

LONG MINI-FUTURES ON GOLD (TROY OUNCE)

Mini-Futures combine characteristics of futures with those of leverage products. Thanks to the low level of capital investment required, they enable disproportionate participation in price performance of the underlying in line with the leverage factor, and can thus be used for speculation or to hedge positions. With Long Mini-Futures, the investor is betting on the price of the underlying rising, and with Short Mini-Futures on falling prices.

Mini-Futures do not have a fixed maturity. When the underlying reaches the stop-loss level, however, they expire immediately and are then basically repaid at the then realizable market value.

PRODUCT INFORMATION

Issuer	Bank Vontobel AG, Zürich (S&P A+; Moodys A1)
Lead Manager	Bank Vontobel AG, Zürich
Paying and Calculation Agent / Exercise place	Bank Vontobel AG, Zürich, attn. Corporate Actions, Gotthardstrasse 43, 8022 Zürich, Phone +41 (0)58 283 74 69, Fax +41 (0)58 283 51 60.
Underlying value	Gold (Troy Ounce) (Swiss Sec. No.: 274 704)
Regulation office / fixing time	London Bullion Market / London p.m. Fixing
Trading currency of the underlying	USD
Type	Long
Issue price	CHF 0.99 per Mini-Future
Reference currency	CHF; issue, trading and redemption in CHF
Ratio	100 : 1 (100 Mini-Futures per underlying)
Price of underlying at initial fixing	USD 739.25
Financing level at initial fixing	USD 660
Stop loss level at initial fixing	USD 679.8
Leverage at initial fixing	8.74
Financing spread at initial fixing	4.5%
Maximum financing spread	5%
Stop-Loss buffer at initial fixing	3%
Maximum stop-loss buffer	15%
Rounding of financing level	0.001
Rounding of Stop-loss	0.001
Fixing date	November 7, 2008
Payment date	November 14, 2008
First trading day	November 7, 2008
First exercise day	November 10, 2008
Maturity	Open End
Swiss sec.no. / ISIN no. Mini Future	481 1273 / CH0048112731
Telekurs Symbol	MXAUA

GENERAL INFORMATION

Issue size	20'000'000 Mini-Futures, the size may be increased any time
Minimum trading size	100
Minimum exercise size	1'000
Exercise rights of the investor	From the first exercise date, the investor is entitled to exercise his mini futures on this and each following trading day. The Paying and Calculation Agent must have received the corresponding notice by 11.00 (Swiss time).
Issuer's call right	The issuer is entitled to terminate non-exercised mini futures at any time.
Valuation date	The valuation date is the date on which the mini futures: (a) are exercised by the holder in accordance with the terms and conditions governing mini futures, or (b) are terminated by the issuer, or (c) a stop-loss event occurs, prior to which the holder of the mini futures exercises his right or the issuer terminates.
Redemption sum upon exercise or termination	For each mini future exercised or terminated, the following amount is paid back to the investor in the reference currency: $\max(0; (\text{final fixing price} - \text{current financing level}) / \text{ratio}) * \text{FX}$ whereby FX is the current Interbank conversion rate of the trading currency of the underlying into the reference currency. The redemption amount is paid out five trading days before the valuation date. The value achieved when calculating the redemption amount is rounded off to two decimal points.
Stop-loss event	A stop-loss event occurs when the price of the underlying on the interbanking market for bullions (gold, silver, platinum, palladium) touches or breaches the current stop-loss level within the observation period and observation hours, whereby the mini futures are automatically exercised and become invalid. In this event, the redemption amount corresponds to the realizable stop-loss liquidation price.
Observation period	Every day between the first trading day (inclusive) and the last trading day (inclusive) at which during the observation hours prices on the underlying are usually published on the interbanking market for bullions.
Stop-loss liquidation price	A price determined by the Paying and Calculation Agent, which results from the underlying price within a period of one hour during the observation hours after a stop-loss event has occurred. If a stop-loss event occurs less than one hour before the end of a trading hour, the period is then carried over to the next trading day.
Final fixing price	If the holder of the mini futures exercises the price, or the issuer terminates, then the final fixing price is equal to the reference price on the valuation date. In the event of a stop-loss event, however, the final fixing price is equal to the stop-loss liquidation price.
Reference price	The reference price is the price of the underlying (bullion) determined and published by the regulation office at the fixing time of a trading day.
Trading day	A trading day for mini futures is a day on which the mini futures are traded on the SIX Swiss Exchange.
Current financing level	At the end of an adjustment day, the Paying and Calculation Agent adjusts the current financing level using the following formula: $FL_n = FL_a + \frac{(r + FS) \cdot FL_a \cdot n}{360}$ whereby: FL_n : Financing level following adjustment = current financing level. FL_a : Financing level before adjustment. r : Deposit interest rate (LIBOR); the current money market interest rate determined by the Paying and Calculation Agent for overnight deposits in the underlying's trading currency. FS : Current financing spread. n : Number of calendar days between the current adjustment date (exclusive) and the next adjustment date (inclusive). The result of the calculation is rounded off to the next multiple derived from the rounding off of the financing level.
Adjustment day	Each trading day for mini futures.
Adjustment day for stop-loss level	The first adjustment day of each month. If the Calculation Agent deems it necessary, an adjustment may be made on each trading day for mini futures.
Current financing spread	The Paying and Calculation Agent establishes, at its own discretion, the current financing spread between zero and the maximum financing spread on each adjustment day for the stop-loss level.

Current stop-loss buffer	A buffer between zero and the maximum stop-loss buffer determined by the Paying and Calculation Agent on each adjustment day for the stop-loss level.
Current stop-loss level	A value determined by the Paying and Calculation Agent on each adjustment day for the stop-loss level after the current financing level has been adjusted in accordance with the following formula and rounded off to the next multiple derived from the rounding off of the stop-loss level: Current financing level * (100% + current stop-loss buffer)

FURTHER INFORMATION

Taxes	<p>Capital gains from Mini-Futures are tax exempt for private investors liable to tax in Switzerland.</p> <p>No withholding tax, no issue tax. Secondary-market transactions are not subject to Swiss transfer tax.</p> <p>For Swiss paying agents, this product is not subject to EU taxation on investment income.</p> <p>The above taxation applies at the time of issue. Tax legislation and the practice of the tax authorities may change at any time.</p>
Sales restrictions	USA, US persons, DIFC Dubai and United Kingdom
Clearing/Settlement	SIS SegaInterSettle, Euroclear, Clearstream
Secondary market	The secondary market is guaranteed for the entire duration of the product.
Listing	Will be applied for in the main segment at the SIX Swiss Exchange .
Opportunities/Risks	<p>Mini futures offer the opportunity of achieving profits through price changes in the underlying via a leverage effect.</p> <p>The risk of an investment in Mini-Futures is, according to the leverage effect, greater than that of a direct investment. In addition to the increased risks which are typical of leverage products, it must in particular be borne in mind that, once the underlying reaches the stop-loss threshold, the Mini-Futures expire immediately, whereby the issuer liquidates existing hedging transactions at liquidation prices. The possibility cannot be ruled out that such a stop-loss liquidation price may even be zero under particularly unfavorable conditions. The potential loss involved in Mini-Futures is limited to the capital invested.</p> <p>With Mini-Futures on underlyings denominated in currencies other than CHF, there is an additional currency risk.</p> <p>The value of structured products may depend not only on performance of the underlying, but also on the creditworthiness of the issuer/guarantor. The investor is exposed to the risk of default on the part of the issuer/guarantor.</p> <p>These data represent only an excerpt of the risk references contained in the simplified prospectus of 12 December 2007, which is alone authoritative as regards the respective securities descriptions of the mini futures.</p>
Important information	This product is not a collective capital investment within the meaning of the Federal Law on Collective Capital Investments (KAG), and is not subject either to approval or supervision by the Swiss Federal Banking Commission (EBK).
Publication of notices	All notices to investors regarding products and changes in product conditions (because of corporate actions, for example) are published at www.derinet.ch ; under the rules relating to IBL (Internet Based Listing), notices concerning products quoted on the SIX Swiss Exchange are also published at www.swx.com . Term Sheets are generally not amended.

The original version of this term sheet is in German; versions in other languages are non-binding translations.

This term sheet does neither constitute a Listing Prospectus in the sense of the Listing Regulation nor an Issuing Prospectus in the sense of Art. 652a and/or 1156 OR.

The alone relevant complete conditions as well as the detailed risk references to this product are contained in the appropriate Listing prospectus.

The Issue and Listing prospectus can be ordered free of charge at the Bank Vontobel AG, Financial Products Documentation, Dreikönigstrasse 37, 8022 Zurich (Tel.: 058 283 78 88) or www.derinet.ch.

We would be glad to answer any questions you may have concerning our products on +41 (0)58 283 78 88 from 08.00-20.15 CET on bank workdays. Please note that all conversations on this line are recorded. By calling, we assume that you agree to this business practice.

The list and details provided do not represent a recommendation on the specified underlying security; they are for informative purposes only and under no circumstances are they to be used or considered as an offer to sell or a solicitation of any offer to buy any financial instrument. No responsibility is assumed for the completeness and accuracy of the information provided herein. The information provided herein is not meant as a substitute for a consultation with your house bank which we consider indispensable prior to entering any kind of derivatives transaction. Transactions of this nature should only be conducted once investors are fully aware of the risks involved and are in a position to bear the possible related financial losses. Furthermore, we refer to our brochure «Special Risks in Securities Trading», which we will send you free of charge on request.

Zurich, November 7, 2008