



THE SWISS STOCK EXCHANGE

ETF Market Report

1. Quarter 2020

Number of
the Quarter

511 162

Number of ETF transactions
on SIX in Q1 2020

Highest issuer
market share

42,87 %

UBS

38

Number of New Listings
in the 1. Quarter 2020

Best Performance in the
1. Quarter 2020

49,00 %

LYXOR DAILY SHORTDAX X2 (LYDSD)

1 631,39 mn

Top Turnover Single ETF

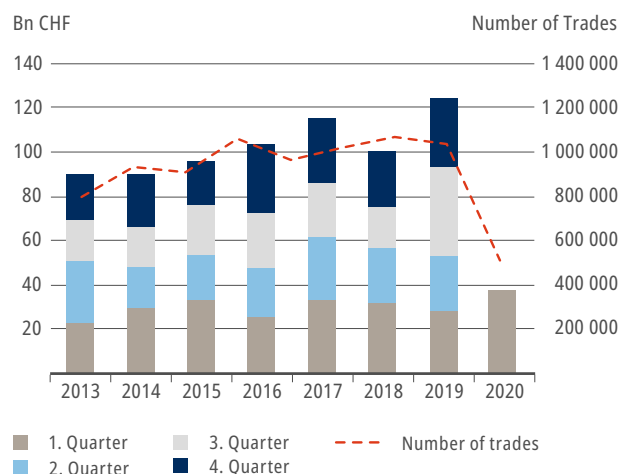
Volume of most-traded product in Q1 2020
UBS ETF on MSCI ACWI with Developed
Markets 100% hdg to USD TR (Ticker: ACWIU)

An unexpected turnaround

After a positive start to the new year, stock exchanges came under great pressure from the eighth week onward due to the global spread of coronavirus. Despite the subsequent recovery by the end of the month, all major equity markets closed the first quarter of 2020 with significant price losses. The lockdowns imposed by many countries put a considerable damper on the economy. In this context, various monetary policy measures by central banks and public aid from governments initially had little impact. The focus on protecting public health currently takes priority. Thanks to its defensive sector structure, the Swiss Market Index SMI® held up better than average when compared internationally. It increased slightly over the first few weeks of the year, reaching an all-time intra-day high of 11 270 points on February 20. The subsequent correction, which lasted until March 16, saw the index fall to an intra-day low of 7 650,23 points before a recovery then began. Switzerland's blue-chip stock market barometer ended March at 9 311,92 points. Fueled by some sharp swings in both directions, the trading volume reached a new record in the first quarter.

The Swiss ETF market generated its highest first-quarter turnover since 2011. Compared to the already strong fourth quarter of 2019, trading turnover rose by another 23,01 % in the first three months while the number of trades surged by as much as 105,3 %. At 511,162, it

ETF Turnover Development



Source: SIX

reached more than half of the previous year's figure already. The market turbulence therefore did not have any negative impact on the trading volume of listed exchange-traded funds (ETFs) – quite the opposite. The sustained momentum of the generally passively managed ETFs is unabated, and new products are still constantly entering the market. The number of listings thus increased by two to 38 in the first quarter.

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1.1 ETF Turnover and Number of Trades

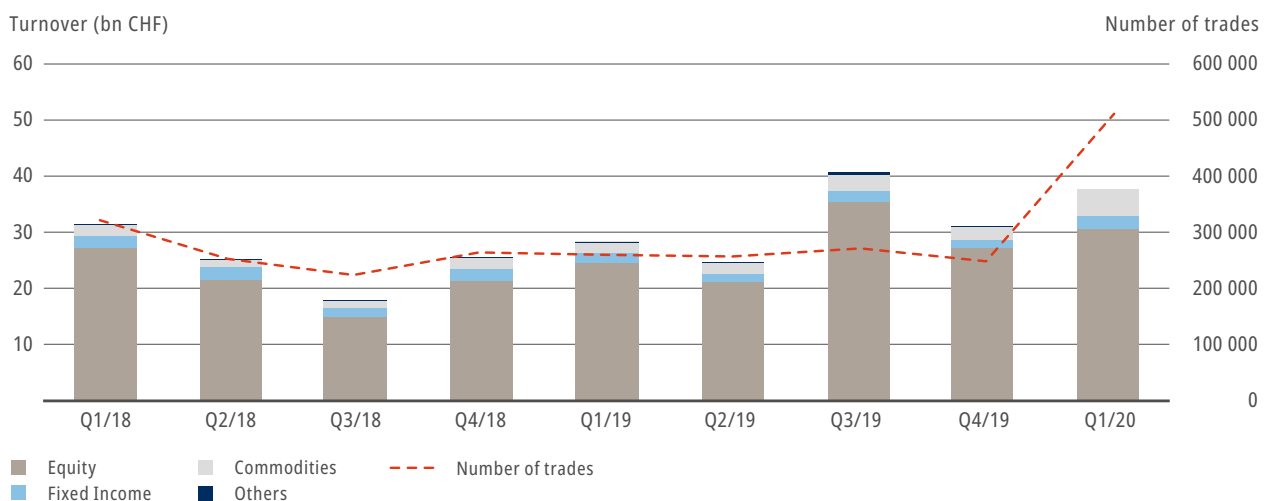
All asset classes posted double-digit growth in turnover compared to the fourth quarter of 2019. With an increase of 122,89 %, commodity ETFs in general and those based on precious metals in particular saw especially strong demand. ETFs on bonds were also popular, posting an increase of 54,68 %. ETFs on equities felt the impact of the stock market turbulence. They recorded only a below-average increase in turnover of 12,93 %. The small «Other» category saw lively trading, more than doubling its quarterly turnover.

In the first quarter, the list of the most-traded ETFs was still led by ETFs based on broadly diversified market indicators. The highest turnover in the period from January to March 2020 was once again posted by ACWIU, an ETF from UBS based on the MSCI ACWI and hedged in USD, followed by ACWIS, an ETF from UBS based on the MSCI ACWI and hedged in CHF, and ACWIE, an ETF from UBS based on the MSCI ACWI and hedged in EUR. 14 of the 20 most-traded ETFs boosted their turnover against the previous quarter. This was particularly marked in the case of the UBS ETF (LU) MSCI EMU hedged USD A-acc, the UBS ETF MSCI Emerging Markets (USD) A-acc, and the UBS ETF (LU) MSCI EMU hedged CHF.

Top-20 Most Traded ETFs

Product	Turnover (mn CHF)	Trend
UBSETF MSCI ACWI SF H-USD ACC	1 631,39	↓
UBSETF MSCI ACWI SF H-CHF ACC	1 311,94	↓
UBSETF MSCI ACWI SF H-EUR ACC	1 125,14	↓
UBSETF MSCI EM USD ACC	1 061,03	↓
iSh SMI (CH) CHF Dis	839,04	↑
UBSETF MSCI EMU EUR ACC	740,80	↑
iSh Core SPI (CH) CHF Dis	721,05	↑
LYXOR ETF S&P 500	697,29	↑
UBSETF SMI CHF DIS	692,73	↑
UBSETF MSCI EMU H-USD ACC	676,15	↑
ZKB GOLD ETF (USD)	649,12	↑
ZKB GOLD ETF	629,39	↑
iSh Core S&P500 USD Acc	583,46	↑
UBSETF MSCI EM SF USD ACC	573,59	↑
LYX ETF EURO STOXX 50 (DR) DIS	548,56	↓
UBSETF MSCI EMU H-CHF ACC	537,19	↑
LYX ETF MSCI WORLD DIS	466,90	↑
UBSETF MSCI UK GBP ACC	453,90	↓
Invesco Nasdaq 100 UCITS	438,25	↑
Lyxor T&R/CoreCommo CRB - Acc	368,58	↑

Source: SIX



Source: SIX

1.2 Top-10 – Selected Changes in the Overall Market

The list of the top performers in the first quarter of 2020 was dominated by short ETFs on the ShortDAX, the EURO STOXX 50 and the SMI, palladium, and ETFs on long-term US government bonds. The highest total income in CHF was generated by the doubly leveraged LYDSD from Lyxor based on the ShortDAX, which posted a 49,00 % increase. With an advance of 25,39 %, the second-placed JBPACA from Swisscanto achieved the best performance.

The biggest losses were recorded by ETFs on the energy sector, which suffered from the sharp drop in the crude oil price, and by ETFs on the Brazilian equities market. At the top of this list was MLPD, an ETF from Invesco based

on the Morningstar MLP Composite TR Index. It fell by 63,68 % in the first quarter.

An exceptionally large number of trades were recorded in the first quarter. Gold ETFs and ETFs on the Swiss equity indices SMI and SPI were particularly popular with investors. The highest number of trades was attributable to CSSMI, an ETF from iShares/BlackRock based on the Swiss blue-chip index SMI, followed by the still highly sought-after gold ETF ZGLD from Zürcher Kantonalbank. The sharp decrease in the oil price also fueled demand for the ETF OILUSA from UBS based on the CMCI WTI USD Total Return Index.

Top-10 ETFs Best Performance

Product	Symbol	Performance	Trend
LYXOR DAILY SHORTDAX X2	LYDSD	49,00	↑
SWISSCANTO PHYS PLD - CHF A	JBPACA	25,39	↑
ZKB PALLADIUM ETF AA CHF	ZPAL	23,96	↑
COMSTAGE ETF SHORTDAX TR	CBDAXS	23,37	↑
COMSTAGE DJ EU STOXX 50 SH-I	CBSX5SEU	23,04	↑
SPDR BBG 10+ US TREASURY	LUTR	22,49	↑
UBS ETF PALLADIUM	PLUSA	22,29	↑
ISHARES USD TRES 20PLUS YR	IDTL	21,38	↑
UBS ETF BARC US TR.10+ H.EUR	UST10F	19,16	↑
LYXOR SMI DAILY -2X INVERSE	LYSSL	12,63	↑

Source: Bloomberg

Top-10 ETFs Worst Performance

Product	Symbol	Performance	Trend
INVESCO MORNINGSTAR MLP DIST	MLPD	-63,68	↓
L&G US ENERGY INFRASTR MLP	MLPI	-62,46	↓
ISHARES OIL & GAS EXPL&PROD	IOGP	-56,26	↓
X MSCI USA ENERGY	XUEN	-50,42	↓
SPDR S&P US ENERGY SELECT	SXLE	-50,28	↓
ISHARES S&P 500 ENERGY	IUES	-50,27	↓
ISHARES MSCI BRAZIL UCITS DE	4BRZ	-49,88	↓
X MSCI BRAZIL 1C	XMBR	-49,73	↓
FRK FTSE BRAZIL UCITS ETF	FLXB	-49,52	↓
LYXOR MSCI BRAZIL UCITS ETF	LYRIO	-49,46	↓

Source: Bloomberg

Top-10 ETFs Number of Trades (Tickets)

Product	Symbol	No. of Trades	Trend
iSh SMI (CH) CHF Dis	CSSMI	11 782	↑
ZKB GOLD ETF	ZGLD	11 574	↑
UBSETF SMI CHF DIS	SMICHA	10 607	↑
iSh Core SPI (CH) CHF Dis	CHSPI	9 714	↑
iSh Swiss Div (CH) CHF Dis	CHDVD	8 947	↑
UBSETF CMCI OIL USD DIS	OILUSA	8 671	↑
iSh Core S&P500 USD Acc	CSSPX	8 667	↑
UBSETF GOLD USD DIS	AUUSI	7 826	↑
Invesco Nasdaq 100 UCITS	EQQQ	7 238	↑
ZKB Silver ETF - A (CHF)	ZSIL	6 517	↑

Source: SIX

1.3 Turnover by Product Provider

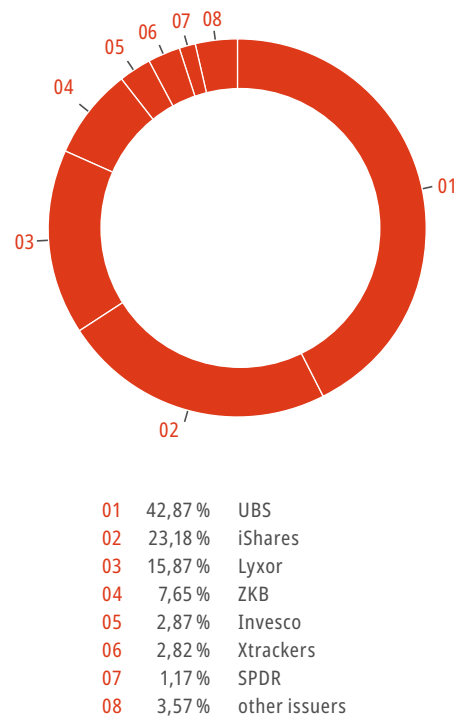
UBS remained at the top of the turnover ranking, although its relative share fell further from 56,28 % to 42,87 %. Lyxor and BlackRock/iShares swapped places again in 2nd and 3rd. Second-placed Shares/BlackRock increased its market share from 14,91 % to 23,18 %,

while third-placed Lyxor saw a slight decrease in its market share from 17,53 % to 15,87 %. The remaining providers, once again clearly headed by ZKB, all had single-digit market shares.

ETF Turnover by Product Provider

Issuer	Products	Turnover (mn CHF)	Market Share	Trend
UBS	332	16 304,24	42,87 %	↓
iShares	346	8 815,00	23,18 %	↑
Lyxor	92	6 034,97	15,87 %	↓
ZKB	46	2 910,92	7,65 %	↑
Invesco	97	1 090,58	2,87 %	↑
Xtrackers	92	1 070,94	2,82 %	↑
SPDR	98	443,25	1,17 %	↑
ComStage	143	295,47	0,78 %	↑
Amundi	70	287,46	0,76 %	↑
Vanguard	30	287,25	0,76 %	↑
HSBC	31	180,18	0,47 %	↑
Raiffeisen	5	63,88	0,17 %	↑
JPMorgan	31	59,28	0,16 %	↑
Van Eck Global	19	42,01	0,11 %	↑
WisdomTree	50	28,72	0,08 %	↑
Credit Suisse Index Fund	5	26,31	0,07 %	↑
BNP Paribas	26	25,80	0,07 %	↑
Ossiam Lux	16	23,57	0,06 %	↑
Legal & General	5	18,94	0,05 %	↑
China Post Global	3	8,52	0,02 %	↑
Fidelity	7	5,50	0,01 %	↑
Franklin Templeton	17	3,79	0,01 %	↓
Nomura	4	0,72	0,00 %	↓
First Trust	1	0,70	0,00 %	↓
UniCredit	0	0,05	0,00 %	↓
Goldman Sachs	3	0,02	0,00 %	→
	1 569	38 028,06	100,00	

Source: SIX



1.4 Top-5 Selected Changes per Asset Class

Equity Developed Market

Product	Turnover (mn CHF)	Trend
UBSETF MSCI ACWI SF H-USD ACC	1 631	↓
UBSETF MSCI ACWI SF H-CHF ACC	1 312	↓
UBSETF MSCI ACWI SF H-EUR ACC	1 125	↓
iSh SMI (CH) CHF Dis	839	↑
UBSETF MSCI EMU EUR ACC	741	↑

Source: SIX

Fixed Income & Money Market

Product	Turnover (mn CHF)	Trend
iSh \$ TreasBnd 7-10 USD Dis	275	↑
iSh Core CorpBnd (CH) CHF Dis	154	↑
iSh \$ TreasBnd 1-3y USD Dis	74	↓
iSh \$ TreasBnd 3-7y USD Acc	63	↑
iSh CH GovBd 7-15 (CH) CHF Dis	56	↑

Source: SIX

Equity Emerging Market

Product	Turnover (mn CHF)	Trend
UBSETF MSCI EM USD ACC	1 061	↓
UBSETF MSCI EM SF USD ACC	574	↑
Lyxor MSCI Emerging Markets	345	↑
Lyxor China Enterprise - Acc	227	↑
iSh Core MSCI EM IMI USD Acc	146	↑

Source: SIX

Commodities

Product	Turnover (mn CHF)	Trend
ZKB GOLD ETF (USD)	649	↑
ZKB GOLD ETF	629	↑
LYXOR T&R/CORECOMMO CRB - ACC	369	↑
ZKB GOLD ETF (EUR)	344	↑
UBSETF GOLD USD DIS	333	↑

Source: SIX

Equity Style / Strategy / Themes

Product	Turnover (mn CHF)	Trend
iSh SMIM (CH) CHF Dis	365	↑
LYX ETF WORLD WATER DIS	255	↑
iSh Swiss Div (CH) CHF Dis	236	↑
Lyxor STOXX EU 600 Oil & Gas	233	↑
LYXOR STOXX EU 600 BASIC RES	221	↑

Source: SIX

Volatility

Product	Turnover (mn CHF)	Trend
iSh Edg MSCI Wrld MinVol Acc	37	↑
iSh Edg MSCI EM MinVol Acc	19	↑
iSh Edg S&P500 MinVol Acc	19	↑
UBSETF FAC US LO VOL USD DIS	7	↓
iSh Edg MSCI Europ MinVol Acc	4	↑

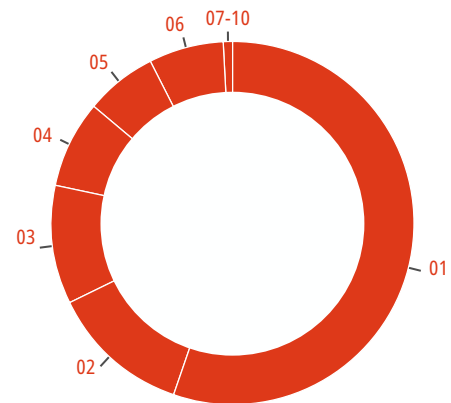
Source: SIX

1.5 Trading Details

Turnover by Asset Classes

Asset Class	Absolute	Change	Turnover (mn)	Trend
1 Equity Developed Markets	55,39 %	44 %	20 998,52	↑
2 Equity Emerging Markets	12,40 %	30 %	4 700,17	↑
3 Commodities	10,96 %	75 %	4 153,18	↑
4 Equity Themes	7,71 %	48 %	2 923,09	↑
5 Fixed Income	6,57 %	-59 %	2 492,20	↓
6 Equity Style / Strategy	6,45 %	40 %	2 444,91	↑
7 Funds	0,28 %	46 %	104,74	↑
8 Volatility	0,24 %	-16 %	89,18	↓
9 Money Market	0,01 %	-97 %	2,07	↓
10 Other	0,00 %	-87 %	0,15	↓
Total	100,00 %		37 908,21	

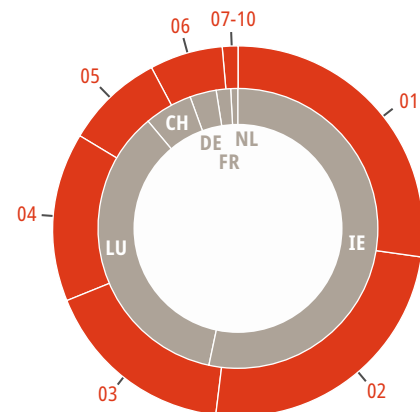
Source: SIX



Number of ETFs on SIX by Asset Class

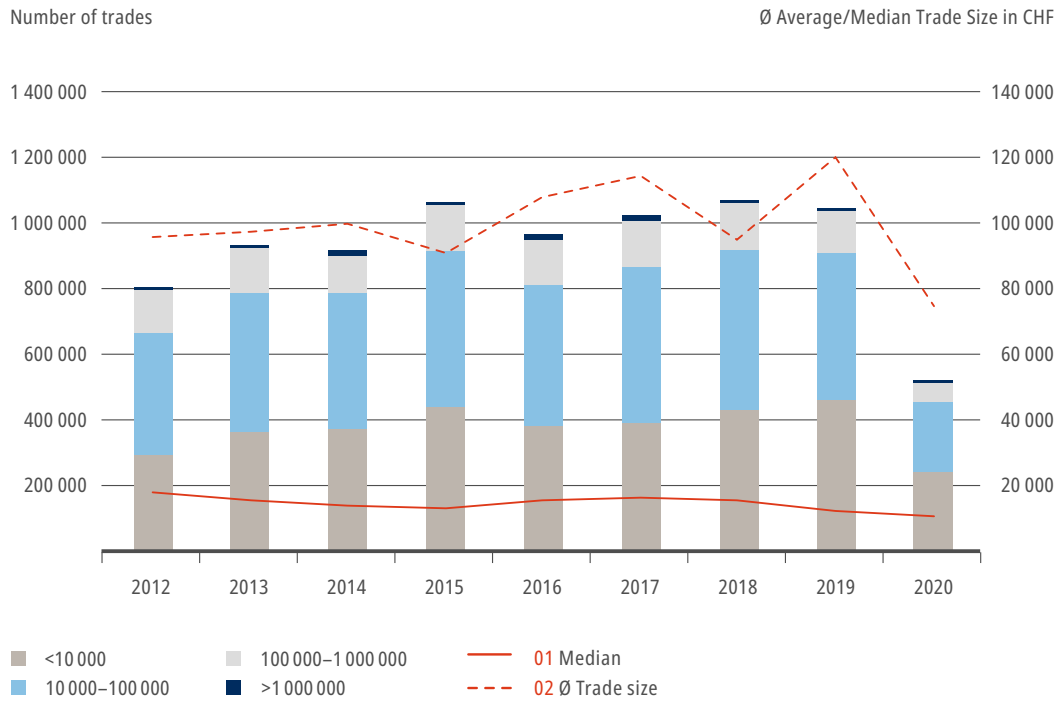
Asset Class	Absolute	Change	Number*	Trend
1 Equity Developed Markets	27,47 %	3 %	431	↑
2 Fixed Income	24,60 %	3 %	386	↑
3 Equity Style / Strategy	16,83 %	-1 %	264	↓
4 Equity Themes	14,85 %	2 %	233	↑
5 Equity Emerging Markets	8,60 %	2 %	135	↑
6 Commodities	6,37 %	1 %	100	↑
7 Volatility	0,51 %	0 %	8	→
8 Money Market	0,32 %	0 %	5	→
9 Funds	0,25 %	-20 %	4	↓
10 Other	0,19 %	0 %	3	→
Total	100,00 %		1 569	

Source: SIX



*Some fungible ETFs (same ISIN) are tradable in multiple currencies. They are accordingly counted more than once.

2.1 Trading Details (Breakdown of Respective Ticket Size)



Source: SIX

2.2 Number of ETFs on SIX by Market Maker (During the Quarter)

Name	ETFs	Name	ETFs
Flow Traders B.V.	1217	Virtu Financial Ireland Ltd	59
Commerzbank AG	1103	Zürcher Kantonalbank	46
Société Générale	918	Deutsche Bank AG London Branch	44
Optiver VOF	552	Credit Suisse AG	6
Goldenberg Hehmer LLP	281	Credit Suisse Europe	5
UBS AG	248	Raiffeisen Schweiz Genossenschaft	5
BNP Paribas	221	Finovesta GmbH	4
Susquehanna	140	Morgan Stanley	3

Source: SIX

Spread-Monitor (Tightest Spreads)

Product	Ticker	TER	Ø Bid Ask Spread (%)
VANG S&P500 USDD	VUSA	0,07	0,13
ISHARES CORE S&P 500	IUSA	0,07	0,14
ISHARES SMI ETF CH	CSSMI	0,35	0,14
X SHORTDAX DAILY SWAP	XSDX	0,40	0,14
UBS ETF MSCI SWITZERLAND	SW2CHB	0,20	0,16
UBS ETF SLI	SLICHA	0,20	0,18
UBS ETF SMI	SMICHA	0,20	0,18
INVESCO NASDAQ-100 DIST	EQQQ	0,30	0,18
ISHARES CORE EM IMI ACC	EIMI	0,18	0,18
ISHARES MSCI EM	IEEM	0,18	0,19
ISHARES USD TRSRY 1-3Y USD D	IBTS	0,07	0,20
ISHARES CORE MSCI EMU EUR A	CSEMU	0,12	0,20
UBS ETF MSCI EMU UCITS ETF	EMUEUA	0,18	0,20
X DAX	XDAX	0,09	0,21
ISHARES CORE MSCI WORLD	SWDA	0,20	0,22
UBS ETF SMIM	SMMCHA	0,25	0,22
ISHARES SMIM ETF CH	CSSMIM	0,45	0,22
UBS ETF MSCI EMU UCITS ETF	EMUCHA	0,18	0,22
ISHARES MSCI WORLD	IWRD	0,50	0,23
UBS ETF SPI	SPICHA	0,15	0,23

Source: Bloomberg

2.3 New Listings in the Quarter

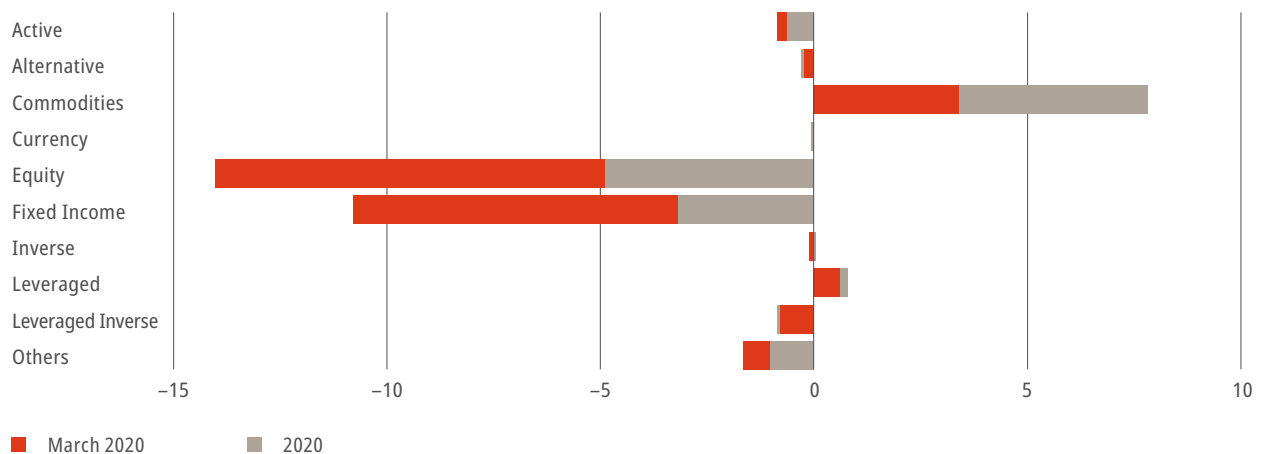
First Trading Day	Product	Symbol	Currency	Management Fee	Market Maker
30.03.2020	Fidelity Global Quality Income UCITS ETF - Inc	FGQD	USD	0,40 %	Société Générale
30.03.2020	Fidelity Global Quality Income UCITS ETF - Inc	FGQD	CHF	0,40 %	Société Générale
17.03.2020	JPM USD Emerging Markets Sovereign Bond UCITS ETF USD (acc)	JMBA	USD	0,39 %	Goldenberg Hehmeyer LLP, Société Générale
16.03.2020	CSIF (IE) MSCI USA Blue UCITS ETF B USD	CMXUS	USD	0,09 %	Credit Suisse Europe, Flow Traders B.V.
16.03.2020	CSIF (IE) MSCI USA ESG Leaders Blue UCITS ETF B USD	USESG	USD	0,10 %	Credit Suisse Europe, Flow Traders B.V.
16.03.2020	CSIF (IE) MSCI World ESG Leaders Blue UCITS ETF B USD	WDESG	USD	0,15 %	Credit Suisse Europe, Flow Traders B.V.
16.03.2020	CSIF (IE) MSCI World ESG Leaders Blue UCITS ETF BH CHF	WDESGC	CHF	0,18 %	Credit Suisse Europe, Flow Traders B.V.
16.03.2020	CSIF (IE) MSCI World ESG Leaders Blue UCITS ETF BH EUR	WDESGE	EUR	0,18 %	Credit Suisse Europe, Flow Traders B.V.
16.03.2020	iShares \$ Corp Bond ESG UCITS ETF USD (Acc)	SUOA	USD	0,15 %	Goldenberg Hehmeyer LLP, SocGén
13.03.2020	Invesco AT1 Capital Bond UCITS ETF CHF Hdg Acc	AT1C	CHF	0,39 %	Flow Traders B.V.
13.03.2020	Invesco US Treasury Bond 0-1 Year UCITS ETF Dist	TREI	USD	0,60 %	Flow Traders B.V.
11.03.2020	iShares \$ Development Bank Bonds UCITS ETF CHF Hedged (Acc)	IDBB	CHF	0,18 %	Flow Traders B.V., Société Générale
06.03.2020	iShares \$ Corp Bond ESG UCITS ETF USD (Dist)	SUOU	USD	0,20 %	Goldenberg Hehmeyer LLP, SocGén
06.03.2020	iShares Smart City Infrastructure UCITS ETF USD (Acc)	CISB	USD	0,40 %	Optiver VOF, Société Générale
06.03.2020	Lyxor Fed Funds US Dollar Cash UCITS ETF (Dist)	CBFEDF	CHF	0,10 %	Flow Traders B.V., Société Générale
06.03.2020	Lyxor STOXX Europe 600 Media UCITS ETF	CBTV	CHF	0,30 %	Flow Traders B.V., Société Générale
06.03.2020	UBS ETF JPM USD EM IG ESG Diver Bond ETF (hdg to CHF) A-acc	ESGEMC	CHF	0,50 %	Deutsche Bank AG London Branch
04.03.2020	JPM Global High Yield Corp Bd Mult.-Fact. UCITS ETF USD acc	JGHY	USD	0,35 %	Goldenberg Hehmeyer LLP, SocGén
03.03.2020	iShares \$ Corp Bond 0-3yr ESG UCITS ETF EUR Hedged (Acc)	IU0E	EUR	0,17 %	Goldenberg Hehmeyer LLP, SocGén
03.03.2020	iShares \$ Corp Bond 0-3yr ESG UCITS ETF GBP Hedged (Dist)	SGSU	GBP	0,17 %	Goldenberg Hehmeyer LLP, SocGén
03.03.2020	iShares \$ Corp Bond 0-3yr ESG UCITS ETF USD (Dist)	SUSU	USD	0,15 %	Goldenberg Hehmeyer LLP, SocGén
27.02.2020	UBS ETFs plc MSCI China A SF UCITS ETF (USD) A-acc	CNAUA	USD	0,30 %	UBS AG
11.02.2020	AMUNDI SMART CITY UCITS ETF - EUR (C)	SCITY	USD	0,35 %	BNP Paribas
11.02.2020	AMUNDI SMART FACTORY UCITS ETF - EUR (C)	SFTRY	USD	0,35 %	BNP Paribas
11.02.2020	iShares MSCI World Con Staples Sector UCITS ETF USD (Dist)	WCSS	USD	0,25 %	Optiver VOF, Société Générale
11.02.2020	iShares MSCI World Consum Discre Sector UCITS ETF USD (Dist)	WCDS	USD	0,25 %	Optiver VOF, Société Générale
11.02.2020	iShares MSCI World Energy Sector UCITS ETF USD (Dist)	WENS	USD	0,25 %	Optiver VOF, Société Générale
11.02.2020	iShares MSCI World Health Care Sector UCITS ETF USD (Dist)	WHCS	USD	0,25 %	Optiver VOF, Société Générale
11.02.2020	iShares MSCI World Info Tech Sector UCITS ETF USD (Dist)	WITS	USD	0,25 %	Optiver VOF, Société Générale
10.02.2020	UBS ETFs plc CMCI Commodity Carry SF UCITS ETF (USD) A-acc	CCMCUA	USD	0,34 %	UBS AG
06.02.2020	SPDR S&P 500 ESG Screened UCITS ETF (Acc)	500X	USD	0,10 %	Société Générale
06.02.2020	UBS ETF JPM Global Gov ESG ETF (hedged to CHF) A-acc	ESGGBS	CHF	0,20 %	Deutsche Bank AG London Branch
28.01.2020	JPM USD Emerging Market Sovereign Bd UCITS ETF - CHF HSC acc	JMBC	CHF	0,39 %	Flow Traders B.V., Société Générale
22.01.2020	iShares \$ Development Bank Bonds UCITS ETF USD (Acc)	DDBB	USD	0,15 %	Flow Traders B.V.
13.01.2020	Market Access STOXX China A Min Var Index UCITS ETF EUR C	M9SV	CHF	0,45 %	Goldenberg Hehmeyer LLP
09.01.2020	UBS (Irl) ETF plc MSCI ACWI SRI UCITS ETF (USD) A-acc	AWSRIA	USD	0,38 %	UBS AG
07.01.2020	UBS ETF JPM USD EM Diversified Bond 1-5 (hd to EUR) A-dis	SHEMD	EUR	0,47 %	Deutsche Bank AG London Branch
07.01.2020	UBS ETF MSCI Pacific (ex Japan) UCITS ETF (USD) A-acc	PACUA	USD	0,30 %	UBS AG

Source: SIX

At the end of the first quarter, the largest asset class, equities, reported assets under management of USD 521 billion, representing a share of 59,60 % (end December: 64,98 %). Once again, the bonds asset class came in second place, increasing its share from 25,04 % to 28,04 %. The commodities asset class ranked third again at 9,93 % (end of December: 7,72 %).

The number of ETFs increased by 7 to 2 205 in the first quarter, while total assets under management fell by around USD 156 million to USD 874 million. In March, net outflows were posted by all asset classes except leveraged and commodities. The strongest growth was clearly attributable to commodities.

Net New Assets per Asset Class (in bn USD)



Source: ETFGI

Asset Classes	ETFs/ETPs	AuM March 2020 (in mn USD)	Market Share	Net New Assets (in mn USD)		
				March 2020	2020	2019
Active	41	11 262	1,29 %	-841	-612	543
Alternative	3	83	0,01 %	-213	-271	15
Commodities	275	86 867	9,93 %	3 455	7 896	617
Currency	43	721	0,08 %	-12	-35	42
Equity	1 154	521 405	59,60 %	-14 125	-4 936	10 288
Fixed income	433	245 274	28,04 %	-10 833	-3 186	19 952
Inverse	37	3 074	0,35 %	-130	51	334
Leveraged	143	2 089	0,24 %	627	811	-427
Leveraged Inverse	65	2 487	0,28 %	-810	-882	505
Other	11	1 608	0,18 %	-1 629	-1 027	-20
Total	2 205	874 869	100,00 %	-22 829	-968	31 850

Source: ETFGI



A milestone for us was the launch of CSIF ETFs on 16th of March 2020



Dr. Valerio Schmitz-Esser is Managing Director and head of Index Solutions at Credit Suisse Asset Management in Zurich. From August 2002 to March 2010 he held several team head positions within quantitative portfolio management at Credit Suisse. He joined Credit Suisse as a quantitative portfolio manager in October 2000.



Dr. Valerio Schmitz-Esser – Managing Director, CFA and head of Index Solutions at Credit Suisse Asset Management in Zurich

What is your speciality?

In this particularly broad context, I would prefer to resist the temptation of going into detail regarding the individual products offered by our company, but, we believe, what distinguishes us as a provider is the holistic nature of our index product range. We combine both index funds and exchange traded funds (ETF) in one portal: the Credit Suisse Index Funds (CSIF) Platform. Depending on the desired index and the investor, either an index fund or an ETF can offer a first-rate solution

to most objectives. Our aim is to provide every investor with the optimal structured format. In doing so, we are guided by the concept of the total cost of investment or the total cost of ownership, i.e. the costs incurred in order to buy, hold and sell a product. Tax considerations, such as stamp duty and foreign withholding taxes, also play a role in the decision of whether to offer an index as a classic index fund or as an ETF.

What issues are currently shaping developments in the ETF sector?

Investors in index funds and ETFs have learned a great deal in recent years and now have a better understanding of the subtle differences between the various products. In addition to running costs, these include tax aspects and the implied costs of buying or selling the products. Moreover, the competition between providers also plays a role in terms of innovation. The large number of fund launches with ESG benchmarks are an expression of this development.

What are your clients focusing on in the current environment?

In the prevailing environment of negative interest rates, investing has become very challenging. In particular, clients are looking for opportunities to achieve a positive return with manageable risk. In this context, emerging market bonds and equity portfolios with the lowest possible volatility, such as index funds or ETFs on minimum-volatility indices, are currently in particular demand. Index funds on physical gold are also currently very popular as investors seek to preserve the purchasing power of their savings over the longer term. The trend towards ESG index investments retains its unrelenting momentum. In this area, we offer a range of index funds and ETFs based on MSCI ESG Leaders indices, which has grown rapidly over the last two years.

What changes do you have planned?

A milestone for us was the launch of CSIF ETFs on 16th of March 2020, with the five products being traded on the Swiss Stock Exchange, Xetra and Borsa Italiana. Incidentally, four of the five ETFs have ESG benchmarks and do not lend their securities holdings. We plan to launch further ETFs in the course of this year. We are also following with particular interest the efforts of SIX to publish sustainable versions of the standard indices Swiss Performance Index (SPI) and Swiss Bond Index (SBI).

Where do you see the ETF market in Switzerland in the near future?

The results of a study by the Bank for International Settlements appear to confirm that index funds and ETFs tend to emerge stronger from phases of increased volatility.¹ Even during the Corona crisis, both types of indexed investments have so far recorded substantial inflows of funds. Investments in ETFs and index funds are also expected to continue to grow in Switzerland. Nevertheless, I expect some outflows in the case of small funds that have not been able to hold their own in the market. In future, providers will be more willing to liquidate such funds-of-small funds that have proved less resilient in challenging conditions. This is a trend we expect to prove persistent.

¹ Sushko, V. und Turner, G.: The implications of passive investing for securities markets, BIS Quarterly Review, March 2018.

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