

## Voncert on a "Hidden Champions Europe Ex-UK Ex-CH" Basket

### Termsheet (Final Terms)

**SSPA Designation**  
Tracker-Zertifikat (1300)

**Contact**  
+41 58 283 78 88  
www.derinet.com

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. The investors bear the issuer's credit risk.

### Product Description

As tracker certificates, VONCERTs provide the opportunity to participate in an underlying instrument's performance in a transparent way and with a single transaction. The potential yield is comparable to that of the underlying instrument.

#### Product Information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai (no rating)
Keep-Well Agreement	With Bank Vontobel AG, Zurich (Moody's Counterparty Risk Assessment A2 (cr))
Guarantor	Vontobel Holding AG, Zurich (Moody's A3)
Lead Manager	Bank Vontobel AG, Zurich
Paying, exercise and calculation agent	Bank Vontobel AG, Zurich
SSPA product type	Tracker Certificate (1300), see also www.svsp-verband.ch
Underlying	"Hidden Champions Europe Ex-UK Ex-CH" Basket
Number of underlyings per VONCERT	1 VONCERT represents 1 "Hidden Champions Europe Ex-UK Ex-CH" Basket
Issue price	EUR 100.00
Reference price	EUR 99.74
Initial fixing	14 December 2017 until 18 December 2017 The calculation agent has determined the relevant stock prices and exchange rates during the initial fixing period at its sole discretion.
Payment date	22 December 2017
Last trading day	16 June, 2020 (17:00 local time Zurich)
Final fixing	17 June 2017 until 19 June 2020 The calculation agent will determine the relevant stock prices and exchange rates during the final fixing period at its sole discretion.
Redemption	26 June 2020
Reference currency	EUR; issue, trading and redemption will follow in the reference currency
ISIN / Swiss Security Number / Symbol	CH0394762865 / 39476286 / ZHIDDV
Redemption amount	The redemption amount corresponds to the sum of the prices determined by the calculation agent at its sole discretion of the shares included in the basket, as established during the final fixing period, multiplied by the number of shares per VONCERT and converted into the reference currency, if applicable.

Basket composition (the underlying)	Share	Stock Exchange	ISIN	Currency	Weighting	Shares per VONCERT
Aurubis AG		Xetra	DE0006766504	EUR	2.94%	0.040743
Banca Generali SpA		Milan	IT0001031084	EUR	2.94%	0.103107
CHR Hansen Holding A/S		Copenhagen	DK00060227585	DKK	2.94%	0.039108
Ebro Foods SA		Spain	ES0112501012	EUR	2.94%	0.151827
Fuchs Petrolub SE		Xetra	DE0005790430	EUR	2.94%	0.066817
GRENKE AG		Xetra	DE000A161N30	EUR	2.94%	0.035787
Hera SpA		Milan	IT0001250932	EUR	2.94%	0.963373
Indus Holding AG		Xetra	DE0006200108	EUR	2.94%	0.048937
KION Group AG		Xetra	DE000KGX8881	EUR	2.94%	0.042555
KWS Saat SE		Xetra	DE0007074007	EUR	2.94%	0.008872
MARR SpA		Milan	IT0003428445	EUR	2.94%	0.138431
Moncler SpA		Milan	IT0004965148	EUR	2.94%	0.119691
Piaggio & C SpA		Milan	IT0003073266	EUR	2.94%	1.196328
Remy Cointreau SA		EN Paris	FR0000130395	EUR	2.94%	0.025369
Sixt SE		Xetra	DE0007231326	EUR	2.94%	0.039757
Teleperformance		EN Paris	FR0000051807	EUR	2.94%	0.024536
Tieto OYJ		Helsinki	FI0009000277	EUR	2.94%	0.111359
United Internet AG		Xetra	DE0005089031	EUR	2.94%	0.050518
VTG AG		Xetra	DE000VTG9999	EUR	2.94%	0.064773
Wirecard AG		Xetra	DE0007472060	EUR	2.94%	0.031886
Hornbach Holding AG & Co KGaA		Xetra	DE0006083405	EUR	2.94%	0.038618
Washtec AG		Xetra	DE0007507501	EUR	2.94%	0.038040
Nemetschek SE		Xetra	DE0006452907	EUR	2.94%	0.038588
Yoox Net-A-Porter Group		Milan	IT0003540470	EUR	2.94%	0.094422
Norma Group SE		Xetra	DE000A1H8BV3	EUR	2.94%	0.052907
Stroer SE & Co KGaA		Xetra	DE0007493991	EUR	2.94%	0.045735
Rheinmetall AG		Xetra	DE0007030009	EUR	2.94%	0.027803
Euronext NV		EN Paris	NL0006294274	EUR	2.94%	0.056249
Borregaard ASA		Oslo	NO0010657505	NOK	2.94%	0.395181
Total Produce plc		Dublin	IE00B1HDWWM43	EUR	2.94%	1.162513
Steico SE		Xetra	DE000A0LR936	EUR	2.94%	0.134043
Grifols SA		Spain	ES0171996087	EUR	2.94%	0.119808
Tui AG		Xetra	DE000TUAG000	EUR	2.94%	0.177234
Spie SA		EN Paris	FR0012757854	EUR	2.94%	0.132615

## Further Information

Issue size	300000 VONCERTs, the size may be increased
Payout	<p>To compensate for the dividends paid by the basket stocks, the Paying and Calculation Agent will determine a compensatory payment in EUR on the due days as follows: the level of the compensatory payment corresponds to the amount of the "net dividends" accrued since payment date or since the last compensatory payment (authoritative is the respective "ex-day" at the reference stock exchange). When determining the level of the individual net dividends, the Paying and Calculation Agent will consider both the applicable domestic and foreign taxes at source.</p> <p>Conversions into EUR are made on the due days at the applicable currency exchange rates.</p> <p>If authorities take measures, i.e. change tax rates or amend tax legislation, which may have an impact on the dividends, taxes at source or claimable amounts, the Paying and Calculation Agent reserves the right to include such circumstances in the calculation of the compensatory payment at its reasonably exercised discretion.</p>
Due days for compensatory payments	15 June 2018, 14 December 2018, 14 June 2019, 13 December 2019, 12 June 2020
Payment for compensatory payments	The payment is made within 5 banking days of the relevant due day.
Basket composition adjustment	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).
Early termination option	If, at the issuer's discretion, (1) a proper adjustment of the basket is not possible for whatever reason, or (2) a foreign authority imposes new taxes or duties (e.g. taxes at source) on basket components and/or on the VONCERT, the issuer shall be entitled, but not obliged, to terminate the VONCERT early. The termination shall take effect from the date on which the notice is published. In the event of a termination, the redemption amount shall be established on the relevant termination date.
Title	The structured products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.

Depository	SIX SIS AG
Clearing / Settlement	SIX SIS AG, Euroclear Brussels, Clearstream (Luxembourg)
Applicable Law / Jurisdiction	Swiss law / Zurich 1, Switzerland
Publication of notifications and adjustments	All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published under the "Product history" of the respective product at <a href="http://www.derinet.com">www.derinet.com</a> . In the case of products listed on the SIX Swiss Exchange announcements are also published at <a href="http://www.six-swiss-exchange.com">www.six-swiss-exchange.com</a> in accordance with the valid provisions.
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at <a href="http://www.derinet.com">www.derinet.com</a> .
Listing	None
Minimum investment	1 VONCERT
Minimum trading lot	1 VONCERT
Figures for fees and charges	Vontobel estimates the Issuer Estimated Value (IEV) of this product at 99.74%, which gives a Total Expense Ratio (TER) of 0.10% p.a.. No distribution charges are included in this TER figure.
Prudential supervision	Bank Vontobel AG is authorised as a bank and securities dealer in Switzerland and is subject to supervision by the Federal Financial Markets Regulator (FINMA), while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the FINMA. Vontobel Financial Products Ltd. is registered in the register of the Dubai International Finance Centre as a non-regulated company. Neither Vontobel Financial Products Ltd. nor Vontobel Holding AG are financial intermediaries subject to prudential supervision within the meaning of art. 5 para.1 subpara. a ciph. 1.-4. of the CISA.

### Tax treatment in Switzerland

Swiss Income Tax	For private investors resident in Switzerland compensatory payments qualify as taxable income. Any capital gains from this product, however, are not subject to direct federal taxes.
Swiss Withholding Tax	No Swiss withholding tax
Issuance Stamp Tax	No Swiss stamp duty at issuance
Swiss turnover tax	Secondary market transactions are not subject to the Swiss turnover tax.
General Information	<p>Transactions and payments relating to this product may be subject to further (foreign) transaction taxes, duties and/or withholding taxes, in particular a withholding tax pursuant to the Section 871(m) of the US Internal Revenue Code. All payments from this product will follow after deduction of any possible taxes and duties.</p> <p>If delivery of the underlying is stipulated, foreign taxes and duty have to be assumed by the investors.</p> <p>The taxation mentioned is a non-binding and non-exhaustive summary of the applicable treatment of Swiss-domiciled private investors for tax purposes.</p> <p>The investor's specific circumstances, however, are not taken into account. We point out that Swiss and/or foreign tax law or the authoritative practice of Swiss and/or foreign tax authorities can change at any time or specify further tax or charge liabilities (possibly even with retrospective effect). 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>

### Prospects of Profit and Losses

VONCERTs are tracker certificates which allow participating in an underlying instrument's performance in a transparent way and with a single transaction. The potential yield of the VONCERTs is comparable to that of the underlying instrument. Any potential profit consists of the positive difference between the sales price achieved, i.e. the redemption price, and the purchase price. The VONCERTs generate revenue as part of the compensatory payments, the amount of which is determined by the calculation agent. As a rule, they correspond to the net dividends accrued. The value of the VONCERTs during their term is significantly influenced by the price development and the volatility of the underlying instrument and the respective remaining term.

A loss is made if the VONCERTs 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 VONCERTs may fall significantly below the issue price/purchase price during the term and/or on maturity, which results in a corresponding loss.

Even if the performance of the underlying is positive, the price of the product during the term can be considerably below the issue price. Potential investors should bear in mind that price changes to the underlying, as well as other influencing factors, may have a negative effect on the value of structured products.

### Assumptions and limitations in preparing the market scenarios

The following market scenarios should afford the investor a simplified way of making an assessment of the significant factors that influence the investment performance of the certificate. For a precise analysis of the profit and loss scenarios, reference must be made to the formulas and definitions set out in this termsheet, (e.g. for "reimbursement"), because these scenarios have been deliberately simplified in order to make them better understandable. With the exception of those certificates for which one of the following factors is defined as the underlying (e.g. a currency certificate or a certificate of interest), the impact of these risk factors will be excluded from the simplified presentation of the scenario

- Foreign currency risks
- Interest rate risks
- Volatility risks
- Issuer risk
- Fees and costs both stemming from the certificate and for the acquisition and holding of the certificate

**Market scenarios**

Maximum gain: Underlying performance

Maximum loss: 100%

Positive scenario:

Indicative performance of the certificate: 0% to underlying performance

Necessary market performance of underlying:

- Proportional participation in positive market performance

Break even:

Indicative performance of the certificate: 0%

Necessary market performance of underlying:

- Closing price of underlying = reference price level at the time of the investment

Negative scenario:

Indicative performance of the certificate: Loss of up to 100% possible

Necessary market performance of underlying:

- Closing price of underlying is lower than the reference price level at the time of the investment

**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.

In the event of trading restrictions, sanctions and similar occurrences, the issuer is entitled, for the purpose of calculating the value of the structured product, to include at its own discretion the underlying instruments at their most recently traded price, at a fair value to be established at its sole discretion or indeed as worthless, and/or additionally to suspend pricing in the structured product or liquidate the structured product prematurely.

**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.

**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

DIFC/Dubai: This document relates to an Exempt Offer in accordance with the Markets Rules Module (MKT) of the Dubai Financial Services Authority (DFSA). This document is intended for distribution only to a person entitled to receive it under Rule 2.3.1 of the MKT. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken any steps to verify the information set out in it, and has no responsibility for it. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

European Economic Area (EEA): Investors should note the selling restrictions: since neither this termsheet nor the issuance programme meets the requirements of the EU Prospectus Directive, the implementing regulations or the national transposing measures, this security may not be publicly offered for sale within the European Economic Area (EEA) until a corresponding prospectus has been drawn up and approved by the supervisory authority, unless: (a) this offer is aimed exclusively at qualified investors, (b) this offer is aimed at fewer than 150 investors in total in each state in the EEA, (c) the minimum investment amount per investor is EUR 100,000 or the securities have a minimum nominal value of EUR 100,000, or (d) the selling price of all the securities offered is less than EUR 100,000.

## 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

Only the Termsheets published at [www.derinet.ch](http://www.derinet.ch) along with the associated notices and adjustments shall be legally valid.

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 designated as such of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)", which is usually issued on the date of the initial fixing, 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 current issuance programme, 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 (Indication) constitutes the preliminary simplified prospectus and the Termsheet (Final Terms) constitutes the definitive 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, Bleicherweg 21, 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](http://www.derinet.ch) website.

Vontobel explicitly rejects any liability for publications on other Internet platforms.

## 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.

Zurich, 18 December 2017

Bank Vontobel AG, Zurich

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

Bank Vontobel AG  
 Gotthardstrasse 43, CH-8022 Zürich  
 Telefon +41 58 283 71 11  
 Internet: <http://www.derinet.com>

Banque Vontobel SA,  
 Rue du Rhône 31, CH-1204 Genève  
 Téléphone +41 58 283 26 26  
 Internet: <http://www.derinet.com>