395649614	SMIF30	SMI Rolling Futures TR Decrement 3.00%	31.12.2014	100	11.11.2024

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SIX
Pfingstweidstrasse 110
P. O. Box
CH-8021 Zurich
www.six-group.com/indices

Business Support
Index Sales, Licensing and Data
T +41 58 399 2600
indexdata@six-group.com

Technical Support
Index Operations
T +41 58 399 2229
indexsupport@six-group.com