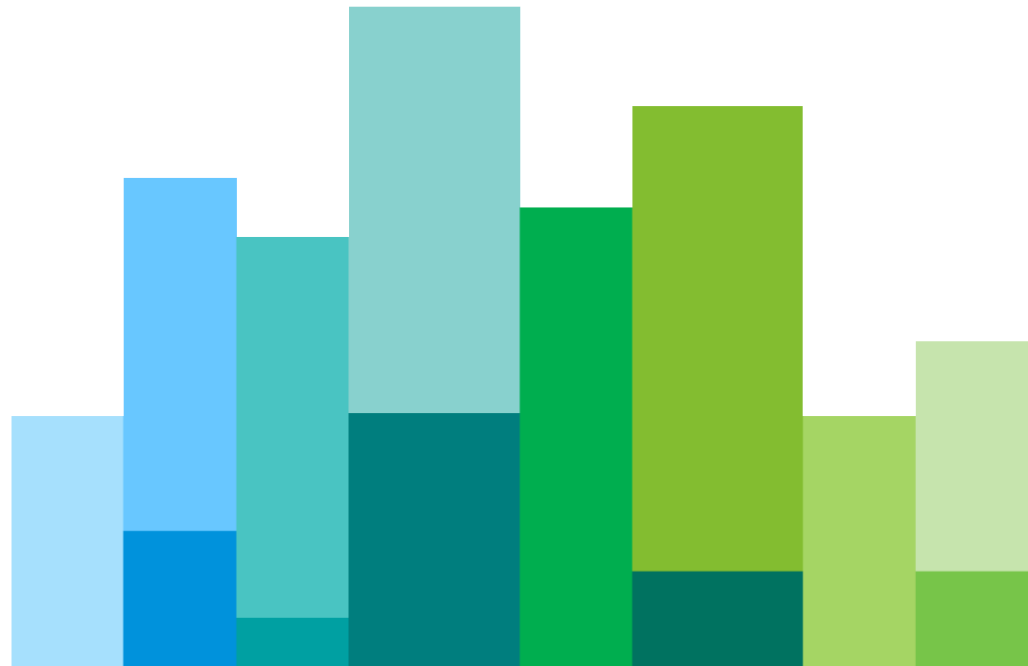


# DIVIDEND DERIVATIVES: PLAY THE DIVIDEND FIELD WITH EURONEXT

Euronext Single Stock Dividend Futures: the widest choice of contracts



# EURONEXT SSDFS: THE WIDEST CHOICE OF CONTRACTS

## 1<sup>st</sup> Dividend Exchange by number of contracts

- Euronext began developing the range in January 2015 and regularly issues contracts to **satisfy the needs of end-users**
- We have nearly **300 SSDF** contracts tradable with the most diversified underlyings from across Europe.
- Investors can access dividend contracts on new underlyings, as a total of **152 SSDFs are only available at Euronext exclusively.**

## Number of contracts per country of underlying

| Underlyings | Number of SSDFs | Number of SSDFs only on Euronext |
|-------------|-----------------|----------------------------------|
| Italy       | 22              | 15                               |
| Germany     | 26              | 1                                |
| Netherlands | 23              | 10                               |
| Belgium     | 16              | 15                               |
| Portugal    | 3               | 3                                |
| France      | 46              | 16                               |
| Ireland     | 1               | 0                                |
| UK          | 38              | 19                               |
| Spain       | 20              | 14                               |
| USA         | 57              | 36                               |
| Finland     | 7               | 7                                |
| Sweden      | 12              | 12                               |
| Norway      | 2               | 2                                |
| Switzerland | 17              | 2                                |



# COMPETITIVE OFFERING

✓ Competitive pricing: 50 to 75% less expensive!

| EUREX                                 |             |                  | EURONEXT  |             |                  |
|---------------------------------------|-------------|------------------|---|-------------|------------------|
| Trading + Clearing fee (in € per lot) |             |                  | Trading + Clearing fee (in € per lot)<br>Client/House account |             |                  |
| Dividend group                        | Regular fee | Off-book (block) | Dividend group  | Regular fee | Off-book (block) |
| < 0.25                                | 2           | 3                | < 0.50  | 1           | 1.5              |
| 0.25 – 0.49                           | 6           | 9                |   |             |                  |
| 0.50 – 0.74                           | 8           | 12               | 0.50 – 0.99   | 4           | 6                |
| 0.75 – 0.99                           | 10          | 15               |   |             |                  |
| ≥ 1                                   | 12          | 18               | ≥ 1   | 6           | 9                |

\*Euronext clearing fee is €0.50 per contract.

✓ Transparent corporate action rules

Available at:

[derivatives.euronext.com/single-stock-dividend-futures](https://derivatives.euronext.com/single-stock-dividend-futures)

✓ Higher multiplier

Access contracts with a

**10,000 multiplier,**

which corresponds to the dividends attached to 10,000 shares...

... and then benefit from clearing efficiencies

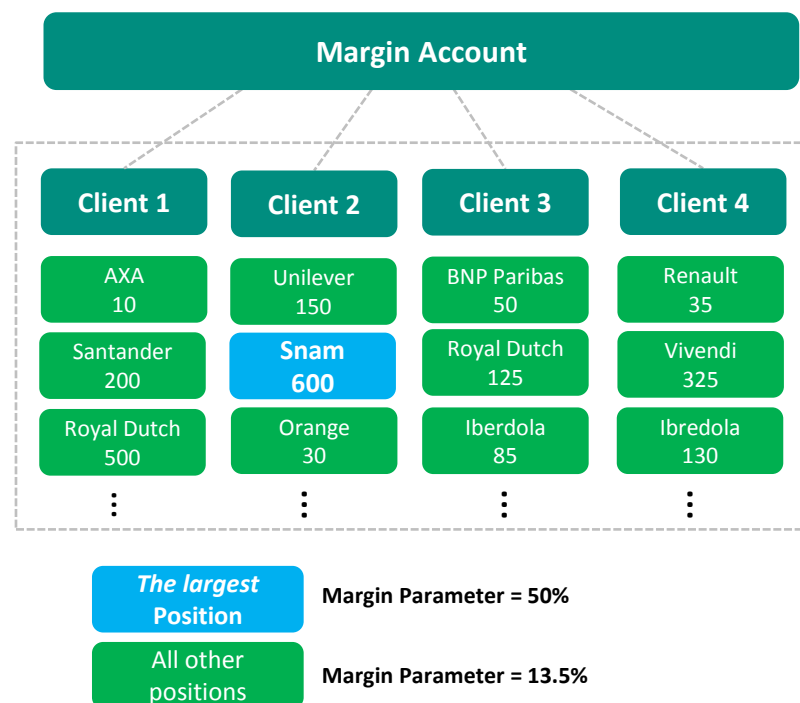


# ENHANCED MARGIN FRAMEWORK FOR SSDFs

*Innovative portfolio approach aiming at reducing capital costs in investing in dividends*

## Enhanced Margin Framework for Single Stock Dividend Futures (SSDFs)

- Since January 2016, a **unique level of initial margin** is applied to SSDF contracts and set at **13.5%**
- Only the **largest position** at the Margin Account level within your clearer will be set at 50%



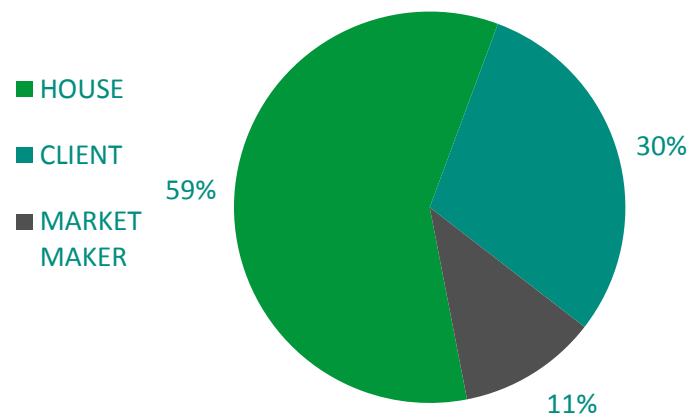
# A GROWING FRANCHISE

Top 15 most traded contracts *since launch\**

| SSDF                    | Volume<br>(Single counted) | Country | Only available on Euronext |
|-------------------------|----------------------------|---------|----------------------------|
| SNAM                    | 23 290                     | IT      | √                          |
| PEUGEOT SA              | 4236                       | FR      | √                          |
| BP                      | 4000                       | UK      |                            |
| MEDIOBANCA              | 3844                       | IT      | √                          |
| SUEZ                    | 3384                       | FR      | √                          |
| FORTUM OYJ              | 3248                       | FI      | √                          |
| ATLANTIA SPA            | 3244                       | IT      | √                          |
| NORDEA BANK             | 3072                       | SE      | √                          |
| CREDIT AGRICOLE SA      | 2790                       | FR      |                            |
| VIVENDI SA              | 2782                       | FR      |                            |
| ENGIE                   | 2362                       | FR      |                            |
| REPSOL SA               | 1950                       | SP      |                            |
| TECHNIPFMC              | 1896                       | FR      | √                          |
| ROYAL DUTCH SHELL PLC A | 1480                       | NL      |                            |
| UNILEVER NV             | 1436                       | NL      |                            |

\*At 30 June 2018

291 different contracts from  
15 different countries with open  
interest on 91 different contracts\*\*



Since launch, 30% of flow has come from **Client** accounts

\*\* At 31 December 2017



# WHAT OUR CLIENTS SAY

## McKinley Capital Management



*Martino Boffa – Director of Investments, Alternative Structures*

The McKinley Capital Growth Fund has invested in Single Stock Dividend Futures since their first introduction in Europe; it has invested in Euronext's new contracts which provide a wider opportunity set, at a competitive rate.

## BNP Paribas



*Nicolas Certner – Equity Derivatives Trader*

BNP Paribas, pioneer in dividend trading, is proud to work closely with Euronext on the development of their outstanding single stock dividend future suite. Euronext has taken the path of providing a wide product range, offering more transparency, better liquidity and aggressive pricing. BNP Paribas, acting as market maker on the single stock dividend futures, is directly contributing to Euronext's success.

## BTG Pactual



*Benjamin Clerget – Associate Partner and Portfolio Manager*

GEMM, BTG Pactual's main Hedge Fund, invests in dividend futures as a diversified source of alpha generation. Euronext has already offered more price transparency, liquidity and competitive pricing. We target to grow our market share with Euronext alongside the global development of the dividend futures market.

# WHAT OUR CLIENTS SAY

## Melanion Capital

*Jad Comair - Founder & CIO*

Euronext's impressive issuing of more than 200 dividend futures shows they are clearly committed to the development of this product range that is innovative and complementary with their existing products. Record volumes seen this year on contracts like the CAC 40 dividend index future show that their clients are clearly following them on this path, and the best is yet to come!



## Societe Generale

*Massimiliano Pignatelli - Head of European Forward Trading*

Our leading market share on Euronext single stock futures franchise translates our commitment to the success of this attractive product range, as a key player on Euronext we do believe in the future of this alternative solution for dividend investments.



## Laffite Capital Management

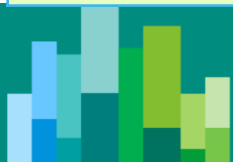
*Arnaud Yvinec - Managing Partner*

Thanks to the CAC 40 Dividend Future's strong liquidity and to Euronext's coverage of all its components at the single name level, it is now easier to invest in French companies' dividends. We are hence able to seize new arbitrage opportunities which represents a concrete added value.



# CONTRACT SPECIFICATIONS

|  |   |
|--|---|
| Contract size                                | Dividend payments in relation to a contract size of 10,000 shares   |
| Unit of trading                              | 10,000  |
| Pricing unit/quotation                       | EUR/USD/CHF/GBX/NOK/SEK per share   |
| Minimum price movement (tick size and value) | EUR/USD/CHF/NOK/SEK 0.0001 (EUR/USD/CHF/NOK/SEK 1.00 per contract)<br>GBX 0.01 (GBX 100.00 per contract)  |
| Expiry months                                | 12,24,36,48 and 60 months yearly (of the December cycle for non-US underlyings; of the January cycle for US underlyings)  |
| Introduction of new delivery months          | New delivery months are available for trading on the first business day after the expiry of a maturity  |
| Wholesale services                           | Large-in-Scale Facility, AtomX<br>Minimum trade size is 10 lots for wholesale services.   |
| Trading hours                                | Central Order Book 09:00 – 17:30 CET<br>Large-in-Scale Facility 07:00 – 18:30 CET   |
| Last trading day                             | Trading ceases at 12:00 CET on the third Friday of the delivery month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday  |
| Settlement                                   | Cash settlement based on the EDSP   |
| Exchange Delivery Settlement Price (EDSP)    | The final settlement value as established by Euronext at 12:00 (CET) on the third Friday of the delivery month, determined to four decimal places. The final settlement value is equal to the cumulative value of ordinary gross dividends declared by the company. |
| Clearing organisation                        | LCH S.A.  |





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