

Multi Defender Voncore on Celgene, GlaxoSmithKline, Novartis (Quanto CHF)

Termsheet (Final Terms)

SSPA Designation

Barrier Discount Certificate (1210)

Contact

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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 or the guarantor's credit risk.

Product Description

These products are characterised upon issue by a discount on the Notional Value, several Barriers as well as by a – albeit only conditional – redemption at the Nominal Value. The redemption at the end of the term is determined on the basis of the performance and the closing prices of the respective Underlyings: If at Final Fixing all the Underlyings are higher than the respective Barriers, the Nominal Value is repaid. If at Final Fixing at least one of the Underlyings is lower than or equal to the corresponding Barrier, the investor receives the delivery of the Underlying with the poorest performance or a cash compensation, corresponding to the closing price of this Underlying (for details see "Redemption/Delivery").

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 and Calculation agent	Bank Vontobel AG, Zurich
SSPA Product Type	Barrier Discount Certificate (1210), see also www.sspa-association.ch
Underlying	Celgene Corp. (further details on the Underlying see below)
	Spot Reference Price USD 74.19
	Strike Price USD 74.19 (100.00% of the Spot Reference Price)
	Barrier USD 53.79 (72.50% of the Spot Reference Price)
Underlying	GlaxoSmithKline PLC (further details on the Underlying see below)
	Spot Reference Price GBP 14.80
	Strike Price GBP 14.80 (100.00% of the Spot Reference Price)
	Barrier GBP 10.73 (72.50% of the Spot Reference Price)
Underlying	Novartis AG (further details on the Underlying see below)
	Spot Reference Price CHF 87.70
	Strike Price CHF 87.70 (100.00% of the Spot Reference Price)
	Barrier CHF 63.58 (72.50% of the Spot Reference Price)
Issue Price	CHF 915.50
Nominal Value	CHF 1'000.00
Maximum Yield	9.2299% resp. 9.2556% p.a. (indicative in case of repayment)
Barrier Monitoring	At Final Fixing, 01 November 2019 (closing price)
Initial Fixing	02 November 2018; Closing prices on the reference stock exchanges
Payment Date	09 November 2018
Last Trading Day	01 November 2019 (12:00 PM, local time Zurich)
Final Fixing	01 November 2019; Closing price on the reference stock exchange
Repayment Date	08 November 2019

Reference Currency	CHF; issue, trading and redemption are in the Reference Currency
Currency-hedged	Yes (Quanto CHF). The redemption is not subject to the exchange rates between Underlying currencies and Reference Currency.
ISIN / Security Number / Symbol	CH0441922561 / 44192256 / DMAACV
Redemption / Delivery	<ul style="list-style-type: none"> - In the event that none of the underlying securities reach or fall below the relevant barrier at final fixing, the nominal value shall be repaid. - If the final fixing of at least one underlying is lower than its barrier level, the notional value minus the percentage difference between the strike price and the closing price of the underlying with the greatest negative performance divided by the strike price shall be paid out. $DN \cdot (100\% - \max(\frac{K_1 - S_1(T)}{K_1}; \frac{K_2 - S_2(T)}{K_2}; \frac{K_3 - S_3(T)}{K_3}))$ <p>With: Si(T) is the Closing price of underlying i Ki is the Strike price of underlying i DN is the Nominal value</p>

Further Information

Issue size	25'000 Multi Defender Voncore, with the option to increase
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 notices and adjustments	All notices 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 www.derinet.com . In the case of products listed at SIX Swiss Exchange notifications are published at www.six-swiss-exchange.com in accordance with applicable rules, too.
Early termination	Only for fiscal or other extraordinary reasons, as well as in case of no outstanding positions (as specified in detail in the Issuance Program).
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.com .
Listing	Will be applied for in the main segment at the SIX Swiss Exchange.
Minimum investment	1 Multi Defender Voncore
Minimum trading lot	1 Multi Defender Voncore
Supervision	Bank Vontobel AG is authorised as a bank and securities dealer in Switzerland and is subject to prudential 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.

Costs and Charges

One-off costs	1.35% of the Issue Price (corresponds to the initial costs already included in the Issue Price)
Distribution charges	The One-off costs include Distribution charges of 1.09%. Distribution charges may be paid as a discount on the Issue Price or as a one-time and/or periodic payment by the Issuer to one or more financial intermediaries.

Tax treatment in Switzerland

Swiss Income Tax	Gains from this product are not subject to direct federal taxes.
Swiss Withholding Tax	No Swiss withholding tax
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 occur with any applicable taxes and duties deducted.</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).</p> <p>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>

Description of the underlying

Celgene Corp.	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange: Performance: Transferability: Financial statements:	Celgene Corp., Registered Share Celgene Corp., 86 Morris Avenue, Summit, NJ 07901, United States ISIN US1510201049 / Bloomberg <CELG UW Equity> Nasdaq Global Select Market Chicago Board Options Exchange; the calculation agent can determine another futures exchange at its discretion Available at www.nasdaq.com According to the articles of incorporation of Celgene Available at www.celgene.com
GlaxoSmithKline PLC	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange: Performance: Transferability: Financial statements:	GlaxoSmithKline PLC, Registered Share GlaxoSmithKline Plc, 980 Great West Road, Brentford, Middlesex, TW8 9GS, GB ISIN GB0009252882 / Bloomberg <GSK LN Equity> London Stock Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at www.londonstockexchange.com According to the articles of incorporation of GlaxoSmithKline Available at www.gsk.com
Novartis AG	Name and type: Company and place of registration: Identification: Reference Exchange: Futures exchange: Performance: Transferability: Financial statements:	Novartis AG, Registered Share Novartis AG, Postfach, CH-4002 Basel ISIN CH0012005267 / Bloomberg <NOVN SE Equity> SIX Swiss Exchange Eurex; the calculation agent can determine another futures exchange at its discretion Available at www.six-swiss-exchange.com According to the articles of incorporation of Novartis Available at www.novartis.com

Prospects of Profit and Losses

Any possible gain results from the difference between the (lower) Issue price and the (higher) Nominal Value or repayment price. Nevertheless, there is an upper limit to the gain, as the maximum payment is the Nominal Value.

These products have only conditional repayment at the Nominal Value defined by the individual Barriers: If at least one of the Underlyings touches or breaches its Barrier during Barrier monitoring, the right of a guaranteed repayment at the Nominal Value ceases to apply immediately. Investors should be aware that this can happen during relevant Barrier Monitoring (period of time or point(s) of time). Accordingly, the risks are considerable; given upwardly limited chances of gains, they correspond largely to the risks of a direct investment in the Underlying with the poorest performance. The lower the closing price of the Underlying with the poorest performance after falling below its Barrier, the greater the losses sustained. In extreme cases (with a closing price of the Underlying of zero), the maximum loss can lead to a loss of the capital invested. Even if the performance of the Underlyings is positive and the Barriers are not touched, 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 Underlyings, 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
- Reference bond ("default or redemption event")
- Fees and costs both stemming from the certificate and for the acquisition and holding of the certificate

Market scenarios

Maximum gain: Cap at Discount (= Strike price - Investment Price)
Maximum loss: 100%

POSITIVE SCENARIO

Indicative performance of the certificate: 0% to Cap
Necessary market performance of Underlying:
- If the Barrier is not reached, the performance corresponds to the discount
- If the Barrier was reached and the Strike price is reached or exceeded, the performance corresponds to the Cap
- If the Barrier was reached and the Strike price is not reached, but the price loss of the relevant Underlying is smaller than the discount, then the performance lies between 0% and the Cap

BREAK EVEN

Indicative performance of the certificate: 0%
Necessary market performance of Underlying:
- Barrier reached
- Price loss of the relevant Underlying = discount

NEGATIVE SCENARIO

Indicative performance of the certificate:

Loss of up to 100% possible

Necessary market performance of

- Barrier reached

Underlying:

- Closing price of Underlying is lower than the investment price, i.e. price loss of the relevant Underlying > discount

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 guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the guarantor. For further information on the rating of Bank Vontobel AG or Vontobel Holding AG, please see the Program.

Selling Restrictions

U.S.A., U.S. Persons, UK, DIFC/Dubai

European Economic Area (EEA): Investors should note the selling restrictions: since neither this termsheet nor the Issuance Program 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 and selling restrictions

Please also note the additional risk factors and selling restrictions set out in detail in the Issuance Program.

Legal Notices

Product documentation

Only the Termsheets published at www.derinet.com 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 initial 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 Program, registered with SIX Swiss Exchange (the „Issuance Program“), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Program, 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 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 Program, 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, Switzerland (telephone: +41 58 283 78 88) and may also be downloaded on the www.derinet.com 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 (for details see "Figures for fees and charges"). 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 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 Program, 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, 02 November 2018
Bank Vontobel AG, Zurich

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

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