



Revision of the SIX Blue-Chip Indices Methodology

8 September 2023

SMI Market Consultation

Purpose

The consultation asks for stakeholders' views on whether the SMI would benefit from an increased number of components, or if the current size of 20 stocks would suffice



Potential Changes

- The SMI would increase from 20 to 30 stocks
- The Free Float Market Capitalization over 12 months would be employed as the sole selection criterion for the SMI, SMIM and SLI
- The currently used 12-month order book turnover would be no longer applied for the SMI, SMIM and SLI

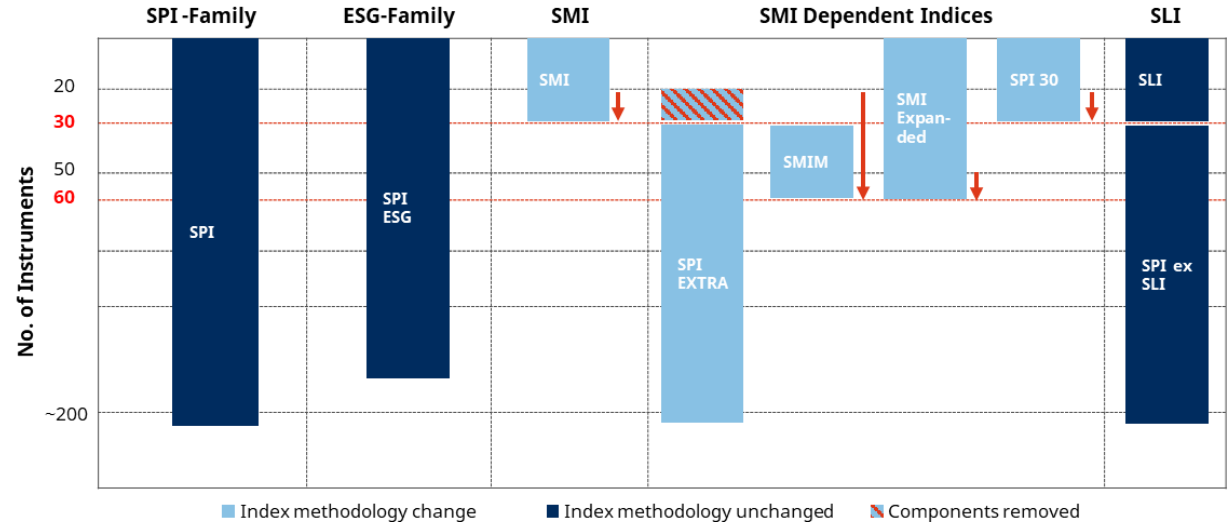


Indices Dependent on the SMI Composition Would Be Impacted as Well

- SPI 20 (all SMI companies, but without 18% weighting limit) would be renamed to SPI 30
- SMIM (30 mid-cap stocks) would contain companies ranked from 31 to 60 instead of 21 to 50
- SPI Extra (all Swiss Equities minus the SMI components) would decrease by 10 components
- SMI Expanded (SMI + SMIM) would increase the number of components to 60

Illustration of the Potential Changes

- With 30 stocks the SMI and SPI 30 increase the representation of the market in terms of coverage and diversification
- These additional 10 companies represent approx. CHF 100bn as of August 2023 in free float market capitalization, accounting for c. 8% weight of the SMI
- Nestlé as the largest company in the SMI has a weight of c. 18% with a free float market capitalization of above CHF 200bn



Differences between the SMI, SLI and SPI 30

- By changing the methodology of the SMI and SPI 30, all three indices would share the same composition in the future, but have different weighting schema as shown in the examples* below
- The indices fulfill different client demands and regulatory concepts concerning diversification and maximum weights (international standards for investment funds UCITS (5/10/40) and UCITS (20/35))

Company	SMI (UCITS 20/35; weights limited to 18%)	SPI 30 (weights not limited)	SLI (weights limited to 9% & 4.5%)
Nestle	18.0%	23.0%	9.0%
Novartis	16.5%	15.5%	8.5%
Roche	16.0%	15.0%	8.3%
UBS	6.5%	6.2%	8.0%
Richmont	5.5%	5.4%	4.5%
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*All data is for illustrative purposes only.

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