Vontobel

Supplement

dated 29 July 2022

to the Base Prospectus for
Constant Leverage Certificates
dated 25 May 2022

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Constant Leverage Certificates

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Vontobel Financial Products GmbH

Frankfurt am Main, Germany

(the "**Issuer**")

Vontobel Holding AG

Zurich, Switzerland

(the "**Guarantor**")

Investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right according to Article 23 paragraph 2a of the Regulation (EU) 2017/1129 dated 14 June 2017 as amended from time to time (the "**Prospectus Regulation**"), exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of the Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first.

Statement concerning the right of withdrawal

A right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted.

Investors can exercise their right of withdrawal within three working days after the publication of the supplement.

Investors must contact the Issuer (Vontobel Financial Products GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany; email: vfp-frankfurt@vontobel.com) should they wish to exercise the right of withdrawal.

This supplement dated 29 July 2022 (the “**Supplement**”) as well as the Base Prospectus for Constant Leverage Certificates dated 25 May 2022 (the “**Base Prospectus**”) are accessible by entry of the respective ISIN on the website prospectus.vontobel.com. In addition, the Issuer will have copies of the Supplement and the Base Prospectus available free of charge.

Table of contents

1. Reasons for the Supplement

The Issuer announces the following new factor relating to the information included in the Base Prospectus:

> Factor Indices related to indices should be able to reflect also price movements of the reference instrument with a leverage factor of 22 and 25. This new factor occured on 29 July 2022.

2. Amendments to the Base Prospectus

As a result of the reason for the Supplement mentioned under section 1., the Base Prospectus shall be amended as follows:

In section 8.2 “Factor Indices linked to indices” of the Base Prospectus, the following amendments are made on page 132 et seq. of the Base Prospectus (additions marked through underlinings).

“**8.2.1 Index description**

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Index name:	[2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40] X [Long] [Short] Index linked to [*insert name of the Reference Instrument in accordance with the Reference Instrument List in section 8.2.2*] (the "**Factor Index**")
Reference Instrument:	[*insert name of the Reference Instrument in accordance with the Reference Instrument List in section 8.2.2*]
Index Calculation Agent:	Bank *Vontobel* AG, Gotthardstrasse 43, 8002 Zurich, Switzerland
Information Page:	https://*indices*.vontobel.com [and Reuters page [*screen page*]] [and [*insert other information page, if any:* ●]]

The composition and calculation of the *Factor Index* specified above is described in the following. The *Index Calculation Agent* will make an index guide available on the *Information Page* for each *Factor Index*, containing this description together with the stipulations in the Final Terms. The index guide constitutes the basis for calculating and publishing the *Factor Index*.

A) Index description

[*for Long Factor Indices:* The *Factor Index* reflects price movements of the *Reference Instrument* with a leverage factor of [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40]. An increase in the price of the *Reference Instrument* since the most recent calculation of an *Index Closing Value* results in a positive change of the *Factor Index* as compared to the previous price of the *Factor Index* and vice versa. The *Factor Index* therefore reflects a "long" strategy.

The *Factor Index* consists of a leverage component and a financing component.

<u>Leverage component</u>

The leverage component tracks an investment in the *Reference Instrument* (or its constituents and in accordance with its rules and regulations), whereby movements in the price of the *Reference Instrument* are multiplied by the *Leverage* (Factor). This leverage effect occurs with either positive or negative movements in the price of the *Reference Instrument*, having a disproportionate effect on the value of the *Factor Index*.

For example (leaving aside the financing component):

1. *An <u>increase</u> in the price of the* Reference Instrument *(as compared to the most recent* Valuation Price *of the* Reference Instrument*) by 2% results in an <u>increase</u> in the* Factor Index *by [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40] x 2%;*
2. *A <u>decrease</u> in the price of the* Reference Instrument *(as compared to the most recent* Valuation Price *of the* Reference Instrument*) by 2% results in a <u>decrease</u> in the* Factor Index *by [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40] x 2%.*

<u>Financing component</u>

The financing component tracks the capital costs that would be incurred to finance the corresponding investment in the *Reference Instrument* (or constituents thereof). Additionally, a fee charged by the *Index Calculation Agent* for the calculation and administration of the *Factor Index* is added (*Index Fee*).

The financing component therefore reduces the value of the *Factor Index*.]

[*for Short Factor Indices:* The *Factor Index* reflects price movements in the *Reference Instrument* with a leverage factor of [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40]. A decrease in the price of the *Reference Instrument* since the most recent calculation of an *Index Closing*

Value results in a positive change in the *Factor Index* as compared to the previous price of the *Factor Index* and vice versa. The *Factor Index* therefore replicates a "short" strategy.

The *Factor Index* consists of a leverage component and a financing component.

Leverage component

The leverage component inversely tracks an investment in the *Reference Instrument* (or its constituents and in accordance with its rules and regulations), whereby movements in the price of the *Reference Instrument* are multiplied by the *Leverage* (Factor). This leverage effect occurs with either positive or negative movements in the price of the *Reference Instrument*, having a disproportionate effect on the value of the *Factor Index*.

For example (leaving aside the financing component):

1. *An increase in the price of the* Reference Instrument *(as compared to the most recent* Valuation Price *of the* Reference Instrument*) by 2% results in an decrease in the* Factor Index *by [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20][22][25][40] x 2%;*

2. *A decrease in the price of the* Reference Instrument *(as compared to the most recent* Valuation Price *of the* Reference Instrument*) by 2% results in an increase in the* Factor Index *by [2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20][22][25][40] x 2%.*

Financing component

The financing component reflects the capital costs that would be incurred in the event of a corresponding investment in the *Reference Instrument* (or its constituents), selling it and investing the proceeds at the risk-free rate. Additionally, a fee charged by the *Index Calculation Agent* for the calculation and administration of the *Factor Index* is added (*Index Fee*) which reduces the value of the index).

If the acquisition costs and the *Index Fee* exceed the interest income based on the relevant *Interest Rate* on a particular day, the value of the *Factor Index* is reduced on such day.]

B) Index definitions

The definitions below shall apply for the purposes of this index description.

"**Adjustment Date**" means [the first] [the last] [each] Index Calculation Day of [each] [a] calendar month.

"**Extraordinary Adjustment Event**" means any of the following events as they relate to the *Reference Instrument*:

(a) Change, adjustment or other measure affecting the relevant concept and the calculation of the *Reference Instrument*, resulting, in the reasonable discretion of the *Index Calculation Agent*, in the relevant concept or the relevant calculation of the *Reference Instrument* no longer being comparable to those applicable on the *Index Start Date*. These factors are no longer comparable if, in particular, a change, adjustment or other measure results in a material change in the *Reference Instrument* despite the fact that the prices of the individual securities included in the *Reference Instrument* and their weightings remain the same.

(b) Cancellation of the *Reference Instrument* and/or replacement by a different index concept; or

(c) any other event which in the reasonable discretion of the *Index Calculation Agent* would have a comparable or similar impact on the calculation of the *Factor Index* in the event that no adjustment were to be made.

"**Valuation Price**" of the *Reference Instrument* for an *Index Calculation Day* means – subject to an *Extraordinary Adjustment* of the index calculation pursuant to section D) – the [opening] [closing] price of the *Reference Instrument*, as determined and published for that day by the *Reference Exchange*. If an *Index Calculation Day* falls on a day which is not a *Trading Day*, the *Valuation Price* of the immediately preceding *Index Calculation Day* shall continue to apply. If no Valuation Price for the *Reference Instrument* is determined or published on a *Trading Day*, the *Index Calculation Agent* shall determine the *Valuation Price* of the *Reference Instrument* for that day on the basis of the most recent prices set for the *Reference Instrument* in its due discretion.

[*insert in the case of price indices as the Reference Instrument:*

"**Dividend Method**" is either *individual* or *smoothed* (as described below).

In case of the "**individual**" *Dividend Method* the distributions of the constituents of the *Reference Instrument* are included in the index calculation individually. The relevant "**Dividend**" for the index calculation pursuant to section C) corresponds to the dividend of the company, exclusive of which a constituent of the *Reference Instrument* is traded on the *Ex-Dividend Date* on the *Trading Facility* which is – according to the *Reference Exchange's* concept – relevant for the calculation of the Reference Instrument ("**Trading Facility**"). For this purpose, the *Index Calculation Agent* takes into account the weighting of the respective constituent in the *Reference Instrument*. "**Ex-Dividend Date**" means the *Index Calculation Day* on which the respective constituent of the *Reference Instrument* trades "ex-dividend" on the *Trading Facility* for the first time.

In case of a "**flattened**" *Dividend Method* the distributions of the constituents of the *Reference Instrument* are not included in the index calculation individually. Instead, they are considered by means of a flattened amount which is taken into account for the index calculation on a continuous basis. Accordingly, the relevant "**Dividend**" for the index calculation pursuant to section C) in the case of this *Dividend Method* corresponds to an amount which is determined by the *Index Calculation Agent* in its reasonable discretion in order to reflect the expected distributions of the constituents of the *Reference Instrument* in the calculation of the index on each *Index Calculation Day* on a pro rata basis. For this purpose, the *Index Calculation Agent* particularly considers its dividend expectations (in relation to the constituents of the *Reference Instrument*) for up to the next three months following the respective *Index Calculation Day*. The *Index Calculation Agent* may adjust such *Dividend* in its reasonable discretion on any *Index Calculation Day*, particularly in the event of alternating dividend expectations.

On the *Index Start Date* the [*individual*] [*smoothed*] *Dividend Method* is applicable. The *Index Calculation Agent* is entitled to change the *Dividend Method* on each *Adjustment Date*. The revised *Dividend Method* shall take effect immediately as from the relevant *Adjustment Date*. A change in the *Dividend Method* shall be published by the *Index Calculation Agent* in accordance with section E).

"**Dividend Tax Factor**" means [1.0] [0.95] [0.9] [0.85] [0.8] [0.75] [0.7] [0.65] [0.6] [0.5] on the *Index Start Date*. The *Index Calculation Agent* may change the *Dividend Tax Factor* in its reasonable discretion on any *Index Calculation Day* with prospective effect, if the tax laws applicable to the *Index Calculation Agent* change, resulting in a change in the amount of the – after tax – *Dividend* virtually accruing to it.

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"**Financing Spread**"

[*for Long Factor Indices:* represents (in the form of a premium over the relevant *Interest Rate*) the financing costs which may be incurred if the long strategy tracked by the *Factor Index* is financed with debt.]

[*for Short Factor Indices:* reflects the current annual cost on an *Index Calculation Day* of acquiring the *Reference Instrument* (or its constituents) via a securities lending and repurchase ("repo") transaction.]

The *Financing Spread* on the *Index Start Date* corresponds to the *Initial Financing Spread*. The *Index Calculation Agent* then adjusts the "**Current Financing Spread**" in its due discretion on each *Adjustment Date* to reflect current market conditions and publishes it in accordance with section E) of this index description. The adjusted *Financing Spread* shall apply immediately as from the relevant *Adjustment Date*.

"**Initial Financing Spread**" means [0.1] [0.2] [0.25] [0.3] [0.4] [0.5] [0.6] [0.7] [0.75] [0.8] [0.9] [1.0] [1.1] [1.2] [1.25] [1.3] [1.4] [1.5] [1.75] [2.0] [2.25] [2.5] [2.75] [3.0] [3.25] [3.5] [3.75] [4.0] [4.25] [4.5] [4.75] [5.0] [5.5] [6.0] [6.5] [7.0] [7.5] [8.0] [8.5] [9.0] [9.5] [10] [11] [12] [13] [14] [15] [20] [25] [30]% per annum.

"**Trading Day**" means every day on which the *Reference Instrument* is calculated by the *Reference Exchange*.

"**Leverage**" means [*for Short Factor Indices:* -][2][3][4][5][6][7][8][9][10][11][12][13][14][15][16][17][18][19][20]<u>[22][25]</u>[40]. It describes the impact that a change in the price of the *Reference Instrument* has on the relevant *Factor Index*. [*for Short Indices:* The negative sign for the *Leverage* indicates that the Short *Factor Index* participates inversely in, i.e. in the opposite of, the performance of the *Reference Instrument*.]"