

## 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

**Constant Leverage Certificate on 7X Long Index linked to Natural Gas (Henry Hub) Future**

ISIN: DE000VN9BMJ2

**Product Manufacturer:** Bank Vontobel Europe AG, Frankfurt/Main Branch, Germany, website: <https://certificati.vontobel.com>  
Call **800 798 693** for more information

**Issuer:** Vontobel Financial Products GmbH, Frankfurt/Main, Germany, with a product guarantee by Bank Vontobel Europe AG (Guarantor)

**Competent Authority:** Federal Financial Supervisory Authority (BaFin), Germany

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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 uncertificated and dematerialised book-entry form, governed by German law.

**Objectives** The objective of this product is to provide you with disproportionate (leveraged) participation in any price movement of the Underlying's Reference Instrument. This has the effect, inter alia, that you are exposed to a very high risk of a total loss of your investment. The product is a complex financial instrument linked to one Underlying (7X Long Index linked to Natural Gas (Henry Hub) Future).

The product has a fixed term and will be due on the Redemption Date. In addition, you may exercise the product on any Exercise Date. The Issuer has the right to terminate the product on any Termination Date.

After exercise or termination, otherwise after the Final Valuation Date, you will receive a Redemption Amount on the relevant Redemption Date. The redemption amount will correspond to the Reference Price of the Underlying on the relevant Exercise, Termination or Final Valuation Date, multiplied by the Ratio.

**Underlying** The Underlying is linked to the Reference Instrument and is calculated by the Index Calculation Agent. It reflects price movements in the Reference Instrument leveraged by a factor of 7 (Leverage).

An increase in the price of the Reference Instrument since the most recent calculation of an Underlying closing value results in a positive change of the Underlying as compared to the previous price of the Underlying and vice-versa. The Underlying therefore replicates a "long" strategy. The Underlying consists of a leverage component and a financing component.

The leverage component tracks an investment in the Reference Instrument, whereby movements in the price of the Reference Instrument are multiplied by the Leverage. This leverage effect occurs with either positive or negative movements in the Reference Instrument, having a disproportionate effect on the value of the Underlying. For example (leaving aside the financing component):

- A decrease in the price of the Reference Instrument by 2% results in a decrease in the Underlying by  $7 \times 2\%$ ;
- An increase in the price of the Reference Instrument by 2% results in an increase in the Underlying by  $7 \times 2\%$ .

Movements of the price of the Reference Instrument are always tracked with reference to its most recent Valuation Price. In case of a sharp decline of the Reference Instrument reaching the Barrier such level of the Reference Instrument is set as new Valuation Price. This automatic intraday adjustment is designed to prevent the Underlying from reaching negative values. However, the mechanism does not prevent you from suffering a loss up to total loss.

The financing component reflects the capital costs (see Interest Rate and Financing Spread below) that would be incurred to finance the corresponding investment in the Reference Instrument. In addition, the Index Calculation Agent charges a fee for the calculation and administration of the Underlying (Index Fee). The financing component therefore reduces the value of the Underlying and the product.

Interest Rate, Financing Spread and Index Fee are included in the calculation of the Underlying daily on a pro-rata basis.

Due to the daily adjustment of the Valuation Price, the Underlying and the Reference Instrument generally do not move in parallel over a period longer than one day; the likelihood that they will follow significantly different courses increases with each passing day. In particular, daily up-and-down fluctuations of the Reference Instrument will lead to completely different price movements of the Underlying and the Reference Instrument within a few days; this can result in a decrease of the price of the Underlying although the Reference Instrument price increases over a particular period of time.

Due to the leverage effect in the Underlying, price losses of the Reference Instrument can significantly increase price losses on the product. If the price of the Reference Instrument decreases significantly, the value of the Underlying will fall to a very low level. Subsequent – even significant – gains in the price of the Reference Instrument would only have a minor effect on the recovery of the Underlying as the starting level for a recovery in the value of the Underlying would then be very low due to the daily (or even intraday) adjustment of the Underlying to the most recent Valuation Price of the Reference Instrument.

The redemption amount will be translated from the currency of the Underlying into the currency of the product.

### Product

Product Currency	EUR	Option Type	Long
Purchase Price	EUR 0.0023	Type of Settlement	Cash
Initial Fixing Date	6 June 2017	Expiry Date	18 December 2020
Issue Date	7 June 2017	Redemption Date	5 bank business days after Exercise Date, Termination Date or Final Valuation Date
Payment Date	7 June 2017	Ratio	1
Exercise Dates/ Termination Dates	Any last bank business day of a month, first on 30 June 2017		

### Underlying

7X Long Index linked to Natural Gas (Henry Hub) Future

Type	Vontobel Leverage Index	Index Closing Level (current)	USD 0.003
ISIN	CH0327288426	Index Fee	1% p.a.
Currency	USD	Leverage	7
Index Calculation Agent	Bank Vontobel AG, Zurich, Switzerland	Barrier	-12.00%
Reference Price	Closing level, determined by the Index Calculation Agent	Interest Rate	RI USD LIBOR ON
		Financing Spread (current)	2.10% p.a.

## Reference Instrument (current)

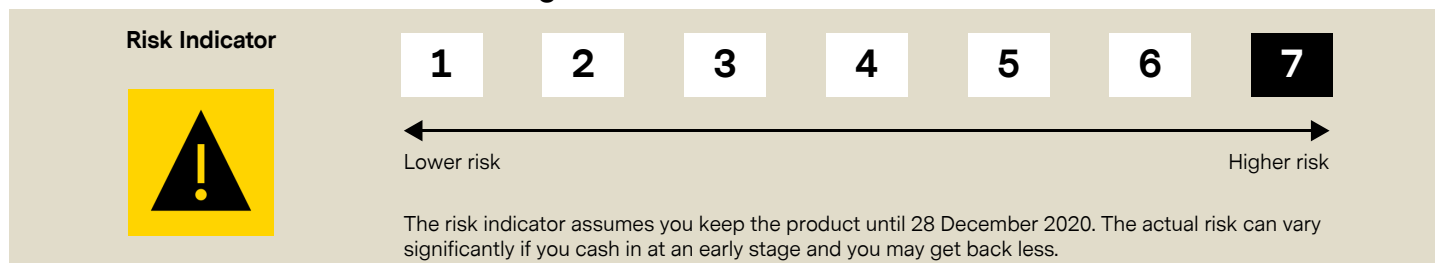
Natural Gas (Henry Hub) Future Feb 2019

ISIN	US12573E1010	Type	Future Contract
Currency	USD	Valuation Price (current)	USD 3.482
Reference Agent	NYMEX (CME Globex)		

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. 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 seek to disproportionately participate in price changes and / or to hedge another investment and have a very short-term investment horizon. The product is designed for investors with advanced 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 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level, and poor market conditions are 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

Investment EUR 10,000		Recommended holding period
		1 calendar day
<b>Scenarios</b>		
<b>Stress scenario</b>	<b>What you might get back after costs</b> Percentage return (not annualized)	<b>EUR 1,714.53</b> -82.86%
<b>Unfavourable Scenario</b>	<b>What you might get back after costs</b> Percentage return (not annualized)	<b>EUR 7,897.89</b> -21.02%
<b>Moderate scenario</b>	<b>What you might get back after costs</b> Percentage return (not annualized)	<b>EUR 9,612.60</b> -3.87%
<b>Favourable scenario</b>	<b>What you might get back after costs</b> Percentage return (not annualized)	<b>EUR 11,417.43</b> 14.17%

This table shows the money you could get back at the end of the sample period, under different scenarios, assuming that you invest EUR 10,000. The scenarios shown illustrate how your investment could perform. The recommended holding period for this product is less than one year. The figures are not calculated per year, but for the recommended holding period. Figures in this section and "What are the costs?" are not comparable with figures on products with a different recommended holding period. 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 GmbH 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 EUR 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 EUR 10,000.00

If you cash in on 28 December 2020  
(maturity)**Total costs****EUR 337.11**

Impact on return (RIY)

3.376%

**Composition of Costs**

The table below shows:

- the impact 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**

One-off costs	Entry costs	3.34%	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	0.013%	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: 1 calendar day (Sample period)**

It is not possible to individually recommend a holding period. Due to the leverage the product reacts to smallest price movements of the Underlying leading to losses or profits within unpredictable time periods. Any individual recommendation regarding the holding period would be misleading information for a speculative investor. For investors purchasing the product for hedging purposes the holding period depends on the hedging horizon of the individual investor.

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	Mercato Telematico of securitised derivatives (SeDeX) of Borsa Italiana S.p.A. (MTF)	Last Exchange Trading Day Price Quotation	15 December 2020, 17:30 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. If you sell the product before its maturity, you may receive back less than if you had kept the product until maturity.

**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 Europe AG, Financial Products, Bockenheimer Landstrasse 24, 60323 Frankfurt/Main, Germany, email: [certificati@vontobel.com](mailto:certificati@vontobel.com), website: <https://certificati.vontobel.com>.

**Other relevant information**

The prospectus, any supplements thereto and the final terms are, in accordance with legal requirements, available free of charge on the website <https://certificati.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.