

**Supplement**  
dated 15 November 2021

to the Base Prospectus for  
Tracker Certificates and  
Open-End Tracker Certificates  
dated 4 June 2021



# Supplement

dated 15 November 2021

to the Base Prospectus for  
Tracker Certificates and  
Open-End Tracker Certificates  
dated 4 June 2021

## **Vontobel Financial Products GmbH**

Frankfurt am Main, Germany  
(the "**Issuer**")

## **Bank Vontobel Europe AG**

Munich, Germany  
(the "**Offeror**")

## **Vontobel Holding AG**

Zurich, Switzerland  
(the "**Guarantor**")

Investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right according to Article 23 paragraph 2a of the Regulation (EU) 2017/1129 dated 14 June 2017 as amended from time to time (the "**Prospectus Regulation**"), exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first.

**Statement concerning the right of withdrawal**

**A right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted.**

**Investors can exercise their right of withdrawal within three working days after the publication of the supplement.**

**Investors must contact the Issuer (Vontobel Financial Products GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany; email: [vfp-frankfurt@vontobel.com](mailto:vfp-frankfurt@vontobel.com)) should they wish to exercise the right of withdrawal.**

This supplement dated 15 November 2021 (the "**Supplement**") as well as the Base Prospectus for Tracker Certificates and Open-End Tracker Certificates dated 4 June 2021 (the "**Base Prospectus**") are published on the website of the Issuer (<https://prospectus.vontobel.com>) by entering the respective ISIN of the security. In addition, the Issuer will have copies of the Supplement and the Base Prospectus available free of charge.

## Table of contents

<b>1. Reason for the Supplement</b>	<b>5</b>
<b>2. Amendments to the Base Prospectus</b>	<b>5</b>
<b>Annex A: Guide to the First Solutions CED Dynamic Allocation Index</b>	<b>7</b>
<b>Annex B: Guide to the First Solutions GBA Index</b>	<b>8</b>
<b>Annex C: Guide to the Vontobel China New Vision Index</b>	<b>9</b>

---

## 1. Reason for the Supplement

The Issuer announces the following new factors relating to the information included in the Base Prospectus:

- (1) The index guide of the strategic index called "*First Solutions CED Dynamic Allocation Index*" was amended to the base prospectus dated 4 June 2021 for Tracker Certificates and Open-End Tracker Certificates in section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" by way of a supplement pursuant to Article 19 of the Prospectus Regulation. The index guidelines of this strategic index were amended and re-dated by the index calculation agent. This new factor occurred on 15 November 2021.
- (2) The index guide of the strategic index called "*First Solutions GBA Index*" was amended to the base prospectus dated 4 June 2021 for Tracker Certificates and Open-End Tracker Certificates in section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" by way of a supplement pursuant to Article 19 of the Prospectus Regulation. The index guidelines of this strategic index were amended and re-dated by the index calculation agent. This new factor occurred on 15 November 2021.
- (3) The index guide of the strategic index called "*Vontobel China New Vision Index*" was amended to the base prospectus dated 4 June 2021 for Tracker Certificates and Open-End Tracker Certificates in section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" by way of a supplement pursuant to Article 19 of the Prospectus Regulation. The index guidelines of this strategic index were amended and re-dated by the index calculation agent. This new factor occurred on 15 November 2021.
- (4) The optional text in section IV. Further Information on the Offer of the Securities – 2. Information on the terms of the offer – subheading "[*If placement of the Securities is planned through "door-to-door selling" in Italy: Placement of the Securities through "door-to-door selling" in Italy*]" was amended in the context of planned activities in the primary market in Italy. This new factor occurred on 15 November 2021.

## 2. Amendments to the Base Prospectus

As a result of the reasons for the supplement mentioned under section 1. the Base Prospectus shall be amended as follows:

- (1) (a) The index guide to "*First Solutions CED Dynamic Allocation Index*" inserted in section 13. "List of Vontobel Strategy Indices and Dynamic Baskets" behind page 177 of the Base Prospectus is completely removed.  
(b) In section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" after page 177 of the Base Prospectus the index guide to the "*First Solutions CED Dynamic Allocation Index*" as set out in Annex A to this Supplement shall be inserted.
- (2) (a) The index guide to "*First Solutions GBA Index*" inserted in section 13. "List of Vontobel Strategy Indices and Dynamic Baskets" behind page 177 of the Base Prospectus is completely removed.  
(b) In section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" after page 177 of the Base Prospectus the index guide to the "*First Solutions GBA Index*" as set out in Annex B to this Supplement shall be inserted.
- (3) (a) The index guide to "*Vontobel China New Vision Index*" inserted in section 13. "List of Vontobel Strategy Indices and Dynamic Baskets" behind page 177 of the Base Prospectus is completely removed.  
(b) In section 13. Appendix "List of Vontobel Strategy Indices and Dynamic Baskets" after page 177 of the Base Prospectus the index guide to the "*Vontobel China New Vision Index*" as set out in Annex C to this Supplement shall be inserted.
- (4) The optional text in section IV. Further Information on the Offer of the Securities – 2. Information on the terms of the offer – subheading "[*If placement of the Securities is planned through "door-to-door selling" in Italy: Placement of the Securities through "door-to-door selling" in Italy*]" on page 154 et seq. is replaced as follows (deletions are marked with strikethrough, insertions are marked with underlining):

*[If placement of the Securities is planned through "door-to-door selling" in Italy:*

**Placement of the Securities through "door-to-door selling" in Italy**

The Securities will be placed in Italy through a so called "door-to-door selling" (as defined in Article 30 of the Italian Legislative Decree n. 58 dated 24 February 1998, as amended, the "**Italian Financial Service Act**"). [The offer period for the Securities placed through "door-to-door selling" in Italy will [start on [the Start of the Public Offer (as described above)] [•] and end on [the End of the Public Offer (as described above)] [•]] [be the Subscription Period (as defined above)] [•].]

[•, with registered office • (website: •) will act as lead manager or intermediary in connection with the offer of the Securities in Italy, i.e. as the "*Responsabile del Collocamento*" pursuant to Article 93-bis lit. e) of the Italian Financial Service Act.]

*[If placement of the Securities is planned in the primary market in Italy:*

**[Placement process of the Securities in Italy**

Investors may apply for the subscription of the Securities during normal Italian banking hours at the offices (*filiali*) of [insert legal entity of distributor in Italy] (the "**Distributor**") from (and including) [insert start of subscription period] to (and including) [insert end of subscription period] (the "**Offer Period**"), subject to early termination or extension of the Offer Period.

The Securities may be placed in Italy outside the premises of the Distributor ("door-to-door"), by means of financial advisors authorised to make off-premises offers (*consulenti finanziari abilitati all'offerta fuori sede*) pursuant to Article 30 of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**") during the Offer Period. Pursuant to Article 30, paragraph 6, of the Financial Services Act, the effects of the subscriptions made "door-to-door" are suspended for a period of seven days from the date of the subscription. During such period, investors have the right to withdraw from the subscription without any charge or fee, by means of notification to the Distributor.

The Securities may also be placed by means of distance communication techniques (*tecniche di comunicazione a distanza*) pursuant to article 32 of the Financial Services Act during the Offer Period. In this case, investors may subscribe the Securities on the basis of specific procedures established by the Distributor.

Pursuant to Article 67-duodecies of Legislative Decree 206/2005 as amended (the so called "**Italian Consumer Code**"), the validity and enforceability of the contracts entered into is suspended for a period of fourteen days from the date of the subscription. Within such period investors may communicate their withdrawal to the Distributor without any charge or commission. A prospective investor in the Securities should contact the Distributor for details of the application process in order to subscribe the Securities during the Offer Period. A prospective investor in the Securities will invest in accordance with the arrangements existing between the Distributor and its customers relating to the placement and subscription of securities generally.]] [•]]

## **Annex A: Guide to the First Solutions CED Dynamic Allocation Index**

Note: The Guide is paginated separately. The page numbers in the Guide therefore differ from the consecutive page numbers in the Supplement.

[The rest of this page was left blank intentionally.]

Structured Products

# First Solutions CED Dynamic Allocation Index

Index Guide





# Content

<b>Guide to the First Solutions CED Dynamic Allocation Index</b>	<b>3</b>
<b>1. Introduction and basic data</b>	<b>3</b>
1.1. Preliminary remarks	3
1.2. Basic principles	3
<b>2. Index parameters</b>	<b>3</b>
2.1. Index Sponsor	4
2.2. Index Strategy	4
2.3. Index Universe	4
2.4. Selection Process	5
2.5. Fees and Costs	5
2.5.1. Index Fee	5
2.5.2. Performance Fee	5
2.5.3. Adjustment Fees	5
2.5.4. Other Costs	5
2.5.5. Cost of Index constituents	5
<b>3. Index calculation</b>	<b>5</b>
3.1. Index formula	6
3.2. Valuation Prices	6
3.3. Currency translation	6
3.4. Index corrections	6
<b>4. Adjustments to the Index composition</b>	<b>6</b>
4.1. Ordinary Adjustment	6
4.2. Extraordinary Adjustment	7
4.3. Partial Liquidation	7
4.4. Stop Loss	7
4.5. Distributions and interest	7
4.6. Replicability	8
<b>5. Changes to the Guide</b>	<b>8</b>
5.1. Withdrawal of the Index Sponsor	8
5.2. Significant changes	8
5.3. Other changes	8
5.4. Entry into force	8
5.5. Change history	8
<b>6. Miscellaneous</b>	<b>8</b>
6.1. Language	8
6.2. Publications	8
6.3. Distribution	8
6.4. Use of index data	8
6.5. Contact	9

# Guide to the First Solutions CED

## Dynamic Allocation Index

### 1. Introduction and basic data

This document («**Guide**») describes the composition, calculation and publication of the First Solutions CED Dynamic Allocation Index (the «**Index**»). The Index reflects the performance of a hypothetical portfolio, which is compiled and continuously managed by the Index Sponsor in accordance with the Strategy determined by it. The Index Sponsor's strategy consists of two components, a long-term strategic and a tactical component, which may include structured products, shares and ETFs.

#### 1.1. Preliminary remarks

This Index forms part of the Vontobel Strategy Indices («**Strategy Indices**») family of indices. **The Strategy Indices are not recognised financial indices, but are indices designed and calculated by Bank Vontobel AG as the Index Calculation Agent.**

The Index Calculation Agent is advised by index sponsors for the purpose of the composition of the Strategy Indices. **The index sponsors act in principle at their own discretion and within the index strategy defined by themselves and for which they are responsible** (referred to in the following as «**Index Strategy**» or «**Strategy**»; see 2.2).

The Index Calculation Agent will carry out the calculation and composition of the Strategy Indices with the greatest possible care. However, the Index Calculation Agent accepts no obligation or liability with respect to the calculation and composition of the Strategy Indices. The Index Calculation Agent is not liable for direct or indirect losses arising from the incorrect calculation of the indices, their composition or the other key figures, unless they are due to gross negligence or wilful intent on the part of itself, its vicarious agents or their legal representatives. The Index Calculation Agent – without prejudice to possible obligations vis-à-vis licensees or index sponsors – has no obligation vis-à-vis third parties (including investors in financial instruments linked to the Index and/or financial intermediaries) to draw attention to any mistakes in the Index.

The Index Calculation Agent's indices do not represent a recommendation by the Index Calculation Agent to make an investment. In particular, the composition, calculation

and publication of the indices do not in any way imply an assurance or opinion on the part of the Index Calculation Agent with respect to the purchase or sale of an index constituent or of a financial instrument linked to that index.

This Guide is available on the Information Page.

#### 1.2. Basic principles

The Strategy Indices are calculated and composed, as far as possible, in accordance with the following principles:

- The Index should reflect the underlying Strategy defined by the Index Sponsor as closely as possible.
- The Index Sponsor makes decisions about the composition of the Index and any ordinary adjustments on its own authority.
- Adjustments of the Index are published without undue delay.
- The current composition of an Index is published at least once a day.
- Index constituents are tradeable and available to an extent appropriate to the Strategy.
- A real portfolio can replicate the performance of the Index.
- The Index Strategy provides reliability and continuity.
- Changes in the rules are communicated with adequate advance notice (generally at least 5 Index Days). Changes to the Guide are never made with retrospective effect.

### 2. Index parameters

«**Index Calculation Agent**» is Bank Vontobel AG, Structured Products, Gotthardstrasse 43, CH-8002 Zurich

«**Index Identifiers**» are:

- ISIN: CH0506702817
- Valor: 50670281
- WKN: PFSDAV

«**Index Start Date**» is 27 August 2021.

«**Index Start Level**» amounts to 100 points.

«**Index Day**» means each day on which the commercial banks in Zurich, Switzerland, are open for business transactions.

«**Information Page**» means <https://indices.vontobel.com>

«**Index Currency**» is EUR.

### 2.1. Index Sponsor

The Index Calculation Agent is advised by the Index Sponsor in connection with the composition of the Index. For this purpose, the Index Sponsor follows a specific procedure, defined and described under 2.2 below, according to which decisions are made with respect to the composition of the Index. The Index Sponsor is FS FIRST SOLUTIONS LIMITED, 6th Floor, 32 Ludgate Hill, GB-EC4M 7DR London.

The Index Sponsor selects and weights the respective Index constituents independently. It decides on the time and scope of changes in the Index composition without consulting the Index Calculation Agent and is responsible for the permanent monitoring of compliance with the Index Strategy and the Index Universe. The Index Calculation Agent, on the other hand, is not responsible for monitoring compliance with the Strategy by the Index Sponsor.

The Index Sponsor may terminate the advisory agreement with the Index Calculation Agent, giving two months notice. In this case, the Index Calculation Agent shall proceed in accordance with 5.1.

### 2.2. Index Strategy

The Index reflects the performance of a virtual investment managed on the basis of a Strategy. This Strategy is determined by the Index Sponsor and the Index Sponsor is solely responsible for it. The Index Calculation Agent neither advises nor assists the Index Sponsor in connection with the preparation or implementation of the Strategy. The Index Calculation Agent is under no obligation to monitor the Index Sponsor's implementation of and compliance with the Strategy; it follows the decisions of the Index Sponsor relating to the selection and weighting of the relevant Index constituents in principle without carrying out a review of its own.

The Index Sponsor's strategy consists of two components, a long-term strategic and a tactical component. In general market conditions, as determined at the discretion of the Index Sponsor, up to 100% of the Index may be strategically composed of structured products. By applying the tactical component of its strategy, the Index Sponsor aims to benefit from short and medium term opportunities arising from favorable market conditions. In this context, the Index Sponsor may choose ETFs and shares. The Index Sponsor aims not to select more than 10 different ETFs listed in the U.S. market in total but may deviate from this restriction at its discretion.

The following restrictions apply:

- Short selling of shares, other equities, ETFs, collective investment schemes, bonds, debentures or other debt instruments is not permitted;
- The weighting of any Index constituent other than a Cash Component may not exceed 10% in the Index.
- Index components on the basis of which a derivative or a derivative security related to the index would come within the scope of the regulations of Section 871(m) ICR (Internal Revenue Code) of the U.S. Federal Tax Act are not permitted.

### 2.3. Index Universe

The Index Universe determines the financial instruments that can be accepted as Index constituents. The Index Universe comprises:

1. Shares and other equities listed on a stock exchange
  - in a country specified in Appendix 1, and
  - that holds full membership of the Federation of European Securities Exchanges (FESE) or the World Federation of Exchanges (WFE);
2. Exchange traded units in funds (ETF) which meet the following criteria:
  - listed on a stock exchange
    - in a country specified in Appendix 1, and
    - that holds full membership of the Federation of European Securities Exchanges (FESE) or the World Federation of Exchanges (WFE), and
  - Minimum fund size of CHF 50 million or equivalent;
3. Structured Products (derivative securities, including Exchange Traded Products (ETP)) which meet all of the following criteria:
  - Admissible underlying asset types:
    - ETFs, indices, bonds, currencies, interest rates, commodities, crypto currencies,
    - Shares and other equities only in case of Structured Products issued by a Vontobel Group entity, in other cases shares and other equities are not allowed as single underlying, but within a basket only;
  - Listed or admitted to trading on SIX Swiss Exchange or on a foreign securities exchange with equivalent regulation and would also be eligible for listing on SIX Swiss Exchange;
4. Cash Components (including call money):
  - Eligible currencies: EUR, CHF, GBP, USD
  - Cumulative weighting of all Cash Components mustn't exceed 50% of Index

Index components may not contain or grant any retrocessions or other financial benefits. The Index Sponsor ensures that any retrocessions and other financial benefits are credited to the Index (e. g. by increasing the Cash Component).

All Index components must feature sufficient market liquidity as determined by the Index Calculation Agent in its sole discretion.

## 2.4. Selection Process

The Selection Process is continuously driven forward by a proprietary and active selection approach of the Index Sponsor's Investment Team. By applying a fundamental analysis, the Index Sponsor selects Index constituents which display an adequate risk reward profile, taking into account factors such as, but not limited to, volatility, dividends, skew and general market conditions. Data for the fundamental analysis is provided by third party data providers. The data are automatically evaluated by a model based on the aforementioned parameters. Adjustments to the Index composition can be made at any time. The Index Sponsor aims to select on a discretionary basis structured products listed on the Italian, German and Swiss market, including but not limited to (i) Bonus Certificates, (ii) Discount Certificates, (iii) Reverse Convertibles, (iv) Reverse Convertibles with Conditional Coupon, (v) Barrier Reverse Convertibles, (vi) Twin-Win Certificates, (vii) Capital Protection Notes, or (viii) Tracker Certificates. Additional restrictions applicable to Bonus Certificates: (i) more than 3 underlying assets, (ii) maturity of either more than 2 years if the underlying is a basket of stocks or more than 4 years if the underlying is a basket of indices. Additional restrictions applicable to Twin-Win Certificates: (i) a maturity of either more than 4 years if the underlying is a single stock, or more than 3 years if the underlying is a basket of stocks or an index.

## 2.5. Fees and Costs

### 2.5.1. Index Fee

The Index fee amounts to 1.30% per annum.

The Index Fee is calculated on each Index Day on the basis of the respective current value of the index and is deducted *pro rata temporis* from the respective Cash Component on each Index Day.

### 2.5.2. Performance Fee

In addition to the Index Fee, the Index is charged a fee, the amount of which depends on the performance of the Index («**Performance Fee**»), compared to the highest peak in value that the Underlying has reached in the current year («High Water Mark»). The Index Calculation Agent calculates the Performance Fee on each Index Day on the basis of the positive daily performance of the Index. It is deducted on each Index Day from the then current Index level.

The Performance Fee is determined by the Index Calculation Agent on any Index Day  $t$  as follows:

$$PF_t = PF \times IDX_t \times \max\left[0; \frac{IDX_t}{HWM_{t-1}} - 1\right]$$

where:

$PF_t$  Performance Fee on Index Day  $t$ ;

- $PF$  Performance Fee = 10.00%;
- $IDX_t$  Index Level on Index Day  $t$  before deducting the Performance Fee;
- $IDX_{t-1}$  Index Level on the immediately preceding Index Day  $t$ ;
- $HWM_t$  High Water Mark (HWM):
- HWM on the Index Start Date is 100.00% of the Index Start Level;
  - On each subsequent Index Day  $t$ ,  $HWM_t$  shall be the greater of the HWM on the immediately preceding Index Day ( $t-1$ ) and the Index Level on Index Day  $t$  ( $IDX_t$ );
  - On the first Index Day of any calendar year,  $HWM_t$  will be set to the Index Level on the immediately preceding Index Day ( $t-1$ )

### 2.5.3. Adjustment Fees

Additional fees are incurred in the event of ordinary adjustments of the Index in accordance with 4.1 below («**Adjustment Fees**»). The applicable Adjustment Fees are described in more detail in Appendix 1 and may be adjusted from time to time by the Index Calculation Agent in order to be able to replicate in the Index the fee charge of a real investment at any time.

Changes to the applicable Adjustment Fees will be published on the Information Page at least one month prior to becoming effective.

### 2.5.4. Other Costs

If and to the extent that, in accordance with the Index Strategy, a real investment would incur taxes, fees or other charges not covered by the Adjustment Fees described above («**Other Costs**»), the Index Calculation Agent shall take such costs into account when calculating the Index. Accordingly, other costs of the Strategy, in particular costs for collateral that would arise from real short selling positions in derivative financial instruments (e.g. forward transactions), are deducted from the Cash Component.

### 2.5.5. Cost of Index constituents

The Index constituents themselves can also be subject to fees and costs and thus indirectly have a reducing effect on the value of the Index. Such fees, e.g. management fees and distribution fees for collective investment schemes/investment units and structured products, are outlined by the respective manager/issuer in the respective documentation of the Index constituent.

## 3. Index calculation

The Index will be calculated for the first time on the Index Start Date. The initial level of the Index on the Index Start Date corresponds to the Index Start Level. The respective current index level will be determined by the Index Calculation Agent once a day after the close of business

for banks in Zurich (Switzerland), rounded to two decimals and normally published by 10:00 a.m. (local time in Zurich) on the next Index Day in accordance with 6.1 below («Closing Level»). One index point corresponds to one unit of the Index Currency.

### 3.1. Index formula

The Index level on an Index Day is the sum of the Valuation Prices for the Index constituents (including positive and negative Cash Components, if any) multiplied by the corresponding number of this constituent in the Index. Accrued Index and Adjustment Fees as well as Other Costs are deducted from this amount.

The Index on an Index Day T is calculated according to the following formula:

$$IDX_t = \sum_{i=1}^n n_{i,T} \times V_{i,T} - F$$

where:

- T: current Index Day  
 IDX<sub>T</sub>: Index level after the close of business on Index Day T  
 V<sub>i,T</sub>: Valuation Price of Index constituent i on Index Day T  
 n<sub>i,T</sub>: number of Index constituent i in the Index on Index Day T  
 F: Fees and Costs since the immediately preceding Index Day

### 3.2. Valuation Prices

The Index is calculated on each Index Day using the Valuation Prices for the Index constituents. The Index Calculation Agent determines the respective Valuation Prices after the close of business on an Index Day. Depending on the type of Index constituent, the Index Calculation Agent bases its determination on:

Type	Source of Valuation Price
Shares or other equities	Closing price at primary market (as determined by Index Calculation Agent)
Exchange traded units in funds (ETF)	Closing price at primary market (as determined by Index Calculation Agent)
Units in other Collective Investment Schemes/ Funds	In case of daily issue and redemption: — Net Asset Value as determined by relevant administrator for the Bank Business Day immediately preceding the current Bank Business Day,  Otherwise: — Last published Net Asset Value — In case of temporarily or permanently restricted tradability or any restrictions of redemptions (e.g. gate restrict) a value which may be as low as zero (0) as determined by the Index Calculation Agent in its own discretion.

Derivative Instruments and Structured Products	— Valuation based upon prices of underlying and applying proprietary, adequate and generally accepted valuation models; if not available: — Price as disseminated by major financial information service provider.
Bonds, debentures and other debt instruments	— Price as disseminated by major financial information service provider; if not available: — Request for quotes to various, independent banks/ brokers; if not available: — Valuation based upon current price of - in terms of maturity and solvency - comparable, exchange traded instrument; if not available: — Valuation based upon current market return of comparable instruments
Precious metals	Price as disseminated by major financial information service provider
Cash Components	Nominal value. Fees and Costs are to be accrued or deducted for each Index Day.

The Calculation Agent may deviate from such sources in its reasonable discretion or may change such price sources in general without giving prior notice. Modifications to the valuation sources are published on the Information Page.

### 3.3. Currency translation

If the Valuation Price of an Index component is determined in a currency other than the Index Currency (or is a Cash Component in a currency other than the Index Currency), such amounts shall be converted into the Index Currency by the Index Calculation Agent at its reasonable discretion.

### 3.4. Index corrections

In case of calculation errors which the Index Calculation Agency deems to be material at its reasonable discretion, Index levels shall also be corrected retrospectively if this is technically possible and economically reasonable. Otherwise, no correction is made. Corrections will be published on the Information Page.

## 4. Adjustments to the Index composition

### 4.1. Ordinary Adjustment

The Index Sponsor selects and weighs the respective Index constituents independently within the framework of the Strategy determined by him and also decides on the time and scope of changes in the Index without consultation with or advice by the Index Calculation Agent (in each case an «Ordinary Adjustment»). However, the Index Calculation Agent may refuse to include individual instruments in the Index at any time without giving reasons, as well as request removal from the Index

or a reduction in the weighting of individual Index constituents.

An Ordinary Adjustment can be made on any Index Day. Adjustment recommendations must be submitted by the Index Sponsor to the Index Calculation Agent by 3:00 PM (local time Zurich) on the respective Index Day at the latest in order to ensure implementation on the same day. Orders received later may be rejected by the Index Calculation Agent.

With regard to China Connect Securities (“China Northbound”), the Index Sponsor may submit a maximum of one adjustment per Index Day and ISIN.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Ordinary Adjustments are subject to Adjustment Fees in accordance with section 2.5.3 above.

#### 4.2. Extraordinary Adjustment

In case of extraordinary events relating to an Index constituent, the Index Calculation Agent shall adjust the composition of the Index and, if necessary, take further measures at its reasonable discretion which are suitable to enable the Index to be continued («**Extraordinary Adjustment**»).

The aim is to ensure continuous calculation and reproducibility of the Index even in case of extraordinary events. As a measure, for example, constituents can be removed from the Index.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Extraordinary Events are

- Insolvencies and other credit events;
- mergers, takeovers, spin-offs, corporate actions (e.g. class conversions, conversions), delisting, and similar events;
- insufficient market liquidity in the opinion of the Index Calculation Agent;
- a violation of the Index Strategy or the Index Universe detected by the Index Calculation Agent;
- as well as all events whose tax, regulatory, legal, economic or other effects are comparable with one of the aforementioned events.

#### 4.3. Partial Liquidation

Real portfolios are characterised by the fact that partial liquidations or outflows of money may occur. If the Index Sponsor decides to undertake such measures in the hypothetical portfolio reflected by the Index, it may propose such measure to the Index Calculation Agent («**Partial Liquidation**»).

In this case, the Index Calculation Agent determines the Index Day on which the Partial Liquidation becomes effective («**Partial Liquidation Effective Date**») by publication on an Announcement Date (as defined below). The Index Calculation Agent may, at its discretion, determine an amount («**Partial Liquidation Amount**») that differs from the Index Sponsor's proposal in order to take into account regulatory or administrative measures or changes, e. g. changes in tax rates or changes in tax laws, which would affect a real portfolio comparable to the hypothetical portfolio reflected by the Index. Any Partial Liquidation may not exceed 5% of the Index level as determined by the Index Calculation Agent on the Index Day preceding the Announcement Date.

Announcement Dates are each second thursday of a half-year in a calendar year. If an Announcement Date is not an Index Day, Announcement Date is the following Index Day.

In the event of a Partial Liquidation, the Index level will be reduced by the Partial Liquidation Amount with effect from the Partial Liquidation Effective Date. The Partial Liquidation Effective Date shall not be less than two Index Days after the Announcement Date.

The Index Calculation Agent decides in its sole discretion whether to accept a proposed Partial Liquidation and to reflect it in the Index as described in this section.

#### 4.4. Stop Loss

If on an Index Day the value of the Index equals or is below 50% of the Index Start Level («**Stop-Loss Event**»), the Index Calculation Agent may terminate the advisory agreement with the Index Sponsor with respect to this Index without notice and extraordinarily.

In this case, the Index Calculation Agent can adjust the Index without involving the Index Sponsor immediately after a Stop-Loss Event by dissolving all constituents and reallocating them into Cash Components in the Index Currency. In this case, the restrictions regarding the maximum weighting of Cash Components according to section 2.3 are not complied with.

The Index Calculation Agent is not obliged to act as described above, but decides at its own discretion and, if necessary, after consulting the Index Sponsor.

#### 4.5. Distributions and interest

The Index is calculated as a performance index. Dividend payments as well as other distributions and income are recognized net of country-specific taxes, fees and other charges («**Net-Return**»). The currently valid country-specific tax rates are published on the Information Page.

In the case of a cash distribution on Index constituents, the Index Calculation Agent will increase the Cash Components in the Index on the respective payment date in order to reflect the distribution. In addition, the Index Calculation Agent shall decide at its reasonable

discretion on an appropriate Index adjustment to ensure that the Index reflects the performance that would result from a real portfolio.

In order to ensure the effective simulation of such a performance, Cash Components in the Index can be «interest-bearing». The applicable interest rate is determined from time to time by the Index Calculation Agent on the basis of prevailing market conditions for the respective currency. Depending on the current market interest rate environment, negative interest may be charged or, in the case of a negative balance, debit interest may be charged.

In the case of negative interest, the Index Calculation Agent may, at its discretion, take into account allowances for Cash Components in the respective Strategy Index which the Index Calculation Agent deems necessary to ensure effective simulation, in particular of changes in value and quantity; i.e. only if the Cash Component contained in the Strategy Index exceeds a possible allowance, the amount exceeding this allowance is subject to negative interest.

#### 4.6. Replicability

In order to ensure that the Index can be replicated (see section 1.2 Basic principles above), the Index Calculation Agent is entitled at any time and without consulting the Index Sponsor to increase or reduce the weighting of the Cash Component within the Index (with the result that the weightings of the other Index constituents are reduced or increased accordingly).

Information on the composition of the Index is published on the Information Page.

### 5. Changes to the Guide

#### 5.1. Withdrawal of the Index Sponsor

If the Index Sponsor terminates the Advisory Agreement with the Index Calculation Agent or if the Index Sponsor no longer fulfils its consulting activities for any other reason, the Index Calculation Agent can determine another index sponsor at its reasonable discretion or discontinue the Index calculation. The Index Calculation Agent will inform as soon as possible on the Information Page about its decision in the event of the withdrawal of the Index Sponsor.

#### 5.2. Significant changes

The Index Calculation Agent is entitled to change the Index Universe and the Index Strategy at the proposal of the Index Sponsor and in compliance with the basic principles, if all investors in index-related financial instruments agree to this change («**Significant Change**»). This also applies to the introduction of new fees (e.g. TCM collateralisation fee and/or performance fee) and the increase of fees pursuant to section 2.5.1. and 2.5.2.

#### 5.3. Other changes

The method described in this Guide for calculating the Index is binding. Since a need for change cannot be ruled out, e.g. due to errors in the rules, changes in the market environment or due to regulatory, tax or other legal developments and changes, the Index Calculation Agent may make changes to this Guide and thus to the Index and its calculation method («**Other changes**»).

#### 5.4. Entry into force

The Index Calculation Agent shall always provide adequate notice of changes to the Guide by publishing the modified Guide on the Information Page, dated on the Index Day of its entry into force.

Significant changes must be published on the Information Page at least three calendar months before they take effect.

In the case of other changes, the modified guide will generally be published on the Information Page at least five Index Days before it takes effect. In case of correction of errors in the guide, an immediate correction with simultaneous publication is permitted. Adjustments to this guide are never made retroactively.

#### 5.5. Change history

At the request of the Index Sponsor, an additional restriction was added to the Index Strategy. As defined, Index components with 871m relevance must not be selected. This change shall enter into force on 30 November 2021.

### 6. Miscellaneous

#### 6.1. Language

The original version of the Index Guide is in English; versions in other language versions constitute non-binding translations.

#### 6.2. Publications

All publications concerning the Index are published on the Information Page. Such publication shall be deemed to have taken place on the date of publication.

#### 6.3. Distribution

The Index Level is published daily and distributed over the Information Page.

The Index cannot be distributed in the event of data supply disruptions at the Index Calculation Agent or the above-mentioned data vendors.

#### 6.4. Use of index data

The Index or index family is the intellectual property of the Index Calculation Agent, which reserves all rights. The Index Calculation Agent enables its customers, e.g. banks, investment houses and securities issuers, to use

the index data (index composition and index weighting)  
for issuing derivative financial instruments.

#### **6.5. Contact**

Bank Vontobel AG  
Structured Products

Gotthardstrasse 43  
8022 Zurich  
Switzerland  
Phone: +41 (0)58 283 78 88  
Email: [indexing@vontobel.com](mailto:indexing@vontobel.com)



## Appendix 1

In case of Ordinary Adjustments according to section 4.1 of the Guide the Index Calculation Agent applies the following fees:

### Shares and other equities, ETFs

Land	via e-Service	not via e-Service
	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>
Canada	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
China	15 bps (min. CHF 50.00)	30 bps (min. CHF 100.00)
France	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Germany	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Hong Kong	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Italy	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Switzerland	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
United Kingdom	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)

### Structured Products

Issuer	via e-Service	not via e-Service
Vontobel entity	no fees	no fees
Not Vontobel entity (secondary market)	10 bps (min. CHF 50.00)	20 bps (min. CHF 100.00)
Not Vontobel entity (primary market)	5 bps (min. CHF 50.00/max. CHF 250.00)	5 bps (min. CHF 100.00/max. CHF 500.00)

### FX Spot

Size	Fee, in Basis Points (bps)
< 500k CHF equivalent	25
>= 500k CHF equivalent	5

#### Important Notices:

- If Adjustments contain special qualifiers (e.g. discretionary), above fees will be increased by CHF 80.00.
- In case of absolute amounts stated as (minimum) fees, the Index Calculation Agent may translate these amounts into a relative value and apply to the Index Adjustments in a reasonable manner to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment.
- In case of exchange traded Derivative Instruments, only the most important instruments are listed for each exchange and the fees for corresponding index Adjustments are indicated. The Index Calculation Agent shall determine the applicable fees in such cases and for over-the-counter instruments at its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment. Accordingly, the Index Calculation Agent shall determine the applicable fees for forwards and swaps within the range specified above.
- The Index Calculation Agent will add amounts to above fees determined in its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an Adjustment. This includes expenses typically incurred by brokers, or expenses typically incurred by other third parties (e.g. exchange fee, broker fee).

## **Annex B: Guide to the First Solutions GBA Index**

Note: The Guide is paginated separately. The page numbers in the Guide therefore differ from the consecutive page numbers in the Supplement.

[The rest of this page was left blank intentionally.]

Structured Products

# First Solutions GBA Index

Index Guide



# Content

<b>Guide to the First Solutions GBA Index</b>	<b>3</b>
<b>1. Introduction and basic data</b>	<b>3</b>
1.1. Preliminary remarks	3
1.2. Basic principles	3
<b>2. Index parameters</b>	<b>3</b>
2.1. Index Sponsor	4
2.2. Index Strategy	4
2.3. Index Universe	4
2.4. Selection Process	5
2.5. Fees and Costs	6
2.5.1. Index Fee	6
2.5.2. Performance Fee	6
2.5.3. Adjustment Fees	6
2.5.4. Other Costs	6
2.5.5. Cost of Index constituents	6
<b>3. Index calculation</b>	<b>6</b>
3.1. Index formula	6
3.2. Valuation Prices	7
3.3. Currency translation	7
3.4. Index corrections	7
<b>4. Adjustments to the Index composition</b>	<b>7</b>
4.1. Ordinary Adjustment	7
4.2. Extraordinary Adjustment	8
4.3. Stop Loss	8
4.4. Distributions and interest	8
4.5. Replicability	8
<b>5. Changes to the Guide</b>	<b>8</b>
5.1. Withdrawal of the Index Sponsor	8
5.2. Significant changes	9
5.3. Other changes	9
5.4. Entry into force	9
5.5. Change history	9
<b>6. Miscellaneous</b>	<b>9</b>
6.1. Language	9
6.2. Publications	9
6.3. Distribution	9
6.4. Use of index data	9
6.5. Contact	9

# Guide to the First Solutions GBA

## Index

### 1. Introduction and basic data

This document («**Guide**») describes the composition, calculation and publication of the First Solutions GBA Index (the «**Index**»). The Index reflects the performance of a hypothetical portfolio, which is compiled and continuously managed by the Index Sponsor in accordance with the Strategy determined by it. The Index Sponsor's strategy of the Global Balanced Allocation Index (GBA Index) aims to generate a widely diversified index with minimal volatility by selecting stocks, ETFs, funds, bonds, structured products, and derivatives, which will be combined on a discretionary basis to yield maximum decorrelation.

#### 1.1. Preliminary remarks

This Index forms part of the Vontobel Strategy Indices («**Strategy Indices**») family of indices. **The Strategy Indices are not recognised financial indices, but are indices designed and calculated by Bank Vontobel AG as the Index Calculation Agent.**

The Index Calculation Agent is advised by index sponsors for the purpose of the composition of the Strategy Indices. **The index sponsors act in principle at their own discretion and within the index strategy defined by themselves and for which they are responsible** (referred to in the following as «**Index Strategy**» or «**Strategy**»; see 2.2).

The Index Calculation Agent will carry out the calculation and composition of the Strategy Indices with the greatest possible care. However, the Index Calculation Agent accepts no obligation or liability with respect to the calculation and composition of the Strategy Indices. The Index Calculation Agent is not liable for direct or indirect losses arising from the incorrect calculation of the indices, their composition or the other key figures, unless they are due to gross negligence or wilful intent on the part of itself, its vicarious agents or their legal representatives. The Index Calculation Agent – without prejudice to possible obligations vis-à-vis licensees or index sponsors – has no obligation vis-à-vis third parties (including investors in financial instruments linked to the Index and/or financial intermediaries) to draw attention to any mistakes in the Index.

The Index Calculation Agent's indices do not represent a recommendation by the Index Calculation Agent to make an investment. In particular, the composition, calculation and publication of the indices do not in any way imply an assurance or opinion on the part of the Index Calculation Agent with respect to the purchase or sale of an index constituent or of a financial instrument linked to that index.

This Guide is available on the Information Page.

#### 1.2. Basic principles

The Strategy Indices are calculated and composed, as far as possible, in accordance with the following principles:

- The Index should reflect the underlying Strategy defined by the Index Sponsor as closely as possible.
- The Index Sponsor makes decisions about the composition of the Index and any ordinary adjustments on its own authority.
- Adjustments of the Index are published without undue delay.
- The current composition of an Index is published at least once a day.
- Index constituents are tradeable and available to an extent appropriate to the Strategy.
- A real portfolio can replicate the performance of the Index.
- The Index Strategy provides reliability and continuity.
- Changes in the rules are communicated with adequate advance notice (generally at least 5 Index Days). Changes to the Guide are never made with retrospective effect.

### 2. Index parameters

«**Index Calculation Agent**» is Bank Vontobel AG, Structured Products, Gotthardstrasse 43, CH-8002 Zurich

«**Index Identifiers**» are:

- ISIN: CH0506702882
- Valor: 50670288

— WKN: A27CSJ

«**Index Start Date**» is 17 September 2021.

«**Index Start Level**» amounts to 100 points.

«**Index Day**» means each day on which the commercial banks in Zurich, Switzerland, are open for business transactions.

«**Information Page**» means <https://indices.vontobel.com>

«**Index Currency**» is EUR.

### 2.1. Index Sponsor

The Index Calculation Agent is advised by the Index Sponsor in connection with the composition of the Index. For this purpose, the Index Sponsor follows a specific procedure, defined and described under 2.2 below, according to which decisions are made with respect to the composition of the Index. The Index Sponsor is FS FIRST SOLUTIONS LIMITED, 6th Floor, 32 Ludgate Hill, GB-EC4M 7DR London.

The Index Sponsor selects and weights the respective Index constituents independently. It decides on the time and scope of changes in the Index composition without consulting the Index Calculation Agent and is responsible for the permanent monitoring of compliance with the Index Strategy and the Index Universe. The Index Calculation Agent, on the other hand, is not responsible for monitoring compliance with the Strategy by the Index Sponsor.

The Index Sponsor may terminate the advisory agreement with the Index Calculation Agent, giving two months notice. In this case, the Index Calculation Agent shall proceed in accordance with 5.1.

### 2.2. Index Strategy

The Index reflects the performance of a virtual investment managed on the basis of a Strategy. This Strategy is determined by the Index Sponsor and the Index Sponsor is solely responsible for it. The Index Calculation Agent neither advises nor assists the Index Sponsor in connection with the preparation or implementation of the Strategy. The Index Calculation Agent is under no obligation to monitor the Index Sponsor's implementation of and compliance with the Strategy; it follows the decisions of the Index Sponsor relating to the selection and weighting of the relevant Index constituents in principle without carrying out a review of its own.

The Index Sponsor's strategy of the Global Balanced Allocation Index (GBA Index) aims to generate a widely diversified index with minimal volatility by selecting stocks, ETFs, funds, bonds, structured products, and derivatives, which will be combined on a discretionary basis to yield maximum decorrelation. The Index Sponsor uses proprietary models based on historical data provided by several data providers, regressions and assumptions on future parameters to verify expected and realized correlation/decorrelation.

The following restrictions apply:

- Short selling of shares, other equities, ETFs, collective investment schemes, bonds, debentures or other debt instruments is not permitted;
- The weighting of any Index constituent other than a Cash Component may not exceed 20% in the Index.
- Index components on the basis of which a derivative or a derivative security related to the index would come within the scope of the regulations of Section 871(m) ICR (Internal Revenue Code) of the U.S. Federal Tax Act are not permitted.

### 2.3. Index Universe

The Index Universe determines the financial instruments that can be accepted as Index constituents. The Index Universe comprises:

1. Shares and other equities listed on a stock exchange
  - in a country specified in Appendix 1, and
  - that holds full membership of the Federation of European Securities Exchanges (FESE) or the World Federation of Exchanges (WFE);
2. Exchange traded units in funds (ETF) which meet the following criteria:
  - listed on a stock exchange
    - in a country specified in Appendix 1, and
    - that holds full membership of the Federation of European Securities Exchanges (FESE) or the World Federation of Exchanges (WFE), and
  - Minimum fund size of CHF 50 million or equivalent;
3. Units in other Collective Investment Schemes/ Funds which meet all of the following criteria:
  - Daily determination and publication of net asset value by relevant administrator,
  - Daily and electronically tradable,
  - Minimum fund size of CHF 50 million or equivalent,
  - no hedge fund,
  - Redemption valuation within the Business Day after acceptance of redemption by relevant administrator,
  - No additional capital contribution obligations, and
  - Cumulative weighting of Collective Investment Schemes/ Funds mustn't exceed 50% of the Index;
4. Bonds, debentures and other debt instruments which meet at least one of the following criteria:
  - Listing or admission to trading on SIX Swiss Exchange or on a foreign securities exchange with equivalent regulation (as determined by the Regulatory Board of SIX Swiss Exchange),
  - At least one other bond, debenture or other debt instrument of the same issuer with an

- equal or longer duration is listed or admitted to trading on SIX Swiss Exchange or on a foreign securities exchange with equivalent regulation,
    - Equities of such issuer are listed or admitted to trading on SIX Swiss Exchange or on a foreign securities exchange with equivalent regulation, or
    - The issuer is an OECD member state or a political subdivision of an OECD member state.
    - Only the following instruments are admitted:
      - Investment grade bonds,
      - High yield bonds,
      - Non-investment grade bonds,
      - Subordinated bonds
      - (Contingent) convertible and additional Tier1 bonds
      - Unrated bonds.
  - 5. Structured Products (derivative securities, including Exchange Traded Products (ETP)) which meet all of the following criteria:
    - Admissible underlying asset types:
      - ETFs, indices, bonds, currencies, interest rates, commodities, crypto currencies,
      - Shares and other equities only in case of Structured Products issued by a Vontobel Group entity, in other cases shares and other equities are not allowed as single underlying, but within a basket only;
    - Listed or admitted to trading on SIX Swiss Exchange or on a foreign securities exchange with equivalent regulation and would also be eligible for listing on SIX Swiss Exchange;
  - 6. Derivative Instruments:
    - Options which meet all of the following criteria:
      - Exchange traded only (admissible exchanges specified in Appendix 1),
      - Long options must not leverage the Index,
      - Short calls must be covered by underlying asset,
      - Short puts must be covered by Cash Components in respective currency,
      - Admissible underlying asset types: ETFs, indices, bonds, currencies, interest rates, shares and other equities;
    - Futures which meet all of the following criteria:
      - Exchange traded only (admissible exchanges specified in Appendix 1),
      - Admissible only to hedge other positions of the Index,
      - Must not leverage the Index,
      - Admissible underlying asset types: share indices, bonds, currencies, interest rates;
    - Forwards and Swaps which meet all of the following criteria,
      - Admissible only to hedge other positions of the Index,
      - Must not leverage the Index,
  - Admissible underlying asset types: currencies;
    - Maximum remaining time to maturity for Derivative Instruments (at the time of inclusion into the Index):
      - Principle: 5 years
      - Exception: Derivative Instruments linked to interest rates:
        - 5 years in case of instruments including optionality,
        - 10 years in case of Credit Default Swaps,
        - 20 years in case of Interest Rate Swaps in CHF or JPY,
        - 30 years in case of Interest Rate Swaps in EUR, USD or GBP,
        - 10 years in case of Interest Rate Swaps in other currencies;
  - 7. Cash Components (including call money):
    - Eligible currencies: EUR, CHF, GBP, USD
    - Cumulative weighting of all Cash Components mustn't exceed 50% of Index

Index components may not contain or grant any retrocessions or other financial benefits. The Index Sponsor ensures that any retrocessions and other financial benefits are credited to the Index (e. g. by increasing the Cash Component).

All Index components must feature sufficient market liquidity as determined by the Index Calculation Agent in its sole discretion.
- ## 2.4. Selection Process
- The Selection Process is continuously driven forward by the Index Sponsor's Investment Team. The Index Sponsor selects and adjusts the proportions of the Index constituents based on its macroeconomic views and simulations of stress scenarios. The Index Sponsor refines the selection of Index constituents by drawing on historical data from several third party data providers on asset correlation. In back-tests this approach has lead to volatility levels of the Index deemed acceptable by the Index Sponsor. Only sufficiently liquid Index constituents as determined by the Index Sponsor are selected. The Index Sponsor aims to mainly select debt instruments and equities. The proportions may vary depending on the macroeconomic factors and monetary policies or any opportunities that may arise. The Index Sponsor aims not to select the Index constituents based on any specific industrial, geographic or other market sector preferences. The Index Sponsor may select corporate and/or sovereign bonds of any credit rating based on criteria such as duration, convexity, and spreads (I-SPREAD, Z-SPREAD, G-SPREAD). The Index Sponsor may select equities of small, medium or large capitalization companies based on criteria such as PE, ROE, EBITDA, DEBT/EBITDA. However, an objective assessment of the respective sector is also considered. The Index Sponsor

intends to select ETNs that are linked to commodities, particularly in relation to precious metals. The maturity of the ETNs depends on the type of commodity. The ETNs may be secured or unsecured. The Index Sponsor may select collective investment schemes, which are regulated as UCITS, or eligible non-UCITS funds whose main objective, as determined by the Index Sponsor, is to invest in a broad range of asset classes, including but not limited to equities, debt instruments and money market instruments. The Index Sponsor intends to keep the proportion of derivatives to a minimum and aims to mainly use them for hedging purposes. The Index may also include cash and cash equivalents on an ancillary basis. The Index Sponsor may select short-term fixed income instruments, money market funds and cash and cash equivalents on a temporary basis, or for defensive or cash management purposes. The Index Sponsor intends to select Index constituents providing exposure mainly to EUR and USD, however, exposure to CHF and GBP is possible.

## 2.5. Fees and Costs

### 2.5.1. Index Fee

The Index fee amounts to 1.90% per annum. The Index Fee is calculated on each Index Day on the basis of the respective current value of the index and is deducted *pro rata temporis* from the respective Cash Component on each Index Day.

### 2.5.2. Performance Fee

In addition to the Index Fee, the Index is charged a fee, the amount of which depends on the performance of the Index («**Performance Fee**»), compared to the highest peak in value that the Underlying has reached in the current year («**High Water Mark**»). The Index Calculation Agent calculates the Performance Fee on each Index Day on the basis of the positive daily performance of the Index. It is deducted on each Index Day from the then current Index level.

The Performance Fee is determined by the Index Calculation Agent on any Index Day  $t$  as follows:

$$PF_t = PF \times IDX_t \times \max\left[0; \frac{IDX_t}{HWM_{t-1}} - 1\right]$$

where:

- $PF_t$  Performance Fee on Index Day  $t$ ;
- $PF$  Performance Fee = 15.00%;
- $IDX_t$  Index Level on Index Day  $t$  before deducting the Performance Fee;
- $IDX_{t-1}$  Index Level on the immediately preceding Index Day  $t$ ;
- $HWM_t$  High Water Mark (HWM):
  - HWM on the Index Start Date is 100.00% of the Index Start Level;
  - On each subsequent Index Day  $t$ ,  $HWM_t$  shall be the greater of the HWM on the

immediately preceding Index Day ( $t-1$ ) and the Index Level on Index Day  $t$  ( $IDX_t$ );

- On the first Index Day of any calendar year,  $HWM_t$  will be set to the Index Level on the immediately preceding Index Day ( $t-1$ )

### 2.5.3. Adjustment Fees

Additional fees are incurred in the event of ordinary adjustments of the Index in accordance with 4.1 below («**Adjustment Fees**»). The applicable Adjustment Fees are described in more detail in Appendix 1 and may be adjusted from time to time by the Index Calculation Agent in order to be able to replicate in the Index the fee charge of a real investment at any time.

Changes to the applicable Adjustment Fees will be published on the Information Page at least one month prior to becoming effective.

### 2.5.4. Other Costs

If and to the extent that, in accordance with the Index Strategy, a real investment would incur taxes, fees or other charges not covered by the Adjustment Fees described above («**Other Costs**»), the Index Calculation Agent shall take such costs into account when calculating the Index. Accordingly, other costs of the Strategy, in particular costs for collateral that would arise from real short selling positions in derivative financial instruments (e.g. forward transactions), are deducted from the Cash Component.

### 2.5.5. Cost of Index constituents

The Index constituents themselves can also be subject to fees and costs and thus indirectly have a reducing effect on the value of the Index. Such fees, e.g. management fees and distribution fees for collective investment schemes/investment units and structured products, are outlined by the respective manager/issuer in the respective documentation of the Index constituent.

## 3. Index calculation

The Index will be calculated for the first time on the Index Start Date. The initial level of the Index on the Index Start Date corresponds to the Index Start Level. The respective current index level will be determined by the Index Calculation Agent once a day after the close of business for banks in Zurich (Switzerland), rounded to two decimals and normally published by 10:00 a.m. (local time in Zurich) on the next Index Day in accordance with 6.1 below («**Closing Level**»). One index point corresponds to one unit of the Index Currency.

### 3.1. Index formula

The Index level on an Index Day is the sum of the Valuation Prices for the Index constituents (including positive and negative Cash Components, if any)



multiplied by the corresponding number of this constituent in the Index. Accrued Index and Adjustment Fees as well as Other Costs are deducted from this amount.

The Index on an Index Day T is calculated according to the following formula:

$$IDX_t = \sum_{i=1}^n n_{i,T} \times V_{i,T} - F$$

where:

- T: current Index Day  
 IDX<sub>T</sub>: Index level after the close of business on Index Day T  
 V<sub>i,T</sub>: Valuation Price of Index constituent i on Index Day T  
 n<sub>i,T</sub>: number of Index constituent i in the Index on Index Day T  
 F: Fees and Costs since the immediately preceding Index Day

### 3.2. Valuation Prices

The Index is calculated on each Index Day using the Valuation Prices for the Index constituents. The Index Calculation Agent determines the respective Valuation Prices after the close of business on an Index Day.

Depending on the type of Index constituent, the Index Calculation Agent bases its determination on:

Type	Source of Valuation Price
Shares or other equities	Closing price at primary market (as determined by Index Calculation Agent)
Exchange traded units in funds (ETF)	Closing price at primary market (as determined by Index Calculation Agent)
Units in other Collective Investment Schemes/ Funds	In case of daily issue and redemption: <ul style="list-style-type: none"> <li>— Net Asset Value as determined by relevant administrator for the Bank Business Day immediately preceding the current Bank Business Day,</li> </ul> Otherwise: <ul style="list-style-type: none"> <li>— Last published Net Asset Value</li> <li>— In case of temporarily or permanently restricted tradability or any restrictions of redemptions (e.g. gate restrict) a value which may be as low as zero (0) as determined by the Index Calculation Agent in its own discretion.</li> </ul>
Derivative Instruments and Structured Products	<ul style="list-style-type: none"> <li>— Valuation based upon prices of underlying and applying proprietary, adequate and generally accepted valuation models; if not available:</li> <li>— Price as disseminated by major financial information service provider.</li> </ul>
Bonds, debentures and other debt instruments	<ul style="list-style-type: none"> <li>— Price as disseminated by major financial information service provider; if not available:</li> <li>— Request for quotes to various, independent banks/ brokers; if not available:</li> </ul>

- Valuation based upon current price of - in terms of maturity and solvency - comparable, exchange traded instrument; if not available:
- Valuation based upon current market return of comparable instruments

Precious metals	Price as disseminated by major financial information service provider
Cash Components	Nominal value. Fees and Costs are to be accrued or deducted for each Index Day.

The Calculation Agent may deviate from such sources in its reasonable discretion or may change such price sources in general without giving prior notice. Modifications to the valuation sources are published on the Information Page.

### 3.3. Currency translation

If the Valuation Price of an Index component is determined in a currency other than the Index Currency (or is a Cash Component in a currency other than the Index Currency), such amounts shall be converted into the Index Currency by the Index Calculation Agent at its reasonable discretion.

### 3.4. Index corrections

In case of calculation errors which the Index Calculation Agency deems to be material at its reasonable discretion, Index levels shall also be corrected retrospectively if this is technically possible and economically reasonable. Otherwise, no correction is made. Corrections will be published on the Information Page.

## 4. Adjustments to the Index composition

### 4.1. Ordinary Adjustment

The Index Sponsor selects and weighs the respective Index constituents independently within the framework of the Strategy determined by him and also decides on the time and scope of changes in the Index without consultation with or advice by the Index Calculation Agent (in each case an «**Ordinary Adjustment**»). However, the Index Calculation Agent may refuse to include individual instruments in the Index at any time without giving reasons, as well as request removal from the Index or a reduction in the weighting of individual Index constituents.

An Ordinary Adjustment can be made on any Index Day. Adjustment recommendations must be submitted by the Index Sponsor to the Index Calculation Agent by 3:00 PM (local time Zurich) on the respective Index Day at the latest in order to ensure implementation on the same day. Orders received later may be rejected by the Index Calculation Agent.

With regard to China Connect Securities (“China Northbound”), the Index Sponsor may submit a maximum of one adjustment per Index Day and ISIN.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Ordinary Adjustments are subject to Adjustment Fees in accordance with section 2.5.3 above.

#### 4.2. Extraordinary Adjustment

In case of extraordinary events relating to an Index constituent, the Index Calculation Agent shall adjust the composition of the Index and, if necessary, take further measures at its reasonable discretion which are suitable to enable the Index to be continued («**Extraordinary Adjustment**»).

The aim is to ensure continuous calculation and reproducibility of the Index even in case of extraordinary events. As a measure, for example, constituents can be removed from the Index.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Extraordinary Events are

- Insolvencies and other credit events;
- mergers, takeovers, spin-offs, corporate actions (e.g. class conversions, conversions), delisting, and similar events;
- insufficient market liquidity in the opinion of the Index Calculation Agent;
- a violation of the Index Strategy or the Index Universe detected by the Index Calculation Agent;
- as well as all events whose tax, regulatory, legal, economic or other effects are comparable with one of the aforementioned events.

#### 4.3. Stop Loss

If on an Index Day the value of the Index equals or is below 50% of the Index Start Level («**Stop-Loss Event**»), the Index Calculation Agent may terminate the advisory agreement with the Index Sponsor with respect to this Index without notice and extraordinarily.

In this case, the Index Calculation Agent can adjust the Index without involving the Index Sponsor immediately after a Stop-Loss Event by dissolving all constituents and reallocating them into Cash Components in the Index Currency. In this case, the restrictions regarding the maximum weighting of Cash Components according to section 2.3 are not complied with.

The Index Calculation Agent is not obliged to act as described above, but decides at its own discretion and, if necessary, after consulting the Index Sponsor.

#### 4.4. Distributions and interest

The Index is calculated as a performance index. Dividend payments as well as other distributions and income are recognized net of country-specific taxes, fees and other charges («**Net-Return**»). The currently valid country-specific tax rates are published on the Information Page.

In the case of a cash distribution on Index constituents, the Index Calculation Agent will increase the Cash Components in the Index on the respective payment date in order to reflect the distribution. In addition, the Index Calculation Agent shall decide at its reasonable discretion on an appropriate Index adjustment to ensure that the Index reflects the performance that would result from a real portfolio.

In order to ensure the effective simulation of such a performance, Cash Components in the Index can be «interest-bearing». The applicable interest rate is determined from time to time by the Index Calculation Agent on the basis of prevailing market conditions for the respective currency. Depending on the current market interest rate environment, negative interest may be charged or, in the case of a negative balance, debit interest may be charged.

In the case of negative interest, the Index Calculation Agent may, at its discretion, take into account allowances for Cash Components in the respective Strategy Index which the Index Calculation Agent deems necessary to ensure effective simulation, in particular of changes in value and quantity; i.e. only if the Cash Component contained in the Strategy Index exceeds a possible allowance, the amount exceeding this allowance is subject to negative interest.

#### 4.5. Replicability

In order to ensure that the Index can be replicated (see section 1.2 Basic principles above), the Index Calculation Agent is entitled at any time and without consulting the Index Sponsor to increase or reduce the weighting of the Cash Component within the Index (with the result that the weightings of the other Index constituents are reduced or increased accordingly).

Information on the composition of the Index is published on the Information Page.

### 5. Changes to the Guide

#### 5.1. Withdrawal of the Index Sponsor

If the Index Sponsor terminates the Advisory Agreement with the Index Calculation Agent or if the Index Sponsor no longer fulfils its consulting activities for any other reason, the Index Calculation Agent can determine another index sponsor at its reasonable discretion or discontinue the Index calculation. The Index Calculation Agent will inform as soon as possible on the Information

Page about its decision in the event of the withdrawal of the Index Sponsor.

## 5.2. Significant changes

The Index Calculation Agent is entitled to change the Index Universe and the Index Strategy at the proposal of the Index Sponsor and in compliance with the basic principles, if all investors in index-related financial instruments agree to this change («**Significant Change**»). This also applies to the introduction of new fees (e.g. TCM collateralisation fee and/or performance fee) and the increase of fees pursuant to section 2.5.1. and 2.5.2.

## 5.3. Other changes

The method described in this Guide for calculating the Index is binding. Since a need for change cannot be ruled out, e.g. due to errors in the rules, changes in the market environment or due to regulatory, tax or other legal developments and changes, the Index Calculation Agent may make changes to this Guide and thus to the Index and its calculation method («**Other changes**»).

## 5.4. Entry into force

The Index Calculation Agent shall always provide adequate notice of changes to the Guide by publishing the modified Guide on the Information Page, dated on the Index Day of its entry into force.

Significant changes must be published on the Information Page at least three calendar months before they take effect.

In the case of other changes, the modified guide will generally be published on the Information Page at least five Index Days before it takes effect. In case of correction of errors in the guide, an immediate correction with simultaneous publication is permitted. Adjustments to this guide are never made retroactively.

## 5.5. Change history

At the request of the Index Sponsor, an additional restriction was added to the Index Strategy. As defined, Index components with 871m relevance must not be selected. This change shall enter into force on 30 November 2021.

## 6. Miscellaneous

### 6.1. Language

The original version of the Index Guide is in English; versions in other language versions constitute non-binding translations.

### 6.2. Publications

All publications concerning the Index are published on the Information Page. Such publication shall be deemed to have taken place on the date of publication.

### 6.3. Distribution

The Index Level is published daily and distributed over the Information Page.

The Index cannot be distributed in the event of data supply disruptions at the Index Calculation Agent or the above-mentioned data vendors.

### 6.4. Use of index data

The Index or index family is the intellectual property of the Index Calculation Agent, which reserves all rights. The Index Calculation Agent enables its customers, e.g. banks, investment houses and securities issuers, to use the index data (index composition and index weighting) for issuing derivative financial instruments.

### 6.5. Contact

Bank Vontobel AG  
Structured Products  
Gotthardstrasse 43  
8022 Zurich  
Switzerland  
Phone: +41 (0)58 283 78 88  
Email: [indexing@vontobel.com](mailto:indexing@vontobel.com)

## Appendix 1

In case of Ordinary Adjustments according to section 4.1 of the Guide the Index Calculation Agent applies the following fees:

### Shares and other equities, ETFs

Land	via e-Service	not via e-Service
	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>
Canada	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
China	15 bps (min. CHF 50.00)	30 bps (min. CHF 100.00)
France	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Germany	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Hong Kong	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Italy	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
Switzerland	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)
United Kingdom	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)

### Structured Products

Issuer	via e-Service	not via e-Service
Vontobel entity	no fees	no fees
Not Vontobel entity (secondary market)	10 bps (min. CHF 50.00)	20 bps (min. CHF 100.00)
Not Vontobel entity (primary market)	5 bps (min. CHF 50.00/max. CHF 250.00)	5 bps (min. CHF 100.00/max. CHF 500.00)

### Funds

Type	via e-Service	not via e-Service
All	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)

### Bonds

Type	via e-Service	not via e-Service
All	5 bps (min. CHF 50.00)	15 bps (min. CHF 100.00)

### Derivative Instruments, Futures and Options

Exchange	via e-Service	not via e-Service	Exchange
	<i>Fee in currency or in % of premium per contract (Minimum Fee per adjustment)</i>	<i>Fee in currency or in % of premium per contract (Minimum Fee per adjustment)</i>	<i>Fee *(per contract, in CHF) *</i>
<b>Eurex Germany</b>			
CONF-Futures (CONF)	CHF 25.00 (min. CHF 50.00)	CHF 25.00 (min. CHF 100.00)	0.40
Euro-Bobl-Futures (FGBM)	CHF 22.50 (min. CHF 50.00)	CHF 22.50 (min. CHF 60.00)	0.20
Euro-Bund-Futures (FGBL)	CHF 22.50 (min. CHF 50.00)	CHF 22.50 (min. CHF 60.00)	0.20
Euro-Buxl®-Futures (FGBX)	CHF 22.50 (min. CHF 50.00)	CHF 22.50 (min. CHF 60.00)	0.20
Euro-Schatz-Futures (FGBS)	CHF 22.50 (min. CHF 50.00)	CHF 22.50 (min. CHF 60.00)	0.20
Options on Euro-Bobl/Bund/Schatz-Futures	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.20
Three-Months-EURIBOR-Futures (FEU3)	CHF 22.50 (min. CHF 50.00)	CHF 22.50 (min. CHF 60.00)	0.25
Options on Three-Months-EURIBOR-Futures	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.25
SMI®-Futures (FSMI) and Options	CHF 20.00 (min. CHF 50.00)	CHF 30.00 (min. CHF 100.00)	0.40
Equity Options Switzerland	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 100.00)	0.30
DAX®-Futures (FDAX)	CHF 15.00 (min. CHF 50.00)	CHF 25.00 (min. CHF 60.00)	0.50
DAX-Options	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.75
Equity Options Germany / Netherlands	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.20

Equity Options Italy / France / Finland	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.20
Equity Options USA	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.20
EURO STOXX 50® Index Futures (FESX)	CHF 17.00 (min. CHF 50.00)	CHF 27.00 (min. CHF 60.00)	0.30
EURO STOXX® Sector Index Futures	CHF 17.00 (min. CHF 50.00)	CHF 27.00 (min. CHF 60.00)	0.30
STOXX® Europe 50 Index Futures (FSTX)	CHF 17.00 (min. CHF 50.00)	CHF 27.00 (min. CHF 60.00)	0.30
STOXX® Index Options	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.30
OMXH25-Futures (FFOX)	CHF 10.00 (min. CHF 50.00)	CHF 15.00 (min. CHF 60.00)	0.90
OMXH25 Options	1.2-1.5% (min. CHF 50.00)	1.2-1.5% (min. CHF 60.00)	0.90
<b>CME Group</b>			
CBOT Futures	USD 20.00 (min. USD 50.00)	USD 30.00 (min. USD 100.00)	-
CBOT Options	USD 3.25 (min. USD 50.00)	USD 5.00 (min. USD 100.00)	-
COMEX Futures and Options	USD 20.00 (min USD 50)	USD 30.00 (min USD 90.00)	-
NYMEX Oil Futures	USD 20.00 (min USD 50)	USD 30.00 (min USD 90.00)	-
NYMEX Metals Futures & NYMEX Options	USD 20.00 (min USD 50)	USD 30.00 (min USD 90.00)	-
CME USD-denominated Futures other	USD 20.00 (min USD 50)	USD 30.00 (min USD 90.00)	-
Euro/Japanese Yen Futures	JPY 3'500.00 (min. JPY 12'500)	JPY 3'500.00 (min. JPY 12'500)	-
<b>CBOE</b>			
CBOE Options	USD 3.25 (min. USD 50.00)	USD 5.00 (min. USD 100.00)	-
<b>Hong Kong Futures Exchange (HKFE)</b>			
Hang Seng Index Futures	HKD 750.00 (min. HKD 2500)	HKD 750.00 (min. HKD 2500)	-
Equity Options	HKD 50.00 (min. HKD 500)	HKD 50.00 (min. HKD 500)	-
<b>Borsa Italiana (IDEM)</b>			
FTSE MIB Futures	EUR 25.00 (min. EUR 50.00)	EUR 25.00 (min. EUR 60.00)	-
Options	EUR 5.00 (min. EUR 50.00)	EUR 5.00 (min. EUR 70.00)	-
<b>Euronext</b>			
AEX Index Futures	EUR 22.00 (min. EUR 50.00)	EUR 22.00 (min. EUR 68.00)	-
AEX Index Options	EUR 5.00 (min. EUR 50.00)	EUR 5.00 (min. EUR 70.00)	-
CAC40 Index Futures	EUR 20.00 (min. EUR 50.00)	EUR 20.00 (min. EUR 50.00)	-
BEL 20 Index Options	EUR 5.00 (min. EUR 50.00)	EUR 5.00 (min. EUR 70.00)	-
Euronext Derivatives Paris Options	3.00% (min. EUR 50.00)	3.00% (min. EUR 70.00)	-
<b>MEFF</b>			
IBEX 35 Index Futures	EUR 25.00 (min. EUR 50.00)	EUR 25.00 (min. EUR 60.00)	-
Equity Options	EUR 16.00 (min. EUR 50.00)	EUR 16.00 (min. EUR 70.00)	-
<b>CEESEG CEE-Stock Exchange Group</b>			
Index Options	3.00% (min. EUR 50.00)	3.00% (min. EUR 70.00)	-
Equity Options	6.50% (min. EUR 50.00)	6.50% (min. EUR 70.00)	-
<b>ICE Futures Europe</b>			
Three Month Euro Swiss Franc (Euroswiss) Futures	CHF 25.00 (min. CHF 50.00)	CHF 25.00 (min. CHF 100.00)	-
MSCI Index Futures	EUR 15.00 (min. EUR 50.00)	EUR 20.00 (min. EUR 50.00)	-
Options on EURIBOR Futures	EUR 16.00 (min. EUR 50.00)	EUR 16.00 (min. EUR 70.00)	-
<b>ICE Futures U.S.</b>			
Agriculture Futures	USD 30.00 (min. USD 50.00)	USD 30.00 (min. USD 90.00)	-
Agriculture Options	USD 30.00 (min. USD 50.00)	USD 30.00 (min. USD 100.00)	-
<b>NYSE Exchanges</b>			
NYSE American Options	USD 7.25-8.25 (min. USD 50.00)	USD 7.25-8.25 (min. USD 100.00)	-
<b>Singapore Exchange (SGX)</b>			
SGX Nikkei 225 Index Futures	JPY 3'000.00 (min. JPY 12'000)	JPY 3'000.00 (min. JPY 12'000)	-
SGX MSCI Taiwan Index Futures	USD 35.00 (min. USD 50.00)	USD 35.00 (min. USD 100.00)	-
<b>Tokyo Stock Exchange</b>			
Japanese Government Bond (JGB) Futures	JPY 10'000.00 (min. JPY 15'000)	JPY 10'000.00 (min. JPY 15'000)	-
<b>Nasdaq OMX Helsinki</b>			
OMX Stockholm 30 Index Futures and Options	SEK 95.00 (min. SEK 250.00)	SEK 120.00 (min. SEK 500.00)	-
<b>Montréal Exchange (TMX)</b>			
S&P/TSX 60 Index Futures and Options	CAD 8.50 (min. CAD 50.00)	CAD 8.50 (min. CAD 150.00)	-
<b>Australian Stock Exchange (ASX)</b>			
ASX SPI 200 Index Futures and ASX Options	AUD 16.00 (min. AUD 50.00)	AUD 16.00 (min. AUD 70.00)	-

## FX Spot, Forwards and Swaps

Size

Fee, in Basis Points (bps)

< 500k CHF equivalent	25
>= 500k CHF equivalent	5

---

**Important Notices:**

- If Adjustments contain special qualifiers (e.g. discretionary), above fees will be increased by CHF 80.00.
- In case of absolute amounts stated as (minimum) fees, the Index Calculation Agent may translate these amounts into a relative value and apply to the Index Adjustments in a reasonable manner to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment.
- In case of exchange traded Derivative Instruments, only the most important instruments are listed for each exchange and the fees for corresponding index Adjustments are indicated. The Index Calculation Agent shall determine the applicable fees in such cases and for over-the-counter instruments at its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment. Accordingly, the Index Calculation Agent shall determine the applicable fees for forwards and swaps within the range specified above.
- The Index Calculation Agent will add amounts to above fees determined in its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an Adjustment. This includes expenses typically incurred by brokers, or expenses typically incurred by other third parties (e.g. exchange fee, broker fee).

### **Annex C: Guide to the Vontobel China New Vision Index**

Note: The Guide is paginated separately. The page numbers in the Guide therefore differ from the consecutive page numbers in the Supplement.

[The rest of this page was left blank intentionally.]

Structured Products

# Vontobel China New Vision Index

Index Guide





# Content

<b>Guide to the Vontobel China New Vision Index</b>	<b>3</b>
<b>1. Introduction and basic data</b>	<b>3</b>
1.1. Preliminary remarks	3
1.2. Basic principles	3
<b>2. Index parameters</b>	<b>3</b>
2.1. Index Sponsor	4
2.2. Index Strategy	4
2.3. Index Universe	4
2.4. Selection Process	4
2.5. Fees and Costs	5
2.5.1. Index Fee	5
2.5.2. Adjustment Fees	5
2.5.3. Other Costs	5
2.5.4. Cost of Index constituents	5
<b>3. Index calculation</b>	<b>5</b>
3.1. Index formula	5
3.2. Valuation Prices	5
3.3. Currency translation	6
3.4. Index corrections	6
<b>4. Adjustments to the Index composition</b>	<b>6</b>
4.1. Ordinary Adjustment	6
4.2. Extraordinary Adjustment	6
4.3. Stop Loss	7
4.4. Distributions and interest	7
4.5. Replicability	7
<b>5. Changes to the Guide</b>	<b>7</b>
5.1. Withdrawal of the Index Sponsor	7
5.2. Significant changes	7
5.3. Other changes	7
5.4. Entry into force	7
5.5. Change history	8
<b>6. Miscellaneous</b>	<b>8</b>
6.1. Language	8
6.2. Publications	8
6.3. Distribution	8
6.4. Use of index data	8
6.5. Contact	8

# Guide to the Vontobel China New Vision Index

## 1. Introduction and basic data

This document («**Guide**») describes the composition, calculation and publication of the Vontobel China New Vision Index (the «**Index**»). The Index reflects the performance of a hypothetical portfolio, which is compiled and continuously managed by the Index Sponsor in accordance with the Strategy determined by it. The strategy of the Index Sponsor is to select shares of companies that are related to the five-year plans of the government of the People's Republic of China. The strategy aims to achieve long-term capital growth by constructing a diversified equity index.

### 1.1. Preliminary remarks

This Index forms part of the Vontobel Strategy Indices («**Strategy Indices**») family of indices. **The Strategy Indices are not recognised financial indices, but are indices designed and calculated by Bank Vontobel AG as the Index Calculation Agent.**

The Index Calculation Agent is advised by index sponsors for the purpose of the composition of the Strategy Indices. **The index sponsors act in principle at their own discretion and within the index strategy defined by themselves and for which they are responsible** (referred to in the following as «**Index Strategy**» or «**Strategy**»; see 2.2).

The Index Calculation Agent will carry out the calculation and composition of the Strategy Indices with the greatest possible care. However, the Index Calculation Agent accepts no obligation or liability with respect to the calculation and composition of the Strategy Indices. The Index Calculation Agent is not liable for direct or indirect losses arising from the incorrect calculation of the indices, their composition or the other key figures, unless they are due to gross negligence or wilful intent on the part of itself, its vicarious agents or their legal representatives. The Index Calculation Agent – without prejudice to possible obligations vis-à-vis licensees or index sponsors – has no obligation vis-à-vis third parties (including investors in financial instruments linked to the Index and/or financial intermediaries) to draw attention to any mistakes in the Index.

The Index Calculation Agent's indices do not represent a recommendation by the Index Calculation Agent to make

an investment. In particular, the composition, calculation and publication of the indices do not in any way imply an assurance or opinion on the part of the Index Calculation Agent with respect to the purchase or sale of an index constituent or of a financial instrument linked to that index.

This Guide is available on the Information Page.

### 1.2. Basic principles

The Strategy Indices are calculated and composed, as far as possible, in accordance with the following principles:

- The Index should reflect the underlying Strategy defined by the Index Sponsor as closely as possible.
- The Index Sponsor makes decisions about the composition of the Index and any ordinary adjustments on its own authority.
- Adjustments of the Index are published without undue delay.
- The current composition of an Index is published at least once a day.
- Index constituents are tradeable and available to an extent appropriate to the Strategy.
- A real portfolio can replicate the performance of the Index.
- The Index Strategy provides reliability and continuity.
- Changes in the rules are communicated with adequate advance notice (generally at least 5 Index Days). Changes to the Guide are never made with retrospective effect.

## 2. Index parameters

«**Index Calculation Agent**» is Bank Vontobel AG, Structured Products, Gotthardstrasse 43, CH-8002 Zurich

«**Index Identifiers**» are:

- ISIN: CH1108996567
- Valor: 110899656
- WKN: A3CUEF

«**Index Start Date**» is 05 July 2021.

«**Index Start Level**» amounts to 100 points.

«**Index Day**» means each day on which the commercial banks in Zurich, Switzerland, are open for business transactions.

«**Information Page**» means <https://indices.vontobel.com>

«**Index Currency**» is USD.

### 2.1. Index Sponsor

The Index Calculation Agent is advised by the Index Sponsor in connection with the composition of the Index. For this purpose, the Index Sponsor follows a specific procedure, defined and described under 2.2 below, according to which decisions are made with respect to the composition of the Index. The Index Sponsor is Vontobel Asset Management AG, Gotthardstrasse 43, CH-8002 Zürich.

The Index Sponsor selects and weights the respective Index constituents independently. It decides on the time and scope of changes in the Index composition without consulting the Index Calculation Agent and is responsible for the permanent monitoring of compliance with the Index Strategy and the Index Universe. The Index Calculation Agent, on the other hand, is not responsible for monitoring compliance with the Strategy by the Index Sponsor.

The Index Sponsor may terminate the advisory agreement with the Index Calculation Agent, giving two months notice. In this case, the Index Calculation Agent shall proceed in accordance with 5.1.

### 2.2. Index Strategy

The Index reflects the performance of a virtual investment managed on the basis of a Strategy. This Strategy is determined by the Index Sponsor and the Index Sponsor is solely responsible for it. The Index Calculation Agent neither advises nor assists the Index Sponsor in connection with the preparation or implementation of the Strategy. The Index Calculation Agent is under no obligation to monitor the Index Sponsor's implementation of and compliance with the Strategy; it follows the decisions of the Index Sponsor relating to the selection and weighting of the relevant Index constituents in principle without carrying out a review of its own.

The strategy of the Index Sponsor is to select shares of companies that are related to the five-year plans of the government of the People's Republic of China. The strategy aims to achieve long-term capital growth by constructing a diversified equity index. The strategy categorizes the sectors into 'society's base' basket and 'society's vision' basket. In the 'society's base' basket, the stocks in each industry are selected according to qualitative measures and are related to basic life needs. In the 'society's vision' basket, stocks in each industry are selected according to qualitative and innovation measures. The society's vision basket represents sectors, where more strategy planning tends to occur and cutting edge research/technologies tend to be applied. The main

purpose of the division is to design the stock selection adjusted to the products and services of a set of sectors.

The following restrictions apply:

- Short selling of shares, other equities, ETFs, collective investment schemes, bonds, debentures or other debt instruments is not permitted;
- The weighting of any Index constituent other than a Cash Component may not exceed 10% in the Index.

### 2.3. Index Universe

The Index Universe determines the financial instruments that can be accepted as Index constituents. The Index Universe comprises:

1. Shares and other equities listed on a stock exchange
  - in a country specified in Appendix 1, and
  - that holds full membership of the Federation of European Securities Exchanges (FESE) or the World Federation of Exchanges (WFE);
2. Cash Components (including call money):
  - Eligible currencies: USD, AUD, JPY, EUR, CAD, NOK, GBP, CHF, SEK, HKD, SGD, ILS, DKK, NZD, CNY, ZAR
  - Cumulative weighting of all Cash Components mustn't exceed 50% of Index

Index components may not contain or grant any retrocessions or other financial benefits. The Index Sponsor ensures that any retrocessions and other financial benefits are credited to the Index (e. g. by increasing the Cash Component).

All Index components must feature sufficient market liquidity as determined by the Index Calculation Agent in its sole discretion.

### 2.4. Selection Process

The Index Universe for the selection screening contains large and mid cap stocks. The constituents are listed China A-shares at Hong Kong, Shanghai and Shenzhen stock connect (northbound), China H shares and Hong Kong local listings in Hong Kong exchange and ADRs traded in the US. During the Selection Process, which is made at least quarterly by the Center of Excellence Investments/Multi Asset, stocks with the MSCI ESG rating below BB are excluded. Furthermore, the stocks from following industries are excluded: Thrifts & Mortgage Finance, Capital Markets, Diversified Financial Services, Mortgage Real Estate Investment Trusts (REITs), Equity Real Estate Investment Trusts (REITs), Tobacco, Energy equipment & Services, Oil, Gas & Consumable Fuels. The remaining universe is split into the 'society's base' basket and 'society's vision' basket according to the Global Industry Classification Standards sector classification of each stock. The 'society's base' basket contains stocks from consumer staple, utilities, health care, real estate and financial sectors. The 'society's vision' basket contains stocks from communication

service, consumer discretionary, material, industrial, energy and information technology sectors. For every industry in the 'society's base' basket, top 10% stocks are selected based on the aggregated ranking accounting for ROE, Debt-to-Equity, Gross profit-to-Asset ratios. For every industry in the 'society's vision' basket, top 20% stocks are selected based on the aggregated ranking accounting for ROE, ROIC, Gross Profit-to-Asset, R&D Expenses-to-Sales ratios. Index construction consists of four steps: Step 1: the selected stocks in each industry are equally weighted. Step 2: the industries within each sector are weighted according to a systematic industry trend signal. Not every industry is trending at the same time. Therefore a systematic industry trend signal has been introduced to capture the market dynamics so that trending industries have more exposure in the index. Step 3: the sectors are weighted according to a set of target sector weights which are discretionally decided based on the guidance of the five-year plans of the government of the People's Republic of China. Step 4: maximum weight and minimum weight of the constituents in the index are restricted in a given range to ensure index diversification.

## 2.5. Fees and Costs

### 2.5.1. Index Fee

The Index fee amounts to 1.25% per annum.

The Index Fee is calculated on each Index Day on the basis of the respective current value of the index and is deducted *pro rata temporis* from the respective Cash Component on each Index Day.

### 2.5.2. Adjustment Fees

Additional fees are incurred in the event of ordinary adjustments of the Index in accordance with 4.1 below («**Adjustment Fees**»). The applicable Adjustment Fees are described in more detail in Appendix 1 and may be adjusted from time to time by the Index Calculation Agent in order to be able to replicate in the Index the fee charge of a real investment at any time.

Changes to the applicable Adjustment Fees will be published on the Information Page at least one month prior to becoming effective.

### 2.5.3. Other Costs

If and to the extent that, in accordance with the Index Strategy, a real investment would incur taxes, fees or other charges not covered by the Adjustment Fees described above («**Other Costs**»), the Index Calculation Agent shall take such costs into account when calculating the Index. Accordingly, other costs of the Strategy, in particular costs for collateral that would arise from real short selling positions in derivative financial instruments (e.g. forward transactions), are deducted from the Cash Component.

### 2.5.4. Cost of Index constituents

The Index constituents themselves can also be subject to fees and costs and thus indirectly have a reducing effect

on the value of the Index. Such fees, e.g. management fees and distribution fees for collective investment schemes/investment units and structured products, are outlined by the respective manager/issuer in the respective documentation of the Index constituent.

## 3. Index calculation

The Index will be calculated for the first time on the Index Start Date. The initial level of the Index on the Index Start Date corresponds to the Index Start Level. The respective current index level will be determined by the Index Calculation Agent once a day after the close of business for banks in Zurich (Switzerland), rounded to two decimals and normally published by 10:00 a.m. (local time in Zurich) on the next Index Day in accordance with 6.1 below («**Closing Level**»). One index point corresponds to one unit of the Index Currency.

### 3.1. Index formula

The Index level on an Index Day is the sum of the Valuation Prices for the Index constituents (including positive and negative Cash Components, if any) multiplied by the corresponding number of this constituent in the Index. Accrued Index and Adjustment Fees as well as Other Costs are deducted from this amount.

The Index on an Index Day T is calculated according to the following formula:

$$IDX_t = \sum_{i=1}^n n_{i,T} \times V_{i,T} - F$$

where:

T:	current Index Day
$IDX_T$ :	Index level after the close of business on Index Day T
$V_{i,T}$ :	Valuation Price of Index constituent i on Index Day T
$n_{i,T}$ :	number of Index constituent i in the Index on Index Day T
F:	Fees and Costs since the immediately preceding Index Day

### 3.2. Valuation Prices

The Index is calculated on each Index Day using the Valuation Prices for the Index constituents. The Index Calculation Agent determines the respective Valuation Prices after the close of business on an Index Day. Depending on the type of Index constituent, the Index Calculation Agent bases its determination on:

Type	Source of Valuation Price
Shares or other equities	Closing price at primary market (as determined by Index Calculation Agent)
Exchange traded units in funds (ETF)	Closing price at primary market (as determined by Index Calculation Agent)

Units in other Collective Investment Schemes/ Funds	In case of daily issue and redemption:
	— Net Asset Value as determined by relevant administrator for the Bank Business Day immediately preceding the current Bank Business Day,
	Otherwise:
	— Last published Net Asset Value
	— In case of temporarily or permanently restricted tradability or any restrictions of redemptions (e.g. gate restrict) a value which may be as low as zero (0) as determined by the Index Calculation Agent in its own discretion.
Derivative Instruments and Structured Products	— Valuation based upon prices of underlying and applying proprietary, adequate and generally accepted valuation models; if not available:
	— Price as disseminated by major financial information service provider.
Bonds, debentures and other debt instruments	— Price as disseminated by major financial information service provider; if not available:
	— Request for quotes to various, independent banks/ brokers; if not available:
	— Valuation based upon current price of - in terms of maturity and solvency - comparable, exchange traded instrument; if not available:
	— Valuation based upon current market return of comparable instruments
Precious metals	Price as disseminated by major financial information service provider
Cash Components	Nominal value. Fees and Costs are to be accrued or deducted for each Index Day.

The Calculation Agent may deviate from such sources in its reasonable discretion or may change such price sources in general without giving prior notice. Modifications to the valuation sources are published on the Information Page.

### 3.3. Currency translation

If the Valuation Price of an Index component is determined in a currency other than the Index Currency (or is a Cash Component in a currency other than the Index Currency), such amounts shall be converted into the Index Currency by the Index Calculation Agent at its reasonable discretion.

### 3.4. Index corrections

In case of calculation errors which the Index Calculation Agency deems to be material at its reasonable discretion, Index levels shall also be corrected retrospectively if this is technically possible and economically reasonable. Otherwise, no correction is made. Corrections will be published on the Information Page.

## 4. Adjustments to the Index composition

### 4.1. Ordinary Adjustment

The Index Sponsor selects and weighs the respective Index constituents independently within the framework of the Strategy determined by him and also decides on the time and scope of changes in the Index without consultation with or advice by the Index Calculation Agent (in each case an «**Ordinary Adjustment**»). However, the Index Calculation Agent may refuse to include individual instruments in the Index at any time without giving reasons, as well as request removal from the Index or a reduction in the weighting of individual Index constituents.

An Ordinary Adjustment can be made on any Index Day. Adjustment recommendations must be submitted by the Index Sponsor to the Index Calculation Agent by 3:00 PM (local time Zurich) on the respective Index Day at the latest in order to ensure implementation on the same day. Orders received later may be rejected by the Index Calculation Agent.

With regard to China Connect Securities (“China Northbound”), the Index Sponsor may submit a maximum of one adjustment per Index Day and ISIN.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Ordinary Adjustments are subject to Adjustment Fees in accordance with section 2.5.3 above.

### 4.2. Extraordinary Adjustment

In case of extraordinary events relating to an Index constituent, the Index Calculation Agent shall adjust the composition of the Index and, if necessary, take further measures at its reasonable discretion which are suitable to enable the Index to be continued («**Extraordinary Adjustment**»).

The aim is to ensure continuous calculation and reproducibility of the Index even in case of extraordinary events. As a measure, for example, constituents can be removed from the Index.

The new Index composition and the Index Day from which it takes effect shall be decided on a case-by-case basis by the Index Calculation Agent.

Extraordinary Events are

- Insolvencies and other credit events;
- mergers, takeovers, spin-offs, corporate actions (e.g. class conversions, conversions), delisting, and similar events;
- insufficient market liquidity in the opinion of the Index Calculation Agent;
- a violation of the Index Strategy or the Index Universe detected by the Index Calculation Agent;

- as well as all events whose tax, regulatory, legal, economic or other effects are comparable with one of the aforementioned events.

#### 4.3. Stop Loss

If on an Index Day the value of the Index equals or is below 50% of the Index Start Level («**Stop-Loss Event**»), the Index Calculation Agent may terminate the advisory agreement with the Index Sponsor with respect to this Index without notice and extraordinarily.

In this case, the Index Calculation Agent can adjust the Index without involving the Index Sponsor immediately after a Stop-Loss Event by dissolving all constituents and reallocating them into Cash Components in the Index Currency. In this case, the restrictions regarding the maximum weighting of Cash Components according to section 2.3 are not complied with.

The Index Calculation Agent is not obliged to act as described above, but decides at its own discretion and, if necessary, after consulting the Index Sponsor.

#### 4.4. Distributions and interest

The Index is calculated as a performance index. Dividend payments as well as other distributions and income are recognized net of country-specific taxes, fees and other charges («**Net-Return**»). The currently valid country-specific tax rates are published on the Information Page.

In the case of a cash distribution on Index constituents, the Index Calculation Agent will increase the Cash Components in the Index on the respective payment date in order to reflect the distribution. In addition, the Index Calculation Agent shall decide at its reasonable discretion on an appropriate Index adjustment to ensure that the Index reflects the performance that would result from a real portfolio.

In order to ensure the effective simulation of such a performance, Cash Components in the Index can be «interest-bearing». The applicable interest rate is determined from time to time by the Index Calculation Agent on the basis of prevailing market conditions for the respective currency. Depending on the current market interest rate environment, negative interest may be charged or, in the case of a negative balance, debit interest may be charged.

In the case of negative interest, the Index Calculation Agent may, at its discretion, take into account allowances for Cash Components in the respective Strategy Index which the Index Calculation Agent deems necessary to ensure effective simulation, in particular of changes in value and quantity; i.e. only if the Cash Component contained in the Strategy Index exceeds a possible allowance, the amount exceeding this allowance is subject to negative interest.

#### 4.5. Replicability

In order to ensure that the Index can be replicated (see section 1.2 Basic principles above), the Index Calculation Agent is entitled at any time and without consulting the Index Sponsor to increase or reduce the weighting of the Cash Component within the Index (with the result that the weightings of the other Index constituents are reduced or increased accordingly).

Information on the composition of the Index is published on the Information Page.

### 5. Changes to the Guide

#### 5.1. Withdrawal of the Index Sponsor

If the Index Sponsor terminates the Advisory Agreement with the Index Calculation Agent or if the Index Sponsor no longer fulfils its consulting activities for any other reason, the Index Calculation Agent can determine another index sponsor at its reasonable discretion or discontinue the Index calculation. The Index Calculation Agent will inform as soon as possible on the Information Page about its decision in the event of the withdrawal of the Index Sponsor.

#### 5.2. Significant changes

The Index Calculation Agent is entitled to change the Index Universe and the Index Strategy at the proposal of the Index Sponsor and in compliance with the basic principles, if all investors in index-related financial instruments agree to this change («**Significant Change**»). This also applies to the introduction of new fees (e.g. TCM collateralisation fee and/or performance fee) and the increase of fees pursuant to section 2.5.1.

#### 5.3. Other changes

The method described in this Guide for calculating the Index is binding. Since a need for change cannot be ruled out, e.g. due to errors in the rules, changes in the market environment or due to regulatory, tax or other legal developments and changes, the Index Calculation Agent may make changes to this Guide and thus to the Index and its calculation method («**Other changes**»).

#### 5.4. Entry into force

The Index Calculation Agent shall always provide adequate notice of changes to the Guide by publishing the modified Guide on the Information Page, dated on the Index Day of its entry into force.

Significant changes must be published on the Information Page at least three calendar months before they take effect.

In the case of other changes, the modified guide will generally be published on the Information Page at least five Index Days before it takes effect. In case of correction of errors in the guide, an immediate correction with

simultaneous publication is permitted. Adjustments to this guide are never made retroactively.

### **5.5. Change history**

The Index Universe was extended by adding eligible currencies to the Cash Components. This change takes effect on 30 November 2021.

## **6. Miscellaneous**

### **6.1. Language**

The original version of the Index Guide is in English; versions in other language versions constitute non-binding translations.

### **6.2. Publications**

All publications concerning the Index are published on the Information Page. Such publication shall be deemed to have taken place on the date of publication.

### **6.3. Distribution**

The Index Level is published daily and distributed over the Information Page.

The Index cannot be distributed in the event of data supply disruptions at the Index Calculation Agent or the above-mentioned data vendors.

### **6.4. Use of index data**

The Index or index family is the intellectual property of the Index Calculation Agent, which reserves all rights. The Index Calculation Agent enables its customers, e.g. banks, investment houses and securities issuers, to use the index data (index composition and index weighting) for issuing derivative financial instruments.

### **6.5. Contact**

Bank Vontobel AG  
Structured Products  
Gotthardstrasse 43  
8022 Zurich  
Switzerland  
Phone: +41 (0)58 283 78 88  
Email: [indexing@vontobel.com](mailto:indexing@vontobel.com)

## Appendix 1

In case of Ordinary Adjustments according to section 4.1 of the Guide the Index Calculation Agent applies the following fees:

### Shares and other equities

Land	via e-Service	not via e-Service
	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>	<i>Fee in basis points (Minimum Fee per adjustment in Currency)</i>
Hong Kong	5 bps (min. CHF 0.00)	15 bps (min. CHF 100.00)
United States	5 bps (min. CHF 0.00)	15 bps (min. CHF 100.00)
China	15 bps (min. CHF 0.00)	25 bps (min. CHF 100.00)

### FX Spot

Size	Fee, in Basis Points (bps)
< 500k CHF equivalent	25
>= 500k CHF equivalent	5

#### Important Notices:

- If Adjustments contain special qualifiers (e.g. discretionary), above fees will be increased by CHF 80.00.
- In case of absolute amounts stated as (minimum) fees, the Index Calculation Agent may translate these amounts into a relative value and apply to the Index Adjustments in a reasonable manner to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment.
- In case of exchange traded Derivative Instruments, only the most important instruments are listed for each exchange and the fees for corresponding index Adjustments are indicated. The Index Calculation Agent shall determine the applicable fees in such cases and for over-the-counter instruments at its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an adjustment. Accordingly, the Index Calculation Agent shall determine the applicable fees for forwards and swaps within the range specified above.
- The Index Calculation Agent will add amounts to above fees determined in its discretion to replicate the cost effect, which a real portfolio would have to bear due to such an Adjustment. This includes expenses typically incurred by brokers, or expenses typically incurred by other third parties (e.g. exchange fee, broker fee).