

# Tracker Certificate

Underlying: Europe Stock Picking Conviction Selection

Maturity: Open-ended

**This product is not a collective investment within the meaning of the Swiss Federal Investment Fund Act. It does not require approval from the Swiss Financial Market Supervisory Authority (FINMA) and is not subject to FINMA supervision. Investors are therefore not protected by the Swiss Federal Investment Fund Act.**

## PRODUCT DESCRIPTION

### Certificate details

Sec. No. / ISIN / Symbol	24 315 962 / CH0243159628 / ESPCS2
Issuer and Lead Manager	Banque Cantonale Vaudoise, Lausanne, Switzerland (S&P AA/ stable/A-1+)
Paying agent	Banque Cantonale Vaudoise, Lausanne, Switzerland
Basket calculation agent	Banque Cantonale Vaudoise, Lausanne, Switzerland
Investment Manager	REYL & CIE SA
Underlying asset	Basket of European equities
Certificates per basket	1 certificate = 1 basket of European equities
Issue size	130 000 Certificates (includes an increase and reopening clause)
Issue price	EUR 132.93
Reference price	EUR 132.93
Initial fixing date	30 April 2014
Payment date	06 May 2014
Effective termination date/Maturity	Open-ended
Redemption date	The sixth working day following the termination date set by either the investor or the Issuer (barring extraordinary market situations and emergencies).

### How the Certificate works

Product description	This EUR-denominated Certificate comprises a selection of no more than 20 stocks from the STOXX® Europe 600 and Bloomberg® Europe 500 index together with various cash components (see definition below). The selection of stocks reflects the Investment Manager's investment strategy. The Certificate is open-ended, which means that the maturity date is not fixed at issue. The Certificate matures when either the Issuer or the investor exercises his/her termination rights ("effective termination date"), subject to the notice periods set out herein.
Definition of the "cash component"	The cash components are made up of cash denominated in the main currencies of the underlying basket. The following currencies may be represented: EUR, CHF, GBP, NOK, SEK and DKK.
SSPA category	Investment product – Tracker Certificate (1300), according to the Swiss Derivative Map available at <a href="http://www.svsp-verband.ch">www.svsp-verband.ch</a> .
Management fees	1.90% per year (1.5% per year for the Investment Manager and 0.4% per year for the Issuer) to be deducted on a prorata basis from the EUR-denominated cash component. If the amount available in the EUR-denominated cash component is insufficient to cover the management fees, weightings will be adjusted so that these fees are covered.
Transaction costs at rebalancing	0.04% of the volume bought or sold will be charged at each rebalancing.

## Roles and responsibilities

In line with the investment universe and rules set out below, the Investment Manager determines the composition of the basket as well as the weightings of stocks and any cash components.

The Certificate's performance therefore depends on the quality of the Investment Manager's investment decisions. The Investment Manager assumes full responsibility for both the basket's composition and the resulting impact on the Certificate's performance.

At issue and at each rebalancing, the Issuer shall execute buy and sell orders on a best effort basis.

## Investment universe

Only stocks from the STOXX® Europe 600 index and Bloomberg® Europe 500 index are eligible.

## Management rules

1. The Asset Managers may rebalance the basket no more than 52 times per year (i.e., 365 days from the issue date).
2. The basket shall contain minimum 15 but no more than 30 stocks, each with a market capitalization exceeding CHF 1bn (based on the ECB reference exchange rate at the time of rebalancing).
3. A stock's weighting may not exceed 10% of the basket's value at issue and at each rebalancing.
4. During the Certificate's lifetime, dividends (net of any taxes and fees) will be kept in the cash components. These cash components may not exceed 15% of the total nominal amount invested. No interest is paid on these cash positions.
5. The basket may not contain any leveraged positions (i.e., nothing other than 100% participation in the performance of the stock) or short positions (short selling).

## Investment restrictions

If a stock cannot be traded for liquidity reasons or if it is impossible to execute a transaction for technical reasons, it may take the Issuer at most one day (i.e., 24 hours of a business day) to implement the Investment Manager's investment decisions. Based on these elements only, no guarantee can be made as to whether investment decisions will be implemented on the same day that instructions are received.

The Issuer reserves the right to refuse to execute a buy order if the security in question is subject to an investment restriction. Securities with an investment restriction include companies that represent a reputational risk for the Issuer and companies that are not in keeping with the Issuer's code of conduct (for instance, the Issuer does not currently invest in any company involved in cluster munitions).

If a selected security ceases to comply with the investment restrictions set by the Issuer, the security must be replaced at the next rebalancing.

## Basket composition

**The current composition of the basket is on the last page of this document.**

## Terms and conditions

### Redemption of Certificate

The amount redeemed in EUR is calculated as follows:

- The average sale price of each stock during the final fixing period is multiplied by its quantity in the basket.
- Stocks not denominated in EUR are converted into EUR at the rate set by the Issuer during the final fixing period.
- The remaining cash components are converted into EUR and added to this amount.

The formula for the above calculation is as follows:

$$\sum_{i=1}^N n_i \times P_i \times X_i + \sum_{j=1}^M C_j \times Y_j$$

where  $P_i$  is the average sale price of stock  $i$  during the final fixing period on the reference exchange

$n_i$  is the quantity of stock  $i$  in the basket during the final fixing period

$X_i$  is the EUR exchange rate against the currency in which stock  $i$  is denominated

$N$  is the total number of shares in the basket

$C_j$  is the amount of the cash components per Certificate in currency  $j$

$Y_j$  is the EUR exchange rate against currency  $j$

$M$  is the quantity of cash components in the basket

### Issuer's right of termination

The Issuer has the right to terminate all Tracker Certificates in circulation at any time, but no earlier than 9 months after the issue date. The termination must be announced at least 1 month prior to the effective termination date. The redemption amount will be calculated on the effective termination date.

If during the product's lifetime the Certificate's price drops to 25% or below, the Issuer may also immediately terminated the Certificates without prior notice. The effective termination date shall be announced as soon as possible.

<p>Investor's right of termination</p> <p>Termination procedure for investors</p>	<p>Investors may sell their Certificates on the secondary market. They also have the right to terminate any or all of the Certificates they hold provided that the Issuer has not already exercised its right of termination. The investor may do so once per quarter, on the last Tuesday of the quarter, but no earlier than 9 months after the issue date. The notice of termination must be sent to the calculation agent at least one month before the effective termination date, in line with the termination procedure set out below. The redemption amount will be calculated on the effective termination date.</p> <p>For the investor's termination to be valid, the Issuer must not have already exercised its right of termination, and the termination notice must be received by the calculation agent at least one month before the effective termination date. This notice may be made via mail or email to the addresses noted under "Contact information: product redemption."</p> <p>The investor's custodian bank must include the following information in its message to the calculation agent:</p> <ul style="list-style-type: none"> <li>▪ name, address and clearing number</li> <li>▪ the Certificate's security number</li> <li>▪ the number of Certificates involved</li> <li>▪ the effective termination date (must be at least one month after the notice is received by the Issuer)</li> </ul> <p>The calculation agent will confirm the termination to the investor's custodian bank, specifying in particular the effective termination date.</p> <p><b>Secondary market, Listing and Clearing</b></p>
<p>Listing, market segment</p> <p>Secondary market</p> <p>Clearing</p> <p>Materialization</p>	<p>Listing will be requested on the main market of the SIX Swiss Exchange and maintained until closing on the day before the final fixing period.</p> <p>Under normal market conditions, the Issuer will maintain a daily secondary market between 9:15am and 5:15pm (Swiss time, CET) on SIX Swiss Exchange business days. The bid-ask spread will not under any circumstances exceed 3%, and a minimum of EUR 50,000 will be offered for sale and purchase.</p> <p>However, in the event of unusual market conditions or if any other unforeseeable event should occur (e.g., if an exchange on which one of the stocks in the basket is listed suspends trading), the Issuer reserves the right to suspend quotations.</p> <p>Prices are also available from Reuters BCVINDEXT &lt;BCVDERIVATIVES&gt;, SIX Telekurs 24315962, BCV.</p> <p>SIX SIS SA</p> <p>The security takes the form of a book-entry security registered in the SIX SIS SA clearing system. It is not materialized, and individual securities will therefore not be printed or delivered.</p> <p><b>Tax</b></p>
<p>Tax disclaimer</p> <p>Switzerland</p> <p>EU taxation of savings</p>	<p>This tax information provides only a general overview of possible tax consequences related to this certificate on its issue date. Laws and tax practices can change with retroactive effect.</p> <p>Investors should always consult with their tax advisor for a specific evaluation of their profile before carrying out any transaction.</p> <p>For individuals whose tax domicile is in Switzerland and who hold these investments as part of their private assets, any gains resulting from the sale of certificates are considered capital gains. They do not currently constitute taxable income.</p> <p>Reinvested dividends constitute taxable income.</p> <p>This certificate is not subject to withholding tax, and Swiss federal stamp duty does not apply to transactions.</p> <p>Falls outside the scope of the EU Savings Tax Directive. Telekurs code = 9; "out-of-scope"</p> <p><b>Legal information</b></p>
<p>Jurisdiction and applicable law</p> <p>Prospectus</p>	<p><b>Lausanne, Swiss law.</b></p> <p>This document is not an issue prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations or a simplified prospectus within the meaning of Article 5.2 of the Swiss Federal Investment Fund Act. Only the listing prospectus, which is available from BCV in French, along with any other documents required by the Regulatory Board, shall prevail.</p>

Prudential supervision

BCV Lausanne, Switzerland, is subject to prudential supervision by FINMA.

Market forecast

## PROFIT AND LOSS EXPECTATIONS

This Certificate is designed to take advantage of a rise in the valuation of companies included in the basket.

Risk tolerance

The risks are comparable to those of a direct investment in the underlying securities: share price movements, holding-period risk, price volatility, etc.

The risks inherent in certain investments, particularly derivatives, may not be suitable for all investors. Before conducting any transaction, investors should evaluate their risk profile and seek information on inherent risks, and are urged to read the SwissBanking brochure "Special Risks in Securities Trading" (available at BCV offices or online at: [http://www.bcv.ch/static/pdf/en/risques\\_particuliers.pdf](http://www.bcv.ch/static/pdf/en/risques_particuliers.pdf)).

Potential profit

During the product's lifetime, holders of the Certificate can earn a profit if the product's market price is greater than its issue price. The potential return on the Certificate at the final fixing is comparable to the return on the underlying assets and directly depends on the quality of the investment decisions made by the Investment Manager.

Potential loss

A loss may be realized if the product is sold during its lifetime or if at the final fixing it is redeemed at less than the issue price.

The Investment Manager assumes full responsibility for selecting the initial composition of the basket and for the subsequent rebalancing. The Issuer is in no way responsible for the impact that these choices may have on the value of the Certificate or for any losses that may affect investors.

Issuer risk

## SIGNIFICANT RISKS INCURRED BY THE INVESTOR

Investors are exposed to the risk of insolvency of the Issuer, which could lead to a partial or total loss of the invested capital.

The value of investments does not depend solely on the performance of the underlying asset(s) but also on the solvency of the Issuer, which may change during the product's lifetime.

The rating stated in this document for the Issuer was valid at the time of issuance and may change during the product's lifetime.

Market liquidity

Under special market conditions, if the Issuer is unable to enter into hedging transactions, or if such transactions prove difficult, the spread between bid and ask prices may be temporarily expanded in order to limit the economic risk for the Issuer.

Market risk

Investors are exposed to the risks of underlying adjustment, non-convertibility, extraordinary market situations, and emergencies, such as the suspension of listing of the underlying, trading restrictions, and any other measures materially restricting the tradability of the underlying securities.

Investors are subject to the legal and contractual obligations of the markets on which the underlying is traded and on the markets that the Issuer designates or is subject to. Such market events could affect the dates and other terms and conditions in this document.

Currency risk

Investors whose reference currency is not the base currency for the product should be aware of the risks related to exchange rates.

Adjustments

The Issuer reserves the right to adjust the composition of the Certificate in case of special events affecting one or more of the securities in the basket, including but not limited to a merger, acquisition or severe restriction on tradability. In the interests of investors, adjustments will be made in accordance with current market practices.

## Important information

General information

Past performance does not guarantee present or future performance.

This document is for information purposes only; unless otherwise stated, it is not financial analysis within the meaning of the Swiss Bankers' Association's "Directives on the Independence of Financial Research", nor is it an offer, invitation or personalized recommendation to buy or sell specific products.

Unless otherwise stated, the Issuer is under no obligation to acquire the underlying assets.

Any changes to the initial terms and conditions of the structured product that are unplanned or not agreed contractually will be published on the website [www.bcv.ch/invest](http://www.bcv.ch/invest).

Subscription period

During the subscription period, the terms and conditions are for information purposes only and may be changed; the issuer is not obliged to issue this product.

Conflict of interest

BCV or an entity within BCV Group may pay or receive from third parties one-time or recurrent compensation relative to this issuance or product. The contents of this document may have been used for transactions by BCV Group prior to their publication. BCV Group may acquire, hold and/or dispose of interests or positions in the components of this product.

Sales restrictions

Distribution of this document and/or the sale of this product may be subject to restrictions (e.g., USA, US persons, UK, EU, Japan, Japanese persons) and are only authorized in accordance with applicable law.

In the event of cross-border financial services, BCV confirms that it has conducted no cross-border legal analysis. The product distributor is responsible for complying with the legal provisions in place in the country in which the product is to be distributed.

Publication date

01 May 2014

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### Contact information

Sales team

Structured products sales team / BCV Asset Management & Trading Division

Phone

021 212 42 00

Please note that phone calls to this number may be recorded. In the event that you call us, we shall assume that you have no objections to this procedure.

Fax

021 212 13 61

Website / email

[www.bcv.ch/invest](http://www.bcv.ch/invest) / [structures@bcv.ch](mailto:structures@bcv.ch)

Mailing address

BCV / 276 - 1598 / CP 300 / 1001 Lausanne / Switzerland

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### Contact information: product redemption

Mailing address

BCV, Support Produits Structurés et Emissions, 283-1404, CP 300, 1001 Lausanne, Switzerland

Email

[spf@bcv.ch](mailto:spf@bcv.ch)

## Basket composition

### Basket composition at 27.01.2020

Security	ISIN	Reference exchange	Currency	Weighting as %	No. of securities
Novartis	CH0012005267	SIX Swiss Ex	CHF	3.60%	0.07413
Roche	CH0012032048	SIX Swiss Ex	CHF	3.98%	0.02330
Logitech International	CH0025751329	SIX Swiss Ex	CHF	3.92%	0.16088
Nestlé	CH0038863350	SIX Swiss Ex	CHF	3.69%	0.06367
Swiss RE	CH0126881561	SIX Swiss Ex	CHF	4.17%	0.07130
Deutsche Boerse	DE0005810055	Xetra	EUR	4.16%	0.04890
Allianz	DE0008404005	Xetra	EUR	3.86%	0.03115
Vonovia Se	DE000A1ML7J1	Xetra	EUR	3.05%	0.10504
Int. Air Gr.	ES0177542018	London	EUR	1.59%	0.39812
Hermes	FR0000052292	Euronext	EUR	2.00%	0.00514
Total	FR0000120271	Euronext	EUR	3.46%	0.12990
Pernod-Ricard	FR0000120693	Euronext	EUR	3.24%	0.03543
LVMH	FR0000121014	Euronext	EUR	3.12%	0.01355
Michelin	FR0000121261	Euronext	EUR	3.78%	0.06306
THALES	FR0000121329	Euronext	EUR	2.99%	0.05316
Vivendi	FR0000127771	Euronext	EUR	3.39%	0.24120
EIFFAGE	FR0000130452	Euronext	EUR	3.98%	0.06698
Ashtead Group	GB0000536739	London	GBP	2.01%	0.11811
Diageo	GB0002374006	London	GBP	3.54%	0.16256
Royal Dutch	GB00B03MLX29	London	EUR	3.45%	0.23570
Compass Group	GB00BD6K4575	London	GBP	3.98%	0.30756
Kingspan	IE0004927939	Euronext	EUR	2.18%	0.06687
ENEL	IT0003128367	Brsaltaliana	EUR	2.45%	0.55408
ENI	IT0003132476	Brsaltaliana	EUR	3.03%	0.39908
Recordati	IT0003828271	Brsaltaliana	EUR	3.09%	0.13486
Airbus Group SE	NL0000235190	Euronext	EUR	4.10%	0.05349
ASML HOLDING	NL0010273215	Euronext	EUR	2.64%	0.01762
Ahold Delhaize	NL0011794037	Euronext	EUR	3.24%	0.25380
Mowi Asa	NO0003054108	Oslo	NOK	3.03%	0.23461
Cash Position			EUR	5.26%	9.15020