

Factsheet

Outperformance Certificate

SSPA category: 1310, participation



Product Description and Functionality

Outperformance Certificates allow investors to participate in the performance of an underlying – and if the underlying performs positively, they can even do so disproportionately. If the price of the underlying at maturity is beneath the starting level, the certificate replicates its performance on a one-to-one basis. Should the underlying be quoted above the starting level, however, investors enjoy disproportionately high price gains with the Outperformance Certificate. There is no cap on the maximum repayment price for an Outperformance Certificate. The exact level of the outperformance is determined by the participation rate. In return, investors forgo any dividends.

Characteristics

- Disproportionate participation (outperformance) in the positive performance from the issue price (strike)
- Reflects the performance of the underlying beneath the strike on a one-to-one basis
- Risk corresponds to that of a direct investment in the underlying
- Forgoing of dividends
- The participation rate applies upon maturity. The participation rate may be lower during the term

Characteristics	Outperformance-Certificate	Capped Outperformance-Certificate
Disproportionate price increase	✓ Unlimited	✓ (Up to the cap)
Maximum price gain	Unlimited	Limited to cap x participation rate
Influence of cap	–	The lower the cap, the higher the participation rate
Negative performance	1:1	1:1

Market expectations

- Increasing underlying
- Increasing volatility

Advantages and risks

Advantages

- Unlimited over-participation in the positive performance of the underlying (Outperformance Certificate without cap)
- Over-participation in the positive performance of the underlying up to the cap (Outperformance Certificate with cap)



Risks

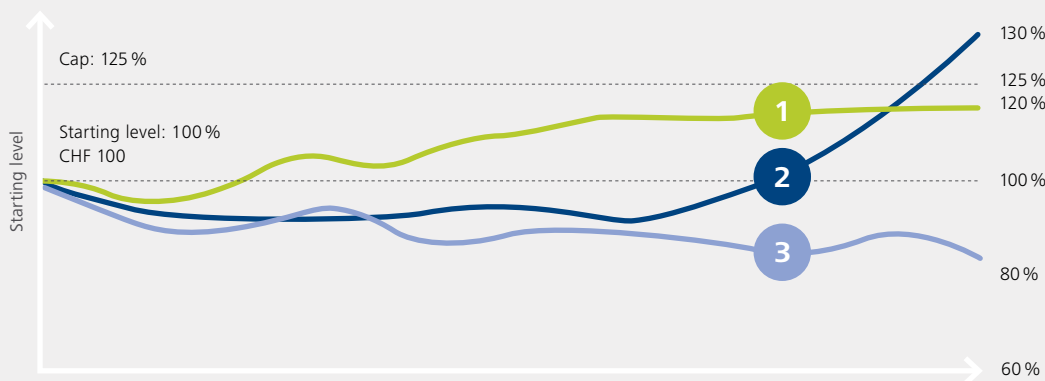
- Issuer risk
- Same loss potential as with a direct investment in the underlying (dividends not taken into account)
- If the underlying performs negatively during the term, the Outperformance Certificate can be quoted below the issue price



Rückseite
Rückzahlungsszenarien

Redemption Scenarios at Maturity

(without taking account of dividends)



Background:

- The investor invests CHF 100'000 in an Outperformance Certificate with a term of two years, a participation rate of 300% and a cap of 125%. The underlying is "equity A" and is, for the sake of convenience, fixed at a price of CHF 100.

Today

In two years



At maturity, the underlying closes at +20% (below the cap of 125%)

Repayment: The repayment is made at 160% (+60%). A direct investment in the underlying would have led to a price gain of +20%.



At maturity, the underlying closes at +30% (above the cap of 125%)

Repayment: The repayment is made at 175% (+75% = maximum repayment amount). A direct investment in the underlying would have led to a price gain of +30%.



At maturity, the underlying closes at -20%.

Repayment: The repayment is made at 80% (-20%). A direct investment in the underlying would have led to the same result.

Repayment Calculation

Investment: CHF 100'000
Underlying at maturity: +20%
Participation: 300% (without cap)

Outperformance Certificate at maturity
 $> 100\% + 20\% \times 300\% = 160\%$

= CHF 100'000 x 160% = CHF 160'000

Redemption at Maturity

	Capped Outperformance Certificate	Outperformance Certificate without cap
Upside participation	300.00%	300.00%
Downside participation	100.00%	100.00%
Cap	125.00%	Without cap
Underlying	Equity A	Equity A
Max. repayment	175.00%	Unlimited

Underlying at maturity	Capped Outperformance Certificate at maturity	Outperformance Certificate without cap at maturity
200.00%	175.00%	400.00%
190.00%	175.00%	370.00%
180.00%	175.00%	340.00%
170.00%	175.00%	310.00%
160.00%	175.00%	280.00%
150.00%	175.00%	250.00%
140.00%	175.00%	220.00%
130.00%	175.00%	190.00%
120.00%	160.00%	160.00%
110.00%	130.00%	130.00%
100.00%	100.00%	100.00%
90.00%	90.00%	90.00%
80.00%	80.00%	80.00%
70.00%	70.00%	70.00%
60.00%	60.00%	60.00%
50.00%	50.00%	50.00%
40.00%	40.00%	40.00%
30.00%	30.00%	30.00%
20.00%	20.00%	20.00%
10.00%	10.00%	10.00%
0.00%	0.00%	0.00%

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