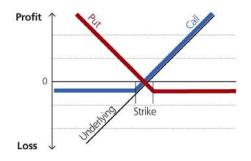
# **Product types**

25.09.2009

Leverage Products	Participation Products	Yield Enhancement Products	Capital Protected Products
Warrants	Tracker Certificates	Discount Certificates	Uncapped Capital Protected
Knock-Out Warrants	Bonus Certificates	Barrier Discount Certificates	Exchangeable Certificates
Mini-Futures	Outperformance	Reverse Convertibles	Capped Capital Protected
Various Leverage	Certificates	Barrier Reverse Convertibles	Capital Protected with Coupon
	Outperformance Bonus	Capped Outperformance	Capital Protected Products
	Certificates	Certificates	with Knock-Out
	Twin-Win Certificates	Express Certificates	Various Capital Protected
	Various Participation	Capped Bonus Certificates	
		Various Yield Enhancement	

# Leverage Products Warrants (110)



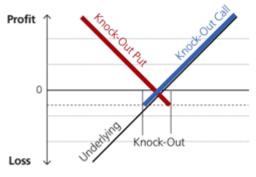
# Market expectation

- Warrant (Call): Rising underlying, rising volatility
- Warrant (Put): Falling underlying, rising volatility

# Characteristics

- Small investment generating a leveraged performance relative to the underlying
- Increased risk of total loss (limited to initial investment)
- Suitable for short term speculation or hedging
- Daily loss of time value (increases as product expiry approaches)
- Continuous monitoring required

# Knock-Out Warrants (120)



# Market expectation

- Knock-Out (Call): Rising underlying
- Knock-Out (Put): Falling underlying

- Small investment generating a leveraged performance relative to the underlying
- Increased risk of total loss (limited to initial investment)
- Immediately expires worthless in case the Barrier is breached during product lifetime
- · Suitable for short term speculation or hedging
- Small influence of volatility and small loss of time-value
- Continuous monitoring required

# Mini-Futures (130)



# Market expectation

Mini-Future (Long): Rising underlyingMini-Future (Short): Falling underlying

# Characteristics

- Small investment generating a leveraged performance relative to the underlying
- Increased risk of total loss (limited to initial investment)
- A residual value is redeemed following a Stop-Loss event
- Suitable for short term speculation or hedging
- No influence of volatility
- Continuous monitoring required

# Various Leverage (199)

diagram not available

#### Market expectation

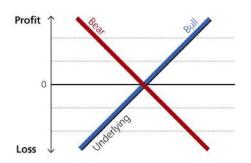
• Depends on product structure

# Characteristics

• Depends on product structure

# **Participation Products**

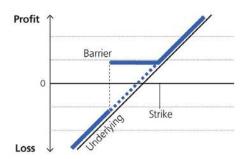
# Tracker Certificates (210)



#### Market expectation

- Tracker Certificate (Bull): Rising underlyingTracker Certificate (Bear): Falling underlying
- Characteristics
- Unlimited participation in the development of the underlying
- Reflects underlying price moves 1:1 (adjusted by conversion ratio and any related fees)
- · Risk comparable to a direct investment
- Fees generally in the form of management fees or through the retention of payouts attributable to the underlying during the lifetime of the product

# Bonus Certificates (220)



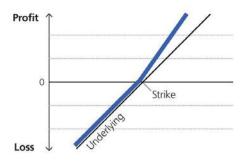
# Market expectation

- Underlying moving sideways or rising
- Underlying will not breach Barrier during product lifetime

#### Characteristics

- Unlimited participation in the development of the underlying
- A Bonus Certificate turns into a Tracker Certificate after breaching the Barrier
- Minimum redemption is equal to the Strike if the Barrier is never breached
- Lower risk than a direct investment due to the conditional capital protection
- Larger Bonus payments or lower barriers can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy

#### Outperformance Certificates (230)

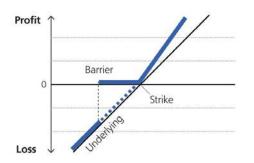


#### Market expectation

- Rising underlying
- Rising volatility

- Unlimited participation in the development of the underlying
- Disproportional participation (Outperformance) in a positive performance of the underlying
- Reflects underlying price moves 1:1 when below the Strike
- Risk comparable to a direct investment
- Any payouts attributable to the underlying are used in favour of the strategy

# Outperformance Bonus Certificates (235)



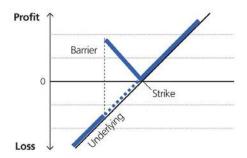
#### Market expectation

- Rising underlying
- · Underlying will not breach Barrier during product lifetime

#### Characteristics

- Unlimited participation in the development of the underlying
- Minimum redemption is equal to the Strike if the Barrier is never breached
- Disproportional participation (Outperformance) in a positive performance of the underlying
- A Outperformance Bonus Certificate turns into a Outperformance Certificate after breaching the Barrier
- Lower risk than a direct investment due to the conditional capital protection
- Any payouts attributable to the underlying are used in favour of the strategy

# Twin-Win Certificates (250)



#### Market expectation

- · Rising or slightly falling underlying
- · Underlying will not breach Barrier during product lifetime

#### Characteristics

- Unlimited participation in the development of the underlying
- Minimum redemption is equal to the Strike if the Barrier is never breached
- · Profits possible with rising and falling underlying
- Falling underlying price converts into profit until the Barrier
- A Twin-Win-certificate turns into a Tracker Certificate after breaching the Barrier
- Any payouts attributable to the underlying are used in favour of the strategy

# Various Participation (299)

diagram not available

#### Market expectation

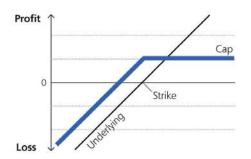
· Depends on product structure

#### Characteristics

• Depends on product structure

# **Yield Enhancement Products**

# **Discount Certificates (310)**



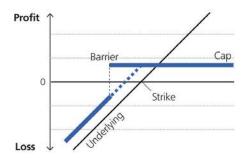
# Market expectation

- Underlying moving sideways or slightly rising
- Falling volatility

#### Characteristics

- Should the underlying close below the Strike at expiry, the underlying and/or a cash amount is redeemed
- Discount Certificates enable investors to acquire the underlying at a lower price
- · Corresponds to a buy-write-strategy
- · Reduced loss potential compared to a direct investment
- Larger discounts can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential (Cap)

# **Barrier Discount Certificates (320)**

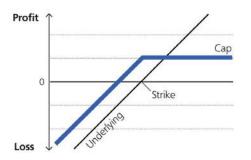


#### Market expectation

- · Underlying moving sideways or slightly rising
- · Falling volatility
- Underlying will not breach Barrier during product lifetime

- The maximum redemption amount (Cap) is payed out if the Barrier is never breached
- Discount Certificates enable investors to acquire the underlying at a lower price
- A Barrier Discount Certificate turns into a Discount Certificate after breaching the barrier
- The probability of a maximum redemption is larger due to the conditional capital protection, the discount achieved however is smaller
- Reduced loss potential compared to a direct investment
- Larger discounts or lower barriers can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- Limited profit potential (Cap)

# Reverse Convertibles (330)



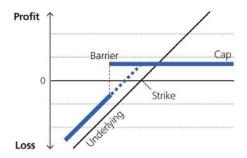
#### Market expectation

- Underlying moving sideways or slightly rising
- Falling volatility

#### Characteristics

- Should the underlying close below the Strike at expiry, the underlying and/or a cash amount is redeemed
- Should the underlying close above the Strike at expiry, the nominal plus the coupon is paid at redemption
- The coupon is always paid, irrespective of the development of the underlying
- Reduced loss potential compared to a direct investment
- Larger coupons can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential (Cap)

# Barrier Reverse Convertibles (340)

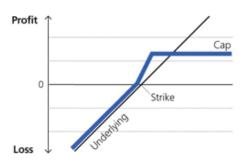


#### Market expectation

- Underlying moving sideways or slightly rising
- Falling volatility
- Underlying will not breach Barrier during product lifetime

- Should the Barrier never be breached, the nominal plus coupon is paid at redemption
- A Barrier Reverse Convertible turns into a Reverse Convertible after breaching the barrier
- The probability of a maximum redemption is larger due to the conditional capital protection, the coupon achieved however is smaller
- The coupon is always paid, irrespective of the development of the underlying
- Reduced loss potential compared to a direct investment
- Larger coupon payments or lower barriers can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- Limited profit potential (Cap)

# Capped Outperformance Certificates (350)



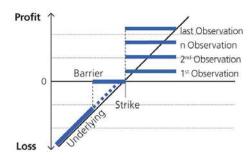
#### Market expectation

· Rising underlying

# Characteristics

- Reflects underlying price moves 1:1 when below the Strike
- Disproportional participation (Outperformance) in a positive performance of the underlying up to the Cap
- Risk comparable to a direct investment
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential (Cap)

# Express Certificates (360)



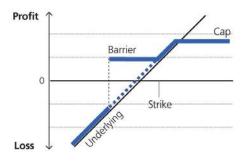
#### Market expectation

- Underlying moving sideways or slightly rising
- Underlying will not breach Barrier during product lifetime

#### Characteristics

- Should the underlying trade above the Strike on the observation date, an early redemption consisting of nominal plus an additional coupon amount is paid
- Offers the possibility of an early redemption combined with an attractive yield opportunity
- Lower risk than a direct investment due to the conditional capital protection
- Larger coupon payments or lower barriers can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- Limited profit potential

# Capped Bonus Certificates (380)



#### Market expectation

- · Underlying moving sideways or slightly rising
- Underlying will not breach Barrier during product lifetime

- Minimum redemption is equal to the Strike if the Barrier is never breached
- Lower risk than a direct investment due to the conditional capital protection
- Larger Bonus payments or lower barriers can be achieved at a greater risk if the product is based on multiple underlyings (multi-asset)
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential (Cap)



# Various Yield Enhancement (399)

diagram not available

# Market expectation

• Depends on product structure

# Characteristics

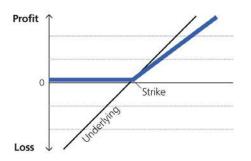
• Depends on product structure



Schweizerischer Verband für Strukturierte Produkte Swiss Structured Products Association Associazione Svizzera per prodotti strutturati Association Suisse Produits Structurés

# **Capital Protected Products**

# **Uncapped Capital Protected (410)**



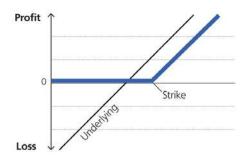
#### Market expectation

- · Rising underlying
- Rising volatility
- Sharply falling underlying possible

#### Characteristics

- Minimum redemption at expiry equivalent to the capital protection
- Capital protection is defined as a percentage of the nominal (e.g. 100%)
- Capital protection refers to the nominal only, and not to the purchase price
- Value of the product may fall below its capital protection during the lifetime
- Unlimited participation in a positive performance of the underlying
- Any payouts attributable to the underlying are used in favour of the strategy

# Exchangeable Certificate (420)



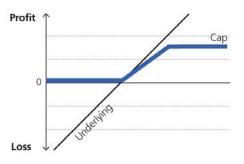
# Market expectation

- · Sharply rising underlying
- · Rising volatility
- Sharply falling underlying possible

#### Characteristics

- Minimum redemption at expiry equivalent to the capital protection
- Capital protection is defined as a percentage of the nominal (e.g. 100%)
- Capital protection refers to the nominal only, and not to the purchase price
- Value of the product may fall below its capital protection during the lifetime
- Unlimited participation in a positive performance of the underlying above the Strike (Conversion Price)
- Coupon payment possible
- Any payouts attributable to the underlying are used in favour of the strategy

#### Capped Capital Protected (450)

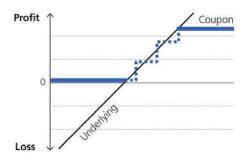


#### Market expectation

- Rising underlying
- · Sharply falling underlying possible

- Minimum redemption at expiry equivalent to the capital protection
- Capital protection is defined as a percentage of the nominal (e.g. 100%)
- Capital protection refers to the nominal only, and not to the purchase price
- Value of the product may fall below its capital protection during the lifetime
- Participation in a positive performance of the underlying up to the Cap
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential (Cap)

# Capital Protected with Coupon (460)



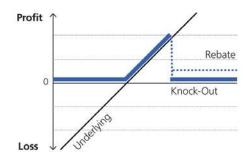
#### Market expectation

- Rising underlying
- · Sharply falling underlying possible

#### Characteristics

- Minimum redemption at expiry equivalent to the capital protection
- Capital protection is defined as a percentage of the nominal (e.g. 100%)
- Capital protection refers to the nominal only, and not to the purchase price
- Value of the product may fall below its capital protection during the lifetime
- The coupon amount is dependent on the development of the underlying
- Any payouts attributable to the underlying are used in favour of the strategy
- · Limited profit potential

# Capital Protected Products with Knock-Out (470)



#### Market expectation

- Rising underlying
- · Sharply falling underlying possible

#### Characteristics

- Minimum redemption at expiry equivalent to the capital protection
- Capital protection is defined as a percentage of the nominal (e.g. 100%)
- Capital protection refers to the nominal only, and not to the purchase price
- Value of the product may fall below its capital protection during the lifetime
- Participation in a positive performance of the underlying until Knock-Out
- · Possible payment of a Rebate following a Knock-Out
- Any payouts attributable to the underlying are used in favour of the strategy
- Limited profit potential

# Various Capital Protected (499)

diagram not available

# Market expectation

• Depends on product structure

# Characteristics

Depends on product structure