

## Swiss Exchange message no. 03/2013

---

|               |   |
|---------------|---|
| Subject       | <b>Launch of new «Sponsored Funds» trading segment</b>                        |
| Category      | Trading and Products  |
| Authorised by | Alain Picard, Head Product Management<br>Adrian Isler, Head Market Operations |
| Pages         | 2   |
| Date          | 04.02.2013  |

---

**Information** 

SIX Swiss Exchange is pleased to announce the introduction of the new «Sponsored Funds» trading segment effective 4 March 2013.

The new «Sponsored Funds» trading segment enables all participants of SIX Swiss Exchange and their clients who had previously only been able to trade investment funds off exchange to use the regulated electronic «SWXess» trading platform.

This message provides you with a general overview of the new service.

### Products and admission to trading

Sponsors – that is, trading participants of SIX Swiss Exchange – can apply to SIX Exchange Regulation for the admission to trading of Swiss and foreign investment funds which have been approved by the Swiss Financial Market Supervisory Authority (FINMA) for distribution in and from Switzerland. The applicant sponsors undertake to fulfil all regulatory obligations in connection with the admission to trading and to guarantee market making activities.

The rules for admitting investment funds for trading on the «SIX Swiss Exchange – Sponsored Investment Fund segment» have been approved by FINMA and entered into force on 1 February 2013.

The rules can be viewed on the following website with immediate effect:

[http://six-exchange-regulation.com/regulation/listing\\_rules\\_en.html](http://six-exchange-regulation.com/regulation/listing_rules_en.html)

### Trading

The «Sponsored Funds» are traded on «X-stream INET» Partition 2 (Non-Equities) and are subject to the rules of the Market Maker Book (MMB) market model. The trading hours are continuous from 09:15 to 17:30 CET (without closing auction) and there is no duty to trade on order book. Provided there is an executable situation between two orders and there is no quote in the order book, there will be a Stop Trading lasting 90 seconds. The Stop Trading is removed as soon as a quote is recorded in the order book and the transaction is executed.

In order to ensure a regulated market, the sponsor contractually agrees to act as market maker during 90% of the official trading hours in the sponsored securities.

Further information on the applicable trading parameters and market making obligations for «Sponsored Funds» can be found at [Product Guide – Fund Market and Exchange Traded Products](#) and [Annex I of Directive 3: Trading](#) on the SIX Swiss Exchange homepage.

### Clearing & Settlement

Trades in «Sponsored Funds» on SIX Swiss Exchange are settled automatically and are not cleared via a central counterparty (CCP). The settlement cycle for «Sponsored Funds» is three business days (T+3).

«Sponsored Funds» are allocated to a Clearing Settlement Segment according to their custodian:

| Custodian                    | Clearing Settlement Segment               |
|------------------------------|---|
| SIX SIS AG (SIS)             | SFCH – Sponsored Funds – CH (not cleared) |
| Clearstream Luxembourg (CBL) | SFLU – Sponsored Funds – LU (not cleared) |

Participants can settle the «Sponsored Funds» in both Clearing Settlement segments automatically via SIX SIS AG. For this reason, no imperative changes are required to the «Clearing Settlement Standing Instructions» (CSSI).

Securities with CBL as custodian and place of custody are settled via the «Cross Border Settlement» service of SIX SIS AG and are therefore subject to a separate cost structure. For details, please contact Philip Funk (+41 58 399 6686 / [fundstransferdesk@sisclear.com](mailto:fundstransferdesk@sisclear.com)) at SIX Securities Services directly.

SIX Swiss Exchange participants who hold an account with Clearstream Luxembourg can settle the «Sponsored Funds» in the Clearing Settlement Segment «SFLU» directly via CBL. The settlement of investment funds via CBL requires a change to the «Clearing Settlement Standing Instructions» (CSSI). Interested participants are invited to complete the [Clearing and Settlement Standing Instructions Notification Form](#) 5 business days before the first trading day of the new segment and to send a signed copy to Member Services.

### SIX Swiss Exchange Rules

The following directives have been changed in connection with the introduction of «Sponsored Funds» and will enter into force on 1 March 2013. Updated versions can be accessed immediately at the following link: [http://www.six-swiss-exchange.com/participants/regulation/directives\\_en.html](http://www.six-swiss-exchange.com/participants/regulation/directives_en.html)

| Directive                   | Appendix                     |
|-----------------------------|------------------------------|
| Directive 3: Trading        | Appendix I – Sponsored Funds |
| Directive 7: Fees and Costs | Appendix G – Sponsored Funds |

The updated [Trading Guides](#) are available for download on the homepage.

### Introduction

The productive introduction of the new trading segment «Sponsored Funds» is scheduled for **4 March 2013**. Participants have the opportunity to test the new configuration of the «Sponsored Funds» trading segment in the Membertest environment during two test days (28 February 2013 and 1 March 2013). Please note that during these two test days the new securities will also be visible in the productive environment, but the trading segment will still be suspended from trading.

For technical information on introducing sponsored funds, please see the MSC message 06/2013 in the [Member Section](#) of SIX Swiss Exchange.

SIX Swiss Exchange is pleased to offer the new «Sponsored Funds» segment. We are certain this innovative service will provide real added value for our participants and their clients. We hope the new trading segment gets off to a successful start.

If you have any questions, please do not hesitate to contact Member Services:

Telephone: +41 58 399 2473  
 E-mail: [member.services@six-group.com](mailto:member.services@six-group.com)