

Media release

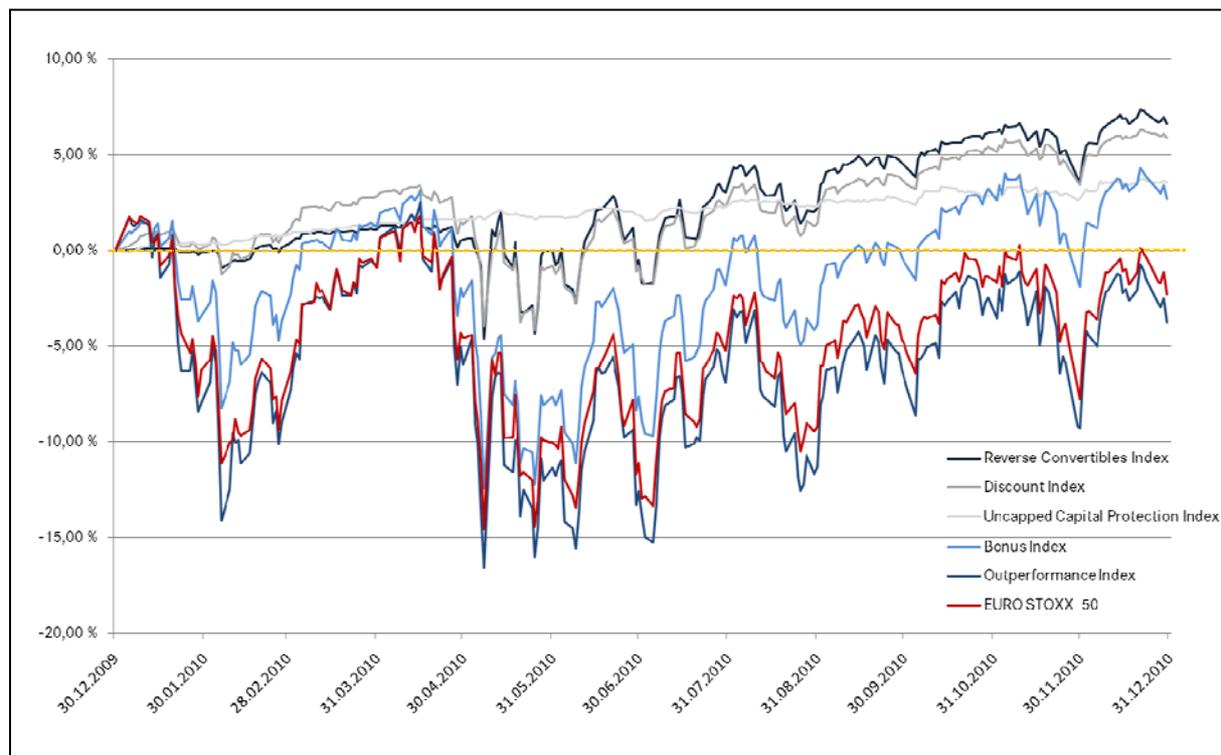
Study finds certificates are better than many direct investments

Frankfurt am Main, Germany, 23 February 2011

For many private investors in the past year, buying certificates has paid off, especially in comparison with direct investments in the relevant underlying asset. This was the finding of a short study carried out by the German institute of certificate analysis (Institut für ZertifikateAnalyse, IZA). The study analysed the movements in the Scoach certificate indices in comparison with the EURO STOXX 50 equity index from January to December 2010. On average, higher returns were achieved by investing in certificates than by investing directly in the relevant underlyings. Four out of five certificate indices performed better overall than the EURO STOXX 50 equity index, the most popular underlying for certificate investors. Every month since August 2009, Deutscher Derivate Verband (DDV), the German Derivates Association, has published the movements of five Scoach certificate indices: the Discount Index, the Bonus Index, the Reverse Convertibles Index, the Outperformance Index and the Capital Protection Index. These indices were created by Scoach – the Frankfurt marketplace for structured products – in conjunction with the European Derivatives Group (EDG), and reflect the performance of the most popular classes of certificate.

Thomas Kolb, Group Head of Marketing at Scoach, commented: “The study shows that certificates can be a useful investment instrument, as they can reduce risks and often produce higher returns than direct investments. With the Scoach index family, we can present these certificate features verifiably and track the certificates market realistically based on the volumes actually invested.” Assessing the study’s findings, Florian Roebbeling, Head of the IZA, commented: “The excess returns achieved on investments in certificates demonstrate very clearly that the intuition of private investors, or their advisers, was right, and that they had very thorough knowledge of the products involved.”

Scoach certificate indices in comparison with EURO STOXX 50



Benchmark data used in index calculation

The indices are calculated for capital protection, bonus, discount and outperformance certificates as well as reverse convertibles. The index components, comprising a representative selection of certificates from each category, are weighted on the basis of the volumes invested. The products are clustered according to the features they offer, and at least one certificate per cluster is selected as an index component, ensuring realistic market coverage and providing for reliable ongoing index calculations. The EURO STOXX 50 price index is used as an underlying for the Bonus Index, the Discount Index, the Outperformance Index and the Reverse Convertibles Index. The EURO STOXX 50 is the most common underlying in terms of the number of products issued and the volumes invested. Limiting the selection of certificates for each index to one underlying provides better comparability of structures and underlyings. The Capital Protection Index uses all products with equity underlyings, in order to achieve sufficient market coverage. As a rule, only the basic structure of the relevant certificate category is chosen to calculate the indices. Protect outperformance and sprint certificates or protect (pro) reverse convertibles are used in addition to the basic structure in the Outperformance Index and the Reverse Convertibles Index. Owing to the large number of different structures, the Capital Protection Index refers to the most common capital-protected structures.

Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the 18 leading issuers of derivatives in Germany: Barclays, BNP Paribas, Citigroup, Commerzbank, Deutsche Bank, DZ BANK, Goldman Sachs, HSBC Trinkaus, HypoVereinsbank, J.P. Morgan, LBBW, MACQUARIE, Royal Bank of Scotland, Société Générale, UBS, Vontobel, WestLB and WGZ BANK. The Association's work is supported by ten sponsoring members, which include the Stuttgart and Frankfurt am Main stock exchanges, finance portals and service providers.

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