

DYNAMIC VONCERT OPEN END on a "TOP EXECUTIVE WOMEN" Basket

PRODUCT DESCRIPTION

The DYNAMIC VONCERT simulates the performance of an underlying. The selection and weighting of the individual equities forming this basket is undertaken annually applying a two-stage, consistent and transparent investment process. The investment universe of the basket is formed by international equities from the sector which satisfy the criteria laid down under "Index universe" below.

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Product Information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai
Guarantor	Vontobel Holding AG, Zurich (Standard & Poor's A; Moody's A2)
Lead Manager	Bank Vontobel AG, Zurich
Composition Advisor	* Derivative Partners Research AG, Zürich
Paying, exercise and calculation agent	Bank Vontobel AG, Zurich
SSPA product type	Tracker Certificate (1300), see also www.svsp-verband.ch
Underlying	"Top Executive Women" Basket (further details on the underlying see below)
Number of underlyings	1 DYNAMIC VONCERT Open End represents 1 "Top Executive Women" Basket
Issue price	CHF 100.00 (CHF 1.50 front-load fee included)
Reference price	CHF 98.50
Initial fixing	July 11, 2011
Payment date	July 18, 2011
Maturity	Open End
Reference currency	CHF; Issue, trading and redemption will follow in the reference currency
Swiss Security Number / ISIN / TK Symbol	12572114 / CH0125721149 / WOMEN
Redemption amount	The redemption amount per DYNAMIC VONCERT Open End corresponds to the valuation price of the basket, eventually converted into the reference currency, determined by the paying and calculation agent on the relevant valuation date less the management fee, which is deducted between the annually Rebalancing Dates on a pro rata basis.
Repayment date	5 banking working days after the determining valuation date
Management fee	1.6% p.a. (deducted on a daily basis pro rata from the certificate value)

Basket composition at initial fixing	Share	Stock Exchange	ISIN	Currency	Weighting	Shares per VONCERT
	ABSA Group Ltd.	Johannesburg	ZAE000067237	ZAR	8.333%	0.497727
	Avon Products Inc.	NYSE	US0543031027	USD	8.333%	0.347980
	E.I. Du Pont de Nemours & Co.	NYSE	US2635341090	USD	8.333%	0.179134
	EMS-Chemie Holding AG	SIX SE	CH0016440353	CHF	8.333%	0.048265
	Hang Seng Bank Ltd.	Hong Kong	HK0011000095	HKD	8.333%	0.622269
	Kinnevik Investment	Stockholm	SE0000164626	SEK	8.333%	0.469890
	Kraft Foods	NYSE	US50075N1046	USD	8.333%	0.276444
	Premier Farnell Plc.	London SE	GB0003318416	GBP	8.333%	3.209484
	Soho China Ltd.	Hong Kong	KYG826001003	HKD	8.333%	10.433398
	Telstra Corp. Ltd.	Australian SE	AU000000TLS2	AUD	8.333%	3.050540
	Westpac Banking Corporation	AustraliaN SE	AU000000WBC1	AUD	8.333%	0.426708
	Wolters Kluwer NV	EN Amsterdam	NL0000395903	EUR	8.333%	0.463802

* Correction of July 14, 2014: Adjustment of the Composition Advisor (see notification on product history under www.derinet.ch)

Further Information

Issue size	300'000 DYNAMIC VONCERT Open End, the size may be increased
Treatment of dividends	Net dividends will be reinvested in the corresponding share. When determining the level of the individual net dividends, the Paying and Calculation Agent will consider the applicable foreign taxes at source.
Issuer's call right	The Issuer shall be entitled to call all outstanding DYNAMIC VONCERTs Open End at any annual rebalancing for the purpose of early repayment ("Repayment Date") without giving any indication of reasons. Corresponding notification is to be published at least one month in advance. In the case of such termination, the relevant valuation date corresponds to the rebalancing date in which the redemption price is determined.
Suspension of the basket, extraordinary call right of the issuer	If at the issuer's discretion (1) the basket composition cannot be adjusted on an extraordinary basis for whatever reason, or (2) if market, regulatory, fiscal or other developments have resulted in such changes that continuation of the basket does not appear to be appropriate at the issuer's discretion, the issuer shall be entitled, but not obligated, to terminate the DYNAMIC VONCERT Open End early. In the event of such extraordinary termination, the relevant valuation date on which the redemption price is determined shall be set by the issuer.
Investor's redemption right	In addition to the possibility of selling DYNAMIC VONCERTs Open End at any time, the investor has the right to call his DYNAMIC VONCERTs Open End on the annual Rebalancing Date. Notification must be received by the Calculation Agent by 10.00 CET at the latest at least five trading days beforehand. In the case of such termination, the relevant valuation date corresponds to the rebalancing date in which the redemption price is determined.
Clearing / Settlement	SIX SIS AG
Listing	Will be applied for in the main segment at the SIX Swiss Exchange
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.ch .
Minimum investment	1 DYNAMIC VONCERT Open End
Minimum trading lot	1 DYNAMIC VONCERT Open End
Tax treatment in Switzerland	<p>Dividends and other distributions that are reinvested in the basket constitute taxable investment income and are subject to income tax in Switzerland. Each year the calculation agent shall submit the annual financial statements required for tax purposes to the FTA.</p> <p>No Swiss withholding tax, no stamp duties at issuance. Secondary market transactions are not subject to Swiss stamp duty.</p> <p>For Swiss paying agents this product is not subject to the EU tax on interest (TK9).</p> <p>The above taxation is a non-binding summary of the tax implications applicable to private investors resident in Switzerland. The specific situation of the investor has, however, not been considered for the summary; furthermore, tax legislation and tax-administration practices may change at any time. Potential investors should have the tax effects of the purchase, holding, sale or repayment of this product examined by their own tax adviser - especially with respect to the effects of taxation under another jurisdiction.</p>
Title	<p>The Structured Products are issued in the form of non-certificated book-entry securities of the issuer.</p> <p>No certificates, no printing of bonds.</p>
Applicable Law / Jurisdiction	Swiss law / Zürich 1, Switzerland
Prudential supervision	As a bank, Bank Vontobel AG is subject to the supervision of individual banks, while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the Federal Financial Markets Regulator FINMA (FINMA). Vontobel Financial Products Ltd. is registered in the register of the Dubai International Finance Centre as a non-regulated company.

Description of the Underlying

Investment universe	<p>The investment universe from which shares (or certificates representing securities such as ADR's and GDR's) are selected for inclusion in the "Top Executive Women" Basket is composed exclusively of shares from companies that, at the time of the annual selection, fulfil the following criteria:</p> <ul style="list-style-type: none"> • The company is a member of the Bloomberg World Index • Chief Executive Officer or President of the Board of Directors of the company must be a woman, and must be at least 2 years in one of these positions in the company • market capitalisation of at least CHF 1 billion • Over the past three months, the average daily trading volume of the share is at least CHF 1 million • The shares have a full tradability for foreign investors and are listed on a recognised stock exchange in one of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, South Korea, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, South Africa, United Kingdom, United States of America <p>The Composition Advisor is responsible for the composition and the monitoring of compliance of the criteria of the investment universe.</p>
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Selection of shares	<p>The "Top Executive Women" basket consists of the shares of 12 different companies. The respective shares are selected on the basis of the following criteria from the investment universe:</p> <ul style="list-style-type: none"> • the 12 shares with the highest relative increase between (in accordance with consensus forecast, source Bloomberg) and have continuously made a distribution in the last 3 years. • At issue and at each annual rebalancing date, the 12 shares calculated for the basket are equally weighted . • The weight per country may not represent more than 25% in the basket at the annual rebalancing
Extraordinary adjustment	<p>The issuer reserves the right to make adjustments to the basket composition in accordance with market standards in order to safeguard interests if events arise or are announced which affect individual or several titles in the basket, i.e. mergers, acquisitions, restrictions on tradability or the introduction of taxes (list not exhaustive). Shares, which leave the basket due to an extraordinary adjustment, are replaced by shares in accordance with the criteria of the selection of titles from the investment universe. The new shares are included in the basket with the weighting of the replaced shares.</p>
Annual Rebalancing Date	<p>The rebalancing with new weighting takes place every year on the last Friday of the month of June (for the first time in June 2012).</p>
Rebalancing	<p>As basis for calculation of the valuation of the shares are basically the closing prices (subject to a sufficient liquidity) determined at the respective stock exchanges on the rebalancing date. Should the expected or identified trading volume on the stock exchange be insufficient according to the calculation agent, it is entitled at its sole discretion to apply a different course for the rebalancing calculations instead of the closing price.</p> <p>If a stock exchange is closed on the authoritative valuation date due to a public holiday, the valuation for the shares traded on the relevant stock exchange shall be put back to the following trading day.</p>
Banking day	<p>A banking day is a day on which commercial banks, clearing and settlement systems (particularly the TARGET system) as well as the Frankfurt and Zurich stock exchanges are open for all index components.</p>
Valuation price of the basket	<p>As a rule, the basket's valuation price corresponds to the sum of the basket components' closing prices determined at the relevant stock exchanges on the authoritative valuation date, taking into account the relevant weighting in the basket and converted to the reference currency where applicable. If, however, the calculation agent believes that the trading volumes determined or expected on the stock exchange are insufficient, it shall instead be entitled to use a price established at its discretion in deviation from the closing price for the calculation of the basket's valuation price.</p> <p>If a stock exchange is closed on the authoritative valuation date due to a public holiday, the valuation for the shares traded on the relevant stock exchange shall be put back to the following trading day.</p>

PROSPECTS OF PROFIT AND LOSSES

DYNAMIC VONCERT offers you the opportunity to participate in an underlying instrument's performance.

The risks involved with this product basically correspond to those of a direct investment in the underlying. This consists of a share basket whose components come from the defined investment universe. The shares forming the basket are selected again annually. Neither the Issuer nor the Composition Advisor assume any guarantee as to the success of the investment model implemented or for any particular performance by the resultant basket and the Dynamic VONCERTs which is based on it. These DYNAMIC VONCERT offer capital protection and a loss to the capital invested can therefore not be excluded. The value of the DYNAMIC VONCERT during their term is significantly influenced by the price development of the underlying basket.

A loss is made if the DYNAMIC VONCERT are sold or redeemed at a lower rate than the purchase price paid.

Such a loss scenario can arise if the underlying instrument develops negatively due to value-determining factors, such as interest rate developments and changes to the rating or creditworthiness of basket components. Therefore, the price of the DYNAMIC VONCERT may fall significantly below the issue price/purchase price during the term and/or on maturity, which results in a corresponding loss. DYNAMIC VONCERT have no capital protection. The maximum loss can lead to a loss of the capital invested.

SIGNIFICANT RISKS FOR INVESTORS

Currency risks

If the underlying or underlyings is/are denominated in a currency other than the product's reference currency, investors should bear in mind that this may involve risks due to fluctuating exchange rates and that the risk of loss does not only depend on the performance of the underlying(s) but also on any unfavourable performance of the other currency or currencies. This does not apply for currency-hedged products (quanto structure).

Market risks

The general market performance of securities is dependent in particular on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the underlying(s) or the structured product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective underlyings and/or their stock exchanges or markets taking place during the term or upon maturity of the structured products. Such occurrences can have an effect on the time of redemption and/or on the value of the structured products.

Secondary market risks

Under normal market conditions, the issuer or the lead manager intend to post bid- and ask-prices on a regular basis. However, neither the issuer nor the lead manager is under any obligation with respect to investors to provide such bid- and ask-prices for specific order or securities volumes, and there is no guarantee of a specific liquidity or of a specific spread (i.e. the difference between bid- and ask-prices), for which reason investors cannot rely on being able to purchase or sell the structured products on a specific date or at a specific price.

Issuer risk

The value of structured products may depend not only on the performance of the underlying(s), but also on the creditworthiness of the issuer/guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the issuer/guarantor. For further information on the rating of Vontobel Holding AG or Bank Vontobel AG, please see the issuance programme.

Publication of notifications

All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published at www.derinet.ch, and, in the case of products listed on the SIX Swiss Exchange in accordance with the valid provisions at www.six-swiss-exchange.com.

Classification

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Restrictions on sales

U.S.A., U.S. persons, UK, EEA, DIFC Dubai (UAE).

Further risk information

Please also note the additional risk factors and selling restrictions set out in detail in the issuance programme.

LEGAL NOTICES**Product documentation**

The original version of the Termsheet is in German; foreign-language versions constitute non-binding translations. The issuer and/or Bank Vontobel AG is entitled to correct spelling mistakes, calculation or other obvious errors in this Termsheet and to make editorial changes, as well as to amend or supplement contradictory or incomplete provisions, without the consent of the investors.

Up until the fixing date, the product terms of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)" contains a summary of the most important final terms and information, and constitutes the "Final Terms" pursuant to art. 21 of the Additional Rules for the Listing of Derivates of SIX Swiss Exchange. Together with the issuance programme of June 1, 2011, registered with SIX Swiss Exchange (the "Issuance Programme"), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Programme, the provisions of the Final Terms shall take precedence.

For structured products not listed on the SIX Swiss Exchange, the Termsheet constitutes the simplified prospectus pursuant to art. 5 of the Federal Act on Collective Investment Schemes (CISA). In addition, reference is also made (with the exception of the provisions authoritative for a listing) to the Issuance Programme, in particular to the detailed information on risks contained therein, to the General Terms and Conditions and to the descriptions of the corresponding product types.

During the entire term of the structured product, all documents may be ordered free of charge from Bank Vontobel AG, Financial Products documentation, Dreikönigstrasse 37, 8002 Zurich (telephone: +41 (0)58 283 78 88, fax +41 (0)58 283 57 67). Termsheets may also be downloaded on the www.derinet.ch website.

Further information

The list and information shown do not constitute a recommendation concerning the underlying in question; they are for information purposes only and do not constitute either an offer or an invitation to submit an offer, or a recommendation to purchase financial products. Indicative information is provided without warranty. The information is not a substitute for the advice that is indispensable before entering into any derivative transaction. Only investors who fully understand the risks of the transaction to be concluded and who are commercially in a position to bear the losses which may thereby arise should enter into such transactions. Furthermore, we refer to the brochure "Special Risks in Securities Trading" which you can order from us. In connection with the issuing and/or selling of structured products, companies from the Vontobel Group can pay reimbursements to third parties directly or indirectly in different amounts. Such commission is included in the issue price. You can obtain further information from your sales agent upon request. We will be happy to answer any questions you may have concerning our products on +41 (0)58 283 78 88 from 08.00 – 17.00 CET on bank business days. Please note that all calls to this number are recorded. By calling this number, your consent to such recording is deemed given.

Material changes since the most recent annual financial statements

Subject to the information in this Termsheet and the Issuance Programme, no material changes have occurred in the assets and liabilities, financial position and profits and losses of the issuer/guarantor since the reporting date or the close of the last financial year or the interim financial statements of the issuer and, as the case may be, of the guarantor.

Responsibility for the listing prospectus

Bank Vontobel AG takes responsibility for the content of the listing prospectus and hereby declares that, to the best of its knowledge, the information is correct and that no material facts or circumstances have been omitted.

Zurich, July 8, 2011

Bank Vontobel AG, Zurich

Your customer relationship manager will be happy to answer any questions you may have.



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