

## CAD FX Discount Certificate on CAD/CHF

### Termsheet (Final Terms)

**SSPA Designation**

Discount Certificate (1200)

Individual Placement

**Contact**

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[www.derinet.com](http://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 correspond to a combination of a financial investment in the investment currency and an option strategy on the alternative currency. They have a maximum maturity of one year. The redemption at the end of the term is determined on the basis of the final fixing of the underlying: Depending on the price performance of the underlying compared to the strike price, the redemption at a predetermined amount is made either in the investment currency or in the alternative currency. (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 agent	UBS Switzerland AG
Calculation agent	Bank Vontobel AG, Zurich
SSPA Product Type	Discount Certificate (1200), see also <a href="http://www.sspa-association.ch">www.sspa-association.ch</a>
Underlying	<b>CHF per 1 CAD</b> (further details on the Underlying see below) Spot Reference Price 0.7428 CHF per 1 CAD Strike Price 0.7600 CHF per 1 CAD Reference Final Fixing Interbank spot rates
Investment Currency	CAD
Alternative Currency	CHF
Issue Price	100.00% of the Nominal Value
Nominal Value	CAD 0.01
Maximum Yield	0.2237% (2.59000% p.a.)
Day Count Fraction	Act/360, modified following, adjusted
Initial Fixing	11 January 2019 (2:23 PM, local time Zurich)
Payment Date (Issue Date)	15 January 2019
Final Fixing	13 February 2019; New York Cut (10:00 AM, local time New York)
Repayment Date	15 February 2019
Reference Currency	CAD; issue and trading are in the Reference Currency
Currency-hedged	The product isn't currency hedged, i.e. all amounts determined in the Currency of the Underlying will be converted into the Reference Currency at the relevant exchange rate.
ISIN / Security Number / Symbol	CH0449932844 / 44993284 / -
Redemption / Delivery	- SCENARIO 1: Redemption of CAD 2'004'474.00

If the CAD/CHF exchange rate closes below the strike price of 0.7600 CHF per 1 CAD at final fixing, the investor is repaid CAD 2'004'474.00. This corresponds to a yield of 2.59000% p.a.

- SCENARIO 2: Redemption of CHF 1'523'400.25

If the CAD/CHF exchange rate closes at or above the strike price of 0.7600 CHF per 1 CAD at final fixing, the investor is repaid in CHF. The total payment in CHF corresponds to CAD 2'004'474.00 converted at the strike price of 0.7600 CHF per 1 CAD.

### Further Information

Issue size	CAD 2'000'000
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	UBS Switzerland AG
Clearing / Settlement	UBS Switzerland AG
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 <a href="http://www.derinet.com">www.derinet.com</a> .
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	Bank Vontobel AG accepts orders for secondary market transactions from your sales agent. Indicative daily prices of this product are available at <a href="http://www.derinet.ch">www.derinet.ch</a> .
Listing	None
Minimum investment	CAD 1.00 Nominal Value
Minimum trading lot	CAD 0.01 nominal value
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	0.11% 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 0.09%. 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. If delivery of the underlying is stipulated, the swiss turnover tax may, however, be imposed.
General Information	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.  If delivery of the underlying is stipulated, foreign taxes and duties have to be assumed by the investors.  The taxation mentioned is a non-binding and non-exhaustive summary of the applicable treatment of Swiss-domiciled private investors for tax purposes. 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.

## Description of the underlying

CHF per 1 CAD	Name and type:	Swiss Franc per 1 Canadian Dollar
	Identification:	ISIN CADCHF / Bloomberg <CADCHF Curncy>
	Reference Price:	Exchange Rate determined by the Reference Agent
	Reference Agent:	Bank Vontobel AG
	Performance:	Available at <a href="http://www.bloomberg.com/markets/currencies/fx-fixings">www.bloomberg.com/markets/currencies/fx-fixings</a>

## Prospects of Profit and Losses

A gain with the maximum yield results given a corresponding performance of the underlying (exchange rate) as per scenario 1. Nevertheless, the gain is upwardly limited as a maximum of the nominal value plus the yield is paid out.

A contrary development of the exchange rate as per scenario 2 and a related repayment in an alternative currency instead of the investment currency may result in a loss. Accordingly, the risks of an investment in this product are considerable; given upwardly limited chances of gains, they correspond largely to the risks of the authoritative exchange rate.

Even if the performance of the Underlying is negative 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.

### 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 Strike price is reached or exceeded, the performance corresponds to the Cap  
- If the Strike price is not reached, but the price gain 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: - Closing price of the Underlying = Investment price

#### NEGATIVE SCENARIO

Indicative performance of the certificate: Loss of up to 100% possible  
Necessary market performance of Underlying: - Closing price of Underlying is higher than the investment price

## 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.

**Further risk information**

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

**Selling Restrictions**

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

**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 authorized financial adviser.

**Europe**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), this Product may only be offered to the public in that Relevant Member State:

- (a) at any time to persons who are qualified investors as defined in the Prospectus Directive;
  - (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Lead Manager for any such offer; or
  - (c) at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,
- provided that no such offer referred to in (a) to (c) above shall require the Issuer or Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

**USA**

This Product may not be sold or offered within the United States or to U.S. persons.

**Hong Kong**

Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

THIS IS A STRUCTURED PRODUCT WHICH INVOLVES DERIVATIVES. DO NOT INVEST IN IT UNLESS YOU FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS ASSOCIATED WITH IT. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN THE PRODUCT, YOU MAY CLARIFY WITH THE INTERMEDIARY OR SEEK INDEPENDENT PROFESSIONAL ADVICE.

**Singapore**

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Product may not be circulated or distributed, nor may this Product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where this Product is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant of an offer made under Section 275 of the SFA except:
  - (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;
  - (2) where no consideration is or will be given for the transfer;
  - (3) where the transfer is by operation of law;
  - (4) as specified in Section 276 (7) of the SFA; or
  - (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## Legal Notices

### Product documentation

Only the Termsheets published at [www.derinet.com](http://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.

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 (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](http://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.

### Responsibility for the product documentation

Bank Vontobel AG takes responsibility for the content of the product documentation (including the related notifications and amendments) 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, 11 January 2019 / Deritrade-ID: 393918542

Bank Vontobel AG, Zurich

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

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