

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you to compare it with other products.

Product

Voncert Open End on the Vontobel Swiss Smart Dividend Performance-Index

ISIN: CH0394787136 / Swiss Securities Code (Valor): 39478713

Product Manufacturer: Bank Vontobel AG, Zurich, Switzerland, website: <https://derinet.vontobel.com>
Call 00800 93 00 93 00 for more information

Issuer: Vontobel Financial Products Ltd., DIFC, Dubai, UAE, with a product guarantee by Vontobel Holding AG, Zurich, Switzerland (Guarantor), and with a Keep-Well-Agreement by Bank Vontobel AG, Zurich, Switzerland.

Competent Authority: -

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You are about to purchase a product that is not simple and may be difficult to understand.

What is the product?

Type Debt instrument in bearer form, evidenced in the form of uncertificated book-entry securities, governed by Swiss law.

Objectives The objective of this product is to provide you with the possibility to gain exposure to the performance of the Underlying (Vontobel Swiss Smart Dividend Performance-Index).

The product does not have a fixed maturity. You may exercise the product on any Exercise Date. The Issuer has the right to terminate the product on any Termination Date, subject to a notice period. After exercise or termination, you will receive a cash amount on the Maturity Date

You will make a loss if such cash amount is below the purchase price of the product.

All payments will be made in the Product Currency.

Ordinary distributions of the components will be taken into account (less withholding tax) and will trigger an adjustment of the basket, so that you may participate in them.

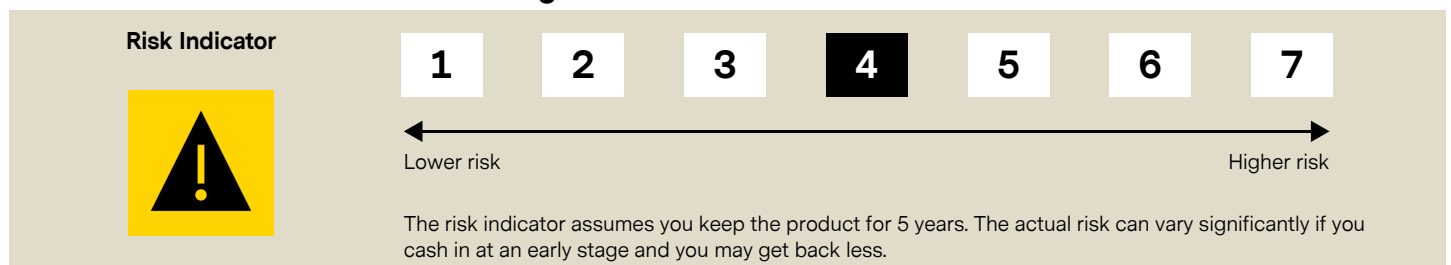
Product			
Product Currency	CHF	Payment Date	28 February 2018
Purchase Price	CHF 103.40	Type of Settlement	Cash
Initial Fixing Date	21 February 2018	Maturity Date (Maturity)	5 bank business days after the Exercise Date
Issue Date	21 February 2018		

Underlying			
Vontobel Swiss Smart Dividend Performance-Index			
Type	Performance Index	Reference Price	Closing level, determined by the Reference Agent
ISIN	CH0396117787	Initial Reference Price	CHF 100.00
Currency	CHF	Ratio	1
Reference Agent	Bank Vontobel AG	Index Fee	1.20% p.a.

The Issuer is entitled to terminate the product with immediate effect, if an extraordinary event occurs. Examples of extraordinary events include the delisting or cessation of an Underlying, changes in legislation, tax events. In this case, the termination amount may be significantly less than the amount you invested. A total loss of the investment is possible. You also bear the risk that the product will be terminated at a time unfavourable to you, and you may only be able to reinvest the termination amount on less favourable terms.

Intended retail investor The product is intended for retail investors who intend to form and / or optimize assets in general and have a long-term investment horizon. The product is designed for investors with informed knowledge and / or experience with financial products. The investors are able to bear a total loss of their investment and do not attach any importance to capital protection.

What are the risks and what could I get in return?



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer and the Guarantor are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions are very unlikely to impact the capacity of the Issuer and the Guarantor to pay you. **Be aware of currency risk** if your reference currency differs from the Product Currency. **You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies.** This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment. If the Issuer and the Guarantor are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment CHF 10'000

Scenarios		Recommended holding period		
		1 Year	3 Years	5 Years
Stress scenario	What you might get back after costs Average return each year	CHF 4'993.17 -50.07%	CHF 5'704.58 -14.33%	CHF 4'756.78 -10.49%
Unfavourable Scenario	What you might get back after costs Average return each year	CHF 8'919.96 -10.80%	CHF 8'768.09 -4.11%	CHF 8'954.31 -2.09%
Moderate scenario	What you might get back after costs Average return each year	CHF 10'542.53 5.43%	CHF 11'709.96 5.71%	CHF 13'009.28 6.02%
Favourable scenario	What you might get back after costs Average return each year	CHF 12'438.87 24.39%	CHF 15'612.04 18.72%	CHF 18'868.10 17.74%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest CHF 10'000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Issuer and the Guarantor are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Vontobel Financial Products Ltd. is unable to pay out?

You are exposed to the risk that the Issuer and the Guarantor might be unable to fulfil their obligations in respect of the product and the guarantee – e.g. in the event of insolvency (inability to pay / over-indebtedness) or an administrative order of resolution measures. In case of a crisis of the Guarantor such an order can also be issued by a resolution authority in the run-up of an insolvency proceeding. Thereby the resolution authority has extensive intervention powers. Among other things, it can reduce rights of the investors to zero, terminate the guarantee or convert it into shares of the Guarantor and suspend rights of the investors.

A total loss of your capital invested is possible. The product is a debt instrument and as such is not covered by any deposit protection scheme.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. The figures assume you invest CHF 10'000.00. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment CHF 10'000.00	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period (5 years)
Total costs	CHF 261.07	CHF 528.61	CHF 828.51
Impact on return (RIY) per year	2.666%	1.744%	1.562%

Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.362%	The impact of the costs already included in the price.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	-	Not applicable
	Other ongoing costs	1.20%	The impact of the costs that we take each year for managing your investments.

How long should I hold it and can I take money out early?

Recommended Holding Period: 5 years

Investors hold this kind of product for about 5 years on average. Furthermore, this period enhances the comparability with other investment products without a fixed term.

You may exercise the product on the Exercise Dates by instructing your depository bank to (1) transmit an Exercise Notice to Bank Vontobel AG, Zurich (Exercise Agent) in accordance with the notice period, and to (2) transfer the exercised products to the Exercise Agent. Upon effective exercise you will receive a Redemption Amount as described in more detail under "What is this product?" above. In addition, you may cash in the product earlier by selling the product through the exchange where the product is listed or outside of such exchange. If you should sell the product instead of exercising it, the amount you will receive could be lower than the amount you would have otherwise received. The redemption described in section "What is this product?" above only applies if the product is held until maturity.

Exchange Listing	SIX Swiss Exchange	Price Quotation	Unit quotation
Smallest Tradable Unit	1 Product		

A sale of the product may in particular not be possible under exceptional market circumstances or in case of technical disruptions.

How can I complain?

Any complaint regarding the person advising on, or selling, the product can be submitted directly to that person via the relevant website. Any complaint regarding the product, this document or the conduct of the Manufacturer and/or the Issuer of this product can be submitted in text form (e.g. by letter or e-mail) to Bank Vontobel AG, Financial Products, Bleicherweg 21, 8022 Zurich, Switzerland, email: zertifikate.ch@vontobel.com, website: <https://derinet.vontobel.com>.

Other relevant information

The Issuance Program, any addenda thereto and the Listing Prospectus are, in accordance with legal requirements, available free of charge on the website <https://derinet.vontobel.com>. In order to obtain more detailed information - and in particular details of the structure of and risks associated with an investment in the product - you should read these documents.