

# Actively Managed Certificate

Name: Basel Economy Quintessence

Redemption: Open End

**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. This Certificate is actively managed on a discretionary and dynamic basis.**

## 1. PRODUCT DESCRIPTION

### Details

Sec. No. / ISIN / Symbol	44 352 820 / CH0443528200 / No listing planned
Issuer and Lead Manager	Banque Cantonale Vaudoise, Lausanne, Switzerland (S&P rating AA/stable)
Prudential supervision	Banque Cantonale Vaudoise, Lausanne, Switzerland, is subject to prudential supervision by FINMA.
Paying and calculation agent	Banque Cantonale Vaudoise, Lausanne, Switzerland
Investment Manager	Banque Cantonale de Genève - BCGE Asset Management, Quai de l'Île 17, 1211 Geneva. BCGE is subject to prudential supervision by the Swiss Financial Market Supervisory Authority (FINMA).
Underlying asset	A basket of stocks of listed companies operating in the Basel region.
Management method	Discretionary and dynamic
Conversion ratio	1 certificate = 1 basket
Issue volume	40 000 Certificates with reopening clause
Minimum investment	1 Certificate
Base currency	CHF
Issue price	CHF 100.00 (includes an issue margin of CHF 0.10)
Reference price	CHF 99.90
Distribution fees	No distribution fees
Initial fixing date	4 December 2018
Payment date	13 December 2018
Effective termination date/redemption	Open-ended
Redemption date	The sixth business day following the termination date set by either the Investor or the Issuer (barring extraordinary market situations and emergencies).
Product description	<p>The Certificate is denominated in CHF and comprises a selection of stocks of companies listed on the SIX Swiss Exchange and operating in the Basel region, and a cash component (see definition below). Its composition reflects the Investment Manager's investment strategy.</p> <p>The Certificate is open-ended, which means that the redemption date is not set at issue. The Certificate will mature when either the Issuer or the Investor exercises his/her termination rights ("effective termination date"), subject to the notice periods set out herein.</p>
Description of the cash component	<p>The cash component is an integral part of the underlying basket.</p> <p>The cash component does not pay out interest, but it could generate negative interest.</p> <p>The following currencies may be represented: CHF.</p>
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	1.00% p.a. (0.60% p.a. for the Investment Manager and 0.40% p.a. for the Issuer) to be deducted on a pro rata basis from the CHF cash component. If the amount available in the CHF cash component is insufficient to cover the management fees, weightings will be adjusted in order to cover the fees. Adjusting the weighting of an equity, either up or down, counts as a rebalancing.
Transaction costs at rebalancing	Rebalancing generates no costs.
Stock-exchange fees and duties	When the underlying stocks are traded on an exchange that levies fees and taxes, these fees and taxes will be factored into the execution prices and will thereby affect the Certificate's performance. These fees and taxes could include a federal stamp duty or financial transaction tax.
Roles and responsibilities	<p>The Investment Manager will select the securities in the basket, as well as the weighting of each security and any cash component, in accordance with the investment universe and investment rules (see below).</p> <p>The Certificate's performance will therefore depend 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 Certificate's performance.</p> <p>The Issuer will execute, on a best-effort basis, the buy and/or sell orders necessary to issue or rebalance the Certificate.</p>
Investment universe	<p>The stocks of companies listed on the SIX Swiss Exchange and operating in the Basel region.</p> <p>Investors can obtain information about the investment strategy free of charge from the Investment Manager.</p>
Investment rules	<ol style="list-style-type: none"> <li>1. The Investment Manager may rebalance the basket at any time but not more than 12 times per year.</li> <li>2. The Certificate comprises at least ten securities and a cash component that serves only to collect the dividends paid.</li> <li>3. The stocks in the basket must be denominated in CHF.</li> <li>4. The companies invested in must have a minimum market capitalization of CHF 500m.</li> <li>5. At each rebalancing, a new stock's weighting may not exceed more than half of the average daily trading volume over the previous five days.</li> <li>6. After each rebalancing, no stock can have a weighting of over 15.00% of the basket's total value.</li> <li>7. During the Certificate's lifetime, any dividends received (net of any taxes and fees) will be held in the cash component.</li> <li>8. Investors will receive an annual payment for the dividends received on the stocks in the basket. The total amount of this payment will equal the entire amount of the cash component and will be divided up among all investors.</li> <li>9. Secondary-market trading of the Certificate will be suspended during rebalancing periods.</li> <li>10. No investment methods are permitted that would create a leveraged position in the portfolio.</li> </ol>
Investment restrictions	<p>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 some days 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.</p> <p>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).</p> <p>If a selected security no longer complies with the investment restrictions set by the Issuer, the security must be replaced at the next rebalancing.</p>
Annual distribution	Investors will receive an annual payment for the dividends received on the securities in the basket. The amount of this payment will be decided each year on the reference date. Payment will take place five trading days after the reference date.
Reference date	30 June of each year (modified business day convention)
Basket composition	<b>The current composition of the basket is on the last page of this document.</b>

Changes that are unplanned or not agreed contractually

## Terms and conditions

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

Certificate redemption

The redemption amount in CHF will be calculated by:

- Multiplying the average price of each security at the final fixing by the quantity of each security in the basket;
- Adding the total amount remaining in the cash component.

The formula is as follows:

$$\sum_{i=1}^N n_i \times P_i + C$$

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

$n_i$  is the number of security  $i$  in the basket during the final fixing period

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

$C$  is the amount of the cash component per Certificate

Liquidity risk

If a lack of daily liquidity is likely to have a significant impact on the sale of underlying assets, the Issuer reserves the right to place sell orders over several days so as not to adversely affect the redemption price of the Certificate.

Issuer's right of termination

The Issuer has the right to terminate all Tracker Certificates in circulation at any time, but no earlier than nine months after the issue date. (Please note that if the total number of Certificates in circulation falls below 2,000, the Issuer will automatically redeem all Certificates.) Notification must be made at least one 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 CHF 25.00 or below, the Issuer may immediately terminate the Tracker Certificates without prior notice. In this case the effective termination date will be announced as soon as possible.

Investor's right of termination

Investors may sell their Tracker Certificates on the secondary market and are entitled to terminate any or all of the Tracker Certificates they hold, provided that the Issuer has not already exercised its right of termination. Investors may terminate their Certificates on a quarterly basis, on the last Tuesday of each quarter, but no earlier than nine 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.

Termination procedure for investors

For an investor's termination to be valid, and provided that the Issuer has not already exercised its right of termination, the termination notice must be received by the calculation agent at least one month before the effective termination date. The notice may be sent via mail or email to the address 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 Certificate's security number
- The number of Tracker Certificates involved
- The effective termination date (must be at least one month after the notice is received by the Issuer)

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

## Secondary market, listing, and clearing

Listing, market segment	No listing on the SIX Swiss Exchange is planned.
Liquidity	Banque Cantonale Vaudoise operates a daily secondary market between 9:15am and 5:15pm (Swiss time, CET). The market price of the Certificate and the time required to execute transactions may be affected by the liquidity of the securities in the basket.
Secondary market:	No secondary market on the SIX Swiss Exchange. Prices may be viewed on Reuters, Bloomberg and SIX Telekurs.
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. Laws and tax practices can change at any time with retroactive effect. Investors should always consult their tax advisor for a personalized assessment before making any investment decisions.
Switzerland	For individuals whose tax domicile is in Switzerland and who hold these investments as part of their personal investment portfolio, any gains resulting from the sale of certificates will be considered capital gains. Capital gains do not currently constitute taxable income. Annual distributions do constitute taxable income. The product is not subject to Swiss withholding tax, Swiss federal stamp duty, or stamp duty at issue.

## Legal information

Applicable law and jurisdiction	<b>Lausanne, Swiss law</b>
Prospectus	This document is not an issue prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations. This document serves as a simplified prospectus pursuant to the provisions of Article 5.2 of the Swiss Federal Investment Fund Act and can be obtained free of charge from BCV at the web and mailing addresses below.
Investment Manager	The Investment Manager is not an agent, representative or associate of BCV, BCV is not an agent, representative, associate or guarantor of the Investment Manager, and BCV cannot be held liable to any third party on the basis of the Investment Manager's activities.

## 2. POTENTIAL GAINS AND LOSSES

Market forecast	This Certificate is designed to take advantage of a rise in the stock price of companies included in the basket.
Potential profit	During the product's lifetime, holders of the Certificate can make a capital gain if the product's market price rises above its issue price. The potential return on the Certificate at the final fixing is similar 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 the final fixing. If underlying securities are not denominated in the Certificate's reference currency, and if the Investment Manager decides to not fully hedge the exchange-rate risk, an unfavorable movement in exchange rates may decrease the price of the Certificate. The Investment Manager assumes full responsibility for selecting the initial composition of the basket and for the subsequent rebalancings. The Issuer is not in any way responsible for the impact that these choices may have on the value of the Certificate or any losses that may affect investors.

## Scenarios

Basket return in CHF	Amount redeemed per Certificate
25.00%	124.88
10.00%	109.89
0.00%	99.90
-5.00%	94.91
-10.00%	89.91
-25.00%	74.93

### 3. SIGNIFICANT RISKS FOR INVESTORS

#### Risk tolerance

The risks are comparable to those of a direct investment in the underlying basket of securities: price fluctuations, price volatility, risks related to the time the investment is held, etc.

The risks inherent to certain investments, particularly derivatives, may not be suitable for all investors. Before making any investment decisions, investors should evaluate their risk profile and seek information from their advisor on the risks inherent to the investment. Investors are urged to read the Swissbanking brochure "Special Risks in Securities Trading."

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

The ability of an investment product to retain 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 Issuer credit rating given in this document is valid at the time of issuance and may change during the product's lifetime.

#### Market liquidity

If there is an organized secondary market for the product, 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.

#### Market risk

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

Investors are subject to the legal and contractual obligations of the markets on which the underlying assets are 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 ensuing exchange-rate risk.

#### 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. Any such adjustments will be made in accordance with current market practices and in the interests of investors.

### Important information

#### General information

Past performance does not guarantee present or future performance.

This document is for information only. Unless otherwise stated, 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 assets.

#### Subscription period

During the subscription period, the product's terms and conditions are indicative only and may be modified. The Issuer is under no obligation to issue the product.

Conflict of interest relating to actively managed Certificates

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Publication date

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05 December 2018

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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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## Contact information: product redemption

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Email address

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## Distributor

Distributor

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## Investment Manager

Investment Manager

Banque Cantonale de Genève – BCGE Asset Management

Telephone

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## Basket composition

Basket composition at 01.11.2021

Security	ISIN	Reference exchange	Currency	Weighting as %	No. of securities
Basellandschaftliche KB	CH0001473559	SIX Swiss Ex	CHF	3.63%	0.00550
Valora	CH0002088976	SIX Swiss Ex	CHF	6.49%	0.05110
Basler Kantonalbank	CH0009236461	SIX Swiss Ex	CHF	3.65%	0.08040
Novartis	CH0012005267	SIX Swiss Ex	CHF	4.40%	0.07975
Roche	CH0012032048	SIX Swiss Ex	CHF	6.86%	0.02674
Clariant	CH0012142631	SIX Swiss Ex	CHF	5.46%	0.39541
Straumann	CH0012280076	SIX Swiss Ex	CHF	9.28%	0.00668
Baloise	CH0012410517	SIX Swiss Ex	CHF	3.50%	0.03302
Bachem Holding	CH0012530207	SIX Swiss Ex	CHF	11.62%	0.02180
Lonza	CH0013841017	SIX Swiss Ex	CHF	5.97%	0.01095
Dufry	CH0023405456	SIX Swiss Ex	CHF	3.36%	0.09330
HIAG IMMOBILIEN N	CH0239518779	SIX Swiss Ex	CHF	3.49%	0.05047
UBS	CH0244767585	SIX Swiss Ex	CHF	8.58%	0.70547
BELL AG N1	CH0315966322	SIX Swiss Ex	CHF	4.92%	0.02300
Idorsia	CH0363463438	SIX Swiss Ex	CHF	2.45%	0.17996
Medartis Holding	CH0386200239	SIX Swiss Ex	CHF	9.06%	0.10130
Helvetia	CH0466642201	SIX Swiss Ex	CHF	7.18%	0.09104
Cash Position			CHF	0.12%	0.16200