

## **Structured Products**

Enhance your investment opportunities

Structured Products do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to authorization and supervision by the Swiss Financial Market Supervisory Authority (FINMA).



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The subtropical monsoon climate, with its hot, humid summers and relatively cool and dry winters, provides the ideal conditions for cultivating tea. As a result, tea is mainly cultivated in an area that stretches from the southern regions of the Far East to Northeast India. Tea is primarily grown in the highland areas, such as the Cameron Highlands in Malaysia, shown here, which were developed by the British in the 1920s: While fertile soil and a cool climate provide the best conditions for the tea plants to thrive, intelligent structures are vital for the tea cultivation and export business to succeed.





## Credit Suisse

In today's challenging markets, investors are relying on Credit Suisse as a trusted partner to provide innovative solutions tailored to their needs.

As one of the world's leading banks, Credit Suisse offers its clients its combined expertise in the areas of investment banking, private banking and asset management services worldwide. Credit Suisse provides advisory services, comprehensive solutions, and innovative products to companies, institutional clients, and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse is active in over 50 countries and employs approximately 50,000 people. Credit Suisse's parent company, Credit Suisse Group, is a leading global financial services company headquartered in Zurich.

Further information about Credit Suisse can be found at [www.credit-suisse.com](http://www.credit-suisse.com)



"Best Bank in  
Switzerland"

## How to Read This Brochure

The product section of this brochure consists of a generic description based on the classification of the Swiss Structured Products Association (SSPA), including the SSPA code for each product type. This is then followed by a selection of products issued by Credit Suisse in the corresponding product category.

### Example of a product description:

<b>Product</b> – generic SSPA product and code		
<b>Product</b> – Credit Suisse product name (with abbreviation if applicable)		
<b>Brief Description</b>		<b>Underlying Asset Classes</b>
Brief explanation of the product's features.		Products are typically available in the asset classes cited here.
<b>Benefits</b>	<b>Risks</b>	<b>Market Expectation</b>
Brief overview of the key benefits of the product.	Brief overview of the key risks of the product.	Brief indication of the market expectation by arrows: <ul style="list-style-type: none"> <li>↗ bullish</li> <li>↘ bearish</li> <li>→ neutral</li> </ul>

Please also read the risks and special features section on pages 11 and 12 carefully.





A practice known as drifting outdates even the rafting trade. While around 950 B.C. the legendary King Solomon was sending timber rafts across the seas, timber was traditionally transported by drifting via rivers or rivulets. Ditches were excavated and reservoirs and ponds were built especially for the purpose of storing water during periods of short supply. By actively intervening in the structure and order of their environment, people ensured that the transport and trading system of the time could function well, creating the basis for sustainable economic progress.



# Structured Products

## Helping Clients Thrive

Structured products are a combination of a traditional investment (equities, currencies, bonds, commodities, or funds) and one or more derivatives that are structured into one securitized instrument. These investment instruments can be tailored to your specific market view in order to match your desired risk profile and expectations.

Structured products have been a key feature of international financial markets for many years. Yet, they are often considered highly complex. In reality, however, structured products are instruments that can be used as flexible alternatives to the traditional investment categories while providing additional attractive features, such as capital protection, yield enhancement, participation, leverage, or a combination of these. The redemption value of a structured product follows the development of one or more underlying assets. The selection or creation of a desired structured product, however, needs to be looked at within a portfolio context and should be suited to your overall asset allocation, investment horizon, and risk appetite.

Credit Suisse offers a vast range of these structured investments covering all asset classes, including equities, fixed income, foreign exchange, commodities, and funds, underpinning Credit Suisse's long-term engagement and expertise dating back more than 15 years when the bank's first structured products were launched. Nowadays, the structured product offerings of Credit Suisse can be bought "off the shelf" or individually tailored to clients' needs.

Recognizing our clients' wish for more transparency, we here-with aim to provide you with an overview of Credit Suisse's most popular offerings of structured products, categorised in four major product groups. This classification has been established by the Swiss Structured Products Association (SSPA):

### Rigorous risk approach

#### Recent Awards

Our rigorous approach to risk exposure and our expertise in crafting complex solutions have produced results that are appreciated not only by our clients but also by leading industry associations and trade publications:

Euromoney Awards for Excellence 2011  
"Best Bank in Switzerland"



Euromoney Awards for Excellence 2010  
"Best Bank in Switzerland"



Euromoney Awards for Excellence 2010  
"Best Global Bank"



Euromoney Awards for Excellence 2010  
"Best Investment Bank in Western Europe"



The Banker – Investment Banking Awards 2010  
"Most Innovative Investment Bank"



- Capital Protection
- Yield Enhancement
- Participation
- Leverage

Credit Suisse is an active member of this trade association and welcomes the association's quest for creating industry standards and transparency on investing in structured products.

To learn more about Structured Products, you can also visit our website: [www.credit-suisse.com/derivatives](http://www.credit-suisse.com/derivatives)

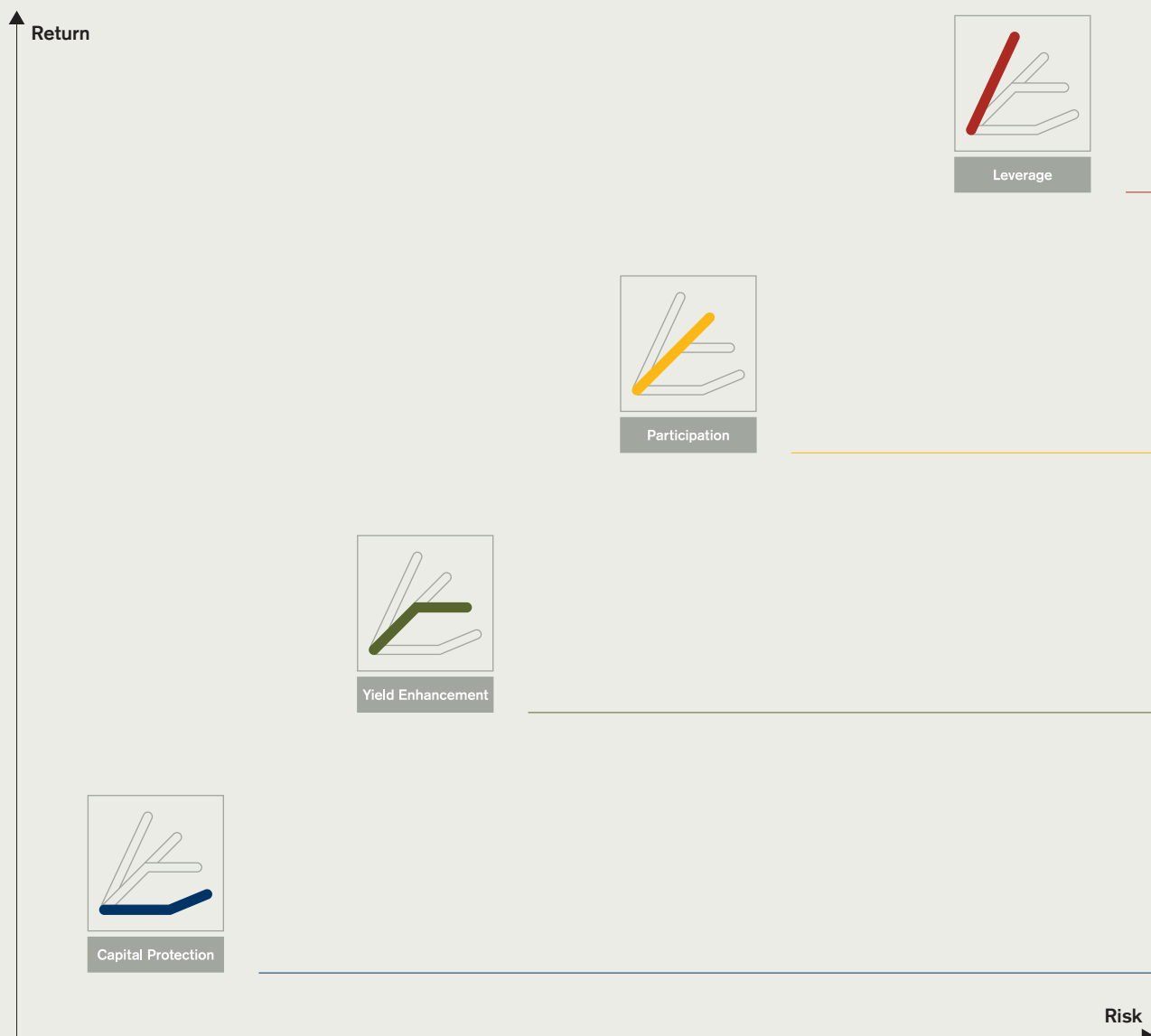
# Product Categorization

as per the Swiss Structured Products Association (SSPA) Classification

Credit Suisse groups its structured products into four main categories: Capital Protection, Yield Enhancement, Participation, and Leverage. Each category contains a varying number of product types which can be found in more detail from page 18 onwards in this brochure. We adhere to the classification as

established by the Swiss Structured Products Association (SSPA, [www.sspa-association.ch](http://www.sspa-association.ch)), which is the commonly accepted standard in the Swiss market. The chart below outlines, in broad terms, the risk and return characteristics of each product category. For each of the structured product

## Risk and Return characteristics





categories, Credit Suisse has developed an icon to help clients navigate our product offerings. You will find these icons again later in the brochure where we describe each product category in more depth. You will also find these icons on product promotional marketing materials for ease of reference.

### Leverage Products

Leverage Products provide the opportunity to generate leveraged profits while making a relatively small initial investment. The risk of Leverage Products, however, is a total loss of the initial investment. Leverage Products are therefore only suitable for investors with a high risk appetite. Leverage Products can also be used to hedge risks, in which case they reduce the risk of a portfolio. Market expectation should be a strong up- or downwards move, and products are best used as short-term speculative investments requiring daily supervision or as a hedge.

### Participation Products

Participation Products offer usually unleveraged participation in the performance of one or multiple underlyings. Participation Products may offer a conditional capital protection, in which case the protection is granted only if a predefined “condition” is met (i.e. a barrier has not been touched). Participation Products are subject to credit risk. These products are suitable for investors with a moderate to increased risk appetite. Market expectation should be a directional move (up or down) over the lifetime of the product.

### Yield Enhancement Products

Yield Enhancement Products offer a limited (capped) upside, usually in the form of a fixed coupon (or a discount). Investors forgo an unlimited participation in favor of a recurring or one-off payment. Yield Enhancement Products may offer a conditional capital protection, in which case the protection is granted only if a predefined “condition” is met (i.e. a barrier has not been touched). These products are suitable for investors with a moderate to increased risk appetite and the expectation of markets moving sideways over the lifetime of the product.

### Capital Protection Products

Capital Protection Products offer (partial) protection of the nominal value (between 90% and 100%) at maturity, subject to credit risk. In addition, they offer a return potential linked to the development of an underlying, in the form of participation, a recurring payment, or a one-off payment at expiration. Capital Protection Products are suitable for risk-averse investors. These products can be structured to perform in rising or falling markets and should be chosen in accordance with market expectations over the lifetime of the product.

### iPhone App for Structured Products



- Quick and easy access to structured products and warrants from Credit Suisse, as well as from selected third-party banks
- Possibility to create personal tracklists for monitoring price limits – via push notification
- Access to marketing material and termsheets
- Range of search criteria for an appropriate product, such as currency, coupon, level of barrier, level of participation, capital protection, or maturity date
- Explanations of the product categories: Capital Protection, Yield Enhancement, Participation and Leverage

The “Derivatives by Credit Suisse” application is available immediately, free of charge from the Swiss iTunes App Store. An iPad version of the application will be available soon.

#### Link to iTunes store

<http://itunes.apple.com/ch/app/derivatives-by-credit-suisse/id419848206?mt=8>





Many inventions at the dawn of time helped people make land arable, plant crops, and yield large harvests. In drier parts of the world people watered fields with simple irrigation systems. As the fields grew in size so did the irrigation systems. Perhaps the best known system is center pivot irrigation, in which an approx. 500-meter long sprinkler arm spins around an axis on wheels, creating a giant circle on the earth as it spins. In this way, the work that a piece of technical equipment does gives structure to the landscape.



# Risks and Special Features

## What Investors should know about investing in Structured Products

Before deciding on a structured product, investors should familiarize themselves with the relevant risks and special features. On this page we explain what you should know about structured products before investing in them.

### **Issuer Risk (Credit Risk)**

Issuer risk denotes the negative effects of a decline in the issuer's financial standing on the repayment value of the structured product and/or its price in the secondary market. In the event of the insolvency of the issuer, repayment may not be made at the end of the term – which would mean the total loss of the capital invested. If the issuer's financial standing deteriorates during the term of the product, the price of the product in the secondary market may fall, and a sale before the end of the term could lead to a partial or even total loss of the capital invested. Even products with capital protection are exposed to issuer risk. The issuer's financial standing is thus extremely important.

### **Guarantor Risk (Credit Risk)**

The guarantor will assume responsibility for paying part or all of the redemption price if the issuer is not in a position to do so. Participation of a guarantor does not make investing in Capital Protection Products risk-free. Investors bear the risk that guarantors may also become insolvent and therefore be unable to meet their obligations.

### **Market Risk**

Market risk means the risk of a loss incurred by the investor due to adverse changes in the value of the underlying. These changes may have a variety of causes, such as changes in relevant market variables (interest rates, risk premiums, volatility, equity-index levels, exchanges rates, commodity prices, etc.), regulatory intervention, geopolitical events, lack of market transparency, and particular imbalances between the supply of the underlying and the demand for it. An adverse change in the price of the underlying may also be caused by transactions conducted by the issuer in the course of its business activity.

### **Currency Risk**

Currency risk denotes the negative effects of fluctuations in exchange rates on the repayment value of the product and/or its price in the secondary market. When investing in a foreign currency, the investor is subject to the risk of the exchange rates developing unfavorably. Exchange rates can be very volatile and can fluctuate significantly. They are influenced by many micro and macroeconomic factors. The investor may be exposed to currency risk if (i) the product is based on an underlying in a currency other than the issue currency, or (ii) the issue currency is different from the investment currency underlying the investor's portfolio (which is often, though not always, the currency of the country where the investor is domiciled).

### **Liquidity Risk**

Liquidity risk denotes the possibility that the investor may not be able to dispose of a structured product at any given time or at a reasonable market price. The payout profile of a structured product defined in advance is always valid only at the end of the term. Before the end of the term it may not be possible to sell the product at an acceptable price, for example because no binding prices are quoted for it.



### Secondary Market Risk

Changes in the price of the underlying are not necessarily reflected proportionally and immediately in the price of the structured product in the secondary market. The exact nature of the relationship depends on the product type, the residual term, and possibly other factors as well. Imbalance in the secondary market between the supply and the demand of the underlying may lead to a price difference between bid and offer prices (spread) and may even result in the failure to sell the structured product.

### Commodity Risk

Investments in commodities can be subject to larger price fluctuations than normal investments. In addition, some commodity markets may further be subject to temporary illiquidity. This may result in a partial or total loss for the investor. In some commodity markets there is a lack of standardization, which may lead to an information deficit regarding the quality of a commodity. This can entail an increased risk for the investor. In case of physical settlement, it can be very expensive or even impossible to acquire the commodities to be delivered.

### Emerging Market Risk

Emerging markets are located in countries which possess characteristics such as a certain degree of political instability, a financial market that is still at the development stage, a weak economy, and/or relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Investing in emerging markets bears certain risks that an investor would not encounter in industrialized nations. The political system may be unstable in some countries, which can have a negative effect on the currency of the respective country and lead to significant currency fluctuations. Insufficient or a lack of market supervision can further lead to a situation where investors cannot, or cannot easily, assert their legal rights. Moreover, legal systems that are not adequately regulated by government institutions can lead to substantial legal uncertainty. As emerging markets are more volatile, investors may suffer temporary, partial or total losses.

### No Rights from Underlying Securities

An investment in a structured product does not give you any of the rights associated with the ownership of the underlying itself – such as voting rights, subscription rights, dividends or interest.

#### Further Information

These are the most important risks and special features of structured products. Depending on the type of a structured product, other risks may also apply. More information on this subject can be found in the specific documentation for each individual product and in the risk disclosure brochure "Special Risks in Securities Trading" (2008). This brochure is available on the Swiss Bankers Association's website: [www.swissbanking.org/en/home/shop.htm](http://www.swissbanking.org/en/home/shop.htm).

When selecting a product you should take all risks into account, and ideally assess them within the context of your overall portfolio rather than just considering the product in isolation. The product you select should both sensibly complement your portfolio and fit with your investment profile.



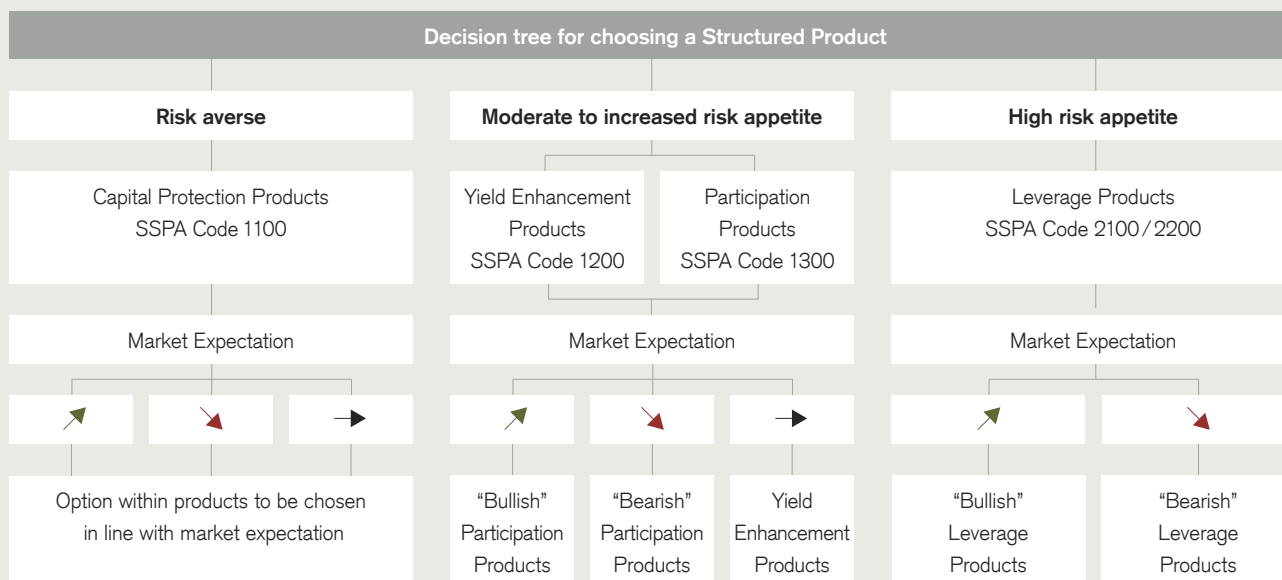


According to Greek legend, Daedalus is the designer of the first labyrinth. With a complex system of paths and corridors the architect created a mysterious structure that was used by King Minos of Crete to imprison the monstrous Minotaur and was regarded as absolutely impregnable. But the master builder's ingenious idea had a flaw: Theseus, the mythical hero, used a simple ball of thread given to him by Minos's daughter to retrace his steps and escape from the labyrinth. This was Ariadne's thread, which served as pathfinder and compass in choosing the correct path.



## How to Choose Your Structured Product

Investors face a difficult decision when choosing among the large number of different types of structured products. The following decision tree is intended as a simple aid to help you make your decisions in accordance with your risk appetite and market expectation. In addition, investment decisions should always be made in consideration of your overall portfolio asset allocation and investment horizon.



## Wide Range of Products

### Across Asset Classes

Credit Suisse serves private, corporate, and institutional investors as well as banks and the public sector with a broad range of solutions across the structured products universe. We provide products in all asset classes and categories, such as Capital Protection, Yield Enhancement, Participation, and Leverage. Our structured products offering includes a large number of securitized products to match your individual risk-return requirements and market views. Forming a strong partnership with you, our team of specialists advises you with a view to creating comprehensive, integrated, and customized structured product solutions that best match your specific needs. We are also able to support clients with research, investment, and trading ideas, education sessions, as well as trading services.



## Equities

Credit Suisse develops and maintains a large number of equity-linked structured products. Our pricing capabilities range from global indices to a broad number of single stocks with an emphasis on emerging markets. Besides vanilla products, our offering consists of various advanced exotic payouts, hybrids and hidden assets such as volatility or correlation. Through our Quantitative Risk Management (QRM) platform, investors can build their own tailored trading strategies, extracting value from such hidden assets in line with their view and risk appetite. Moreover, we provide products on custom indices tailored to give you the opportunity to invest in research-driven themes. Credit Suisse indices powered by HOLT® cover global megatrends such as global warming, water or agriculture as well as sector and regional indices wrapped in certificates or mutual funds. HOLT® also generates alpha through its corporate performance and valuation engine in algorithmic strategies (RAII HOLT).

## Fixed Income

On the fixed income side, Credit Suisse covers both over-the-counter (OTC) derivatives and customized structured products. Thanks to a worldwide trading network, we can actively offer a primary and secondary market of structures quoted in minor and major currencies. Our interest rate capabilities include vanilla OTC products (e.g. swaps, caps, floors, swaptions) as well as complex OTC and structured notes, such as digitals, callable range accrual notes, and constant maturity swaps (CMS)-linked and inflation-linked products. As for credit derivatives, our offering comprises index and single-name credit default swaps (CDS), first-to-default (FTD) notes, credit warrants, collateralized debt obligations (CDO), and collateralized loan obligations (CLO). In addition, we provide index and single-name CDS, credit linked notes (CLN), and FTD notes for emerging market underlyings.

## Foreign Exchange (FX)

Credit Suisse would be pleased to help you find the best answer to your specific foreign exchange (FX) needs. Structured products linked to foreign exchange offer you a flexible and effective way to actively manage this asset class. Our product offering includes a broad range of OTC and securitized solutions ranging from classical derivatives (such as forwards, options, or swaps) to sophisticated customized structures. Our pricing capabilities include over 40 major, emerging, and frontier market currencies around the world and are regularly extended as market liquidity develops. Our FX products can be used to gain exposure to the global currency market and thus tap into a new source of appealing risk-adjusted returns that are largely uncorrelated with other asset classes. Furthermore, they offer the opportunity to reap the returns on traditional money market investments or to protect – with a high degree of flexibility – your portfolios or cash flows against adverse currency market developments.

## Commodities

Credit Suisse provides innovative derivative and structured solutions to all client segments, from investors seeking exposure to commodity markets to producers and consumers wishing to manage risks. We offer a wide range of products with exposure to precious metals (gold, silver, platinum, palladium), energy (e.g. WTI and Brent crude oil, heating oil, gasoline, natural gas), base metals (copper, aluminum, zinc, nickel, lead, tin), soft commodities (corn, wheat, soybeans, sugar, coffee, etc.), and commodity indices (DJ AIG, S&P GSCI) in all major currencies. We have partnered with Glencore, the world leader in commodities, to develop the GAINS (Glencore active index strategy) Index. Our services include risk management, financing, and investment solutions, as well as a full product suite from listed products to customized derivatives. We are able to structure any tailor-made solution at your request.

## Funds

Fund derivatives comprise Participation, Leverage, Yield Enhancement and Capital Protection solutions linked to a broad universe of actively managed strategies such as mutual funds, hedge funds as well as discretionary mandates. They combine in an innovative way the flexibility and alpha of active investment strategies with the ability of structured products to deliver the risk/return profile required by an investor. Using actively managed strategies as underlying for derivative products offers the benefit that they can access almost every investment market (from frontier market equity investments, through niche fixed income strategies to sophisticated alternative strategies) and respond quickly to changing market conditions. They can cover both specific investment themes such as emerging markets or inflation-linked investments as well as cross-asset investment portfolios and strategies.





The traditional Japanese art of creating rock gardens is based on masterfully combining water, moss, sand, or stone. What seems to be a random arrangement of the various elements creates extremely surprising and yet always very precisely calculated perspectives. In the famous Zen temple of Ryōan-ji in Kyoto, the 15 centrally placed stones cannot be viewed as a whole from any viewing angle. The overriding concept originates from the 15th century and bears testimony to the mastery of composition – the skill of creating structures that perfectly combine symmetry and harmony, stability and durability.



## Capital Protection Products



Capital Protection Products are suitable for risk-averse investors. At maturity the investor receives a minimum redemption equivalent to the capital protection level. Additionally, the investor may participate in the positive or negative performance of the underlying.

Capital Protection Products offer (partial) protection of the nominal value (between 90% and 100%) at maturity, subject to credit risk. In addition, they offer a return potential linked to the development of an underlying, in the form of participation, a recurring payment, or a one-off payment at expiration.

Capital Protection Products are suitable for risk-averse investors. These products can be structured to perform in rising or falling markets and should be chosen in accordance with market expectations over the lifetime of the product.

## Capital Protection with Participation (SSPA Code: 1100)

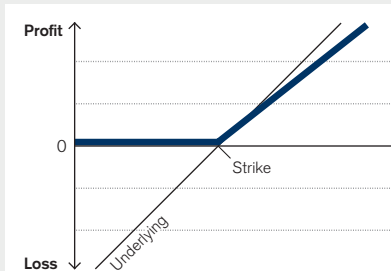
### Market Expectation

- Rising underlying
- Rising volatility
- Sharply falling underlying possible

### Characteristics

- Minimum redemption at expiration 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 favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## ProNotes with Participation

Brief Description		Underlyings
ProNotes with Participation offer (partial) capital protection at maturity and participation in the performance of the underlying.		Equities Commodities Funds FX
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Unlimited participation in a positive performance of the underlying</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## ProNotes with Capped Participation

Brief Description		Underlyings
ProNotes with Capped Participation offer (partial) capital protection at maturity and participation in the performance of the underlying up to the cap.		Equities Commodities FX Funds
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Capped participation in a positive performance of the underlying</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Exchangeable Certificates (SSPA Code: 1110)

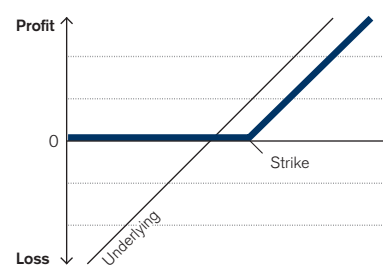
### Market Expectation

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


### Characteristics

- Minimum redemption at expiration 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 favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Exchangeable Certificates

Brief Description		Underlyings
Exchangeable Certificates offer (partial) capital protection at maturity and unlimited participation in a positive performance of the underlying above the strike. A coupon payment is possible.		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Unlimited participation in a positive performance of the underlying above the strike</li> <li>■ Possible coupon payment</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	<ul style="list-style-type: none"> <li>■ </li> </ul>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Capital Protection with Knock-Out (SSPA Code: 1130)

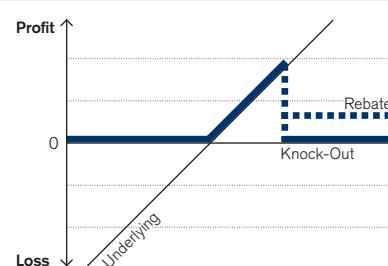
### Market Expectation

- Rising underlying
- Sharply falling underlying possible

### Characteristics

- Minimum redemption at expiration 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 favor of the strategy
- Limited profit potential

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## ProNotes with Knock-Out

### Brief Description

ProNotes with Knock-Out offer (partial) capital protection at maturity and participation up to a barrier (knock-out) level. If the underlying hits the barrier (knock-out) level during the lifetime of the product, the payout will be reduced to a predefined minimum level.

### Underlyings

Equities  
Commodities  
FX

### Benefits

- (Partial) capital protection at maturity
- Participation in a positive performance of the underlying until knock-out level
- Possible payment of a rebate following a knock-out

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- A direct investment in the underlying might produce a higher return
- The product may trade at a considerably lower value than the protected redemption amount during its lifetime
- Maximum return is limited to the knock-out level
- If the barrier is hit during the lifetime of the product, the payout will be reduced to a predefined minimum level
- In case of partial capital protection, the final redemption amount may be less than the nominal value

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Capital Protection with Coupon (SSPA Code: 1140)

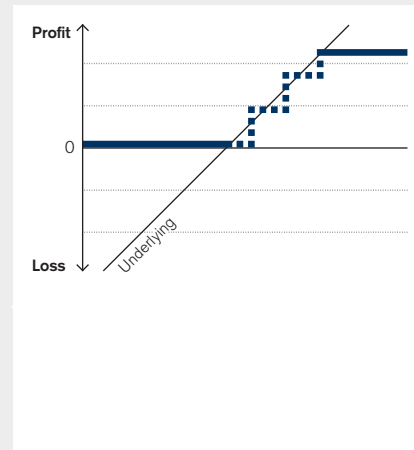
### Market Expectation

- Rising underlying
- Sharply falling underlying possible

### Characteristics

- Minimum redemption at expiration 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 favor of the strategy
- Limited profit potential

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## ProNotes with Opportunity Coupon

### Brief Description

ProNotes with Opportunity Coupon offer (partial) capital protection at maturity as well as equity-linked payouts. The annual payouts are calculated as follows: Each year the performance of the basket will be calculated as the average performance of the stocks, whereby the performance of a certain number of the best stocks is set at a fixed level. For the remaining shares, the actual performance is taken into account. The positive performance, if any, is then paid out. The annual payout may be subject to a minimum.

### Underlyings

Equities

### Benefits

- (Partial) capital protection at maturity
- Return potential in case of positive performance of the underlyings
- Possible minimum coupon

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- A direct investment in the underlying might produce a higher return
- The product may trade at a considerably lower value than the protected redemption amount during its lifetime
- If the underlyings perform negatively you may not receive any coupon payment
- In case of partial capital protection, the final redemption amount may be less than the nominal value

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## ProNotes with Podium Coupon

Brief Description		Underlyings
<p>ProNotes with Podium Coupon offer (partial) capital protection at maturity as well as equity-linked payouts. Fixed annual coupons for initial coupon periods are paid independent of stock performance. For the remainder of the investment, the coupon payment depends on the performance of the underlying stocks (usually 50). The coupon for each year is determined by the number of stocks that close below a predetermined barrier (for example, 55%) at least once during that observation period. For each stock that has closed below its barrier during the relevant observation period, a deduction is made from the maximum coupon.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Fixed coupon payments in the first part of the investment's lifetime</li> <li>■ Return potential in case of positive performance of the underlyings</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ If more than a predefined number of shares close at least once below the barrier during an observation period, no coupon is paid for this period</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	→ ↗


\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## ProNotes with Magnetic Coupon

Brief Description		Underlyings
<p>ProNotes with Magnetic Coupons offer (partial) capital protection at maturity as well as equity-linked payouts (typically derived from a portfolio of 20 equally-weighted shares). The payouts at the end of every coupon period are calculated as follows: on each observation date (typically annually) the performance of each underlying share since the initial fixing date is observed. Any share which closes at or above its start level on the observation date will be replaced by a certain value (for example, 6% p.a.) and locked in at this level for the remaining lifetime of the product. For the remaining shares, the actual negative performance is taken into account. The annual coupon corresponds to the positive average performance of the portfolio since initial fixing date (replacement mechanism taken into consideration). Magnetic Notes may offer a fixed annual coupon for initial coupon periods.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Return potential (up to the lock-in level)</li> <li>■ Possible fixed annual coupon for initial coupon periods independent of market performance</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ If the underlyings perform negatively you may not receive any coupon payment</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	<p>→ ↗</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## ProNotes with Pendulum Coupon

Brief Description		Underlyings
<p>ProNotes with Pendulum Coupon offer (partial) capital protection at maturity as well as equity-linked payouts. ProNotes with Pendulum Coupon are linked to a portfolio of underlying shares. At the end of every coupon period, the annual performance of each individual stock is calculated. Only the absolute performances are relevant, which means that the return on each stock is taken as positive, irrespective of whether the performance was positive or negative for the year in question. The annual Pendulum Coupon paid corresponds to a predetermined percentage of the performance of the stock with the lowest “absolute” performance value. Since the annual performance of each stock contained in the portfolio is always measured in “absolute” terms, investors can participate in rising as well as falling equity markets. However, should the annual performance of the least-fluctuating stock be within a defined range, the investor receives an annual return in the form of a minimum coupon. This procedure is repeated for the subsequent years, always calculating each stock’s performance for the respective coupon period.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Return potential in both rising and falling markets</li> <li>■ Should the least-fluctuating stock remain within the given range, a minimum coupon will be paid</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ If the absolute performance of the least-fluctuating stock is close to 0% for every coupon year, the return will correspond to a predefined minimum coupon and the product might therefore underperform a comparable bond investment</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	 <p>Sharply rising or falling underlyings</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## ProNotes with Bonus Coupon

Brief Description		Underlyings
<p>ProNotes with Bonus Coupon offer (partial) capital protection at maturity and conditional bonus payments based on the performance of a portfolio of shares (usually 20). These products offer participation in each single stock up to a pre-defined performance level (cap) and pay a corresponding bonus coupon every year. Should the computed performance of the underlying shares for a coupon period be below a predefined level or even negative you may still receive a minimum coupon for that coupon period. The performance of each share contained in the portfolio is always measured since issue date.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Return potential (limited to the cap)</li> <li>■ Possible minimum coupon even if all underlyings perform negatively</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ If the market turns very bullish and all shares contained in the product exceed the predefined performance level (cap), your return is limited to the predefined maximum coupon</li> <li>■ The product may trade considerably below the redemption price during its lifetime</li> <li>■ If the performance of the underlyings is below the predefined level or negative, you might only receive a minimum coupon or no coupon</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	→ ↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Floored Floaters

Brief Description		Underlyings
An interesting alternative to fixed coupon bonds if you expect short-term interest rates to move upward over the investment period. The coupon depends on the level of the corresponding LIBOR rate. Minimum coupon will be paid.		Fixed Income
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Participation in rising interest rates</li> <li>■ A minimum coupon is paid through the interest rate floor</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	Rising or stable interest rates

## Callable Range Accrual Notes

Brief Description		Underlyings
Callable Range Accrual Notes offer (partial) capital protection at maturity as well as a periodical coupon payment. The coupon is accrued for each day on which the underlying trades within a predefined range. If the underlying trades outside of the range, the coupon will not be accrued for that day. The notes can be called by the issuer at 100% plus coupons due on predefined coupon dates. A variation on this would be notes that are switchable, i.e. where the notes can be switched by the issuer from a range accrual coupon into a floating coupon on predefined coupon dates. The issuer's switch option is valid once only – once the coupon is switched, it stays floating for the remaining time to maturity of the notes.		Fixed Income FX
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Periodic coupon payment when the underlying trades within the range</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ No coupon accrual for the days on which the underlying trades outside of the range</li> <li>■ If the product is callable, it is likely to be called if interest rates fall, or if it becomes unlikely that the underlying will trade outside of the range</li> <li>■ If the product is switchable, it is likely to be switched if interest rates fall</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	Underlying should remain stable, within the range, over the investment lifetime

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Callable Step-Up Notes

Brief Description		Underlyings
<p>Callable Step-Up Notes offer (partial) capital protection at maturity as well as a fixed periodic coupon payment that steps up over the lifetime of the product. The notes can be called by the issuer on predefined coupon dates at 100% plus coupons due.</p>		Fixed Income
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Predefined coupon payment</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ A direct investment in the underlying might produce a higher return</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ The product is likely to be called if interest rates fall or the yield curve flattens</li> <li>■ If interest rates rise above the predefined coupon rates you will not participate in the upside performance</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	Stable underlying yield curve

## Inflation Linked Notes

Brief Description		Underlyings
<p>Inflation Linked Notes offer (partial) capital protection at maturity and a coupon payment that depends on the inflation of a certain country or zone. The coupon payment consists of a fixed rate plus an inflation rate, floored at 0%.</p>		Fixed Income
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ (Partial) capital protection at maturity</li> <li>■ Return potential linked to inflation</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The product may trade at a considerably lower value than the protected redemption amount during its lifetime</li> <li>■ Small or no coupon in a deflationary environment</li> <li>■ In case of partial capital protection, the final redemption amount may be less than the nominal value</li> </ul>	No deflationary environment increasing inflation

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.





The world is undergoing changes. Today, over a third of the earth's land surface is used for agricultural purposes. By overcoming existing boundaries, people prepare the ground for future growth. They increase the fruits of their labor by exploiting new opportunities. While yields remained similar all around the world until the middle of the last century, productivity per square meter in Europe has risen rapidly in recent years thanks to improved types of cereal, new cultivation techniques, and enhanced harvesting methods. And to humans' perennial ability to structure their environment.



## Yield Enhancement Products



Yield Enhancement Products are suitable for investors with a moderate to increased risk appetite who expect the underlying to move sideways. Return potential is limited, with the risk involved being smaller than a direct investment in the underlying.

Yield Enhancement Products offer a limited (capped) upside, usually in the form of a fixed coupon (or a discount). Investors forgo an unlimited participation in favor of a recurring or one-off payment. Yield Enhancement Products may offer a conditional capital protection, in which case the protection is granted only

if a predefined “condition” is met (i.e. a barrier has not been touched). These products are suitable for investors with a moderate to increased risk appetite and the expectation of markets moving sideways over the lifetime of the product.

## Discount Certificates (SSPA Code: 1200)

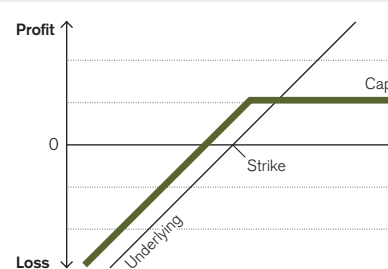
### Market Expectation

- Underlying moving sideways or slightly rising
- Falling volatility

### Characteristics

- Should the underlying close below the strike at expiration, 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 favor of the strategy
- Limited profit potential (cap)

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Discount Certificates

### Brief Description

Discount Certificates offer yield enhancement in the form of a discount compared to a direct investment in the underlying. If the underlying closes at or above the strike price on the expiration date, the maximum redemption (cap) is paid out; if the underlying closes below the strike price the investor receives the underlying (or a cash equivalent).

### Underlyings

Equities  
Commodities

### Benefits

- Discount Certificates enable investors to acquire the underlying at a lower price (discount)
- Due to the discount, the return will be higher than a direct investment in the underlying as long as the underlying moves sideways or rises slightly

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- There is no capital protection with this investment
- The maximum return is limited: a direct investment in the underlying may produce a higher return
- If the underlying performs below the strike price at expiration date, you may suffer a loss due to the delivery of the underlying or the equivalent in cash
- The product may trade at a considerably lower value than the invested amount during its lifetime

### Market Expectation

→ ↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Barrier Discount Certificates (SSPA Code: 1210)

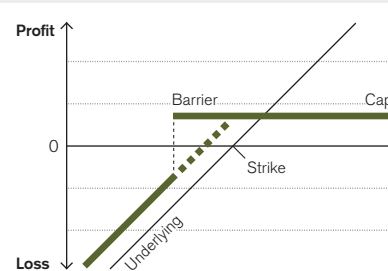
### Market Expectation

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

### Characteristics

- The maximum redemption amount (cap) is paid out if the barrier is never breached
- Barrier 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 favor of the strategy
- Limited profit potential (cap)

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Barrier Discount Certificates

### Brief Description

Barrier Discount Certificates offer yield enhancement in the form of a discount compared to a direct investment in the underlying. As long as the barrier is not hit during the lifetime of the product, the maximum redemption is paid out. If the barrier is hit during the lifetime of the product the barrier discount certificate turns into a regular discount certificate and the redemption is as follows: (a) if the underlying closes at or above the strike price on expiration date the maximum redemption (cap) is paid out; (b) if the underlying closes below the strike price the investor receives the underlying (or a cash equivalent).

### Underlyings

Equities  
FX

### Benefits

- Barrier Discount Certificates enable investors to acquire the underlying at a lower price (discount)
- If the underlying never hits the barrier and/or closes above the strike price on the final fixing date, the maximum redemption is paid

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- There is no capital protection with this investment
- The maximum return is limited: a direct investment in the underlying may produce a higher return
- If the barrier is hit you may suffer a loss due to the delivery of the underlying
- The product may trade at a considerably lower value than the invested amount during its lifetime

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Reverse Convertibles (SSPA Code: 1220)

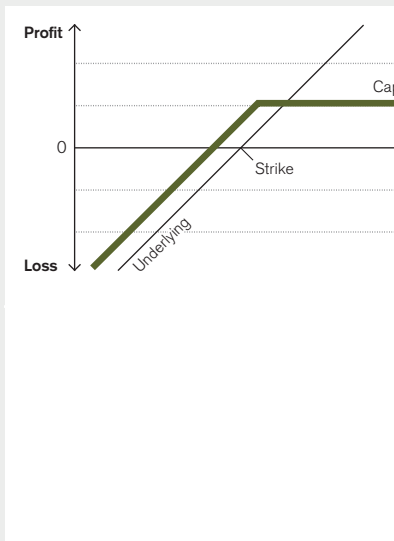
### Market Expectation

- Underlying moving sideways or slightly rising
- Falling volatility

### Characteristics

- Should the underlying close below the strike at expiration, the underlying and/or a cash amount is redeemed
- Should the underlying close above the strike at expiration, 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 favor of the strategy
- Limited profit potential (cap)

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Reverse Convertibles

Brief Description		Underlyings
Reverse Convertibles offer yield enhancement in the form of a fixed coupon payment. At maturity, a Reverse Convertible is redeemed at 100% if the final fixing price is higher than a predefined strike price. Otherwise, the investor receives a predefined number of the underlying.		Equities Commodities FX
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Fixed coupon payment in any case</li> <li>■ Higher return than a direct investment if the underlying moves sideways or rises slightly</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ The maximum return is limited: a direct investment in the underlying may produce a higher return</li> <li>■ The product may trade at a considerably lower value than the invested amount during its lifetime</li> </ul>	→ ↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Barrier Reverse Convertibles (SSPA Code: 1230)

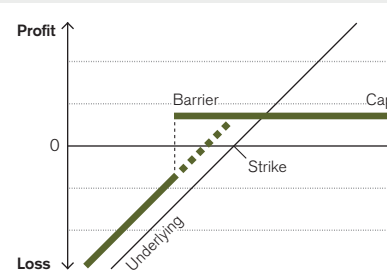
### Market Expectation

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

### Characteristics

- 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 favor of the strategy
- Limited profit potential (cap)

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Barrier Reverse Convertibles

### Brief Description

Barrier Reverse Convertibles offer yield enhancement in the form of a fixed coupon payment. At maturity, a barrier reverse convertible is redeemed at 100% if none of the underlyings ever hit a predefined barrier during the lifetime of the product. If a barrier has been hit, the redemption depends on the final fixing prices: 100% will be redeemed if all underlyings close at or above their strike prices. If one or more of the underlyings close below their strike price, a predefined number of the worst-performing underlying will be delivered or a cash equivalent paid out.

### Underlyings

Equities  
Commodities  
FX

### Benefits

- Fixed coupon payment in any case
- 100% redemption if the barrier has not been hit, even if the underlyings are below the strike price
- Return potential even if the barrier has been hit

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- There is no capital protection with this investment
- The maximum return is limited: a direct investment in the underlying may produce a higher return
- The product may trade at a considerably lower value than the invested amount during its lifetime
- Possible loss in case of delivery of the underlying or equivalent in cash
- Same downside risk as an investment in the worst-performing underlying if the barrier has been hit

### Market Expectation

→ ↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Callable Barrier Reverse Convertibles

Brief Description		Underlyings
<p>Callable Barrier Reverse Convertibles offer yield enhancement in the form of a fixed coupon payment combined with the issuer's right to call the product for early redemption. At maturity, a Callable Barrier Reverse Convertible is redeemed at 100% if none of the underlyings ever hit a predefined barrier during the lifetime of the product. Otherwise, the redemption depends on the final fixing prices: 100% will be redeemed if all underlyings close at or above the strike prices. If one or more of the underlyings close below their strike price, the investor will receive a predefined number of the worst performing underlying or the equivalent in cash. Furthermore, the issuer has the right to call the product on predefined early redemption dates at 100%.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Fixed coupon payment in any case</li> <li>■ 100% redemption if the barrier has not been hit, even if the underlyings are below the strike price</li> <li>■ Early redemption due to the exercise of the issuer's right to call the product offers new investment possibilities</li> <li>■ Return potential even if the barrier has been hit</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ The maximum return is limited: a direct investment in the underlying may produce a higher return</li> <li>■ The product may trade at a considerably lower value than the invested amount during its lifetime</li> <li>■ Possible loss in case of delivery of the underlying or equivalent in cash</li> <li>■ Same downside risk as an investment in the worst-performing underlying if the barrier has been hit</li> </ul>	→ ↗

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Trigger Barrier Reverse Convertibles

Brief Description		Underlyings
<p>Trigger Barrier Reverse Convertibles offer yield enhancement in the form of a fixed coupon payment combined with an early redemption feature. An early redemption of the product occurs if all underlyings close at or above their trigger levels at any point during the lifetime of the product – the note will be redeemed at 100% plus the coupon. At maturity, a Trigger Barrier Reverse Convertible is redeemed at 100% if none of the underlyings ever hits its respective barrier during the lifetime of the product. Otherwise, the redemption depends on the final fixing prices: 100% will be redeemed if all underlyings close at or above the strike prices. If one or more of the underlyings close below their strike price, the investor will receive a pre-defined number of the worst-performing underlying or the equivalent in cash.</p>		Equities
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Fixed coupon payment in any case</li> <li>■ 100% redemption if the barrier has not been hit, even if the underlyings are below the strike price</li> <li>■ Possibility of early redemption including the full coupon if all underlyings perform positively</li> <li>■ Return potential even if the barrier has been hit</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ The maximum return is limited: a direct investment in the underlyings may produce a higher return</li> <li>■ The product may trade at a considerably lower value than the invested amount during its lifetime</li> <li>■ Possible loss in case of the delivery of the underlying or the equivalent in cash</li> <li>■ Same downside risk as an investment in the worst-performing underlying if the barrier is hit</li> </ul>	<p>→ ↗</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Express Certificates (SSPA Code: 1260)

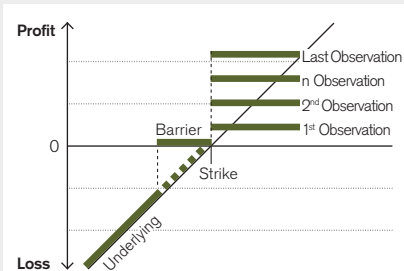
### Market Expectation

- 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 favor of the strategy
- Limited profit potential

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Express Certificates

### Brief Description

Express Certificates offer an auto-redemption feature as well as a barrier. If, on any observation date, all underlyings close at or above their initial fixing prices, the product redeems immediately at 100% plus a coupon for every period that has elapsed. Should no early redemption occur, the redemption at maturity depends on a predefined barrier: If at least one underlying falls below its initial fixing price at maturity and should none of the underlyings ever hit the barrier during the lifetime of the product, the Express Certificates redeem at 100%. Otherwise, the product will have the same profile as a direct investment in the worst-performing underlying.

### Underlyings

Equities  
Commodities  
FX

### Benefits

- Express Certificates offer an auto-redemption at 100% plus coupon for any period elapsed if on any observation date all underlyings close at or above the relevant strike prices
- Minimum redemption of nominal as long as barrier has not been hit
- Return potential even if the barrier has been hit
- Early redemption enables new investment possibilities prior to maturity

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- There is no capital protection with this investment
- The maximum return is limited: a direct investment in the underlyings may produce a higher return
- The product may trade at a considerably lower value than the invested amount during its lifetime
- Same loss potential as an investment in the worst-performing underlying if the barrier has been hit

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.





Whether, as the legend says, it really was the kobolds (goblins) who contaminated the mineral, thus giving their name to cobalt, remains unknown. What is sure is that the Egyptians knew about the benefits of this chemical element, which can be used to color glass, ceramics, and porcelain blue. As nowadays cobalt is used for car batteries and magnets, demand for the element has grown enormously in recent times. The valuable substance, which can only be found in a few places on earth, is derived using sophisticated processes – and the skill of experts who extract it from complex ore structures.



## Participation Products



Participation Products are suitable for investors with a moderate to increased risk appetite who want unlimited participation in the performance of the underlying. The risk corresponds to the risk of a direct investment in the underlying.

Participation Products offer usually unleveraged participation in the performance of one or multiple underlyings. Participation Products may offer a conditional capital protection, in which case the protection is granted only if a predefined “condition” is met (i.e. a barrier has not been touched). Participation

Products are subject to credit risk. These products are suitable for investors with a moderate to increased risk appetite. Market expectation should be a directional move (up or down) over the lifetime of the product.

## Tracker Certificates (SSPA Code: 1300)

### Market Expectation

- Tracker certificates (bull): Rising underlying
- Tracker certificates (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

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Tracker Certificates

Brief Description		Underlyings
Tracker Certificates allow you to participate 1:1 in the performance of an underlying.		Equities Commodities FX Fixed Income Funds
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Unlimited participation in a positive performance of the underlying</li> <li>■ Allow you to obtain diversification by investing in a number of underlyings</li> <li>■ Possible lower transaction cost than for a direct investment in a number of underlyings</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying</li> </ul>	➤

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Outperformance Certificates (SSPA Code: 1310)

### Market Expectation

- Rising underlying
- Rising volatility

### Characteristics

- 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 favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Outperformance Certificates

Brief Description		Underlyings
Outperformance Certificates provide leveraged participation in the positive performance of the underlying.		Equities Commodities FX Funds
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Unlimited leveraged participation in a positive performance of the underlying</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying</li> <li>■ If the underlying performs negatively during the lifetime of the Outperformance Certificate, the product may trade below its issue price</li> </ul>	➤

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Capped Outperformance Certificates

Brief Description		Underlyings
<p>Capped Outperformance Certificates offer yield enhancement in a range between predefined lower and upper strike prices. At maturity, if the underlying closes at a level between the lower strike price and the upper strike price (cap), the investor will benefit from a leveraged participation in the positive performance of the underlying compared to a direct investment. If the final fixing price is above the upper strike price, the maximum payout will be made. If the underlying closes at or below the lower strike price, the loss will be equal to a direct investment in the underlying.</p>		<p>Equities Commodities</p>
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Leveraged participation in a positive performance of the underlying up to the cap</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying</li> <li>■ Profit potential is limited</li> <li>■ If the underlying performs negatively during the lifetime of the Capped Outperformance Certificate, the product may trade below its issue price</li> </ul>	<p>➤</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Bonus Certificates (SSPA Code: 1320)

### Market Expectation

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

### Characteristics

- 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 favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Bonus Certificates

Brief Description		Underlyings
<p>Bonus Certificates offer participation in rising markets as well as a barrier. If the barrier has not been hit during the lifetime of the product the investor receives a minimum redemption equal to the strike. Should the barrier be hit during the lifetime of the product, the Bonus Certificate turns into a regular Tracker Certificate.</p>		<p>Equities Commodities FX Funds</p>
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Unlimited participation in the positive performance of the underlying</li> <li>■ Even if the underlying performs slightly negatively during its lifetime without hitting the barrier the investor will receive a minimum redemption equal to the strike</li> <li>■ Potential return even if the barrier has been hit</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying if the barrier has been hit</li> <li>■ If the underlying performs negatively during the lifetime of the Bonus Certificate, the product may trade below its issue price</li> </ul>	<p>↗</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Capped Bonus Certificates

Brief Description		Underlyings
<p>Capped Bonus Certificates offer participation in rising markets as well as a barrier. If the barrier has not been hit during the lifetime of the product the investor receives a minimum redemption equal to the strike. Should the barrier be hit during the lifetime of the product, the Capped Bonus Certificate turns into a Tracker Certificate with a cap.</p>		<p>Equities Commodities FX Funds</p>
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Participation in the positive performance of the underlying up to the cap</li> <li>■ Even if the underlying performs slightly negatively during its lifetime without hitting the barrier, the investor will receive a minimum redemption equal to the strike</li> <li>■ Return potential even if the barrier has been hit</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ Upside potential limited to the cap</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying if the barrier has been hit</li> <li>■ If the underlying performs negatively during the lifetime of the Capped Bonus Certificate, the product may trade below its issue price</li> </ul>	<p>↗</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Outperformance Bonus Certificates (SSPA Code: 1330)

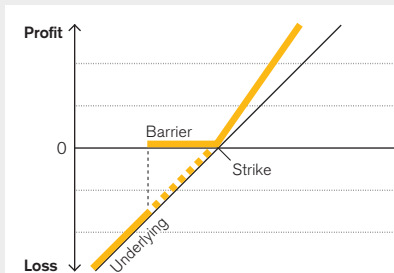
### Market Expectation

- Rising underlying
- Underlying will not breach barrier during product lifetime

### Characteristics

- 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
- An outperformance bonus certificate turns into an 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 favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Outperformance Bonus Certificates

Brief Description		Underlyings
<p>Outperformance Bonus Certificates provide leveraged participation in the positive performance of the underlying as well as a barrier. If the barrier has not been hit during the lifetime of the product the investor receives a minimum redemption equal to the strike. Should the barrier be hit during the lifetime of the product, the Outperformance Bonus Certificate turns into a regular Outperformance Certificate.</p>		<p>Equities Commodities FX</p>
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Unlimited leveraged participation in the positive performance of the underlying</li> <li>■ Even if the underlying performs slightly negatively during its lifetime without hitting the barrier the investor will receive a minimum redemption equal to the strike</li> <li>■ Return potential even if the barrier has been hit</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ There is no capital protection with this investment</li> <li>■ Same loss potential as a direct investment in the underlying if the barrier has been hit</li> <li>■ If the underlying performs negatively during the lifetime of the Outperformance Bonus Certificate, the product may trade below its issue price</li> </ul>	<p>➤</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Twin-Win Certificates (SSPA Code: 1340)

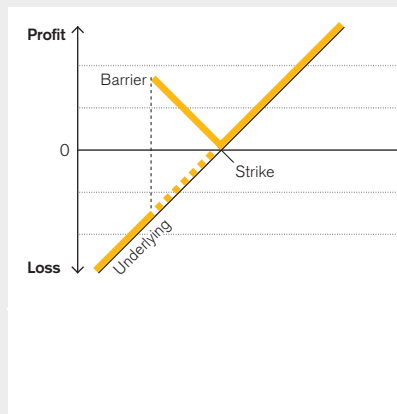
### Market Expectation

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

### Characteristics

- 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 is hit
- A twin-win certificate turns into a tracker certificate after breaching the barrier
- Any payouts attributable to the underlying are used in favor of the strategy

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Twin-Win Certificates

### Brief Description

Twin-Win Certificates offer participation in rising and falling markets. At launch, the Twin-Win Certificates allow you to benefit from a downside as well as from an upside movement of the underlying. The participation in a negative price movement will be deactivated if the underlying hits a predefined barrier during the lifetime. Should the barrier be hit, the product will turn into a regular Tracker Certificate and will have the same loss potential as a direct investment in the underlying.

### Underlyings

Equities  
Commodities

### Benefits

- Unlimited participation in rising and limited participation in falling markets if the barrier has not been hit
- Return potential even if the barrier has been hit
- Minimum redemption of nominal as long as barrier has not been hit

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- There is no capital protection with this investment
- Same loss potential as a direct investment in the underlying if the barrier has been hit
- If the underlying performs negatively during the lifetime of the Twin-Win Certificate, the product may trade below its issue price

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.





Thinking of skyscrapers, one thinks of New York – with almost 6,000 of them, this city remains a leader in the international highrise stakes. More than 10,000 inhabitants share each one of the metropolitan area's roughly 800 km<sup>2</sup>. It's no wonder that these people are fleeing upwards and seeking sanctuary in the orderly design of the highrise. It is a systematic structure derived from the city's functional efficiency: horizontally, with its grid-like street plan, spreading across most of the city's five boroughs, and vertically, mastering dynamic developments with 'towering' measures.



## Leverage Products



Leverage Products are suitable for investors with a high risk appetite. They are commonly used for short-term speculation or for hedging purposes. A small initial investment allows for leveraged returns.

Leverage Products provide the opportunity to generate leveraged profits while making a relatively small initial investment. The risk of Leverage Products, however, is a total loss of the initial investment. Leverage Products are therefore only suitable for investors with a high risk appetite. Leverage Products

can also be used to hedge risks, in which case they reduce the risk of a portfolio. Market expectation should be a strong up- or downwards move, and products are best used as short-term speculative investments requiring daily supervision or as a hedge.

## Warrants (SSPA Code: 2100)

### 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 expiration approaches)
- Continuous monitoring required

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Call Warrant

Brief Description		Underlyings
A Call Warrant gives the holder the right to buy an underlying at the strike price: <ul style="list-style-type: none"> <li>■ During the exercise period (American style)</li> <li>■ At a fixed date (European style)</li> </ul>		Equities Commodities FX Fixed Income
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Leveraged return on invested capital for a positively performing underlying</li> <li>■ Unlimited potential return and limited potential loss to the capital invested</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The total investment will be lost if the underlying closes below the strike price on expiration date</li> <li>■ If the underlying performs negatively during the lifetime of the Call Warrant, the product may trade below its issue price</li> </ul>	

## Put Warrant

Brief Description		Underlyings
A Put Warrant gives the holder the right to sell an underlying at the strike price: <ul style="list-style-type: none"> <li>■ During the exercise period (American style)</li> <li>■ At a fixed date (European style)</li> </ul>		Equities Commodities FX Fixed Income
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Leveraged return on invested capital for a negatively performing underlying</li> <li>■ Limited potential loss to the capital invested</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The total investment will be lost if the underlying closes above the strike price on expiration date</li> <li>■ If the underlying performs positively during the lifetime of the Put Warrant, the product may trade below its issue price</li> </ul>	

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Spread Warrants (SSPA Code: 2110)

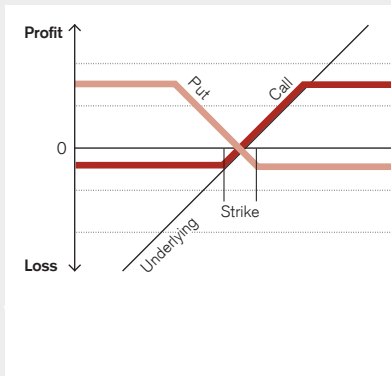
### Market Expectation

- Spread Warrant (bull): Rising underlying
- Spread Warrant (bear): Falling underlying

### Characteristics

- Small investment generating a leveraged performance relative to the underlying
- Increased risk of total loss (limited to initial investment)
- Daily loss of time value (increases as product expiration approaches)
- Limited profit potential (cap)
- Continuous monitoring required

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Spread Warrants (Bull Spread; Bear Spread)

Brief Description		Underlyings
<p>Spread Warrants generate a leveraged performance relative to the underlying with a limited return potential (cap). Spread Warrants combine two options, one long call (put) and one short call (put). Furthermore, the risk is limited to the initial investment.</p>		<p>Equities Indices Currencies Precious metals</p>
Benefits	Risks*	Market Expectation
<ul style="list-style-type: none"> <li>■ Limited leveraged return on invested capital for a positively performing underlying up to the cap (Bull Spread)</li> <li>■ Limited leveraged return on invested capital for a negatively performing underlying up to the cap (Bear Spread)</li> </ul>	<ul style="list-style-type: none"> <li>■ Credit risk (issuer risk, guarantor risk)</li> <li>■ The total investment will be lost if the underlying closes below the lower strike price on expiration date (Bull Spread)</li> <li>■ The total investment will be lost if the underlying closes above the upper strike price on the expiration date (Bear Spread)</li> <li>■ If the underlying performs negatively during the lifetime of the Bull Spread, the product may trade below its issue price</li> <li>■ If the underlying performs positively during the lifetime of the Bear Spread, the product may trade below its issue price</li> </ul>	<p>▲ ▼</p> <p>Bull Spread: slightly rising market Bear Spread: slightly falling market</p>

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.



## Knock-Out Warrants (SSPA Code: 2200)

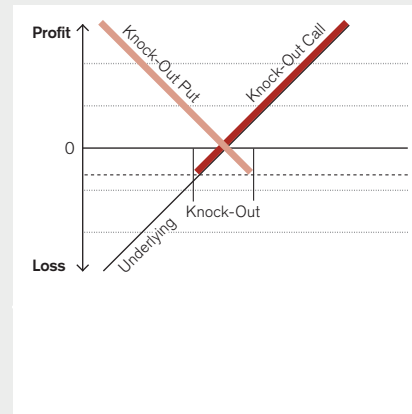
### Market Expectation

- Knock-out (call): Rising underlying
- Knock-out (put): Falling underlying

### Characteristics

- Small investment generating a leveraged performance relative to the underlying
- Increased risk of total loss (limited to initial investment)
- Immediately expires worthless if 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

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Knock-Out Warrants

### Brief Description

Knock-Out Warrants allow investors to generate a leveraged performance relative to the underlying. The product expires with no value if the barrier is hit during the product's lifetime. The product is suitable for short-term speculation or hedging. Continuous monitoring by the investor is required.

### Underlyings

Equities  
Commodities  
FX  
Fixed Income  
Funds

### Benefits

- Small investment allows investors to generate a leveraged performance relative to the underlying

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- If the barrier is hit during the lifetime of the Knock-Out Warrant, the product immediately expires with no value

### Market Expectation



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

\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.

## Mini Futures (SSPA Code: 2210)

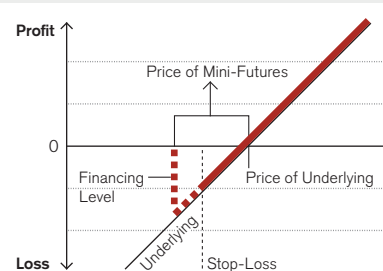
### Market Expectation

- Mini Future (long): Rising underlying
- Mini 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

Source: SSPA Swiss Derivative Map®, version 1.1, October 2010



## Mini Futures (Long)

### Brief Description

Mini Futures (Long) allow you to invest in a leveraged long position in the underlying with a predefined stop-loss to pursue a strategy of rising underlying prices. Should the underlying fall, the price of the product will drop substantially (leveraged exposure). Should the underlying ever hit the stop-loss price, the Mini Futures (Long) are sold immediately at the then prevailing bid price of the product.

### Underlyings

Equities  
Commodities  
FX  
Fixed Income

### Benefits

- Unlimited leveraged participation in a positively performing underlying

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- Risk of total loss of investment
- If the underlying performs negatively during the lifetime of the Mini Future (Long), the product may trade below its issue price

### Market Expectation



## Mini Futures (Short)

### Brief Description

Mini Futures (Short) allow you to invest in a leveraged short position in the underlying with a predefined stop-loss to pursue a strategy of falling underlying prices. Should the underlying rise, the price of the product will drop substantially (leveraged exposure). Should the underlying ever hit the stop-loss price, the Mini Futures (Short) are sold immediately at the then prevailing bid price of the product.

### Underlyings

Equities  
Commodities  
FX  
Fixed Income

### Benefits

- Leveraged participation in a negatively performing underlying

### Risks\*

- Credit risk (issuer risk, guarantor risk)
- Risk of total loss of investment
- If the underlying performs positively during the lifetime of the Mini Future (Short), the product may trade below its issue price

### Market Expectation



\*Please refer to pages 11 and 12 for a more detailed description of further risks and special features.





Paths created by human hands meander like lifelines, seemingly at random yet with a constant goal: the peak. Mountain landscapes have always provided a backdrop for imagination and opportunities for creation. They have always driven people to explore still unknown corners of the earth by making paths, precisely mapping mountain crests and valleys, and structuring immense areas. This can be seen from the first relief maps created by Louvois, a minister under Louis XIV. They represent a milestone in both cartography and humankind's capacity to give things a permanent, binding, and clear structure.



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# Glossary

**Barrier/Knock-In/Knock-Out:** Level at which one part of a derivative strategy is activated (knock-in) or deactivated (knock-out). In the context of structured products, often the level at which conditional capital protection is lost.

**Basket:** A defined number of underlying assets (>1), which are bundled as a single underlying.

**Bearish:** Negative market expectation, i.e. a negative performance of the underlying is expected.

**Bullish:** Positive market expectation, i.e. a positive performance of the underlying is expected.

**Capital Protection:** Protection of the nominal at maturity, subject to the credit risk.

**Capital Protection Products:** Please see page 18 for description.

**Cap:** Upper limit of the investor's participation in the underlying asset's price increase.

**Conditional Capital Protection:** Protection of the nominal at maturity which is tied to a certain condition. Usually a protection which applies on the condition that a previously defined barrier remains untouched.

**Coupon:** Level of regular distributions on the investment. Usually in % of the nominal.

**Commodity Risk:** Please see page 12 for detailed risk clarification.

**Currency Risk:** Please see page 11 for detailed risk clarification.

**Credit Risk:** Please see page 11 for detailed risk clarification.

**Derivative:** Financial contract, the price of which is derived from an underlying asset.

**Emerging Market Risk:** Please see page 12 for detailed risk clarification.

**Guarantor Risk:** Please see page 11 for detailed risk clarification.

**Hedging:** Entering into an investment position intended to offset the risk and safeguard the product or portfolio against price fluctuations.

**Issue Price:** Price at which newly issued securities are offered for purchase. The issue price may include embedded commissions payable to the relevant dealer(s), distributor(s) and/or other parties.

**Issuer:** A bank, company, public or other institution which raises capital on the capital market and issues securities (e.g. structured products) in return.

**Issuer Risk:** Please see page 11 for detailed risk clarification.

**Leverage:** Denotes disproportionate participation in the price moves of the underlying for a relatively small investment. Creates the chance of a higher return but also the risk of a higher loss.

**Leverage Products:** Please see page 49 for description.

**Liquidity Risk:** Please see page 11 for detailed risk clarification.

**Market Risk:** Please see page 11 for detailed risk clarification.

**Nominal/Nominal Value:** Denotes the stated value of an issued security that remains fixed. The market value of a security can deviate from its nominal value.

**No Rights from Underlying Securities:** Please see page 12 for detailed risk clarification.

**Option:** An option gives the buyer the right, but not the obligation, to buy or sell an asset at a predefined price on or up until a certain date. A distinction is made between call options (which give the right to buy the asset) and put options (which give the right to sell the asset). When buying a call option an investor expects the underlying asset to rise; when buying a put option the investor expects the underlying asset to fall. Options are a building block of structured products.

**Outperformance:** A performance that surpasses the performance achieved by another asset.

**Participation:** Denotes degree of participation in the performance of the underlying asset, usually expressed in %.

**Partial Capital Protection:** Denotes a level of capital protection which is between 90% and 100% of the nominal.

**Participation Products:** Please see page 40 for description.

**Return:** Income expressed as a percentage of the capital invested (usually expressed per annum, p.a.).

**Secondary Market Risk:** Please see page 12 for detailed risk clarification.

**Strike/Strike Price:** Predefined price at which the underlying asset may be bought or sold upon exercise of a derivative contract.

**Structured Product:** Investment instruments for which the redemption value is linked to the performance of one or more underlying assets. They may have fixed or unlimited maturities and may be based on one or more parts, irrespective of weighting. They are a combination of a traditional investment (e.g. equities, currencies, bonds, commodities, funds) and one or more derivatives that are structured into one securitized instrument.

**Underlying/Underlying Asset:** Financial instruments which serve as a basis for structured products. The price movement of the underlying asset is the most important factor for the price movement of the structured product.

**Volatility:** A measure of the past (historical volatility) or expected (implicit volatility) range of fluctuation in the price of the underlying. If a share price fluctuates significantly, it is said to have high volatility. This means an increased chance of making large profits and a similar chance of suffering comparably high losses. Statistically speaking, volatility corresponds to the annualized standard deviation from a constant yield.

**Yield Curve:** At any given interest rate level, different rates are paid for loans of different maturities. The graphic depiction of these rates for different maturities is called the yield curve. Normally, the longer an investment's life to maturity, the higher the interest rate (normal yield curve). The opposite situation may also arise where lower rates are paid for longer maturities (inverted or reverse yield curve). The smaller the difference between short-term and long-term interest rates, the flatter the yield curve is said to be.

**Yield Enhancement:** Generation of a portfolio return that exceeds the risk-free rate of interest.

**Yield Enhancement Products:** Please see page 31 for description.

**For more information on derivative terms and financial expressions please refer to the Swiss Structured Products Association's glossary on [www.sspa-association.ch](http://www.sspa-association.ch)**



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