

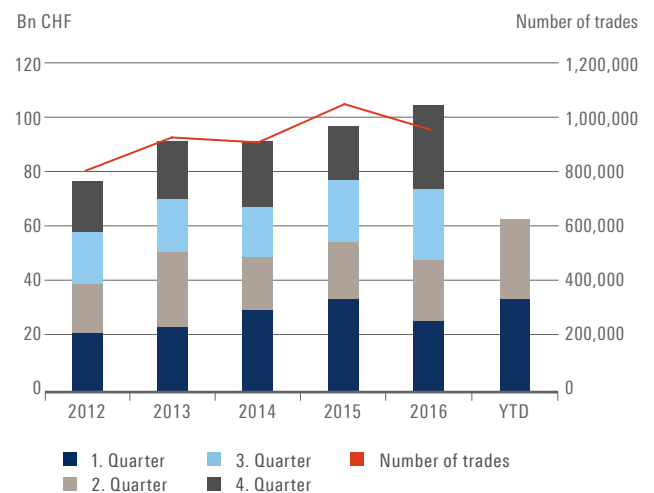
ETF Market Report

2. Quarter 2017

Many new ETFs listed

The Swiss stock market has fluctuated within a narrow range over the past three months, bordered by the 8,500-point line on the down side and the 9,100-point line on the upside. The strongest gains in the last four trading weeks were seen in the financial sector, with UBS and Credit Suisse leading the way with increases of +5.45% and +4.21% respectively, and bank Julius Baer (+0.60%). Behind lagged Swatch (-5.62%), Roche (-8.13%), and LafargeHolcim (-5.59%). Q2 on the Swiss ETF market was somewhat weaker than the traditionally strong Q1 of a year: ETF turnover declined from CHF 33.1 billion in Q1 2017 to recently CHF 28.6 billion. However, the most recent ETF turnover figures are very robust compared to Q2 2016 (CHF 22.3 billion), having risen by around +30%. The number of trades was down as against the previous quarter from 279,623 to 260,365 (-6.87%). Nonetheless, net new assets in ETFs remain on the rise. Meanwhile, issuers are launching many new products. A total of 47 new ETFs were listed on SIX Swiss Exchange in Q2 2017, with iShares and Lyxor (10) and BNP Paribas EasyETF (9) at the top of the table.

ETF turnover development



Source: SIX Swiss Exchange

Average trade size

114,168

Best performance in
2. quarter 2017

18.50%

HSBC MSCI TURKEY UCITS ETF

Number of
the quarter

260,365

Number of ETF transactions in
the 2. quarter 2017 on SIX Swiss Exchange

Number of new listings
in the 2. quarter 2017

47

Top turnover
single ETF

898 mn

Volume in the 2. quarter in the
ISHARES S&P 500 UCITS ETF

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1. ETF market SIX Swiss Exchange

1.1 ETF turnover and number of trades

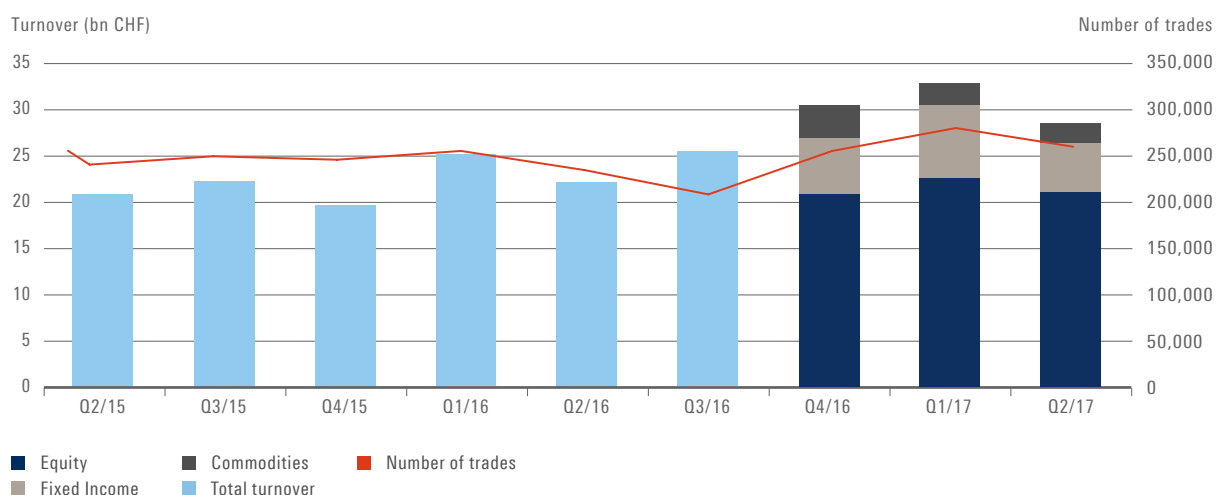
As mentioned above, the turnover trend in ETFs listed on SIX Swiss Exchange was in decline in Q2. While investors had been particularly hot for bond ETFs in the previous quarter, turnover here cooled to CHF 5.3 billion (-32.7%). The dominant asset class is still equities with a trading turnover of CHF 21 billion. Turnover in commodity ETFs also declined by around -10% to CHF 2.2 billion. Accordingly, the number of trade tickets for ETFs listed on SIX Swiss Exchange also fell in Q2 2017 – from 279,623 to 260,365.

The iShares S&P 500 UCITS ETF (symbol: CSSPX) took pole position on the list of the top 20 most-traded ETFs in Q2 2017. Even though turnover in CSSPX is still falling. The number 1 is closely followed by the UBS ETF on the MSCI EMU Index (symbol: EMUAA). This ETF replicates the index that tracks large and mid-caps in the ten largest European countries. Funds including the Powershares ETF on the Nasdaq 100 Index and other ETFs on national and international equity indices took mid-table positions in the reporting period. In terms of issuers, iShares and UBS were again dominant this quarter, largely in line with their strong market share in Switzerland.

Top-20 most traded ETFs

Product	Turnover (mn CHF)	Trend
ISHARES S&P 500 UCITS	898.42	↓
UBS ETF MSCI EMU EUR A-acc	713.46	↑
ISHARES SMI	625.25	↓
ISHARES EURO STOXX 50 UCITS	571.91	↑
UBS ETF - MSCI World	535.55	↑
POWERSHARES EQQQ	532.14	↑
UBSETF ACWI hdg to USD A-acc	519.50	↓
UBSETF ACWI hdg to EUR A-acc	415.94	↓
UBSETF ACWI hdg to CHF A-acc	410.49	↓
UBS ETF - MSCI EM SF USD A	405.37	↓
UBS ETF MSCI EMU hdg to USD	396.03	↑
ISHARES SMIM	388.63	↑
UBS ETF SMIM (CHF) A	384.69	↑
Lyxor ETF EUROMTS 1-3Y	380.40	↑
UBS ETF (CH) - SMI (CHF) A	376.44	↓
UBS ETF MSCI United Kingdom	352.75	↑
ISHARES Core SPI (CH)	338.94	↓
UBS ETF - MSCI EMU	328.36	↑
AMUNDI ETF FRN USD CORP-H EUR	325.86	↑
UBSETF MSCI USA hdg to EUR	318.44	↑

Source: SIX Swiss Exchange



Source: SIX Swiss Exchange

1.2 Top-10 selected changes in the overall market

In defiance of all the ambivalent headlines, the Turkish stock market marched adroitly onwards and upwards in Q2. Regional ETFs – above all HTRY and ITKY – benefited accordingly with strong growth. LYTUR, Lyxor’s Turkey ETF, likewise gained ground. The league of the top ten performers is filled out by the two Chinese ETFs CHNA and CBCHNUS. The UBS Solactive Global Oil Equities UCITS ETF and the iShares Oil & Gas Exploration & Prod. UCITS ETF (symbols:

GOECHY and IOGP) were down heavily. Precious metals were also a significantly weaker underlying. The performance of the Russian stock market and the corresponding ETFs remained relatively weak in Q2. In SIX Swiss Exchange trade tickets, the iShares S&P 500 ETF (CSSPX) took the lead ahead of the UBS ETF on MSCI Emerging Markets (EGUSAS) with 6,789 tickets to 5,924.

Top-10 ETFs best performance

Product	Symbol	Performance	Trend
HSBC MSCI TURKEY UCITS ETF	HTRY	+18.50	↑
ISHARES MSCI TURKEY	ITKY	+17.87	↑
CHF DAILY HEDGED WHEAT	CWAT	+13.92	↑
COMSTAGE ETF CAC 40 LEVERAGE	CBCACLEU	+13.68	↑
COMSTAGE ETF ATX	CBATX	+12.52	↑
AMUNDI ETF EAST EU EX RUSSIA	CE9USD	+11.82	↑
LYX ETF DJ TURKEY TITANS 20	LYTUR	+11.74	↑
LYX ETF MSCI EUROPE	LYMEU	+11.66	↑
CSOP SOURCE FTSE CHINA A50 U	CHNA	+11.42	↑
COMSTAGE FTSE CHINA A50 UCIT	CBCHNUS	+11.15	↑

Source: Bloomberg, Derivative Partners AG

Top-10 ETFs worst performance

Product	Symbol	Performance	Trend
UBS ETF SOL. GL. OIL EQUIT.	GOECHY	-22.23	↓
ISHARES OIL & GAS EXPL&PROD	IOGP	-17.52	↓
ZKB SILVER ETF AA EUR	ZSILEU	-13.87	↓
ZKB SILVER ETF AA CHF	ZSIL	-12.23	↓
VANECK VECTORS JUNIOR GOLD M	GDXJ	-11.75	↓
COMSTAGE ETF DJ RUSSIA GDR	CBRUS	-11.69	↓
HSBC MSCI RUSSIA CAPPED UCIT	HRUB	-11.58	↓
COMSTAGE ETF GOLD BUGS	CBGOLD	-11.23	↓
ISHARES MSCI RUSSIA ADR/GDR	CSRU	-11.01	↓
MARKET ACCESS DAXGLB RUSSIA	MDRI	-10.45	↓

Source: Bloomberg, Derivative Partners AG

Top-10 ETFs number of trades (tickets)

Product	Symbol	No. of trades	Trend
ISHARES S&P 500 UCITS	CSSPX	6,789	↓
UBS ETF - MSCI EM SF USD A	EGUSAS	5,924	↓
ISHARES EURO STOXX 50 UCITS	CSSX5E	5,046	↑
ISHARES SMI	CSSMI	4,963	↓
ISHARES SMIM	CSSMIM	4,743	↑
UBS ETF MSCI EMU EUR A-acc	EMUAA	4,553	↑
ISHARES MSCI EM IMI UCITS ETF	EIMI	4,068	↓
UBS ETF SMIM (CHF) A	SMMCHA	3,995	↓
POWERSHARES EQQQ	EQQQ	3,546	↑
ISHARES Core SPI (CH)	CHSPI	3,529	↑

Source: SIX Swiss Exchange

1.3 Turnover by product provider

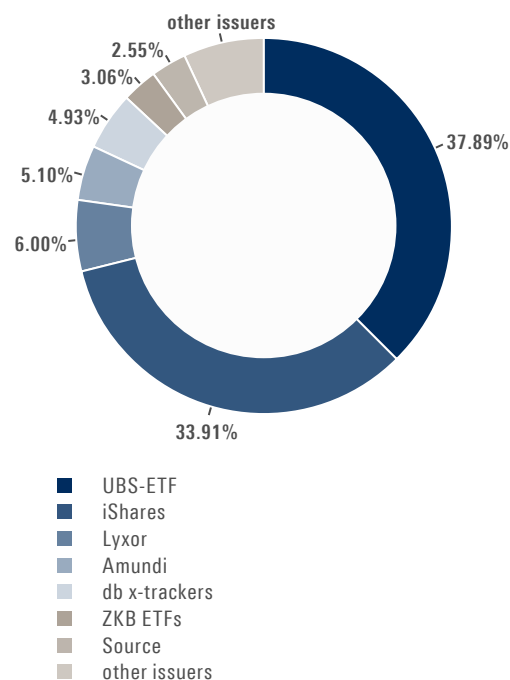
The Swiss market for ETFs is once again in the hands of UBS and iShares in terms of turnover per product provider. What is new, however, is that UBS is the number 1 here with a market share of 37.8%. iShares' share of turnover has dipped around 3% quarter-on-quarter. Lyxor, Société Générale's ETF arm, has improved substantially: Its share of turnover has risen from 3.8% to 6%. Parallel to this, Deutsche Bank's market

share has diminished from 6.1% to 4.9%. Midfield, promising growth was enjoyed by Powershares and ComStage – albeit at a slightly lower level. Turnover for the ETF provider Source, that will be acquired by Powershares, plummeted by around 30%.

ETF turnover by product provider

Issuer	Products	Turnover (mn CHF)	Market share	Trend
UBS-ETF	263	10,826.55	37.89%	↑
iShares	256	9,688.04	33.91%	↓
Lyxor	93	1,715.48	6.00%	↑
Amundi	61	1,458.04	5.10%	↑
db x-trackers	76	1,408.66	4.93%	↓
ZKB ETFs	14	874.78	3.06%	↑
Source	41	727.60	2.55%	↓
Powershares	13	536.15	1.88%	↑
ComStage	160	416.90	1.46%	↑
Julius Bär	32	255.91	0.90%	↑
SPDR ETF	90	230.96	0.81%	↑
Ossiam Lux	16	106.77	0.37%	↑
Vanguard	21	84.99	0.30%	↓
China Post Global	7	70.48	0.25%	↑
HSBC	27	56.54	0.20%	↓
Van Eck Global	3	34.33	0.12%	↓
EasyETF	21	28.88	0.10%	↑
Raiffeisen	5	23.12	0.08%	↓
ETF Securities	12	10.66	0.04%	↓
Nomura	4	9.93	0.03%	↓
Wisdom Tree Europe	28	5.08	0.02%	↓
First Trust	2	0.58	0.00%	↑
UniCredit	2	0.44	0.00%	↑
Total	1,247	28,570.88	100.00%	

Source: SIX Swiss Exchange



1.4 Top-5 selected changes per asset class

Equity Developed Market

Product	Turnover (mn CHF)	Trend
ISHARES S&P 500 UCITS	898	↓
UBS ETF MSCI EMU EUR A-ACC	713	↑
ISHARES SMI	625	↓
ISHARES EURO STOXX 50 UCITS	572	↑
UBS ETF - MSCI WORLD	536	↑

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Fixed Income & Money Market

Product	Turnover (mn CHF)	Trend
LYXOR ETF EUROMTS 1-3Y	380	↑
AMUNDI ETF FRN USD CORP-H EUR	326	↑
ISHARES \$ TIPS UCITS	284	↓
DBX2 EMLE	244	↑
DBX2 IBXILHDG	239	↓

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Equity Emerging Market

Product	Turnover (mn CHF)	Trend
UBS ETF - MSCI EM SF USD A	405	↓
ISHARES MSCI EM IMI UCITS ETF	243	↓
ISHARES MSCI EMG UCITS	139	↓
AMUNDI ETF MSCI EM ASIA EUR	126	↓
ISHARES MSCI FE JP	115	↓

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Commodities

Product	Turnover (mn CHF)	Trend
ZKB GOLD ETF (USD)	216	↓
COMSTAGE CBK COMMODITY EW	193	↑
ZKB GOLD ETF	175	↓
ZKB GOLD ETF HEDGED (CHF)	125	↓
ISHARES GOLD-HDG CHF	99	↑

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Equity Style / Strategy / Themes

Product	Turnover (mn CHF)	Trend
ISHARES SMIM	389	↑
UBS ETF SMIM (CHF) A	385	↑
ISHARES MSCI EMU SC UCITS	308	↑
SOURCE NASDAQ BIOTECH ETF	256	↑
ISHARES STOXX EUROPE 600 (DE)	185	↑

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Volatility

Product	Turnover (mn CHF)	Trend
UBSETF FACTOR LOW VOL EUR D	14	↑
ISHARES MSCI WORLD MINVOL	10	↓
ISHARES S&P 500 MINVOL	3	↓
ISHARES MSCI EURO MINVOL	3	↑
ISHARES MSCI EM MINVOL	3	↑

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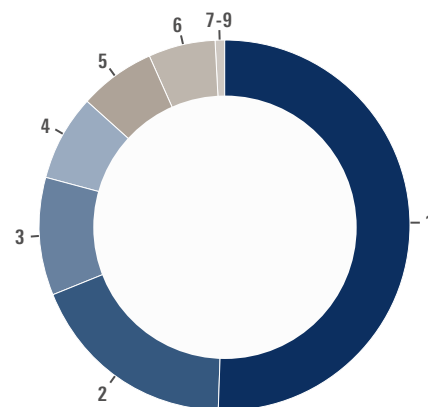
¹ Source: SIX Swiss Exchange

1.5 Trading details

Turnover by asset classes

Asset class	Absolute	Change	Turnover (mn)	Trend
1 Equity Developed Market	50.64%	-1%	14,468.44	↓
2 Fixed Income	18.38%	-13%	5,252.04	↓
3 Equity Style / Strategy	10.31%	63%	2,946.96	↑
4 Commodities	7.59%	-40%	2,169.48	↓
5 Equity Emerging Market	6.53%	-21%	1,865.58	↓
6 Equity Themes	5.95%	-13%	1,700.35	↓
7 Funds	0.24%	-5%	68.47	↓
8 Money Market	0.23%	2%	65.38	↑
9 Volatility	0.13%	-68%	34.09	↓
Total	100.00%		28,570.88	

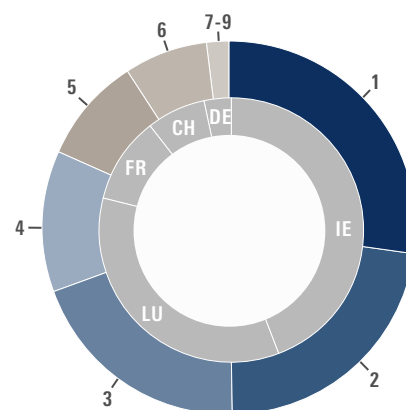
Source: SIX Swiss Exchange



Number* of ETFs on SIX Swiss Exchange by asset class

Asset class	Absolute	Change	Number	Trend
1 Equity Developed Market	27.43%	6%	342	↑
2 Equity Style / Strategy	22.53%	-2%	281	↓
3 Fixed Income	19.65%	6%	245	↑
4 Equity Themes	12.11%	0%	151	→
5 Equity Emerging Market	9.22%	0%	115	→
6 Commodities	7.30%	3%	91	↑
7 Volatility	0.70%	0%	8	→
8 Funds	0.53%	0%	6	→
9 Money Market	0.53%	0%	6	→
Total	100.00%		1,247	

Source: SIX Swiss Exchange



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

2. ETFs in Switzerland

2.1 Top-10 Inflows (in mn CHF)

The iShares Core S&P 500 ETF (CSSPX) gathered by far the most net new assets in June 2017. The physically replicated product, with its very low costs of just 0.07% p.a., tracks the market capitalization-weighted S&P 500 Index, which is effectively the best-known benchmark index for US equity investments. High net new assets as against the previous month were also observed in bond ETFs and the UBS ETF on the MSCI All Countries World Index (ACWIU). The iShares EURO

STOXX 50 ETF is the frontrunner for net outflows at around CHF 110 million. Two ETFs on the MSCI World Index next to the iShares MDAX (DE) ETF, that tracks mid-caps in Germany, also had conspicuously high net outflows. There was a sharp slowdown in net outflows month-on-month for the iShares \$ TIPS ETF (ITPS).

Product	May 2017	June 2017	Trend
iShares Core S&P 500 ETF	-68	+200	↑
iShares Core € Corp Bond ETF	+29	+122	↑
iShares JPMorgan EM Local Govt Bond ETF	+122	+115	↓
UBS ETF MSCI ACWI SF	+327	+111	↓
UBS ETF MSCI EMU	+181	+87	↓
iShares MSCI Australia ETF	+1	+86	↑
iShares US Property Yield ETF	-1	+73	↑
iShares Core EURO STOXX 50 ETF	+135	+69	↓
iShares MSCI Korea ETF Dist	+17	+67	↑
iShares € Corp Bond Lg Cp ETF	+16	+55	↑

Source: Swiss Fund Data, Morningstar

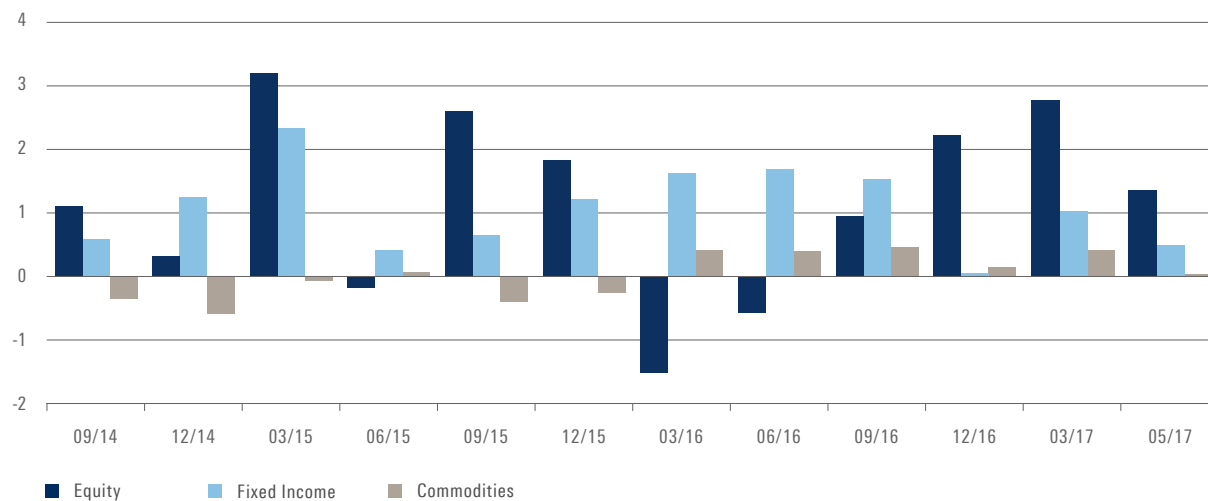
2.2 Top-10 Outflows (in mn CHF)

Product	May 2017	June 2017	Trend
iShares EURO STOXX 50 ETF	-4	-110	↓
iShares € Govt Bond 1-3yr ETF	+19	-100	↓
iShares Core MSCI World ETF	+145	-57	↓
iShares MSCI World ETF	-15	-44	↓
iShares MDAX® (DE)	+28	-41	↓
iShares S&P 500 ETF	-22	-38	↓
iShares \$ TIPS ETF	-201	-33	↑
UBS ETF CMCI Composite SF	-16	-32	↓
iShares SMI (CH)	-30	-27	↑
iShares Dev Mkts Prpty Yld ETF	+16	-26	↓

Source: Swiss Fund Data, Morningstar

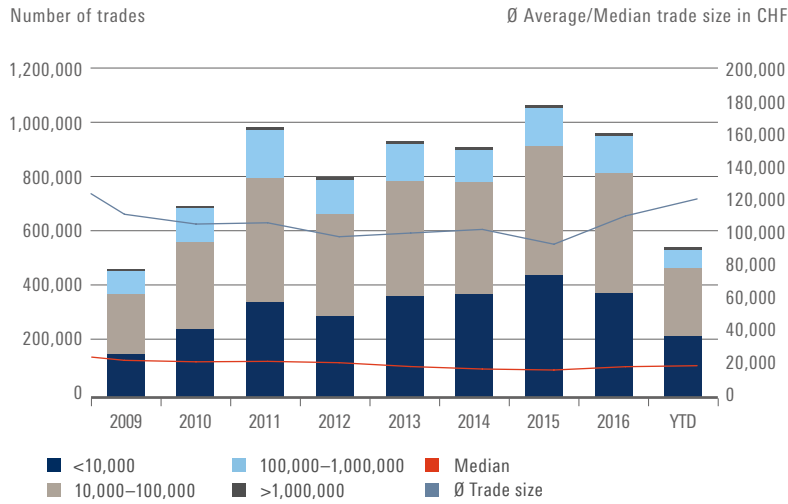
Net new assets

Bn CHF



Source: Swiss Fund Data, Morningstar

2.3 Trading details (breakdown of respective ticket size)



Source: SIX Swiss Exchange

2.4 Number of ETFs on SIX Swiss Exchange by market maker (during the quarter)

Name	ETFs	Name	ETFs	Name	ETFs
Flow Traders B.V.	944	Société Générale	103	Raiffeisen Schweiz Genossenschaft	5
Commerzbank AG	734	Deep Blue Capital N.V.	72	Morgan Stanley	4
Susquehanna	553	Deutsche Bank AG London Branch	42	UniCredit Bank AG	2
UBS AG	223	Virtu Financial Ireland Ltd	36		
Optiver VOF	208	Bank Julius Bär & Co. AG	32		
BNP Paribas	144	Credit Suisse AG	20		
KCG Europe Limited	125	Zürcher Kantonalbank	14		
Goldenberg Hehmer LLP	104	J.P. Morgan Securities PLC	7		

Source: SIX Swiss Exchange

Spread-Monitor (tightest spreads)

Product	Ticker	TER	Ø Bid Ask Spread
ISHARES SMI CH	CSSMI	0.35	0.05
UBS ETF CH-SMI CHF	SMICHA	0.20	0.05
ISHARES MSCI USA UCITS ETF USD	CSUS	0.33	0.08
ISHARES Core EURO STOXX 50 UCI	CSSX5E	0.10	0.08
ISHARES NASDAQ 100 UCITS ETF U	CSNDX	0.33	0.08
ISHARES SMIM CH	CSSMIM	0.45	0.09
Amundi ETF S&P 500 UCITS ETF - USD	500USD	0.15	0.09
Lyxor MSCI USA UCITS ETF	LYUSA	0.25	0.09
ISHARES MSCI EMU UCITS ETF	CSEMU	0.33	0.11
UBS ETF MSCI USA UCITS ETF	USACHA	0.17	0.11
UBS ETFs PLC - MSCI ACWI SF UC	ACWIU	0.31	0.11
UBS ETFs plc - S&P 500 SF UCIT	S5USAS	0.22	0.11
ISHARES Dow Jones Industrial A	CSINDU	0.33	0.11
UBS Irl ETF plc - MSCI USA hed	USCHWH	0.26	0.12
UBS ETF MSCI Switzerland 20/35	2CHB	0.20	0.12
UBS Irl ETF plc - MSCI USA hed	USEUWH	0.27	0.12
ISHARES S&P 500 CHF Hedged UCI	IUSC	0.20	0.12
UBS ETF MSCI World UCITS ETF	WRDCHA	0.30	0.12
UBS ETF EURO STOXX 50 UCITS ET	E50EUA	0.15	0.12
ISHARES SLI CH	CSSLI	0.35	0.13

Source: Bloomberg

2.5 New listings in the quarter

First trading day	Product	Symbol	Currency	Management fee	Market Maker
28.06.2017	Lyxor CRB EX-Agriculture TR UCITS ETF - C-USD	CRAU	USD	0.35%	Société Générale
28.06.2017	UBS ETF - MSCI Europe UCITS ETF (hedged to CHF) A-acc	EURCHA	CHF	0.30%	UBS AG
28.06.2017	UBS ETF - MSCI Europe UCITS ETF (hedged to EUR) A-acc	EUEUA	EUR	0.30%	UBS AG
28.06.2017	UBS ETF - MSCI Europe UCITS ETF (hedged to GBP) A-acc	EUGBA	GBP	0.30%	UBS AG
28.06.2017	UBS ETF - MSCI Europe UCITS ETF (hedged to USD) A-acc	EUUSA	USD	0.30%	UBS AG
26.06.2017	Lyxor ETF MSCI Europe	LYMEU	CHF	0.35%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
26.06.2017	PowerShares S&P 5 00 QVM UCITS ETF	PQVM	CHF	0.35%	KCG Europe Limited
23.06.2017	Lyxor Brazil (IBOVESPA) UCITS ETF C - EUR	LYRIO	USD	0.65%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna
23.06.2017	Lyxor Commodities Thomson Reuters CRB TR UCITS ETF C - EUR	CRB	USD	0.35%	Flow Traders B.V., Société Générale, Susquehanna
23.06.2017	LYXOR MSCI TAIWAN UCITS ETF - C - EUR	LYTWN	USD	0.65%	Flow Traders B.V., Société Générale, Susquehanna
23.06.2017	Lyxor Thomson Reuters CRB EX-Energy TR UCITS ETF C - EUR	LYCRN	USD	0.35%	Flow Traders B.V., Société Générale, Susquehanna
23.06.2017	LYXOR UCITS ETF RUSSIA (Dow Jones Russia GDR) C - EUR	LYRUS	USD	0.65%	Flow Traders B.V., Société Générale, Susquehanna
20.06.2017	AMUNDI ETF FLOATING RATE USD CORPORATE UCITS ETF - HEDG EUR	AFLE	EUR	0.20%	Commerzbank AG, Société Générale
20.06.2017	AMUNDI ETF FLOATING RATE USD CORPORATE UCITS ETF - USD	AFLT	USD	0.18%	Commerzbank AG, Société Générale
20.06.2017	BNP Paribas Easy EUR Stoxx 50 UCITS ETF Cap et/ou Dis EUR	ETCC	EUR	0.25%	BNP Paribas, Flow Traders B.V.
20.06.2017	BNP Paribas Easy Euro Stoxx 50 UCITS ETF CAP EUR	ETDD	EUR	0.25%	BNP Paribas, Flow Traders B.V.
20.06.2017	BNP Paribas Easy Euro Stoxx 50 UCITS ETF Dis EUR	ETBB	EUR	0.25%	BNP Paribas, Flow Traders B.V.
20.06.2017	BNP Paribas Easy S&P 500 UCITS ETF Cap et/ou Dis USD	ESDD	USD	0.20%	BNP Paribas
20.06.2017	BNP Paribas Easy S&P 500 UCITS ETF Cap EUR	ESE	EUR	0.20%	BNP Paribas
20.06.2017	BNP Paribas Easy S&P 500 UCITS ETF Cap EUR /Hedgée)	ESEH	EUR	0.20%	BNP Paribas
20.06.2017	BNP Paribas Easy S&P 500 UCITS ETF Cap USD	ESD	USD	0.20%	BNP Paribas
20.06.2017	BNP Paribas Easy STOXX EUROPE 600 UCITS ETF C et/ou D EUR	ETZD	EUR	0.30%	BNP Paribas
20.06.2017	BNP Paribas Easy STOXX EUROPE 600 UCITS ETF Cap EUR	ETZ	EUR	0.30%	BNP Paribas
20.06.2017	LYXOR MSCI EM LATIN AMERICA UCITS ETF - C - EUR	LYLTM	USD	0.65%	Commerzbank AG, Flow Traders B.V., Société Générale, Susquehanna

Source: SIX Swiss Exchange

First trading day	Product	Symbol	Currency	Management fee	Market Maker
16.06.2017	db x-trackers DBLCI - OY BALANCED UCITS ETF 2C	XBCU	USD	0.40%	KCG Europe Limited
16.06.2017	db x-trackers DBLCI - OY BALANCED UCITS ETF 3C	XDBG	GBP	0.40%	KCG Europe Limited
16.06.2017	db x-trackers MSCI JAPAN INDEX UCITS ETF (DR) 2D	XMUJ	USD	0.30%	KCG Europe Limited
15.06.2017	OSSIAM Shiller Barc CAPE US Sector UCITS ETF Hedged 1C EUR	CAPH	EUR	0.65%	BNP Paribas
12.06.2017	db x-trackers II Global Government Bond UCITS ETF (DR) 3C	XGSI	USD	0.15%	Goldenberg Hehmeyer LLP, KCG Europe Limited
12.06.2017	db x-trackers II Global InflationLinked Bond UCITSETF(DR)2C	XG7U	USD	0.15%	Goldenberg Hehmeyer LLP, KCG Europe Limited
06.06.2017	iShares \$ Corp Bond UCITS ETF USD (Acc)	LQDA	CHF	0.20%	Susquehanna
06.06.2017	iShares \$ High Yield Corporate Bond UCITS ETF USD (Acc)	IHYA	CHF	0.50%	Susquehanna
06.06.2017	iShares \$ Short Duration Corp Bond UCITS ETF USD (Acc)	SDIA	CHF	0.20%	Susquehanna
06.06.2017	iShares \$ Treasury Bond 1-3yr UCITS ETF USD (Acc)	IBTA	CHF	0.20%	Susquehanna
06.06.2017	iShares Edge MSCI World Min Vol UCITS ETF EUR Hdgd (Acc)	SXRO	CHF	0.07%	Susquehanna
06.06.2017	iShares Edge MSCI World Multifactor UCITS ETF EUR Hdgd Acc	IS07	CHF	0.07%	Susquehanna
06.06.2017	iShares J.P. Morgan \$ EM Bond UCITS ETF USD (Acc)	JPEA	CHF	0.45%	Susquehanna
06.06.2017	iShares MSCI EMU UCITS ETF EUR (Dist)	ICEUD	CHF	0.33%	Susquehanna
06.06.2017	iShares US Aggregate Bond UCITS ETF USD (Acc)	IUAA	CHF	0.25%	Susquehanna
06.06.2017	iShares US Mortgage Backed Securities UCITS ETF USD (Acc)	IMBA	CHF	0.28%	Susquehanna
02.06.2017	Lyxor EUR 2-10Y Inflation Expectations UCITS ETF - C-EUR	INFL	EUR	0.25%	Société Générale
02.06.2017	Lyxor US\$ 10Y Inflation Expectations UCITS ETF - C-USD	INFU	USD	0.25%	Société Générale
31.05.2017	UBS (Irl) ETF plc MSCI USA Select Factor Mix (USD) A-dis	USFMD	USD	0.30%	KCG Europe Limited
31.05.2017	UBS (Irl) ETF plc MSCI USA Select Factor Mix (USD) A-dis	USFMD	CHF	0.30%	KCG Europe Limited
26.04.2017	Vanguard FTSE 100 UCITS ETF	VUKE	CHF	0.09%	Goldenberg Hehmeyer LLP
26.04.2017	Vanguard FTSE 250 UCITS ETF	VMID	CHF	0.10%	Goldenberg Hehmeyer LLP
24.04.2017	WisdomTree Japan Equity UCITS ETF USD Hedged Acc	DXJA	USD	0.48%	KCG Europe Limited

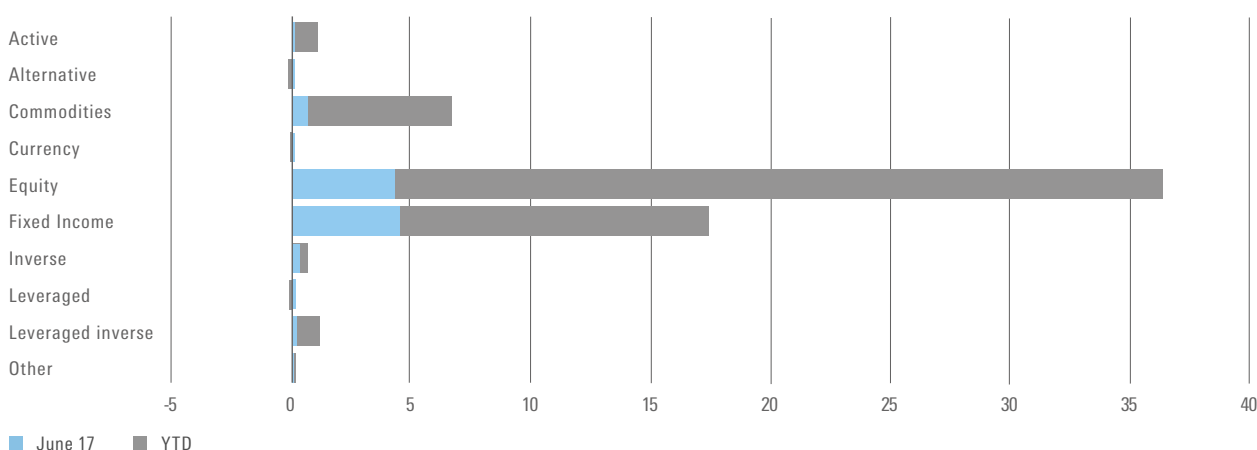
Source: SIX Swiss Exchange

3. European market

Net new assets in ETFs have been highly dynamic at the European level in recent months and have increased strongly. Since the start of 2017 alone, precisely USD 36.8 billion has been put into equity ETFs – which is also still the leading category. By contrast, new assets of approximately USD 18 billion were invested in equity ETFs in the whole of 2016. This

point has already been significantly surpassed just in the first half of the year. Asset outflows were seen in alternative investment ETFs and leveraged ETFs. There were also net new assets in inverse ETFs in the month of June, including those with multiple leverages. The first contrarian investors appear to no longer entirely trust the highly positive market environment.

Net New Assets per asset class (in bn USD)



Source: ETFGI

Asset classes	ETFs/ETPs	AuM June 17 (in mn USD)	Market share	Net New Assets (in mn USD)			
				June 17	YTD 2017	YTD 2016	2016
Active	19	7,435	1.10%	95	1,249	-343	-180
Alternative	10	392	0.10%	5	-122	-179	-144
Commodities	462	56,333	8.20%	672	6,951	7,531	11,617
Currency	69	253	0.00%	4	-44	14	143
Equity	1,037	455,370	66.30%	4,576	36,847	-3,982	17,964
Fixed Income	374	154,638	22.50%	4,638	17,050	17,672	24,400
Inverse	68	3,967	0.60%	353	788	765	741
Leveraged	168	3,299	0.50%	147	-63	240	-364
Leveraged inverse	72	4,105	0.60%	109	1,127	854	1,530
Other	7	524	0.10%	10	79	-5	-12
Total	2,286	686,315	100.00%	10,610	63,851	22,568	55,694

Source: ETFGI

«Investors appreciate the diversity of our portfolio building bricks and its fee structure.»

Clemens A. Reuter joined UBS Asset Management as Head UBS Exchange Traded Funds in February 2011. In January 2017 his mandate expanded to Global Head of UBS Passive & ETF Investment Specialists. Prior to joining UBS, Clemens was with the SIX Swiss Exchange where he was "Head of Clients and Product Management" and responsible for the growth of the Exchange Traded Fund segment. Clemens began his career in the financial services industry at Deutsche Bank AG in Düsseldorf. His professional experience includes positions at Wachovia Securities in Atlanta and Credit Suisse First Boston in London, New York and Zurich. His profile is completed by Executive Education Programs at the University of Pennsylvania's Wharton Business School and the Harvard Business School.



Clemens A. Reuter, UBS

What is your bank's speciality?

We attach great importance to the needs of market participants and offer products that are tailored to the investment strategy of our clients. We are the largest provider in Switzerland, with more than 250 ETFs listed on SIX Swiss Exchange. Investors value both the diversity of our portfolio building blocks and fee structure. Our core competencies include currency-hedged ETFs as well as a growing range of ETFs in the area of sustainability.

Which issues are currently shaping developments in the ETF sector?

More and more investors are recognizing that ETFs are extremely well suited for socially responsible investment strategies, as they combine a transparent selection process in the underlying index with favorable cost structures. Investors have already placed more than CHF 1.6 billion in our sustainable offering, making us the market leader in Europe in this area.

What are your clients focussing on in the current environment?

There has been a strong demand in European equities and in fixed income exposure addressing the possibility of increased inflation. Due to various geopolitical uncertainties, our clients are increasingly reverting to currency-hedged ETFs. We are also seeing high demand for commodity ETFs. Currently, the UBS ETF (IE) CMCI Composite SF UCITS ETF exceeded the mark of USD 1 billion in assets under management.

What changes do you have planned?

UBS ETF offers a share class model in which investors can switch between currency-hedged and non-currency-hedged building blocks in a simple and efficient manner. We will expand this model further in future. We also recognize the high demand in the fixed-income segment, where we will improve our positioning moving forward.

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

In Switzerland, UBS ETF and one additional provider accounted for about 72 percent of ETF turnover on SIX Swiss Exchange in 2017. In the second quarter we had the largest market share closely followed by our main competitor. In the first five months we had net new money inflows of approximately USD 6.4 billion – a record for UBS ETF. The transparency and comparability of ETFs are leading to an increase in the use of ETFs amongst numerous client segments, for both strategic and tactical asset allocation purposes. We therefore believe the Swiss ETF market will continue to grow strongly.

Thank you for the interview!

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