

Liquid, Cost-Effective and Transparent

Passive financial products: The diverse and comprehensive family of passive financial products available on SIX offers a solution for all investment needs.

Whether exchange traded index funds (ETFs) or tracker certificates, passive financial products open up new markets and strategies for investors. In particular, they make it possible to participate in the price performance of equity markets, sectors and regions, and also of commodities, bonds and currencies. The diverse and

comprehensive family of passive financial products available on SIX offers a solution for all investment needs. Despite the huge diversity, passive financial products from SIX have one key factor in common: the liquid, cost-effective and transparent stock exchange trading.

| General Type | Structure | Collateralized | Term | Market Making | Pay-off Structure | Names on Market |
|------------------------------------|---|------------------|-------------------|---|--------------------------|-----------------------------|
| ETF (Exchange Traded Funds) | Fund under CISA | Yes ¹ | Open-end | Multi market making with obligations (short selling possible as a rule) | Symmetrical | ETF |
| ETP (Exchange Traded Products) | Debt security (securitized bearer bond) | Yes ² | Open-end/flexible | Multi market making with obligations (short selling possible as a rule) | Symmetrical | ETN/ETC |
| Certificate with COSI [®] | Debt security (securitized bearer bond) | Yes ³ | Max. 10 years | Single market making with obligations (by issuer as a rule; intraday short selling possible) | Symmetrical/asymmetrical | As per Swiss Derivative Map |
| Certificate | Debt security (securitized bearer bond) | No | Open-end/flexible | Single market making with obligations ⁴ (by issuer as a rule; intraday short selling possible) | Symmetrical/asymmetrical | As per Swiss Derivative Map |

Source: SIX

¹ Segregated assets as defined by law (Collective Investment Schemes Act (CISA)) – products subject to regulation by FINMA.

² Collateral deposited with a third party.

³ Collateral deposited (Collateral Secured Instruments, COSI[®]) with SIX SIS AG in the form of securities to minimize issuer default risk.

⁴ Valuation of the certificate on a daily basis by independent institutes.

⁵ Obligations vary by product structure / underlying type.

Collateralization of ETPs and COSI® Products in Switzerland

| | Supervision of Collateral Provider | Collateral | Amount of Collateral | Custody | Type of Valuation | | Liquidation of Collateral |
|-------|--|--|--|--|---|---|---|
| | | | | | Collateral | Instrument | |
| COSI® | FINMA or comparable foreign supervisor | Selected securities accepted by SNB and ECB, SIX Delta ⁵ eligible collateral and certain shares | At least 102% of the current value of the certificate ⁶ | SIX Swiss Exchange AG account at SIX SIS AG | Standardized valuation process using prices from SIX Financial Information AG | Valuation by independent institutions and closing price of the Swiss stock exchange operated by SIX | Immediately after occurrence of a liquidation event |
| ETP | Not stipulated | Securities, precious metals or bank money (not exhaustive) | At least 100% of the outstanding amount | Independent third party (depository and custodian) | At the discretion of the issuer/ collateral provider | At the discretion of the issuer/ collateral provider | Depending on issuer, individual liquidation process; in accordance with product terms |

Source: SIX

⁵ Rule-based category of collateral of SIX, with sole application of the admission criteria valid until the end of 2014 according to the "Instruction sheet on collateral eligible for SNB repos", excluding collateral being already accepted by the SNB or the ECB.

⁶ Calculated according to the standardized rules of the framework agreement.

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