

SIX Swiss Exchange Bonds – Factsheet

Bonds are a popular form of investment. The investor's intention is to have the invested capital repaid at maturity and meanwhile earn interest on that amount. Bonds are less risky than equities, however the relative total return is limited.



SIX Swiss Exchange Bonds

Fully automated bond trading on SIX Swiss Exchange was introduced in 1996. On 31 July 1998, SIX Swiss Exchange added USD-denominated bonds to its CHF bond segment. With the first transactions in USD Eurobonds, the international bond segment was born. The introduction of trading in international bonds at SIX Swiss Exchange was associated with significant changes for the Swiss financial marketplace. In 1998, for example, trades in international bonds were exempt, by urgent federal decree, from Swiss stamp tax for foreign customers. The addition of seventeen currencies at SIX Swiss Exchange is also connected with the introduction of trading in international bonds.

Features of the SWXess platform for bonds

- Fast Execution
- Best Execution
- Firm execution prices
- Multidealer platform
- Automated trading and settlement

SWXess: The platform for bond trading

SWXess represents an ideal hub for bringing together market makers (sell side) and investors (buy side). With the introduction of Quotematch in 2005, SIX Swiss Exchange supplemented its robust, well-established infrastructure with a high-performance platform for securitised derivatives. The introduction of the Quotematch platform triggered unprecedented growth in securitised derivatives trading. To support similar growth in other instruments and services, SIX Swiss Exchange has overhauled its trading infrastructure and has launched a significantly upgraded and enhanced trading platform called "SWXess". The cost advantages to be gained from this fully electronic system apply to an ever-increasing number of bond issues.

SWXess is the reliable answer for automating retail bond order flow. SIX Swiss Exchange has seized the opportunity to become Europe's first stock exchange to adopt listing rules that are less cumbersome than those applicable in the EU. These new SIX Swiss Exchange rules are aimed specifically at issuers domiciled outside the EU. Even after the entry into force of the EU's more stringent regulations, the new SIX Swiss Exchange rules will enable bond issues to continue being listed in Europe under the present requirements. Participants who wish to have new or additional bonds admitted to trading on the SWXess platform should send SIX Swiss Exchange a written indication of interest via e-mail (internationalbonds@six-group.com). Listing applications may be submitted to SIX Exchange Regulation manually or via the simple and cost-efficient mechanism known as Internet-Based Listing (IBL) application. For additional information on the trading and listing of bonds, please see http://www.six-exchange-regulation.com/admission/listing/bonds/listing_procedure_en.html and http://www.six-exchange-regulation.com/regulation/listing_rules_en.html.

Transparency and fairness

On SWXess, thirteen market makers provide binding bid and asked prices for over 5,100 bonds of which 1,500 (CHF bonds) are listed on SIX Swiss Exchange and 3,600 (International bonds) are admitted to trading on SIX Swiss Exchange. The product range includes straight bonds, floating-rate notes (FRNs) and convertible bonds. Debtors include national governments, cantons, cities, communities, regions, provinces, companies, supranationals and agencies, and the traded instruments include asset-backed and mortgage-backed securities. Due to their binding nature, the prices on SIX Swiss Exchange have become the benchmark for bonds in the Swiss retail trade.

The prices are available via the Internet (http://www.six-swiss-exchange.com/bonds/explorer/swiss/short/closings_en.html) and the usual data vendors (Bloomberg, Reuters, SIX Telekurs, etc.), which means that SIX Swiss Exchange provides an unequalled level of transparency for the (international) bond market. When carrying out a bond transaction on SIX Swiss Exchange, investors can assume that they are getting "best execution".

Further information on bonds can be obtained at www.six-swiss-exchange.com or by:

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