

Barrier Reverse Convertible

Underlyings: Sonova - Alcon - Temenos

Coupon: 4,90%

Barrier In Fine 75,00% - Maturity: 29 May 2020

This structured 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 also exposed to the risk of insolvency of the issuer.

1. PRODUCT DESCRIPTION

How the Certificate works

Sec. No. / ISIN / Symbol	51 268 378 / ISIN CH0512683787 / 0486BC
Issuer	Banque Cantonale Vaudoise, Lausanne Switzerland (S&P AA/stable)
Lead manager / Calculation agent / Paying agent	Banque Cantonale Vaudoise, Lausanne
Prudential supervision	BCV Lausanne, Switzerland, is subject to prudential supervision by Swiss Financial Market Supervisory Authority (FINMA).
Nominal amount	CHF 1 000
Issue size	2 500 Barrier Reverse Convertible (includes an increase and reopening clause)
Minimum investment	CHF 1 000
Issue price	100,00%
Base currency	CHF
Distribution fees	No distribution fees
Initial fixing date	22 November 2019 (closing price of the underlying share(s) on the reference stock exchange)
Payment date	29 November 2019
Final fixing date	22 May 2020 (closing price of the underlying share(s) on the reference stock exchange)
Payout date	29 May 2020
Definition	The Barrier Reverse Convertible is a product that enables investors to take advantage of current implied volatility in the equity market. It is intended for investors who expect the performance of the underlying shares to be neutral to slightly positive.
SVSP-Classification	Yield enhancement – Barrier Reverse Convertible (1230), according to the Swiss Derivative Map available at www.svsp-verband.ch

Underlying

Name	ISIN Code	Reference Exchange	Ratio	Initial Fixing (Si,0)	Barrier
Sonova Holding AG	CH0012549785	SIX Swiss Ex	4,48229	223,10	167,325
Alcon SA	CH0432492467	SIX Swiss Ex	17,67097	56,59	42,4425
Temenos Group AG	CH0012453913	SIX Swiss Ex	6,69344	149,40	112,05

Product terms and conditions

Changes that are unplanned or not agreed

Information about any changes that are unplanned or not agreed contractually (e.g., capital transactions that affect the underlying assets such as splits, par-value reimbursements or conversions) shall be provided at www.bcv.ch/invest.

Strike level (K)

100,00% of the initial fixing

Barrier (B)

75,00% of the initial fixing

Type of Barrier

European (the official closing price of each underlying asset on the reference stock exchange is observed only once, at maturity)

Coupon

4,90% (9,80% p.a.)

The coupon will be paid in two tranches :

0,00% (0,00% p.a.) in interest.

4,90% (9,80% p.a.) capital gain resulting from the option premium.

Coupon payment date

The payment of the coupon will occur on 29 May 2020

Coupon calculation method

30/360, Modified following, unadjusted

Payout

29 May 2020

1. If the final fixing of all underlying assets is above their barrier (B), the amount redeemed per Barrier Reverse Convertible will be 100% of the nominal value.
2. If the final fixing of one of the underlying assets is equal or below its barrier (B), the investor will have to take delivery of the ratio of the lowest-performing underlying asset (1) per Barrier Reverse Convertible, on which Swiss federal stamp duty will be payable. Share fractions will be paid in cash.

$$(1) \quad \left[\text{Min}_i \left(\frac{S_{i,T}}{S_{i,0}} \right) \right]$$

$S_{i,T}$ = Price of the underlying (i) on the Final Fixing Date (t = T)

$S_{i,0}$ = Price of the underlying (i) on the Initial Fixing Date (t = 0)

Secondary market, Listing and Clearing

Listing, market segment

Listing will be requested on the main market of the SIX Swiss Exchange and maintained until closing on the final fixing date (currently 22 May 2020 at 5:15 pm).

Secondary Market

The price on the secondary market is dirty, i.e., accrued interest is included. Prices may be consulted on Bloomberg and SIX Telekurs.

Clearing

SIX SIS AG

Materialisation

The Security takes the form of a book-entry security registered in the SIX SIS SA clearing system. It is dematerialized, and individual securities will 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. Laws and tax practices can change with retroactive effect.

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

Switzerland

This certificate is considered a transparent product whose yield consists predominantly of a one-time interest payment (IUP – intérêt unique predominant). Income from the bond component when the product is sold or redeemed (i.e., the difference between the amount of the zero coupon at purchase and at sale/redemption) constitutes taxable income for individuals whose tax domicile is in Switzerland and who hold these investments as part of their private assets.

The discount rate is 0,00%, which amounts to a bond floor of 100,00% if the product is held until maturity. The final amount subject to income tax is calculated in CHF. Therefore if the base currency of the product is not in CHF, any change in the exchange rate between the issue date and the sale/redemption date of the product will affect how much income must be reported.

The coupon's interest component is subject to withholding tax and constitutes taxable income for individuals with tax domicile in Switzerland who hold these investments as part of their private assets. Any coupon payment or gain resulting from the option component represents an untaxed capital gain for these individuals.

Secondary market transactions are not subject to Swiss federal stamp duty.

Negative Interest

If, due to unusual market conditions, the interest component is negative, the interest income shall be deemed to be zero and no expense shall be incurred. The negative interest therefore does not constitute either debit interest, as defined in Article 33 of the Swiss Federal Direct Taxation Act (LIFD), or any other expense and is thus not tax deductible. It may not be offset by credit interest when calculating taxable income or any withholding tax.

Legal Information

Jurisdiction and applicable law

Lausanne, Swiss law

Prospectus

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.

Market forecast

This product is suitable for investors who expect the following :

- The performance of the underlying asset(s) to be neutral to slightly positive
- The underlying asset(s) will not reach or cross the barrier on the final fixing date

Potential profit

The potential profit is limited to the payment of the coupon(s).

Potential loss

The potential loss is equal to a direct investment in the underlying asset.

Scenarios

Performance of the worst-performing underlying	Nominal reimbursement	
	In cash	Counter value in assets and cash
25%	CHF 1 000,00	
10%	CHF 1 000,00	
0%	CHF 1 000,00	
-20%	CHF 1 000,00	
-25%		CHF 750,00
-45%		CHF 550,00

3. SIGNIFICANT RISKS INCURRED BY THE INVESTOR

Risk tolerance

The value of this Barrier Reverse Convertible at maturity may be lower than the purchase price.

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).

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.

Whether an investment product retains its value 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.

Exchange-rate risk

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

Market risk

Investors are exposed to the risks of adjustments in the underlying asset, non-convertibility, extraordinary market situations and emergencies, such as the suspended listing of the underlying asset, trading restrictions, and any other measures that materially restrict the tradability of the underlying asset.

Investors are subject to the legal and contractual obligations of the markets on which the underlying asset is traded and to the legal and contractual obligations provided by or governing the issuer. Such market events could affect the dates and other terms and conditions in this document.

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.

Important information

General information

Past performance is no guarantee of present or future performance.

This document is for information purposes only; it is not a 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.

The issuer is under no obligation to acquire the underlying asset(s).

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.

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Publication date

25 November 2019

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