

# SMI<sup>®</sup> Index Total Return Futures

Index Total Return Futures (TRF) are growing in popularity as market participants look to this new instrument to manage repo risks on equity markets.

## A LISTED SOLUTION FOR IMPLIED EQUITY REPO TRADING

TRFs are designed to offer a listed solution for trading the implied equity repo rate via Swiss Market Index (SMI<sup>®</sup>).

It is a simple and innovative product that provides cost efficient access to the payout profile of a standard equity index total return swap. With the entry into force of the uncleared margin rules (UMR) for non-cleared OTC derivatives, TRFs mitigate capital, collateral and balance sheet pressure with Eurex Clearing as central counterparty.



## What are the key benefits?



### Removes the quarterly roll- and the dividend exposure risk

TRFs provide access to long-term maturities, remove the quarterly roll risk and the dividend exposure risk that exists with SMI<sup>®</sup> Index Futures, as future rolls are historically volatile with uncertainty over repo levels and a financing risk during the dense Eurozone dividend season.



### Fully fungible product

TRFs aim to replicate in a cost-efficient way the payoff profile of OTC Total Return Swaps which has a positive effect on capital requirements.



### Portfolio margining

Trade TRFs with other Equity & Equity Index ETDs within PRISMA e.g., SMI<sup>®</sup> Index Futures for high netting effects up to 80%.

## Contract specifications

Contract Name	SMI <sup>®</sup> Total Return Futures
Eurex product code	TSMI
Product ISIN	DE000A4ANQX1
Underlying indices	<ul style="list-style-type: none"> <li>• Swiss Market Index (SMI<sup>®</sup>) Price Return (ISIN: CH0009980894)</li> <li>• Swiss Average Overnight Rate (SARON) as published by SIX Indices on the previous day at 18:00 CET (ISIN: CH0049613687)</li> <li>• SMI Distribution Points SMIDDVP (ISIN: CH1445489698)</li> </ul>
Vendor codes	<b>Bloomberg:</b> SMS1 <Index> <b>Refinitiv:</b> 0#TSMX:
Contract currency & multiplier	CHF 10 per index point
Quotation (TRF spread in basis points)	TRF spread as annualised rate expressed in basis points with one decimal (+/-/0).
Minimum tick size in basis points	+/- 0.5 basis points (1 basis point = 0.0001)
Minimum tick size in index points	0.01 index points (i.e. tick size value of CHF 0.1)
TRF spread conversion	The TRF spread will be converted within the T7 system into TRF futures prices expressed in index points.
Trade types (TAC vs. TAM)	<ul style="list-style-type: none"> <li>• <b>Trade at Close ("TAC")</b> – strike price (underlying index) based on Daily Index Close of the Swiss Market Index (SMI<sup>®</sup>)</li> <li>• <b>Trade at Market ("TAM")</b> with a custom strike (underlying index) defined by the Trading Participant based on the Swiss Market Index (SMI<sup>®</sup>)</li> </ul>
T7 strategies available	Strategies available in orderbook and T7 Trade Entry Services for Index Total Return Futures (TSMI) vs. regular Index Futures (FSMI) based on Swiss Market Index (SMI <sup>®</sup> ): <b>DELTA-TAM-Market (TSMI vs FSMI) = DTAM-RM</b> and <b>DELTA-TAM-Fixed (TSMI vs FSMI) = DTAM-RF</b>
Accrued distributions & funding	The distribution and funding rate payments will be accumulated (i.e. "Accruals Approach") from launch on 4 August 2025 and will be added to the TRF futures price in index points. The daily changes in the distributions and funding payments are paid out daily via the variation margin.
Contract months	Up to 5 years: Next 4 quarterly months (March, June, September, December cycle) and subsequent 4 annual December expiries to year 5
Settlement	Cash settlement – payable on the first exchange day following the final settlement day
Daily settlement TRF spread (basis points)	Used to calculate the daily settlement price and determined as follows: <ul style="list-style-type: none"> <li>• The daily settlement TRF spread determined based on the TRF spread traded via the closing auction between 17:25 – 17:30 CE(S)T;</li> <li>• If no trades are executed in the closing auction, then the daily settlement TRF spread is determined based on the average bid-ask spread of the respective contract month;</li> <li>• If no price can be determined according to the above, the daily settlement TRF spread will be determined based on a theoretic (fair) TRF spread for the respective contract month.</li> </ul>
Daily settlement	Performed each day based on TRF daily settlement spreads determined by Eurex at 17:30 CET, official index close of SMI <sup>®</sup> Index (circa 18:00 CET) and TRF parameters (accrued distributions and accrued funding)
Last trading day	The Eurex trading day for the Swiss market immediately preceding the expiration day; Trading on the last trading day until 17:30 PM CET
Expiration day	3rd Friday of each expiration month if this is a Eurex trading day for the Swiss market; otherwise, the immediately preceding exchange day.
Final settlement price (FSP) (index points)	Established by Eurex on expiration day, based on: final settlement price (index level) of the related SMI <sup>®</sup> regular future (FSMI), accrued distributions as at expiry day and accrued funding as at expiry day
Trading hours	<b>Order book (TAC):</b> 08:15 – 17:30 CET / <b>Trade entry services (TAC &amp; TAM):</b> 08:15 – 22:00 CET

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