

Reverse Convertible

Underlyings: Nestlé - Novartis - Roche

Coupon: 4,00%

Maturity: 16 July 2021

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	55 933 855 / ISIN CH0559338550 / 0553BC
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	3 000 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	10 July 2020 (closing price of the underlying share(s) on the reference stock exchange)
Payment date	16 July 2020
Final fixing date	12 July 2021 (closing price of the underlying share(s) on the reference stock exchange)
Payout date	16 July 2021
Definition	The 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 – Reverse Convertible (1220), according to the Swiss Derivative Map available at www.svsp-verband.ch

Underlying

Name	ISIN Code	Reference Exchange	Ratio	Initial Fixing (Si,0)	Strike Level (Ki,0)
Nestlé SA	CH0038863350	SIX Swiss Ex	10,97864	107,16	91,0860
Novartis AG	CH0012005267	SIX Swiss Ex	14,34720	82,00	69,7000
Roche Holding AG	CH0012032048	SIX Swiss Ex	3,54305	332,05	282,2425

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)	85,00% of the initial fixing
Coupon	4,00% (4,00% p.a.) The coupon will be paid in two tranches : 0,00% (0,00% p.a.) in interest. 4,00% (4,00% p.a.) capital gain resulting from the option premium.
Coupon payment date	The payment of the coupon will occur on 16 July 2021
Coupon calculation method	30/360, Modified following, unadjusted
Payout	16 July 2021 <ol style="list-style-type: none">1. If the final fixing of all underlying assets is above their strike level ($K \times S_{i,0}$), the amount redeemed per 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 strike level ($K \times S_{i,0}$), the investor will have to take delivery of the ratio of the lowest-performing underlying asset (1) per Reverse Convertible, on which Swiss federal stamp duty will be payable. Share fractions will be paid in cash. $(1) \left[\text{Min}_i \left(\frac{S_{i,T}}{S_{i,0}} \right) \right]$ $S_{i,T} = \text{Price of the underlying (i) on the Final Fixing Date (t = T)}$ $S_{i,0} = \text{Price of the underlying (i) on the Initial Fixing Date (t = 0)}$

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 12 July 2021 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.

2. PROFIT AND LOSS EXPECTATIONS

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 strike level 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	
5%	CHF 1 000,00	
-5%	CHF 1 000,00	
-15%	CHF 1 000,00	
-25%		CHF 882,35
-45%		CHF 647,06

3. SIGNIFICANT RISKS INCURRED BY THE INVESTOR

Risk tolerance

The value of this 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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