

EXPRESS VONCERT PHOENIX

on Adecco, Holcim, Sanofi (Quanto CHF)

PRODUCT DESCRIPTION

EXPRESS VONCERT Phoenix are characterized by possible attractive coupon payments. If all underlyings close at or above their coupon levels on a monitoring date, a coupon with a memory effect is paid out. Memory effect means that coupon payments which are not made may be provided at a later date of payment. If all underlyings close at or above their early redemption levels on a monitoring date, the Express VONCERT Phoenix is repaid early. Together with the nominal value, a coupon with a memory effect is paid out which is calculated on the relevant monitoring date. If no early redemption has been made, the following settlement conditions shall apply upon maturity: If all underlyings close above the barrier, the nominal value is repaid and possibly also the coupon with memory effect. If at least one underlying closes at or below the barrier, the physical delivery will consist of the set number of underlyings with the worst percentage price performance or a cash compensation is paid. (for details see "Early redemption/Redemption").

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 information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai (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 Swiss Financial Market Supervisory Authority FINMA, Moody's A2; see its complete wording in the Issuance Programme)			
Garant	Vontobel Holding AG, Zürich (Moody's A3)			
Lead Manager	Bank Vontobel AG, Zurich			
Paying and Calculation Agent	Bank Vontobel AG, Zurich			
SSPA product type	Express Certificate (1260), see also www.svsp-verband.ch			
Underlying	Adecco SA Holcim Ltd. Sanofi SA (further details on the underlyings see below)			
Issue price	CHF 1000.00			
Notional	CHF 1000.00			
Strikes/Barriers	Underlying	Strike	Barrier (in %)	Ratio
	Adecco SA	CHF 76.15 (100%)	CHF 53.31 (70%)	13.13198
	Holcim Ltd.	CHF 75.30 (100%)	CHF 52.71 (70%)	13.28021
	Sanofi SA	EUR 91.35 (100%)	EUR 63.95 (70%)	*
Early Redemption Levels/Coupon Levels	Underlying	Early Redemption Level (in%)	Coupon Level (in%)	
	Adecco SA	CHF 72.34 (95%)	CHF 60.92 (80%)	
	Holcim Ltd.	CHF 71.54 (95%)	CHF 60.24 (80%)	
	Sanofi SA	EUR 86.78 (95%)	EUR 73.08 (80%)	
Number of underlyings	The number of underlyings per Express VONCERT Phoenix will be calculated at final fixing according to the following formula: $\text{Notional} / (\text{Strike} \times \text{Forex (Final fixing)})$ where: Forex (Final fixing) is the exchange rate EURCHF at final fixing as observed on the relevant Fixing page (No. of units of CHF for one unit EUR).			
Fixing page	EURCHF, published by the European Central Bank and available at the Reuters page ECB37.			
Barrier monitoring	At final fixing, May 19, 2020 (closing prices)			
Initial Fixing	May 19, 2015, closing prices			
Payment date	May 26, 2015			
Last trading day	May 19, 2020 (12:00 hours CET)			
Final fixing	May 19, 2020, closing prices			
Repayment date	May 26, 2020			

Reference currency	CHF; issue, trading and redemption will follow in the reference currency
Swiss Sec. Number / ISIN / VT Symbol	2417 3474 / CH0241734745 / VEAHS
Currency-hedged	Yes (Quanto). The exchange rate is 1.00 CHF for 1.00 EUR.

Further Information

Issue size	30'000 Express VONCERT Phoenix, the size may be increased
Coupon payments / Calculation	<p>If all underlyings close at or above their relevant coupon levels on a monitoring date, the coupon is calculated as specified below and paid out on the next payment date:</p> <p>Coupon = nominal value * 2.50% * (N+1)</p> <p>N is the amount of payment days without coupon paid out since the last payment day with (positive) coupon paid out.</p>

Monitoring Date Early Redemption	Monitoring Date Coupon	Redemption Date
August 19, 2015	August 19, 2015	August 26, 2015
November 19, 2015	November 19, 2015	November 26, 2015
February 19, 2016	February 19, 2016	February 26, 2016
May 19, 2016	May 19, 2016	May 26, 2016
August 19, 2016	August 19, 2016	August 26, 2016
November 21, 2016	November 21, 2016	November 28, 2016
February 20, 2017	February 20, 2017	February 27, 2017
May 18, 2017	May 18, 2017	May 26, 2017
August 21, 2017	August 21, 2017	August 28, 2017
November 20, 2017	November 20, 2017	November 27, 2017
February 19, 2018	February 19, 2018	February 26, 2018
May 18, 2018	May 18, 2018	May 28, 2018
August 20, 2018	August 20, 2018	August 27, 2018
November 19, 2018	November 19, 2018	November 26, 2018
February 19, 2019	February 19, 2019	February 26, 2019
May 20, 2019	May 20, 2019	May 27, 2019
August 19, 2019	August 19, 2019	August 26, 2019
November 19, 2019	November 19, 2019	November 26, 2019
February 19, 2020	February 19, 2020	February 26, 2020
-	May 19, 2020 (Final Fixing)	May 26, 2020 (Repayment)

Early redemption	If all underlyings close at or above their early redemption levels on a monitoring date, the issuer redeems the Express VONCERT Phoenix on the next payment date. The redemption is made at the nominal value, plus a coupon in accordance with the coupon payment.
Redemption/delivery	<p>Provided that no early redemption has been made, the following rule is applied on the final fixing date:</p> <ul style="list-style-type: none"> If all underlyings close above their relevant barriers, every Express VONCERT Phoenix is redeemed at its nominal value. This includes the above coupon payment rules. If at least one underlying closes at or below its respective barrier, the physical delivery will consist of the set number of underlyings with the worst percentage price performance; figures after the decimal point are not accumulated and are settled in cash.
Clearing / Settlement	SIX SIS AG
Listing	None
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 www.derinet.ch , and, in the case of products listed on the SIX Swiss Exchange in accordance with the valid provisions at www.six-swiss-exchange.com .
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.ch .
Price setting	Secondary market price quotations are 'dirty', that is, accumulated interests are included.
Minimum investment	1 Express Certificate Phoenix
Minimum trading lot	1 Express Certificate Phoenix
Tax treatment in Switzerland	This product qualifies as transparent with predominantly one-off interest payments (IUP). The return determined on the bond component of the product for the holding period is subject to direct federal taxes (modified taxation of the difference).

The issuer would like to point out to investors that, in accordance with current Swiss FTA practice, any negative interest rates for the taxes shall be disregarded and, in particular, costs due to negative interest rates are not a tax-deductible expense. No warranty is provided for statements regarding tax treatment.

Neither withholding tax nor the stamp duty at issuance is imposed. Secondary market transactions are subject to the Swiss securities transfer tax (TK22). If delivery of the underlying is stipulated, the securities transfer tax may, however, be imposed.

For Swiss paying agents this product is not subject to the EU tax on interest (TK7).

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). The levying and transferring of further taxes and charges, such as (foreign) transaction taxes, taxes at source and/or withholding taxes, to the investor remains expressly reserved (see also the corresponding tax law explanations in the issuance programme).

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.

Net present value of bond components upon issue	CHF 1013.67
Discounting factor (IRR) upon issue	-0.27108%
Title	The structured products are issued in the form of non-certificated book-entry securities of the issuer. No certificates, no printing of bonds.
Early termination	Only possible for fiscal or other extraordinary reasons (as specified in detail in the issuance program).
Applicable Law / Jurisdiction	Swiss law / Zurich 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.
Figures for fees and charges	Vontobel estimates the Issuer Estimated Value (IEV) of this product at 98.10%, which gives a Total Expense Ratio (TER) of 0.38% p.a.. Distribution charges up to 0.30% p.a. are included in this TER figure.
Description of the underlying Adecco SA	Name: Adecco SA, Registered Shares Company and place of registration: Adecco SA, CH-1275 Chésereux Identification: ISIN CH0012138605 / Swiss Sec. No. 1213860 / Bloomberg <ADEN VX Equity> Reference stock exchange: SIX Swiss Exchange Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: ADEN:VX) Transferability: As per the articles of association Adecco SA Financial statements: Available at www.adecco.com
Description of the underlying Holcim Ltd.	Name: Holcim Ltd., Registered Shares Company and place of registration: Holcim Ltd, Zürcherstrasse 156, CH-8645 Jona Identification: ISIN CH0012214059 / Swiss Sec. No. 1221405 / Bloomberg <HOLN VX Equity> Reference stock exchange: SIX Swiss Exchange Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: HOLN:VX) Transferability: As per the articles of association Holcim Ltd. Financial statements: Available at www.holcim.com
Description of the underlying Sanofi SA	Name: Sanofi SA, Bearer Shares Company and place of registration: Sanofi SA, 174, 54, rue de la Boetie, Paris, 75008, France Identification: ISIN FR0000120578 / Swiss Sec. No. 699381 / Bloomberg <SAN FP Equity> Reference stock exchange: Euronext Paris Futures exchange: Eurex; the calculation agent can determine another futures exchange at its discretion Performance: Available at www.bloomberg.com (Symbol: SAN:FP) Transferability: As per the articles of association Sanofi SA Financial statements: Available at www.sanofi.com

PROSPECTS OF PROFIT AND LOSSES

Any possible profit results from the coupons with a memory effect. The maximum profit is, however, capped, as the nominal value plus one or more coupons is paid out as a maximum. If all underlyings close at or above their early redemption levels on a monitoring date, the Express VONCERT Phoenix is repaid early.

These products have – in addition to the coupon – 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 repayment at the nominal value ceases to apply immediately. Accordingly, the risks of an investment in an Express VONCERT Phoenix are significant; they mainly correspond - with capped profit opportunities - to the risks of a direct investment in the underlying with the worst price performance. The further the closing price of the underlying with the worst price performance is below the exercise price on maturity, the bigger the sustained loss.

The maximum loss can, in extreme cases (at a closing price of the underlying of zero), result in a loss of the capital invested. Even if the underlying's price performance remains positive and if there is no barrier breach, the product's price may be listed well below the issue price during the term. Potential investors should bear in mind that not only price changes in the underlying, but other influencing factors may also 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

Fees and costs both stemming from the certificate and for the acquisition and holding of the certificate

Market scenarios

Maximum gain: Cap at the sum of all possible coupons

Maximum loss: 100%

Positive scenario:

Indicative performance of the certificate: 0% to sum of all possible coupons

Necessary market performance of underlying:

- Barrier not reached
- Coupon payments depending on the positive performance of the underlying

Break even:

Indicative performance of the certificate: 0%

Necessary market performance of underlying:

- Barrier reached
- Price loss of the relevant underlying = sum of paid coupons

Negative scenario:

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

Necessary market performance of underlying:

- Barrier reached
- Price loss of the relevant underlying > sum of paid coupons

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, EEA.

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.

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, May 19, 2015

Bank Vontobel AG, Zurich

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



Private Banking
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Performance creates trust

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