

STRATEGIC CERTIFICATE in CHF on a "Swiss Real Estate" Reference Portfolio

PRODUCT DESCRIPTION

As tracker certificates, strategic certificates provide the opportunity to invest in the Investment Manager's investment strategy. The investment strategy defined by the Investment Manager is implemented in a discretionary reference portfolio that forms the underlying instrument of the certificate. The Investment Manager is responsible for selecting the respective components of the reference portfolio from the defined investment universe, as well as for the timing of the shifts in the reference portfolio. The earnings potential is comparable with the performance of a corresponding reference portfolio.

In Switzerland, these financial instruments are regarded as structured products with an underlying instrument managed in a discretionary manner. They are not collective capital investments as defined in the Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to the approval and supervision of the Federal Financial Markets Regulator FINMA. The investors bear the issuer's or the guarantor's credit risk. The investors do not acquire any contractual or property claims to a special fund, nor are they entitled to demand that the issuer replicates or hedges the reference portfolio with the issuing proceeds.

Product information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai, UAE (is not subject to any prudential supervision and has no rating)
Keep-Well Agreement	With Bank Vontobel AG, Zurich (is subject to the supervision of the Federal Financial Markets Regulator FINMA, Moody's A2; see its complete wording in the Issuance Programme)
Guarantor	Vontobel Holding AG, Zurich (Moody's A3)
Lead Manager	Bank Vontobel AG, Zürich
Paying, exercise and calculation agent	Bank Vontobel AG, Zürich
Investment Manager	Erfisa SA, Nyon (www.erfisa.com) (is not subject to any prudential supervision)
SSPA product type	Tracker Certificate (1300), see also www.svsp-verband.ch
Underlying	Actively-managed Swiss Real Estate quoted funds (SIX). The Swiss Real Estate reference portfolio is a CHF denominated portfolio that is managed by the Investment Manager in a discretionary manner in accordance with the investment strategy shown below. The reference portfolio comprises components from the investment universe defined below.
Underlying per Strategic Certificate	1 strategic certificate corresponds to an investment of CHF 100.00 in the value of the reference portfolio at issue.
Issue price	CHF 101.15 (including an initial issue fee of 1.15%)
Reference price of Underlying	CHF 100.00
Initial fixing	November 13, 2015
Payment date	November 20, 2015
Maturity	Open End
Reference Currency	CHF; Issue, trading and redemption in reference currency
Swiss Sec. Number / ISIN / VT Symbol	2417 3390 / CH0241733903 / VZERF
Issuer's termination right	The issuer is entitled to terminate all Strategic Certificates outstanding at the time on the next possible reference date, subject to a notice period of one month.
Investment Manager's termination right	The Investment Manager is entitled to terminate the Strategic Certificate's underlying investment strategy, subject to notice period of one month on the next possible reference date. In such case the issuer will terminate the Strategic Certificates in accordance with its above defined termination right.
Reference dates	First Tuesdays in April and October.
Investor's redemption right	In addition to secondary market trading, the investors may also redeem the certificates they hold on any trading day at the end-of-day's value of the reference portfolio calculated per certificate. The redemption request must be received by the Issuer and the Calculation Agent by 3:00 p.m. on a trading day, in order to be effective on this trading day. Redemptions received after that time will not become effective until the next trading day.
Repayment Date	In case of termination by the issuer, 5 trading days after the relevant reference date; In case of termination by the investor, 5 trading days after the effectiveness of the termination;

Repayment amount	Each certificate gives the right on the Repayment date to the repayment of an amount in CHF equal to the value of the reference portfolio on the relevant Reference date (in the case of termination by the Issuer or the Investment Manager) or respectively on the day on which the redemption request becomes effective (in the case of redemption from the investor) divided by the sum of outstanding certificates on the actual date of termination or, respectively, effective date of redemption.
Value of the reference portfolio	The value of the reference portfolio on any given trading day corresponds to the sum of the closing prices calculated at the sole discretion of the Calculation Agent on the respective primary stock exchange for the reference portfolio components contained in the portfolio, multiplied by the respective number of the corresponding reference portfolio components and any available cash share, whereby the accrued management fees, rebalancing fees and any additional fees and taxes must be deducted from this sum. The value of the reference portfolio is always shown in the product currency. If reference portfolio components are traded on the principal stock exchange in a currency other than the product currency or a cash share is held in a currency other than the product currency, they are converted into the product currency by the Calculation Agent, which determines the conversion rate at its discretion. The value of the reference portfolio and the composition is published by the Calculation Agent every month in a report that is available in electronic form from the Calculation Agent.
Treatment of the yields	The net income attributable to the reference portfolio components is credited to the reference portfolio in purely mathematical terms. Net income comprises amounts due from the reference portfolio components after deduction of any withholding taxes and other fees and charges, and without taking into account any tax reimbursement claims.
Management Fee	The management fee of 1.50% p.a. is deducted daily from the value of the reference portfolio, calculated on the current value of the reference portfolio.
Rebalancing Fee	For portfolio rebalancings, the calculation agent charges rebalancing fees to the Reference Portfolio. The amount of these charges is defined in Appendix 1. Possible taxes and fees are not included in the rebalancing fee and have to be assumed by the investor.
Figures for fees and charges	Vontobel estimates the Issuer Estimated Value (IEV) of this product at 98.85% (assuming a rebalancing activity usual in the market), which gives a Total Expense Ratio (TER) of 1.75% p.a. Distribution charges up to 0.10% p.a. are included in this TER figure. Distribution charges which are paid due to some reference portfolio components (for example, investment funds, structured products, etc.) are disclosed by the respective issuer and are not included in the aforementioned TER figure.
Investment strategy	<p>This strategic certificate reproduces an investment strategy that is defined under the sole responsibility of the Investment Manager and without the support or advice of the issuer and/or Calculation Agent:</p> <p>The underlying instrument generally comprises a maximum of 20 and a minimum of 5 reference portfolio components from the investment universe, whereby no reference portfolio component may be weighted at more than 20 per cent at the time of investment. Short-selling is not allowed. At the time of the portfolio rebalancing and depending on the current market environment, and where there is a lack of favourable investment opportunities, the cash share may increase to up 50% of the certificate (CHF). Real estate funds are carefully selected by the Investment Manager. Basically, the strategy aims to gain exposure to Swiss real estate. However, a European real estate exposure as part of the selected components is tolerated.</p> <p>Neither the issuer nor the Calculation Agent is obliged to monitor the Investment Manager's compliance with the investment restrictions.</p>
Investment process	The investment process is made up of the combination of strategic Swiss Real Estate funds picking based on a multi criteria selection such as: growth potential, risk allocation between commercial and non-commercial exposure, agio, liquidity, geographical allocation, interest rates evolution, etc.
Investment universe	The investment universe comprises funds included in Appendix II. All reference portfolio components must feature sufficient market liquidity relative to the respective outstanding value of the reference portfolio. All components are invested in CHF only.
Investment strategy/Rebalancing	The Investment Manager is entitled to regroup the reference portfolio components daily. The calculation agent has the right, without stating reasons, to refuse to invest in individual securities.
Further Information	
Issue size	100'000 Strategy Certificates, the size may be increased
Payout	<p>The Investment Manager might determine a compensatory payment in CHF on the due days as follows: the level of the compensatory payment will be determined discretionary:</p> <ul style="list-style-type: none"> - Payout announcement date: Annually on 05 June, being the date on which the Investment Manager announces the payout amount - Payout ex-date / payout payment date: Annually on 15 June, being the date on which the Issuer shall pay the payout amount to the Certificates holders <p>If authorities take measures, i.e. change tax rates or amend tax legislation, which may have an impact on the distributed proceeds, 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>
Business day convention	Modified following
Clearing / Settlement	SIX SIS AG
Listing	None
Secondary market trading	Bank Vontobel AG accepts orders for secondary market transactions from the Bank of the Certificate's holder. Indicative daily prices of this product are available by telephone.

Minimum investment	1 Strategic Certificate
Minimum trading lot	1 Strategic Certificate
Fiscal treatment in Switzerland	<p>This product qualifies under tax law as a "Dynamic Basket Certificate" with active management which corresponds to an "asset pool similar to an investment fund". The investment income accrued (retained or distributed) is subject to income tax so far as it is not declared (tax-free) capital gains. Each year the calculation agent will submit the annual financial statements for the basket, required for tax purposes, to the FTA, provided that for practical reasons, such is possible and reasonable. In the case that is not possible or reasonable for the Calculation Agent to submit to the FTA the mentioned financial statements - whereof the Calculation Agent determines at its sole discretion - will be sent an estimated discretionary predisposition based on a fair market yield on the net assets per closing date.</p> <p>No Swiss withholding tax, no stamp duties at issuance, however primary and secondary market transactions are subject to Swiss stamp duty.</p> <p>For Swiss paying agents this product is basically not subject to the EU tax on interest.</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. If such changes cause additional transaction- and/or withholding taxes, the issuer has the right to shift it to the certificate. 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>
Title	The Structured Products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.
Applicable Law / Jurisdiction	Swiss law / Zürich 1, Switzerland
Prudential supervision	As a bank and prudentially supervised financial intermediary, Bank Vontobel AG is subject to the supervision of individual banks, while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the Federal Financial Markets Regulator 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.

PROSPECTS OF PROFIT AND LOSSES

Any potential profit consists of the positive difference between the sales price achieved or redemption price (in the event of termination) and the purchase price. As a rule, the profit is not capped. The performance corresponds mainly to that of the underlying reference portfolio. A loss is made if the Certificate is sold or redeemed at a lower rate than the purchase price paid. Such a loss scenario can occur if value-determining factors such as interest developments, ratings, changes in creditworthiness or exchange rate developments have a negative effect on individual or several basket components. Negative results due to the investment Manager's investment strategy cannot be ruled out and Bank Vontobel assumes no guarantee for the success or for a specific performance of this investment strategy. This product offers no capital protection, meaning that the possibility of a total loss of the capital invested cannot be ruled out.

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

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.

No property rights, no special funds

This certificate corresponds to a theoretical reproduction of the components contained in the reference portfolio. The issuer is not obliged to actually reproduce these components in respect to the reference portfolio, which is why no special fund is created for this certificate. Accordingly, the certificate holders have no rights (property rights, separation rights etc.) to the reference portfolio components.

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.

Investment Manager

The performance of the reference portfolio depends on, among other things, the Investment Manager's competence in selecting the reference portfolio components and the timing of the portfolio shifts. The issuer does not monitor the investment decisions made by the Investment Manager in this respect and assumes no responsibility for them.

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 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 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, November 13, 2015

Bank Vontobel AG, Zürich

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



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APPENDIX 1

REBALANCING FEE

At Rebalancings, the Calculation Agent will charge the reference portfolio with the following rebalancing fees:

Where	Code BB Exchange	Transaction fee in bps
Switzerland	SE	15

APPENDIX 2

Investment universe:

Bloomberg Ticker	name	id_isin
SIMA SW Equity	UBS PRPRTY FD SW MIXD SIMA	CH0014420878
CSLP SW Equity	CS REAL ESTATE LIVINGPLUS	CH0031069328
SIAT SW Equity	CREDIT SUISSE REAL EST SIAT	CH0012913700
ANFO SW Equity	UBS PRPRTY FD SW RESIDTL ANF	CH0014420829
INT SW Equity	CREDIT SUISSE REAL EST INTSW	CH0002769351
IM SW Equity	IMMOFONDS	CH0009778769
SREA SW Equity	UBS PRPRTY FD SW COM SW REAL	CH0014420886
SIC SW Equity	SWISSCANTO CH REAL ESTA IFCA	CH0037430946
CSPP SW Equity	CS REAL ESTATE FUND PROP PLS	CH0045159842
FOC SW Equity	LA FONCIERE	CH0002782263
SRI SW Equity	SCHRODER IMMOPLUS	CH0007251413
FIR SW Equity	FONDS IMMOBILIER ROMAND	CH0014586710
FONC SW Equity	UBS PRPRTY FD LEMAN RESD FON	CH0014420852
SOL61 SW Equity	SOLVALOR 61	CH0002785456
HOSP SW Equity	CS REAL ESTATE FD HOSPITALIT	CH0118768057
SREIF SW Equity	SWISSINVEST REAL ESTATE INVE	CH0026168846
IMHE SW Equity	IMMO HELVETIC	CH0002770102
GREEN SW Equity	CS REAL ESTATE FD GREEN PROP	CH0100778445
BIM SW Equity	BONHOTE - IMMOBILIER	CH0026725611
PSCF SW Equity	PROCIMMO SWISS COMMERCIAL	CH0033624211
ERRES SW Equity	ED DE ROTHSCHILD REAL ESTATE	CH0124238004
RSPF SW Equity	REALSTONE SWISS PROPERTY	CH0039415010
DRPF SW Equity	UBS PROPERTY FUND DIRECT RES	CH0026465366
PSREF SW Equity	PATRIMONIUM SWISS REAL ESTAT	CH0034995214
SFPF SW Equity	SF SUSTAINABLE PROPERTY FUND	CH0120791253
STA SW Equity	FIDFUND-RESIDENTIA	CH0100612339