



# Tracker Certificate on "Defensive Equities" Basket

## Composite USD - Bullish

Final Fixing Date 22/01/2019; issued in USD; listed on SIX Swiss Exchange AG

ISIN CH0303242918 - Swiss Security Number 30324291 - SIX Symbol JPVDEF

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme.

**This Product is a derivative instrument. It does not qualify as unit of a collective investment scheme pursuant to art. 7 et seqq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and is therefore neither registered nor supervised by the Swiss Financial Market Supervisory Authority FINMA. Investors do not benefit from the specific investor protection provided under the CISA.**

**In addition, investors are subject to the credit risk of the Issuer and Guarantor, if any.**

**This document is not a prospectus within the meaning of article 1156 of the Swiss Code of Obligations (CO).**

## I. Product Description

**Market expectation of the Investor** Price increase in the Underlying.

**Product description** This Product replicates the price movements in the Underlying (adjusted by the Conversion Ratio and, as the case may be, the Management Fee and the FX Rate) and is therefore in terms of risk comparable to a direct investment in the Underlying. On the Redemption Date, the Investor will receive a Cash Settlement equal to the Final Value of the Basket, as described under "Redemption".

### Underlying

Underlying (Basket), consisting of the following Underlying Components:

i	Underlying Component(s)	Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*	Initial Weight	Number of Underlying Components (W <sub>i</sub> )
1	AUTOZONE INC	NYSE	AZO UN	USD 731.23	5.00%	0.006838
2	COLOPLAST-B	OMX Nordic Exchange Copenhagen	COLOB DC	DKK 543.50	5.00%	0.063316
3	DANAHER CORP	NYSE	DHR UN	USD 84.90	5.00%	0.058893
4	DEUTSCHE TELEKOM AG-REG	Xetra	DTE GY	EUR 15.78	5.00%	0.292303
5	ECOLAB INC	NYSE	ECL UN	USD 104.38	5.00%	0.047902
6	ESSILOR INTERNATIONAL	Euronext Paris	EI FP	EUR 111.47	5.00%	0.041379
7	FIELMANN AG	Xetra	FIE GY	EUR 67.30	5.00%	0.068537
8	FRESENIUS SE & CO KGAA	Xetra	FRE GY	EUR 59.60	5.00%	0.077392
9	HENRY SCHEIN INC	NASDAQ	HSIC UQ	USD 146.31	5.00%	0.034174
10	KIMBERLY-CLARK CORP-REG	NYSE	KMB UN	USD 127.05	5.00%	0.039355
11	MARINE HARVEST	Oslo Bors	MHG NO	NOK 113.00	5.00%	0.385841
12	MCCORMICK & CO INC	NYSE	MKC UN	USD 80.79	5.00%	0.061889
13	MEDTRONIC PLC	NYSE	MDT UN	USD 75.49	5.00%	0.066234
14	NIKE INC -CL B-REG	NYSE	NKE UN	USD 61.08	5.00%	0.08186

\* levels are expressed in percentage of the Initial Fixing Level

Initial Fixing Date 22/01/2016	First Exchange Trading Date Date 29/01/2016	Final Fixing Date 22/01/2019	Redemption Date 29/01/2019			

Guaranteed by:

**RAIFFEISEN**

Rating: Moody's A2

i	Underlying Component(s)	Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*	Initial Weight	Number of Underlying Components (W <sub>i</sub> )
15	NOVO NORDISK A/S-B	OMX Nordic Exchange Copenhagen	NOVOB DC	DKK 384.90	5.00%	0.089406
16	RECKITT BENCKISER GROUP PLC	London Stock Exchange	RB/ LN	Gbp 6073.00	5.00%	0.057434
17	REGENERON PHARMACEUTICALS	NASDAQ	REGN UQ	USD 476.99	5.00%	0.010482
18	SHIMANO INC	Tokyo Stock Exchange	7309 JT	JPY 17680.00	5.00%	0.033442
19	STARBUCKS CORP	NASDAQ	SBUX UQ	USD 58.54	5.00%	0.085412
20	THE WALT DISNEY CO-REG	NYSE	DIS UN	USD 96.93	5.00%	0.051584

### Product Details

Swiss Security Number	<b>30324291</b>
ISIN	<b>CH0303242918</b>
SIX Symbol	<b>JPVDEF</b>
Issue Price	USD 99.00
Issue Size	100'000 Certificate(s) (can be increased at any time)
Initial Basket Value	USD 100.00
Settlement Currency	USD composite ("composite" means that the currency risk against USD is not hedged)
Conversion Ratio	1 Product refers to 1 Basket

### Dates

Initial Fixing Date	22/01/2016
Issue Date	29/01/2016
First Exchange Trading Date	29/01/2016 (anticipated)
Last Trading Day/Time	22/01/2019 / Exchange market close
Final Fixing Date	22/01/2019 (subject to Market Disruption Event provisions)
Redemption Date	29/01/2019 (subject to Settlement Disruption Event provisions)

### Redemption

The Investor is entitled to receive from the Issuer on the Redemption Date per each Product a Cash Settlement in the Settlement Currency equal to the Final Value of the Basket as reasonably determined by the Calculation Agent.

Final Value of the Basket An amount as calculated and determined by the Calculation Agent according to the following formula:

$$Conversion\ Ratio \times \sum_{i=1}^n (W_i \times Ff_i \times FX_i^{Final})$$

Where:

n = number of Underlying Components in the Basket

W<sub>i</sub> = Number of Underlying Components of Underlying Component<sub>i</sub> on the Final Fixing Date

Ff<sub>i</sub> = Final Fixing Level of Underlying Component<sub>i</sub>

FX<sub>i</sub>(Final) = Prevailing foreign exchange rate on the Final Fixing Date used for exchanging the respective Underlying Component's currency into the Settlement Currency, as reasonably determined by the Calculation Agent. For Underlying Components already quoted in the Settlement Currency this value will be equal to 1.

Initial Fixing Level An observed price of the respective Underlying Component<sub>i</sub> on the Initial Fixing Date on the Related Exchange, as determined by the Calculation Agent.

Final Fixing Level Official close of the respective Underlying Component<sub>i</sub> on the Related Exchange on the Final Fixing Date, as determined by the Calculation Agent.

Should no Final Fixing Level be available on the Final Fixing Date for a specific Underlying Component due to a Market Disruption Event, the Final Fixing Level on the next available Exchange Business Day will apply for such Underlying Component, subject to further Market Disruption Events.

### General Information

Issuer	Notenstein Finance (Guernsey) Limited, St Peter Port, Guernsey (Rating: n/a, Supervisory Authority: FINMA, on a consolidated basis)
Guarantor	Raiffeisen Switzerland Cooperative, St. Gallen, Switzerland (Rating: Moody's A2, Supervisory Authority: FINMA)
Lead Manager	Notenstein La Roche Private Bank Ltd, St. Gallen, Switzerland

Basket Composer / Marketing Partner	Jud & Partner Strukturierte Produkte AG
Calculation Agent	Notenstein La Roche Private Bank Ltd, St. Gallen, Switzerland
Paying Agent	Notenstein La Roche Private Bank Ltd, St. Gallen, Switzerland
Distribution Fees	Relevant Fees (incl. VAT, if any. Reference is made to section "Remunerations to Third Parties" herein and to the General Terms and Conditions of the Programme.)
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Structured Products Exchange AG Listing will be applied for.
Secondary Market	Daily price indications will be available from 09:15 - 17:15 CET on <a href="http://www.nostenstein-investmentproducts.ch">www.nostenstein-investmentproducts.ch</a> , Thomson Reuters [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp.
Quotation Type	Secondary market prices are quoted in the Settlement Currency, per Product.
Settlement Type	Cash Settlement
Minimum Investment	1 Certificate(s)
Minimum Trading Lot	1 Certificate(s)
Selling Restrictions	No action has been or will be taken to permit a public offering of the Products or possession or distribution of any offering material in relation to the Products in any jurisdiction, where such action for that purpose is required. Consequently, any offer, sale or delivery of the Products, or distribution or publication of any offering material relating to the Products, may only be made in or from any jurisdiction in compliance with applicable laws and regulations not imposing any obligations on the Issuing Parties or the Lead Manager. Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the Products and related information remain reserved. Most important jurisdictions where the Products may not be publicly distributed are EEA, UK, Hong Kong and Singapore. The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S). Detailed information on Selling Restrictions is published in the Programme which is available on <a href="http://www.nostenstein-investmentproducts.ch">www.nostenstein-investmentproducts.ch</a> .
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering	Switzerland
Form	Uncertificated Security / Book-entry
Governing Law / Jurisdiction	Swiss / St. Gallen

**The definition "Issuing Party/Parties" as used herein, means the Issuer and the Guarantor, as indicated in section "General Information".**

#### Taxation Switzerland

Swiss Federal Stamp Duty	Secondary market transactions are not subject to Swiss stamp duty.
Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)	For private investors with tax domicile in Switzerland holding the Product as part of their private property, the difference between the Initial Basket Value and the Issue Price is subject to the Federal Direct Tax.  The tax treatment regarding the cantonal and communal income taxes can differ from the tax treatment regarding the Federal Direct Tax. But in general the income tax treatments are corresponding.
Swiss Withholding Tax	The Product is not subject to the Swiss withholding tax.
EU Savings Tax	For Swiss paying agents, the Product is not subject to the EU Savings tax (TK9).

For Investors resident in a state with whom Switzerland has concluded a bilateral agreement on a final withholding tax (currently in place with Austria and the United Kingdom) and provided the product is held in a custody account with a qualifying Swiss paying agent (deposit bank), any investment income or realised capital gains might be subject to the final withholding tax as laid out in the respective bilateral agreement. The applicable tax rate depends on the home country of the investor and the category of capital income or capital gain.

The tax information is a non-binding summary and only provides a general overview of the potential tax consequences linked to this Product at the time of issue. Tax laws and tax interpretation may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Updated bondfloor information, if a bondfloor is applicable to the Product (according to "Product Details" and "Taxation Switzerland" herein), can be found on the following web page of the Swiss Federal Tax Administration (FTA): [www.ictax.admin.ch](http://www.ictax.admin.ch). The Investor must be aware that for tax purposes the value of the bond floor is converted into Swiss Francs (CHF) at inception/purchase as well as at sale/redemption of the Product, in case the Product is denominated in another currency than CHF. Thus, the Investor is exposed to the foreign exchange risk with regard to the taxable income calculation.

#### Product Documentation

The Indicative Termsheet includes the information required for a preliminary simplified prospectus pursuant to Article 5 of the Swiss Federal Act on Collective Investment Schemes ("CISA"). The Termsheet, which will be available no later than on the Issue Date, as well as the Final

Termsheet include the information required for a definitive simplified prospectus pursuant to Article 5 CISA. The Termsheet contains a summary of information of the Product and is for information purposes only. **Only the Final Termsheet together with the Derivative Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the "Programme"), shall form the entire and legally binding documentation for this Product ("Product Documentation"),** and accordingly the Final Termsheet should always be read together with the Programme. Definitions used in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme. **Even though translation into other languages might be available, it is only the Final Termsheet and Derivative Programme in German which are legally binding.**

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme. In addition, any changes with regard to the terms and conditions of this Product will be published on the relevant Termsheet on [www.notenstein-investmentproducts.ch](http://www.notenstein-investmentproducts.ch), or for listed products, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange Ltd. Notices to Investors relating to the Issuing Parties will be published on [www.notenstein-investmentproducts.ch](http://www.notenstein-investmentproducts.ch) and/or on the web page of the respective Issuing Party.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager Notenstein La Roche Private Bank Ltd, Bohl 17, P.O. Box, 9004 CH-St. Gallen (Switzerland), via telephone (+41 (0)71 242 53 00\*), fax (+41 (0)71 242 50 50) or via e-mail ([info@notenstein-investmentproducts.ch](mailto:info@notenstein-investmentproducts.ch)). Please note that all calls made to numbers marked with an asterisk (\*) are recorded.

## Guarantee

This Product is secured under the Guarantee Agreement between the Issuer and the Guarantor which is governed by Swiss law. The Guarantor guarantees for the payment of the redemption amount or any other cash settlement amount, or, as the case may be, to deliver the Underlying, in cases of the Issuer's failure to deliver the Underlying or make payment of the redemption amount or any other cash settlement amount for the benefit of the Investor in respect of any Product that is issued by the Issuer and for which the Guarantor guarantees.

The Guarantee Agreement applicable to this Product is included in the Programme of the relevant Issuer valid as per the Initial Fixing Date and a signed copy may be ordered free of charge from the Lead Manager.

## II. Prospects for Profit and Loss

This product falls within the category "Participation Products". The profit the Investor could realize with this Product at redemption is unlimited (except for bearish products and products with the special feature "capped participation"). The redemption amount is directly linked to the performance of the Underlying(s), taking into account any participation rates or other features.

On the downside, especially if the product has forfeited any contingent capital protection (like e.g. a barrier, strike), the Investor is exposed to the negative development of the Underlying(s). This might (even if a stop loss event has occurred) lead to a partial or even a total loss of the investment.

Please refer to the sections "Product Description" and "Redemption" for more detailed information on the characteristics of this Product.

## III. Significant Risks

### Risk Factors Relating to the Product

The downside risk of this Product is the same as for the Underlying, i.e. the Investor could lose all of the investment if the Underlying's value falls to zero.

### Additional Risk Factors

Prospective Investors should ensure that they fully understand the nature of this Product and the extent of their exposure to risks and they should consider the suitability of this Product as an investment in the light of their own circumstances and financial condition. Products involve a high degree of risk, including the potential risk of expiring worthless. Potential Investors should be prepared in certain circumstances to sustain a total loss of the capital invested to purchase this Product. Prospective Investors shall consider the following important risk factors and see the section "Risikofaktoren" of the Programme for details on all other risk factors to be considered.

This is a structured product involving derivative components. Investors should make sure that their advisors have verified that this Product is suitable for the portfolio of the investor taking into account the investor's financial situation, investment experience and investment objectives.

The terms and conditions of the Product may be subject to adjustments during the lifetime of the Product as set out in the Programme.

Investors whose usual currency is not the currency in which the Product is redeemed should be aware of their possible currency risk. The value of the Product may not correlate with the value of the Underlying(s).

### Market Risks

The general market performance of securities is dependent, in particular, on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Underlying(s) or the Product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective Underlyings and/or their stock

exchanges or markets taking place during the term or upon maturity of the Products. Such occurrences can have an effect on the time of redemption and/or on the value of the Products.

### **No dividend payment**

This Product does not confer any claim to receive rights and/or payments of the underlying, such as dividend payments, unless explicitly stated herein, and therefore, without prejudice to any coupon or dividend payments provided for in this Termsheet, does not yield any current income. This means that potential losses in value of the Product cannot be compensated by other income.

### **Credit Risk of Issuing Parties**

Investors bear the credit risk of the Issuing Parties of the Product. The Products constitute unsubordinated and unsecured obligations of the relevant Issuing Party and rank pari passu with each and all other current and future unsubordinated and unsecured obligations of the relevant Issuing Party. The insolvency of an Issuing Party may lead to a partial or total loss of the invested capital.

Potential Investors should note that the Issuer is not rated by the credit rating agencies, i.e. there is no credit rating for the Issuer.

### **Secondary Market**

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis (if specified in the section "General Information"). However, the Issuer and/or the Lead Manager, as applicable, make no firm commitment to provide liquidity by means of bid and offer prices for the Products, and assume no legal obligation to quote any such prices or with respect to the level or determination of such prices. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

### **Illiquidity Risk**

One or, if applicable, more of the Underlyings might be or become illiquid over the life time of the Product. Illiquidity of an Underlying might lead to larger bid/offer spreads of the Product and/or to an extended time period for buying and/or selling the Underlying respective to acquire, unwind or dispose of the hedging transaction(s) or asset(s) or to realise, recover or remit the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption or delivery and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

## **Additional Information / Disclaimer**

### **Prudential Supervision**

This document has not been approved or authorised by the Guernsey Financial Services Commission and the Guernsey Financial Services Commission does not vouch for the financial soundness of the Issuer or its securities, or the correctness of any statement made or opinion expressed in this document.

Notenstein Finance (Guernsey) Limited falls within the consolidated regulatory supervision of Raiffeisen Switzerland Cooperative by FINMA and is neither licensed nor supervised by any Guernsey authority.

Raiffeisen Switzerland Cooperative is regulated as a Swiss bank and as a securities-dealer by FINMA by whom the respective licence was granted.

### **Conflict of Interests**

The Issuing Parties and/or the Lead Manager and/or any third party appointed by them, as the case may be, may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market as well as be active on both sides of the market at the same time in any securities, currencies, financial instruments or other assets underlying the products to which this document relates. The Issuer's and/or Lead Manager's and/or the appointed third party's trading and/or hedging activities related to this transaction may have an impact on the price of the Underlying and may affect the likelihood that any relevant Barrier Level, if any, is reached.

### **Remunerations to Third Parties**

Depending on the circumstances the Issuer and/or Lead Manager may sell this Product to financial institutions or intermediaries at a discount to the Issue Price or reimburse a certain amount to such financial institutions or intermediaries (reference is made to section "General Information" herein).

In addition, for certain services rendered by distribution partners and to increase quality and services relating to the Products, the Issuer and/or Lead Manager may from time to time pay trailer fees to such third parties.

Further information is available on request.

### **Payment of a Coupon**

If the Product stipulates the payment of a Coupon, the Investor is only entitled to receive the respective coupon payment, if he has purchased/not sold the Product at the latest on the Business Day preceding the respective Coupon Ex-Date for the then prevailing price.

### **No Offer**

The indicative Termsheet is primarily provided for information purposes and does not constitute a recommendation, an offer or a solicitation of an offer to buy financial products.

### **No Representation**

The Issuer, the Lead Manager and any third party appointed by them make no representation or warranty relating to any information herein which is derived from independent sources.

**Marketing Partner**

The Issuer, the Lead Manager and any third party appointed by them have entered into a distribution agreement with the Marketing Partner (the "Marketing Partner"). The Marketing Partner acts as distributor for this Product.

**For distribution in Switzerland****Notenstein La Roche Private Bank Ltd**

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