

Tracker Certificate

Underlying basket: Emerging Markets Best Opportunities

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

Details

Sec. No. / ISIN / Symbol	25 576 605 / CH0255766054 / No listing planned
Issuer	Banque Cantonale Vaudoise, Lausanne, Switzerland (S&P AA/stable/A-1+)
Lead manager / Calculation agent / Paying agent	Banque Cantonale Vaudoise, Lausanne
Investment Manager	Piguet Galland & Cie, SA
Underlying asset	See the section entitled "Basket composition" on page 3 for details on securities included in the basket.
Certificates per basket	1 certificate = 1 basket
Issue size	60 000 certificates (includes an increase and reopening clause)
Issue price	USD 100
Reference price	USD 99.50
Issue fee	USD 0.50
Initial fixing date	6 November 2014
Payment date	14 November 2014
Effective termination date/ Final fixing date	Open-ended
Redemption date	The 15 th business 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 Tracker Certificate, denominated in USD, is composed of a selection of at least 5 underlying securities such as investment funds and/or ETFs, as well as a cash component (see the definition below). Forward exchange contracts are used to hedge against exchange-rate risk. The selection reflects the Investment Manager's investment strategy.
Definition of the cash component	The cash component is an integral part of the Certificate's underlying basket. The following currencies may be represented: USD.
SSPA category	Participation product – Tracker Certificate (1300), according to the Swiss Derivative Map available at www.svsp-verband.ch .
Management fees	1.00% all-in annual fee to be deducted on a prorata basis from the USD-denominated cash component. If the amount available in the USD-denominated cash component is insufficient to cover the management fee, weightings will be adjusted in order to cover this fee.



Roles and responsibilities

The Investment Manager decides on the securities making up the basket, the weighting of the securities and the size of the cash component, in accordance with the investment universe and rules (see below).

The Certificate's performance therefore depends on the quality of the Investment Manager's investment decisions. The Investment Manager takes full responsibility for the composition of the basket and its impact on the Tracker Certificate's performance.

The Issuer shall execute the buy and/or sell orders necessary to issue or rebalance the Certificate on a best effort basis.

Investment universe

The securities that make up the basket may belong to the following asset classes: Investment funds or ETFs on equities covering the following regions: Africa, Middle East, Asia (excl. Japan), Central and Latin America, Eastern Europe & CIS (including Greece, Turkey, Russia, Ukraine, and Kazakhstan).

Management rules

1. The Investment Manager may rebalance the basket at any time but not more than 12 times per year.
2. The basket shall contain at least 5 securities but no more than 20.
3. Securities included in the basket must be denominated in USD or EUR.
4. Exchange-rate risk is systematically hedged by forward exchange contracts (standard maturity: 3 months).
5. At the issue date and at each rebalancing, the asset allocation must respect the following proportions:
 - Frontier Markets (under the MSCI definition) maximum 33%
 - Asia maximum 80%
 - Cash component maximum 20%
6. The weighting of collective investments (such as an investment fund or an ETF) not authorized for distribution in Switzerland, or reserved for qualified investors, must not exceed 1/3 of the overall value of the Certificate at each rebalancing.
7. Investment funds included in the basket must publish their Net Asset Value (NAV) at least once per week.
8. The cash position does not earn interest.
9. During the Certificate's lifetime, any distributions and dividends (net of any taxes and fees) will be held in the cash component; any distributions and dividends denominated in EUR (net of any taxes and fees) will be converted into USD (using the ECB reference exchange rate on the dividend payment date) and will also be held in the cash component.
10. No leveraged positions (i.e., other than 100% participation in the performance of the security) or short positions (i.e., short selling) are allowed in the basket. However, certain ETFs in the basket may replicate a short-sale strategy or create a leveraged position.

Investment restrictions

If a security cannot be traded for liquidity reasons or if it is impossible to execute a transaction for technical reasons, it may take the Issuer several business days to implement the Investment Manager's investment decisions. Based on these factors 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, 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), and companies that may be subject to an embargo or specific sanctions.

If a selected security no longer complies with the investment restrictions set by the Issuer, the security must be replaced at the next rebalancing.



Basket composition

Initial composition at 6 November 2014:

Security	ISIN	Currency	Weighting	No. of securities
Cash component		USD	8.00%	7.96000
Kim Korea Value Fund USD	LU0990737057	USD	11.00%	0.10652
ETF DBX Tracker CSI 300	LU0779800910	USD	11.00%	1.38779
Sectoral Emerging Markets Healthcare fund	LU1033754018	USD	12.00%	1.03646
ETF DBX Tracker FSTE Vietnam ucit	LU0322252924	USD	5.00%	0.17055
Ocean Dial Gateway India USD ucit	IE00B585S747	USD	10.00%	0.05923
Trigon New Europe Fund Class C EUR ucit	EE3600102372	EUR	6.00%	0.19056
Bellevue Lux BB Africa App IUSD ucit	LU0437409203	USD	10.00%	0.05197
HSBC GIF Mexico I Acc USD ucit	LU0926764712	USD	12.00%	1.05879
Coeli Frontier Markets classe USD	LU1028962469	USD	10.00%	0.09827
MSCI Brazil Ucits	IE00B0M63516	USD	5.00%	0.14628

Product terms and conditions

Liquidity

The Tracker Certificate may be bought or sold once weekly, on Tuesdays. Orders placed before 9am are processed the same day. Orders received after that deadline will be executed on the next day that the secondary market is open.

Trading on the secondary market may be suspended if the basket is being rebalanced.

Certificate redemption

The amount redeemed in USD is calculated by multiplying the average sale price for each security by its quantity in the basket, and then adding together the resulting figures converted into USD together with any funds from the final unwinding of the forward exchange contract. The formula applied is as follows:

$$\sum_{i=1}^N n_i \times P_i \times X_i + C + \sum_{k=1}^T F_k$$

where P_i is the average sale price of security i at the final fixing on the reference exchange

n_i is the quantity of security i in the basket at the final fixing

X_i is the exchange rate between the currency of the security i and the currency of the Tracker Certificate at the final fixing

N is the total number of securities in the basket

C is the amount of the cash component per Tracker Certificate

F_k is the value of the forward exchange contract k in the currency of the Tracker Certificate

T is the total number of forward exchange contracts

Stop loss

As the result of forward exchange contracts can, in theory, be negative, the product would be immediately cancelled if its liquidation value were to reach USD 25. Early redemption will be carried out as detailed above based on the prices following initiation of the Stop Loss procedure, with transaction fees deducted.

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 terminate the Tracker Certificates without prior notice. The effective termination date shall be announced as soon as possible.

Investor's right of termination

Investors may sell their Tracker 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 1 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.



Termination procedure for investors

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 1 month before the effective termination date. This notice may be made via mail or email to the addresses provided under "Contact information: product redemption."

The investor's custodian bank must include the following information in its message to the calculation agent:

- name, address and clearing number
- the Tracker Certificate's security number
- the number of Tracker Certificates involved
- the effective termination date (must be at least 1 month after the notice is received by the Issuer)

The calculation agent will confirm the termination to the investor's custodian bank, specifying in particular the effective termination date.

Secondary market, Listing and Clearing

Secondary market

OTC

Under normal market conditions, the spread between the purchase price and the sale price will not exceed 0.60%.

Reuters BCVINDEXT <BCVDERIVATIVES>, SIX Telekurs , BCV (price calculated once a week).

The Issuer reserves the right to suspend secondary market trading in the Tracker Certificate, defer the execution of buy or sell orders and/or modify the final valuation period, as a result of any extraordinary situations or illiquidity of one of the underlying assets.

Listing, market segment

No listing on the SIX Swiss Exchange.

Clearing

SIX SIS SA

Certification

The security takes the form of a book-entry security registered in the SIX SIS SA clearing system. It is not certificated, and individual securities will therefore not be printed or delivered.

Taxation

Tax disclaimer

This tax information provides only a general overview of possible tax consequences related to this product on its issue date. Tax laws and practices can change with retroactive effect.

Investors should always consult their tax advisor for a specific evaluation of their profile before carrying out any transaction.

Switzerland

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 Tracker Certificates are considered capital gains. Capital gains do not currently constitute taxable income.

The certificate is not subject to Swiss withholding tax, stamp duty at issue or Swiss federal stamp duty.

EU taxation of savings

Outside the scope of the European Union savings tax directive. "Out of scope" (TK 9).



PIGUET GALLAND & CIE SA
BANQUIERS DEPUIS 1856



Legal information

Applicable law and jurisdiction

Lausanne, Swiss law

Simplified prospectus

This document is not an issue prospectus within the meaning of Articles 652a or 1156 of the Swiss Code of Obligations. This document serves as a simplified provisional prospectus pursuant to the provisions of Article 5(2) of the Federal Investment Funds Act and can be obtained free of charge from BCV at the contact addresses below.

Listing

If this product is listed, only the listing prospectus, which is available from BCV in French, along with any other documents required by the Regulatory Board, shall prevail.

Prudential supervision

BCV, Lausanne, Switzerland is subject to prudential supervision by the Swiss Financial Market Supervisory Authority (FINMA).

Profit and loss expectations

Market forecast

This Tracker Certificate is designed to take advantage of a rise in underlying security prices.

Risk tolerance

The risks are comparable to those of a direct investment in the underlying basket of securities: 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).

Potential profit

During the product's lifetime, holders of Tracker Certificates may make a profit if they sell the certificate for more than its acquisition price. The potential return on the Tracker 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 it is redeemed at less than the issue price at maturity.

The Investment Manager takes full responsibility for the initial composition of the basket and for the subsequent rebalancings. The Issuer accepts no responsibility for the consequences of these decisions on the value of the Tracker Certificate or any losses which may affect the investors.

The product is issued in USD and includes EUR- and USD-denominated securities.

Significant risks incurred by the investor

Issuer risk

Investors are exposed to the risk of insolvency of the Issuer, which could lead to the loss of all or part 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.

Secondary market/market liquidity

If there is an organized secondary market, the Issuer shall, under normal market conditions, regularly propose bid and ask prices for the product. However, the Issuer makes no firm commitment to provide liquidity by means of bid and ask prices and is under no legal obligation with respect to the provision or determination of these prices.

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 risks for the Issuer.



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Market risk

Investors are exposed to the risks of non-convertibility, adjustment of the underlying securities, 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 contained in this document.

Currency risk

Investors whose reference currency is not the base currency for the product should be aware of the exchange-rate risk.

Adjustments

The Issuer reserves the right to adjust the composition of the Tracker 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; 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 securities.

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.

Subscription period

During the subscription period, the terms and conditions are for information purposes only and may be changed; the Issuer is under no obligation 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 hold, acquire 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., in the USA, UK, EU, Japan, or for US or 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 prevailing in the country in which the product is to be distributed.

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Please note that phone calls to this number may be recorded. By calling us, you tacitly agree to this practice.

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