

Conversion factor calculation for CHF-denominated bonds

$$\text{Conversion factor} = \frac{1}{\left(1 + \frac{\text{not}}{100}\right)^f} \times \left[\frac{c}{\text{not}} \times \left(\left(1 + \frac{\text{not}}{100}\right)^n - \frac{1}{\left(1 + \frac{\text{not}}{100}\right)^n} \right) + \frac{1}{\left(1 + \frac{\text{not}}{100}\right)^n} \right] - \frac{c(1-f)}{100}$$

Definition:

- n Number integer years until the maturity of the bond
- f Number of full months until the next coupon date, divided by 12
(except for f = 0, where f = 1 and n = n - 1)
- c Bond coupon
- not Notional coupon of futures contract