

JANUARY 2018

# CONSTRUCTOR USER MANUAL FOR TAILOR MADE FINANCIAL SOLUTIONS





## CONTENTS



AT A GLANCE	4
SERVICE CATALOGUE	6
<b>Highlights</b>	<b>6</b>
<b>Getting Started</b>	<b>7</b>
Authentication & Homepage	7
Smart Dashboard	8
Pricing Form	9
Trading Wizard	10
<b>Mastering Regulations</b>	<b>11</b>
Client Profile	11
Intelligent Market Check	11
Self Certification	11
<b>Smart Data Tools</b>	<b>12</b>
Underlying Optimizer	12
Equity Screener	13
Leonteq Trends	14
TRUBLE SHOOTING	15
<b>Frequently asked questions</b>	<b>15</b>

Constructor > Constructor

Overview Dashboard

Popular Underlyings

- NOMURA ETF - TOPIX
- APPLE INC-REG
- AK STEEL HOLDING CORP-REG
- SOCIETE GENERALE
- NESTLE SA-REG
- TOTAL SA
- ZURICH INSURANCE GROUP AG-REG
- DEUTSCHE TELEKOM AG-REG
- MICROSOFT CORP
- CAC 40 INDEX

Popular Sectors

- Financials
- Technology
- Basic Materials
- Energy
- Index
- Consumer Cyclical
- Healthcare
- Consumer Non-cyclical
- Telecommunication Services
- Industrials
- Utilities

Sector Members Heat Map

Financials			
1304 JT Equity	JPM UN Equity	CS FP Equity	BARC LN Equity
GLE FP Equity	BNP FP Equity	1321 JT Equity	BARCLAYS PLC United Kingdom 2.28%
OCBC SP Equity	GS UN Equity	MYG GP Equity	2628 HK Equity

Popular Products

- Autocallable
- Barrier Reverse Convertible
- Equity Linked Note
- Fixed Coupon Note
- Reverse Convertible
- Capital Protection Certificate
- Asset Certificate
- Bonus Certificate
- Multi-Chance Barrier RC
- Outperformance Certificate

PRICING FORM    TRADING PREFERENCES

Product Type: Barrier Reverse Convertible

Underlyings:

- NESTLE SA-REG [NESN SW EQUITY] CHF
- NOVARTIS A... [NOVN SW EQUITY] CHF
- ROCHE HOLD... [ROG SW EQUITY] CHF

Solve for: Coupon

Distribution fee: 0.5 % p.a.

Barrier Type: European

Barrier: 80 %

Strike Level: 100 %

Legal Entity: Leonteq Securities AG, Zurich

Investment: CHF 50,000

Maturity: 1 Year

Frequency: Quarterly

Initial Fixing Date: December 19, 2017

Issue Date: December 28, 2017

Final Fixing Date: December 19, 2018

Redemption Date: December 28, 2018

Optimize    Price

LEONTEQ  
FIXED INCOME GROUP

PRODUCT SUMMARY

Id: 74d2768241474cbe9e032f0ee4005ec

Pricing Date: December 19, 2017 - 12:04 PM

Product Type: Barrier Reverse Convertible (BRC)

Underlyings: NESTLE SA-REG, NOVARTIS AG-REG, ROCHE HOLDING AG-GENUSSSCHEIN

Compute initial delta and vega

Investment: CHF 50,000

Legal Entity: Leonteq Securities AG, Zurich

Frequency: Quarterly

Date Convention: European

Quanto: No

Parameters

- Barrier: 80% (European)
- Distribution Fee: 0.50% (0.50% p.a.)
- Dist. Fee: Amount CHF 250.00
- Strike Level: 100%
- Tradable Coupon: 6.33% p.a.

EEA Retail end-client:  Yes  No

Factsheet: [de](#) | [en](#) | [fr](#)

Indicative TermSheet: [de](#) | [en](#) | [fr](#) | [it](#)

Click n Trade (4 min 34 s)    MFID II Check





**Leonteq continuously improves its infrastructure in order to increase the variety and transparency in the structured products market for all investors.**

To come closer to reaching this goal and to meet client demand for ever more individual solutions Leonteq Securities AG ('Leonteq') launched Constructor in spring 2008.

Constructor is primarily designed for institutional clients, such as full service banks and private banks, asset managers, insurance companies and pension funds.

**5 SIMPLE STEPS TO A TAILOR MADE PRODUCT**

- **Select a structure**  
Choose the product type you would like to create
- **Define the product parameters**  
Define underlyings, maturity and other product specific parameters
- **Price the investment solution**  
Calculate a price
- **Retrieve regulatory & marketing documents**  
Choose from multiple languages
- **Execute & launch your tailor made investment product**

**CONSTRUCTOR AT A GLANCE**

- 1 Pricing Form**  
Define the parameters for the structure.
- 2 Price & Queue**  
Request a price in seconds or use "Queue" for multiple price requests. Retrieve them from the Overview.
- 3 Optimize**  
Yield optimization of the chosen structure after pricing within a defined universe of underlyings.
- 4 Documentation**  
Dynamic factsheets, termsheets and if applicable, MiFID II and PRIIPs documents such as KIDs, Target Market assessment and Cost & Charges disclosure.
- 5 MiFID II Check**  
Reconcile the customized Client Profiles with the manufacturer's Target Market to highlight any potential mismatches.
- 6 Click n Trade (95 min 00 s)**  
One click execution of the priced structure.
- 7 Equity Screener**  
Creation of custom watchlists based on quantitative and qualitative criteria.
- 8 Leonteq Trends**  
Display of all popular pricing & structure trends on the platform within a chosen timeframe.

# SERVICE CATALOGUE

AT A GLANCE

HIGHLIGHTS

GETTING STARTED

MASTERING REGULATIONS

SMART DATA TOOLS

TROUBLE SHOOTING

**Constructor is a web-based application that enables real-time structuring, calculation and launch of structured products using around 2,000 underlyings.**

It calculates tradable prices, all in real-time and based on Leonteq's market data. Traded products prices are published on Bloomberg, Reuters, Telekurs as well as on the Leonteq webpage.

## 12 PRODUCT TYPES ARE AVAILABLE

- Airbag Certificate
- Autocallable
- Barrier Reverse Convertible
- Bonus Certificate
- Capital Protection Certificate
- Discount Certificate
- Dual Currency Note
- Equity Linked Note (Asia)
- Fixed Coupon Note (Asia)
- Multi Chance Barrier Reverse Convertible
- Outperformance Certificate
- Reverse Convertible

- Various issuers to choose from:
  - Leonteq Securities AG
  - Leonteq Securities AG, Guernsey Branch (Aargauische Kantonalbank Guaranteed)
  - EFG International Finance (Guernsey) Ltd.
  - Raiffeisen Switzerland B.V.
  - Raiffeisen Switzerland Cooperative
  - J.P. Morgan Structured Products B.V.
- Possible listing on the SIX Swiss Exchange
- Subscription size between CHF 20,000 and CHF 10 Mio equivalent
- Basket size of up to 10 underlyings
- More than 2,000 underlyings available online (cross-asset)
- Termsheet available in 4 languages (English, French, German & Italian)
- Investment possible in 12 currencies
- Every price is a tradable price and can be launched online depending on product type
- Target Market Check to reconcile the manufacturers target market and the customized Client Profiles to highlight any potential mismatches.

Direct information function to notify Leonteq in case a product gets sold outside the Target Market.

Option to retrieve a Self-Certification to show with quality enhancements for the product and service have been performed.

# SERVICE CATALOGUE

AT A GLANCE  
HIGHLIGHTS

GETTING STARTED

MASTERING REGULATIONS

SMART DATA TOOLS

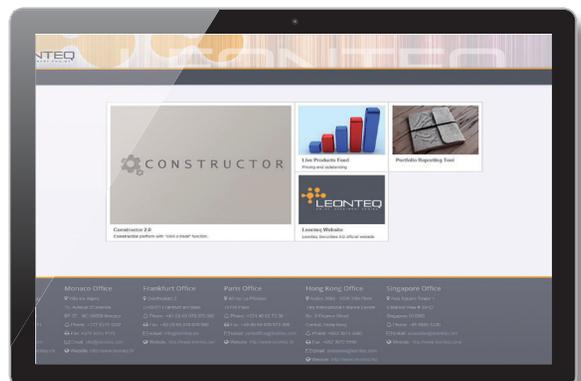
TROUBLE SHOOTING

## AUTHENTICATION & HOMEPAGE

- Sign in with the login details provided by Leonteq.
- Please also check the Technical Requirements link on the right. Your browser could not be optimal for this tool.



- On the Homepage, depending on your access type you may have several widgets.
- Mouse over the Constructor field.
- Then click on Open.



## SMART DASHBOARD

- With the enhanced Dashboard, you can now get a consolidated overview of your pricing and trading activities on the platform.
- You can create a watchlist of products you are interested in. Each product can be further analysed by drilling down to product details, up-to-date documentation, and links to the Leonteq website.
- All data can be exported to Excel and easily integrated within your internal reporting.
- Product Watchlist displays your last traded products with allocated ISIN. Drill down by clicking "+" to see full details.
- Pricing Activities lists all products priced by the user on Constructor. Click within the product description on "Open in Pricing Form" to be redirected to the Pricing Form.
- To start pricing a product, simply click on the "Pricing" field (top right) or on the above mentioned "Open in Pricing Form" functionality.

ISIN	Trade Date	Payoff	Underlyings	CCY	Bid	Ask	Trade Size	Redemption Date	Delete
CH0386494634		Autocallable Multi Reverse Conv...	NKE, TPR, VFC	GBP	100.16 %	101.16 %		16.11.2018	
CH03822334267		Callable Multi Barrier Reverse C...	SX5E, SPX, SMI	CHF	98.96 %	99.62 %		24.11.2020	
CH0300414239		Callable Multi Barrier Reverse C...	AMIS, CSGN, UHR	CHF	96.81 %	97.47 %		22.11.2018	
CH0300399075		Callable Multi Barrier Reverse C...	BAYN, FRE, SAN	EUR	98.83 %	99.49 %		20.11.2019	
CH0300399190		Callable Multi Barrier Reverse C...	ABBN, GEBN, LHN	CHF	98.44 %	99.1 %		20.11.2019	
CH0300399141		Callable Multi Barrier Reverse C...	ABBN, SOON, ZURN	CHF	96.88 %	97.54 %		20.02.2019	
CH03822334222		Callable Multi Barrier Reverse C...	BABA, FB, NFLX	CHF	99.29 %	99.95 %		17.05.2019	
CH0300414106		Callable Multi Barrier Reverse C...	ADEN, AMS, LOGN	CHF	93.41 %	94.07 %		15.11.2018	
CH0300399865		Callable Multi Barrier Reverse C...	GOLDS, PALL, SILV	USD	98.98 %	99.64 %		13.05.2020	
CH0300414536		Multi Barrier Reverse Convertible	ABX, GG	USD	99.3 %	99.96 %		27.11.2018	
CH0300414266		Multi Barrier Reverse Convertible	ENI, ISP, MB	EUR	99.1 %	99.76 %		13.11.2018	
CH0300414304		Multi Barrier Reverse Convertible	ISP, MB, TIT	EUR	99.03 %	99.69 %		13.11.2018	

## PRICING FORM

- Trading & pricing preferences are configurable by product type.
- Select the product from 12 possible product types. The information button displays useful information about the payoff.
- Choose the underlying (max 10) from a universe of over 2,000 underlyings by typing name or ticker.
- Select the feature you want to solve for. Depending on the product type, the values in the dropdown may vary.
- Input your distribution fee and choose the calculation type.
- Choose the parameters of your product. Depending on the product type, the available fields may vary.
- Select the desired issuer of your product. Company overview is displayed by clicking on the information button.
- Select the investment currency. The currency is automatically aligned with underlying if possible. However, you can still choose to price with a quanto currency.
- Input the trading size (min CHF 20,000 eq.)
- Choose the maturity by selecting a value in the dropdown. They may vary depending on the product type. By clicking on the calendars you can shift dates by max. 3 weeks.
- Initial greeks delta and vega of the structure can be computed for all product types.
- Versatile marketing and regulatory documentation can be retrieved in several languages for the priced structure. Availability may vary depending on product type.
- For every pricing request submitted via the platform, you can conduct a Target Market check to reconcile your customized Client Profiles with the manufacturer's Target Market.
- What you see is what you get. Trade it!

The screenshot shows the 'PRICING FORM' interface in the Constructor application. The interface is divided into two main sections: 'TRADING PREFERENCES' on the left and 'PRODUCT SUMMARY' on the right. The 'TRADING PREFERENCES' section includes fields for Product Type, Underlyings, Solve for, Distribution fee, Barrier Type, Barrier, Strike Level, Legal Entity, Investment, Maturity, Frequency, and dates for Initial Fixing, Issue, Final Fixing, and Redemption. The 'PRODUCT SUMMARY' section displays a detailed overview of the product, including its ID, Pricing Date, Product Type, Underlyings, Investment, Legal Entity, Frequency, Date Convention, Quantile, Parameters, Distribution Fee, Det. Fee, Strike Level, Tradable Coupon, EEA Retail end-client status, and Client Profile Check results. The interface also includes a 'Risk Factor' section and a 'Click n Trade' button. Numbered callouts (1-14) point to specific features and fields as described in the text.

## TRADING WIZARD

- 1 Click n Trade the product you just priced. If the button "Request Tradable Price" is being displayed, one of our traders will price the product for you.
- 2 Choose the trading preferences. The default values are configurable in the trading preferences tab (p.9).
- 3 If you are trading in a MiFID environment, you will be able to allocate the subscription size among your saved Client Profiles and notify Leonteq quickly and easily where a sale is outside the Target Market.

- 4 Read carefully the Constructor Agreement and Terms of Business and the Disclaimers.

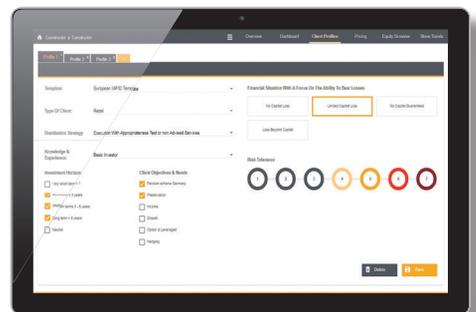
- 5 Click on Trade. Once the order has been processed, the trade details are displayed and an automatic email is sent to your mailbox. Additionally, the security is launched (submission to SIX, ISIN allocation).

# SERVICE CATALOGUE

AT A GLANCE  
HIGHLIGHTS  
GETTING STARTED  
MASTERING REGULATIONS  
SMART DATA TOOLS  
TROUBLE SHOOTING

## CLIENT PROFILE

The Profile section allows you to define your specific Target Market based on the European MIFID Template (EMT) or Deutsche Derivatives Association (DDV) template, and reflect your clients' characteristics and objectives in just a few clicks.



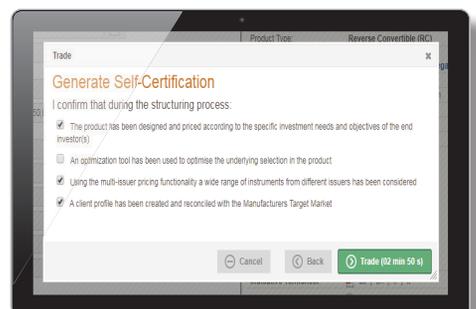
## INTELLIGENT MARKET CHECK

For every pricing request submitted via the platform, you can conduct a Target Market check to reconcile your customized Client Profiles with the manufacturer's Target Market. If the product is outside of the Target Market, or inside the negative Target Market, alerts are displayed with further details and explanations to guide you. During the "Click n Trade" process, Constructor will allow you to inform Leonteq directly in the event that a product is sold outside the Target Market, helping you comply with your MiFID II obligations (as described page 10)



## SELF-CERTIFICATION

Keep track of your activities on Constructor with its Self-Certification functionality. Within the Trading Wizard, you will be enabled to certify that you conducted specific activities. By doing so, you will receive a self-certification together with your Trade Confirmation email.



# SERVICE CATALOGUE

AT A GLANCE  
HIGHLIGHTS  
GETTING STARTED  
MASTERING REGULATIONS  
SMART DATA TOOLS  
TROUBLE SHOOTING

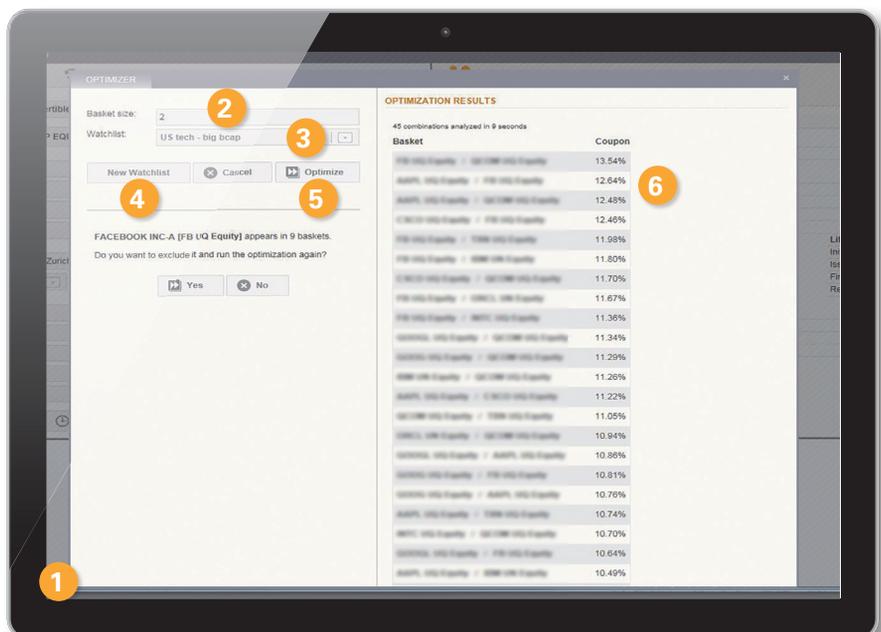
## UNDERLYING OPTIMIZER

**Leonteq is constantly looking to redefine people's investment experience through our leading and holistic platform.** For over a year the Underlying Optimizer has been assisting professionals in their product discovery. By computing all combinations for a given universe of investment, the tool helps meeting yield target expectations.

Developed in house by Leonteq, the Underlying Optimizer is a dedicated algorithm using a mix of Monte Carlo and machine-learning techniques. Calculating a large number of pricing variations in a short amount of time, the tool will extract the 30 highest yielding combinations within seconds and every proposed basket can be viewed directly in the pricing form with live prices.

Your customized & optimized product is now ready to be traded! Available in Switzerland, HK and Singapore.

- 1 Once your product is priced with the desired parameters, click on the Optimize button.
- 2 Select the basket size (max. 3).
- 3 Select the watchlist you want to optimize.
- 4 Access the Equity Screener to create a new watchlist.
- 5 Click on Optimize to run the optimization.
- 6 The 30 highest yielding combinations are displayed with corresponding coupon. When clicking, the basket is automatically loaded in the Pricing Form.





## LEONTEQ TRENDS

The Leonteq Trends gives you an overview of what underlyings, product type or other important parameter is chosen currently on the Leonteq Platform.

Even cyclical and non-cyclical trends can be now easily captured through a timescale selection. Professionals need to know what their peers do and with above 1 million pricings per year, the data is reflected with high accuracy.

- 1 Select the desired history time frame. This feature captures in an efficient manner cyclical and non-cyclical trends on the platform.
- 2 Most priced underlying on the platform.
- 3 Most popular sectors. By clicking on sector name, you can remove them in order to have a more accurate view on most interesting sectors according to you.
- 4 Select a sector in the dropdown. A heatmap is displayed with the most priced underlying on the platform.
- 5 Most popular product type priced on the platform. As for 3, you can exclude some data.
- 6 Preferred maturities for structured product on the platform.
- 7 Geographical breakdown of the most priced underlying on the platform. You can zoom in and out on the world map.



# TROUBLE SHOOTING

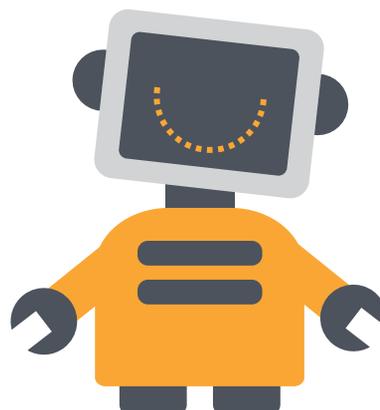
AT A GLANCE  
HIGHLIGHTS  
GETTING STARTED  
MASTERING REGULATIONS  
SMART DATA TOOLS  
TROUBLE SHOOTING

## FREQUENTLY ASKED QUESTIONS

- 1 WHY ARE SOME FUNCTIONALITIES MISSING?**  
Depending on your jurisdiction, the Constructor platform is not offering the same services. Only Switzerland, Hong Kong & Singapore propose full access. Additionally, there are two different access types: Pricing Only and Click n Trade. Trading on the platform is reserved for the latter access.
- 2 WHY ARE SOME PRODUCT TYPES MISSING?**  
The configuration is done by client. If you would like to have a broader range of payoffs (listed p.6), please contact your sales representative for an upgrade.
- 3 I FORGOT MY PASSWORD!**  
Send an email to [constructor-support@leonteq.com](mailto:constructor-support@leonteq.com) or call your sales representative asking for reset.

## ANY OTHER QUESTIONS?

Please contact your sales representative or [constructor-support@leonteq.com](mailto:constructor-support@leonteq.com).



**LEGAL DISCLAIMER**

This publication serves only for information purposes and is not research; it constitutes neither a recommendation for the purchase or sale of any financial products nor an offer or an invitation for an offer. No representation or warranty, either express or implied is provided in relation to the accuracy, completeness or reliability of the information contained herein.

Before investing in financial products, investors are highly recommended to contact their financial advisor for advice specifically focused on the investor's individual situation; the information contained in this document does not substitute such advice. The service described might not be available to all recipients or in all countries.

Any – including only partial – reproduction of any document or picture is solely permitted based on an authorization from Leonteq Securities AG. No responsibility is assumed in case of unsolicited delivery.

This document is being published by Leonteq Securities AG a financial institution licensed in Switzerland and regulated by FINMA.

© Leonteq Securities AG 2018. All rights reserved.



In the spirit of sustainability, this publication was printed using a carbon-neutral process on FSC certified paper and guarantees a sustainable management of the world's forests. Only green electricity was used for the manufacture of this publication and it was delivered with a hybrid car.