

YIELD BOOSTERS



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WHAT ARE YIELD BOOSTERS?

At Swissquote, the name Yield Boosters refers to Barrier Reverse Convertible products. Yield Boosters offer additional investment income by paying a predetermined coupon on an equity portfolio.

An investor will subscribe to a Yield Booster, typically containing three or four stocks for 12 months and earn a quarterly coupon until the maturity of the subscription. The exception to this rule is when the product is called in early (callable).

Note: read the factsheet to check the terms of the subscription before investing.

Swissquote issued product

12.60% p.a
Lonza, Novartis, Roche, Swiss Re (physical delivery & callable)

- Coupon p.a 12.60%
- Underlyings: Lonza, Novartis, Roche, Swiss Re
- Barrier: 55.00%
- Maturity: 12 months
- Currency: CHF

Why subscribe to this product:
 « Health care stocks remain a top pick among investors in the stock market. In a pandemic-driven era, we are often reminded of the importance of health care. Thus, emphasis has been placed on the industry more than ever. For this reason, we have chosen 3 among the Swiss health care best names, Lonza, Novartis & Roche, and Swiss Re which is the world's largest reinsurer, with a distant barrier of 55% that generates a guaranteed coupon of 12.60% p.a distributed every 3 months. »

Subscription time left
🕒 04 Days : 03 Hours : 32 Minutes : 26 Seconds

For more information see:
[↓ Factsheet](#)
[↓ Key Information Document](#)
[↓ Issue Terms](#)

Call to subscribe

Subscription to this product is only available during opening hours

The holder of a Yield Booster (BRC) gives up the potential upside exposure to the underlying asset in exchange for earning a guaranteed coupon instead. The holder also has no downside exposure to the underlying asset, unless the price of the underlying breaks through a predefined barrier set at the inception of the product. The coupon is paid whether the barrier is broken or not.

WHY USE YIELD BOOSTERS?

The clue is in the name. Yield Boosters are for investors looking to boost the yield of their investments.

YIELD BOOSTERS OFFER:		
Simplicity & transparency	Attractive coupons	Possibility to create your own Yield Booster
CHF 9 flat fee	No capital gains tax	Mitigated risk of loss

In the current economic environment, it can be difficult to consistently generate high returns. Swissquote has developed this innovative product to help you optimise your returns further.

When markets rise, you profit from the increase in the value of your shares.

Yield Boosters, meanwhile, make most sense when the **markets move sideways**. A market moves sideways when the price of a security moves within an extremely stable range over a particular time frame without trending clearly in either direction. Price action instead oscillates in a horizontal range or channel, with neither the bulls nor bears taking control of prices.



WHAT IS A SIDEWAYS MARKET?

A sideways market (also referred to as stagnating market or horizontal trend) is a market where the price of securities remains within a fairly stable range, with small fluctuations but no distinct upward or downward trend over an extended period of time.

Whereas in a trending market there are simple instruments which allow to benefit from either upward or downward movements, it is much trickier to turn a profit in a sideways market.

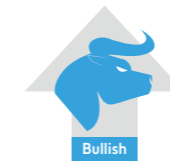
While certain strategies that use instruments such as options can make sense in a stagnating environment, their complexity means they are generally only suitable for experienced investors. Yield Boosters, on the other hand, are preconfigured structured products designed for sideways markets that allow easier access for investors.



SHOULD I INVEST?

How you invest in a Yield Booster depends on the following market conditions:

- A. Bull market (rising prices)
- B. Bear market (falling prices)
- C. Range bound market (prices move sideways)



In a bull market, it is better to invest directly (in equities or an index, for example) depending on how far prices rise. However, you can also include a Yield Booster product in your portfolio to generate additional returns.



In a bear market, depending on how much prices fall, it is better not to be invested at all. However, if invested, it would be better to earn a coupon to offset some of the loss on the underlying shares. Obviously you are exposed fully if the share price falls below the barrier.



In a sideways market, investing in a Yield Booster provides a return via the coupon, while the value of the underlying only changes slightly.

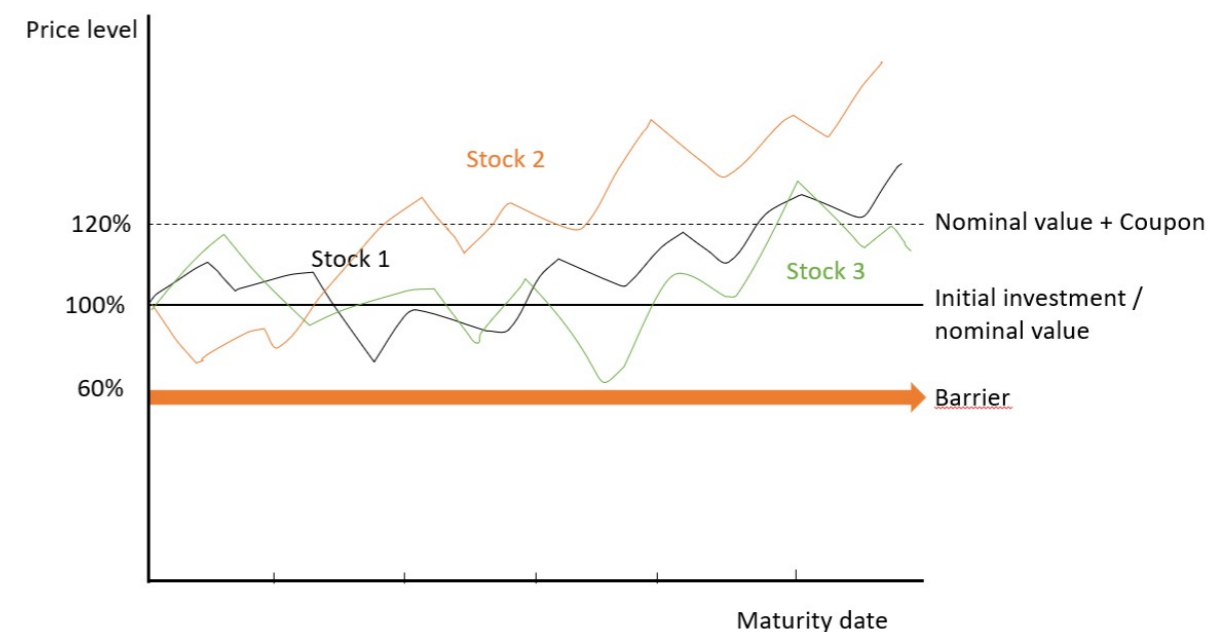
THE 5 MAIN VARIABLES OF YIELD BOOSTERS (BRC)

Expression	Description
Underlying	These are the shares that the Yield Booster is based on. While having several underlyings gives you a higher coupon, it also increases the risk that one of the underlyings will drop below the barrier.
Maturity	The period between the initial date of the investment in the Yield Booster and the maturity date, when the Yield Booster subscription ends. The longer the period, the more attractive the coupon.
Coupon	This is the interest rate paid out to investors in the Yield Booster. The coupon payment is guaranteed. It is displayed as an APR (Annual percentage return).
Barrier	<p>The barrier is a predefined percentage of the current price of the underlying or underlyings. If none of the underlyings breach that level, the investor recovers 100% of the initial investment, plus the coupon. Otherwise, they still receive the coupon, but recover less than the initial investment, according to the final underlying price.</p> <p>There are two types of barrier: European and American.</p> <p>In the case of a European barrier, a check is only carried out to see if the underlying is at or below the barrier at the end of the term. The price performance throughout the entire term makes no difference to the redemption scenario.</p> <p>With an American barrier, the price of the underlying is constantly monitored. This means that checks are carried out to see if the underlying is at or below the barrier throughout the entire term.</p>
Currency	Swissquote's Yield Boosters are quanto derivatives (with built-in currency hedging): the denomination of the Yield Booster can differ from the underlying stocks. This allows investment in foreign assets without the usual foreign exchange risk.

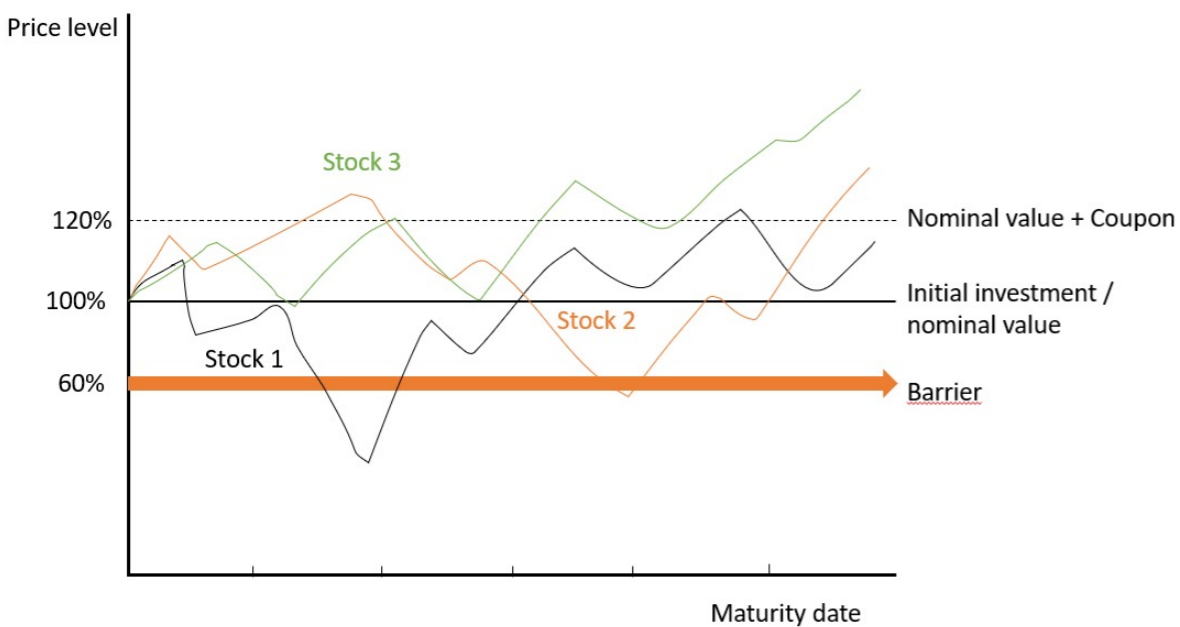
EXAMPLE SCENARIOS

Let's examine exactly what would happen with an example of Yield Booster portfolio including three underlying stocks under three different market scenarios:

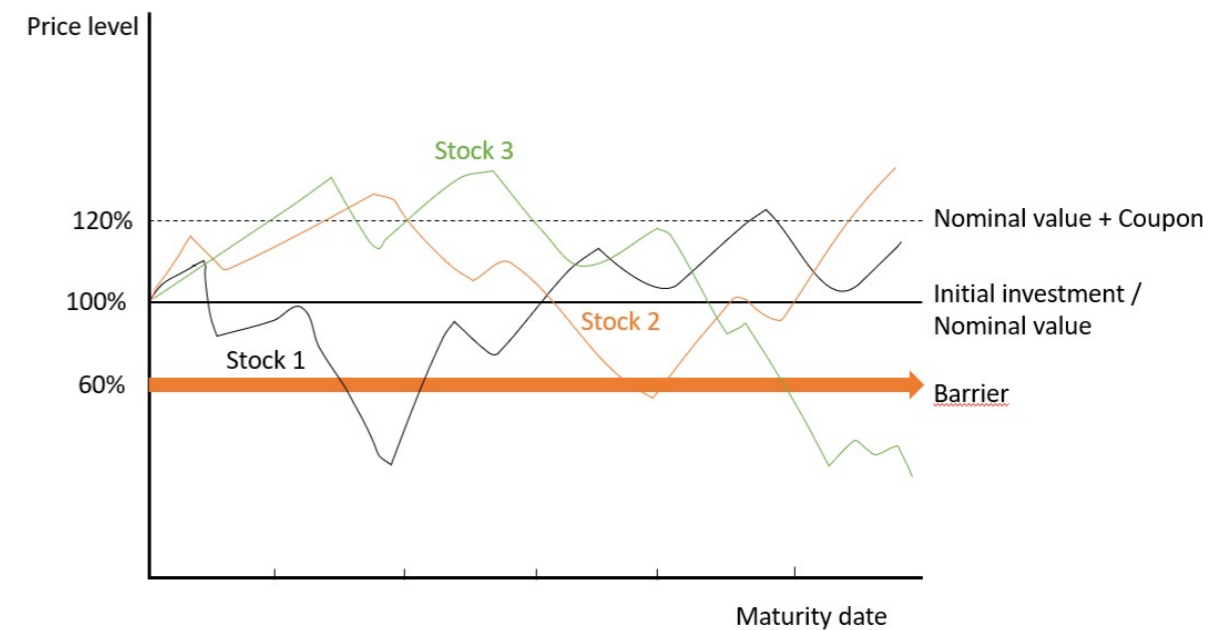
SCENARIO 1	Yield Boosters	Stock buyer
All the stocks stay above the Barrier level until maturity	Earns a coupon & the initial investment is returned	All of the stocks gain in value by the maturity date and two of the three stocks rise by more than the amount earned by the coupon



SCENARIO 2	Yield Boosters	Stock buyer
Stock 1 and Stock 2 temporarily fall under the Barrier but then move back over it before maturity	<p>EU Barrier: earns a coupon & the initial investment is returned.</p> <p>US Barrier: earns a coupon and, depending on the factsheet, physical delivery of the worst performing stock, or a cash settlement on the performance of the worst performing stock</p>	All of the stocks gain in value by the maturity date, generating a higher yield than a Yield Booster with a US barrier, but lower than a Yield Booster with a EU barrier.



SCENARIO 3	Yield Boosters	Stock buyer
Stock 1 and 2 temporarily fall under the Barrier and recover but Stock 3 falls and stays under the barrier level	Will receive a coupon & depending on the factsheet, physical delivery of the worst performing stock, or a cash settlement on the performance of the worst performing stock	Two of the three stocks make a positive ROI but the third stock makes a loss



Note: These are just three of the numerous possible scenarios. There are many more possible combinations, but as a rule of thumb, Yield Boosters tend to perform better than stocks in markets that are stagnating, or are experiencing a mild uptrend or downtrend. In case of a steep rise or fall in the price of the underlyings, stocks will generally provide a better performance.

YIELD BOOSTERS SELECTION

Swissquote issues TWO new Yield Boosters every week:

1. An On-Trend Yield Booster featuring an EU-style barrier, crafted by Swissquote's structured products experts to take advantage of current trends and opportunities.
2. And a Yield Booster with an American barrier from renowned financial journalist and investment strategist François Bloch.

This means investors can choose between the two types of barrier.

Note: Minimum investment of CHF 1'000.

Check out these two examples:

On-Trend Yield Booster

12.52% p.a

CLARIANT, EMS-CHEMIE - Multi Barrier Reverse Convertible

- Coupon p.a 12.52%
- Underlyings: Clariant, EMS-Chemie
- Barrier: 55.00% (EU)
- Maturity: 12 months
- Currency: CHF
- ISIN: CH1160785874

François Bloch's Yield Booster of the Week

15.43% p.a

Ams-OSRAM, Apple, Logitech (physical delivery & callable)

- Coupon p.a 15.43%
- Underlyings: Ams-OSRAM, Apple, Logitech
- Barrier: 50.00% (US)
- Maturity: 12 months
- Currency: CHF
- ISIN: CH1160785882

PERSONALISATION

Customised Yield Booster

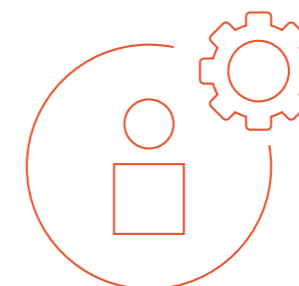
If you don't find your dream portfolio among the pre-existing selection, Swissquote has the solution...

You can **BUILD YOUR OWN custom structured product**.

Instead of picking one of two new Yield Boosters created each week, create your own custom Yield Booster using a portfolio with your preferred stocks.*

So... You build the Yield Booster you want your portfolio to have, and Swissquote creates the product for you!

*A minimum investment of CHF 20'000 is required to create your own Yield Booster (BRC) via Swissquote.



SUBSCRIPTION

Cancel anytime by phone during opening hours while the subscription period runs – you are only charged once the Yield Booster is allocated to you at the end of the subscription period.

The Yield Booster amount is blocked during the subscription period. Make sure you have sufficient funds available for the allocation to go ahead at the end of the subscription period.

Note: Swissquote also reserves the right to cancel a BRC offer during the subscription period, in which case you will be informed by the end of the subscription period.

Subscribe anytime from Tuesday 10:00 to Monday 15:00
Call to subscribe: + 41 44 825 88 88



GETTING STARTED

Let's outline the process of investing in a Yield Booster...

- 1 Pick from a selection of premade portfolios
- 2 Decide how much you will invest
- 3 Subscribe to the Yield Booster by calling (online subscription will be available soon)



NEWSLETTER

Stay up-to-date with the latest product offering **here**.



GLOSSARY

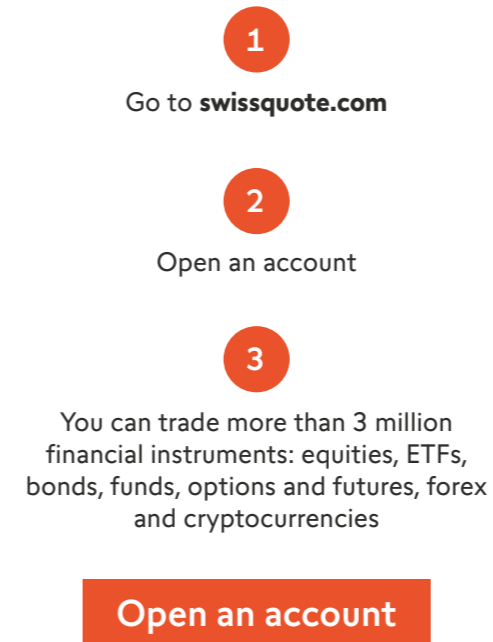
The glossary is not in alphabetical order

Derivatives	A derivative is a financial security or instrument that derives its value from underlying assets, such as commodities, currencies (including crypto), stocks, bonds, market indexes and more. The price of the derivative is determined by fluctuations of those assets.
BRC	<p>At Swissquote, Yield Boosters refer to Barrier Reverse Convertibles (BRC). The Barrier Reverse Convertible, or BRC, is one of the most popular yield enhancement products in Switzerland. BRC is a special variant of the classic reverse convertible, which sees the holder give up potential upside exposure to an underlying asset in exchange for an enhanced coupon. The holder also avoids downside exposure, unless a predefined barrier is broken through.</p> <p>A sideways trending market is the best scenario for BRC as the product will always outperform its underlying asset on the downside, and will also outperform if the asset doesn't rise by more than the coupon.</p>
Underlying	The underlying is a stock, index or bond on which derivatives (such as futures, ETFs, and Swissquote's Yield Boosters) are based. Any fluctuation or movement of the underlying will affect the pricing of the derivative.
Maturity	The maturity date is the agreed date when an investment ends: the principal is repaid if conditions have been met, and interest payments stop. The term is most commonly used for bonds, but is also applied to Swissquote's Yield Boosters.
Coupon	A coupon is the amount of annual interest paid on our Swissquote's Yield Boosters or on bonds. Expressed as a percentage of the face value, the amount is paid out periodically from the issue date until the maturity date.

Barrier	<p>The barrier is a pre-determined percentage of the current underlying price. If none of the underlyings breach that level, the investor recovers 100% of the initial investment, plus the coupon. Otherwise, they still receive the coupon, but recover less than the initial investment, according to the final underlying price.</p> <p>There are two types of barrier: In the case of a European barrier, a check is only carried out to see if the underlying is at or below the barrier at the end of the term. The price performance throughout the entire term makes no difference to the redemption scenario.</p> <p>With an American barrier, the price of the underlying is constantly monitored. This means that checks are carried out to see if the underlying is at or below the barrier throughout the entire term.</p>
Currency	Swissquote's Yield Boosters are quanto derivatives, meaning the underlying is expressed in one currency, and settled in another. This gives investors exposure to foreign assets without a corresponding exchange rate risk.
Strike price	The strike price, or exercise price, is the price at which the underlying asset of a derivative can be bought or sold. It's the most important determinant of option value, and triggers the ability of an investor to buy or sell, depending on whether a call or put option was purchased.
Cap	Structured products are sometimes equipped with a cap. While this limits the investor's potential returns, it also allows more attractive conditions in markets recording sideways movements or only modest gains.
Nominal	Bonds are traded as percentages of their nominal value, which is the original value without any adjustments having been made for inflation or other factors that might affect its price. Bonds are typically repaid at their nominal value on reaching maturity.
Soft-callable	The issuer has the option of repaying the product ahead of schedule; the product is callable.

Callable	If a Yield Boosters structured product is callable, it may be redeemed early by the issuer. If this occurs, investors are generally compensated by a more attractive interest or coupon rate.
Auto-callable	Auto-callable Yield Boosters have an automatic call feature that triggers when the underlying passes an upside barrier prior to the date of maturity. The product is considered matured, and the issuer returns the investor's principal, and an above-market coupon.
Non-callable	Non-callable Yield Boosters cannot be redeemed by the issuer prior to the date of maturity. These products come with lower interest rates, which is balanced by a lower level of risk for the investor.
Quanto	The underlyings of our Yield Boosters structured products are often listed on their home stock exchanges in foreign currencies, exposing the investor to currency exchange risk. A quanto feature protects the investor from exchange rate fluctuations while offering exposure to foreign assets.
Physical delivery	This occurs when the settlement of securities are exercised and shares are made available at the strike price. If the investor chooses physical delivery over a cash settlement, the underlying shares will be delivered to the bank's deposit account.
Cash settlement	Cash settlements occur when an investor opts for a cash settlement when securities reach a settlement date. The net cash position is credited to the investor's account.

NEXT STEPS – START TRADING WITH SWISSQUOTE



Why trade with Swissquote?

- 25 years of online trading expertise
- Access to 3 million products on all major international exchanges
- Most comprehensive trading platform on the market
- Multilingual customer support
- Training and education with online webinars
- High-performance mobile applications
- International Group listed on the SIX Swiss Exchange (SIX:SQN)

Swissquote is regularly quoted and consulted by global financial media.

Bloomberg



FINANZ und WIRTSCHAFT

LE TEMPS

Investing.com

Neue Zürcher Zeitung

swissquote.com/education