



# Key Information Document (“KID”)

## Purpose

This document provides the investor (“you”) with key information about this investment product. It is not marketing material. The information is required by law to help the investor understand the nature, risks, costs, potential gains and losses of this product and to help the investor compare it with other products.

## 6.00% p.a. Credit-Linked Certificate in EUR on JC Penney Co Inc

Swiss Securities Number: 40167102 | ISIN: CH0401671026

Issuer of this Product: **EFG International Finance (Guernsey) Ltd., St Peter Port, Guernsey** | www.efginternational.com | Call +41-(0)58-800-1000 for more information  
KID Manufacturer: **Leonteq Securities AG** | Competent Authority: the relevant Authority | Production date of the KID: 24.04.2018

The investor is about to purchase a product that is not simple and may be difficult to understand.

### 1. What is this product?

#### Type

This product is a Swiss Uncertificated Security under Swiss law.

#### Objectives

The product is linked to the creditworthiness of JC Penney Co Inc as Reference Entity (“Reference Entity”). Payments of full coupon(s) and redemption amounts will only be made under the condition that no Credit Event (as described below) with respect to the Reference Entity occurs. Accordingly, investors bear the credit risk of the Issuer and the Guarantor (if any) of the products and the credit risk of the Reference Entity. In return, investors will receive a premium included in the coupon payments. Subject to the occurrence of a Credit Event, the product has a fixed lifetime and will be due on the Redemption Date.

1) Unless a Credit Event has occurred, the investor will receive on the Redemption Date 100 per cent of the Denomination and coupon payment(s) on the Coupon Payment Date at the Coupon Rate per annum. In addition, on each Issuer Call Date(s), the Issuer has the right, but not the obligation, to call all Certificates for early redemption on the specific Early Redemption Date. On the Early Redemption Date, the investor will receive 100 per cent of the Denomination together with the accrued coupon payments, if applicable.

2) Upon the occurrence of a Credit Event during the Credit Event Observation Period and the publication of a Credit Event Notice by the Calculation Agent, the product will be terminated. In this case, the coupon accrual will cease as of the date on which the Credit Event is deemed to have occurred (Event Determination Date). Further, the redemption amount will no longer correspond to 100 per cent of the Denomination and will equal the Liquidation Amount (as described below).

The occurrence of a Credit Event will be determined by the Calculation Agent and can be based on any publicly available information or announcements of the International Swaps and Derivatives Association, Inc. (ISDA). ISDA establishes and publishes international market standards for derivative transactions, including credit derivatives. In order to enable a uniform and market-wide application of such standards, ISDA has set up a Committee (ISDA Credit Derivatives Determinations Committee) consisting of financial institutions and other market participants who are significantly involved in transactions in credit derivatives. This Committee makes, inter alia, market-wide determinations as to the occurrence of events which are regarded as credit events under that ISDA standards.

Credit Events for the purposes of the products mirror the ISDA market standard and include *inter alia* the following events:

- **Bankruptcy** - Comprises all forms of insolvency (for example the occurrence of inability to pay or excessive indebtedness), liquidation, composition proceedings and the occurrence of enforcement proceedings in the assets of the Reference Entity for example as a result of non-fulfilment of bonds, loans or other borrowed money.
- **Failure to Pay** - Occurs if payment obligations to creditors, for example from bonds or loans, are not duly met, not met in good time or not met at all.

**The Liquidation Amount** is expressed in the Settlement Currency and equals (i) the Denomination less (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entity and less (iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions. The Issuer expects that its hedge position will comprise one or more credit default swaps inter alia relating to the Reference Entity and/or the direct or indirect holding of bonds issued or guaranteed by the Reference Entity. In case of a credit default swap, the unwinding or the settlement of such hedging position will for example require a payment of the manufacturer to its counterparty equal to the losses determined for such counterparty on the basis of the likely deteriorated market value of the Reference Entity’s obligations (which can be determined by way of a public auction). In case of a direct or indirect holding of bonds, the unwinding or the settlement of such hedging position may for example result in significant losses from an early liquidation of the bonds during unfavorable market conditions for the sale of the Reference Entity’s debt. The redemption amount may also be zero. In the case of the occurrence of a Credit Event the redemption may be postponed until the Liquidation Amount has been determined.

#### Early Redemption:

The Issuer has an unconditional right to call all Certificates for early redemption (the “Termination Right”) at any time without previous notice by announcement (the “Termination Announcement”). The Termination Announcement will specify the Final Fixing Date and the respective Early Redemption Date. In case the Issuer’s Termination Right has been exercised, the Investor will receive the Liquidation Amount on the Early Redemption Date (unless the Issuer’s Termination Right has been exercised on an Issuer Call Date, in which case the Investor shall receive the Denomination), and the Product will be terminated. No current and no further coupon amounts will be payable to the Investor.

In addition, on each Issuer Call Date, the Issuer has the right, but not the obligation to call all Certificates for early redemption on the respective Early Redemption Date. On the respective Early Redemption Date the Investor will receive a Cash Settlement in the Settlement Currency equal to the Denomination plus the Coupon Amount, if applicable, for the respective Coupon Payment Date. No further payments will be made.

<b>Currency of the Product (Settlement Currency)</b>	Euro (“EUR”)	<b>Minimum Investment / Minimum Trading Lot</b>	EUR 1'000.00
<b>Issue Date</b>	07/05/2018	<b>Initial Fixing Date</b>	24/04/2018
<b>Scheduled Redemption Date</b>	The earlier of: a) 12/07/2021 b) in the case of an exercise of the Issuer’s Termination Right, the date specified as the Early Redemption Date in the Issuer’s Termination Announcement (“Early Redemption Date”).  In case a Credit Event during the Credit Event Observation Period or an Event Determination Date has occurred, the Credit Event Redemption Date	<b>Final Fixing Date</b>	20/06/2021
<b>Denomination</b>	EUR 1'000.00	<b>Issue Price</b>	100.00%
<b>Coupon Amount</b>	Denomination multiplied by the accrued Coupon	<b>Credit Event Redemption Date</b>	The later of a) the Scheduled Redemption Date b) the date falling ten Business Days after the date on which the Liquidation Amount has been calculated.
<b>Credit Event Observation Period</b>	Means the period from (and including) the day which is 60 calendar days prior to the Initial Fixing Date to (and including) the Extension Date (as	<b>Transaction Type</b>	STANDARD NORTH AMERICAN CORPORATE



Investment EUR 10,000	If the investor cashes in the product after 1 year	If the investor cashes in the product after 2 years	If the investor cashes in at the end of the recommended holding period
Total costs	EUR 238.24	EUR 238.62	EUR 188.33
Impact on return (RIY) per year	2.42%	1.23%	0.63%

#### Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return the investor might get at the end of the recommended holding period.
- the meaning of the different cost categories.

#### This table shows the impact on return per year

One-off costs	Entry costs	0.63%	The impact of the costs the investor pays when entering the investment. The impact of the costs already included in the price. This is the most the investor will pay and could pay less.
	Exit costs	-	Not applicable
Ongoing costs	Portfolio transaction costs	-	Not applicable
	Other ongoing costs	-	Not applicable
Incidental costs	Performance fees	-	Not applicable
	Carried interests	-	Not applicable

#### 5. How long should the investor hold it and can the investor take money out early?

##### Recommended holding period: 12/07/2021 (until Redemption Date)

The objective of the product is to provide the investor with the redemption profile described under "1. What is this product?" above. The ability to benefit from the favourable redemption profile does only apply if the product is held until maturity.

There are no possibilities to take the investor's money out early other than to sell the product off-exchange.

In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered, or may not be possible at all.

#### 6. How can the investor complain?

Any complaint regarding the person advising on, or selling, the product on the relevant website can be submitted directly to that person.

Any complaint regarding the product or the conduct of the Issuer of this product can be submitted to the following address: Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland, kid@leonteq.com, www.leonteq.com.

#### 7. Other relevant information

Any additional documentation in relation to the product and in particular the simplified prospectus and the programme (including any supplements hereto) are published on the website: www.leonteq.com. In order to obtain more detailed information – and in particular details of the structure of and risks associated with an investment in the product – the investor should read these documents.

Furthermore, Leonteq created the KID after having made certain assumptions and exercised certain discretion with respect to calculations of key figures and performance scenarios and is going to reassess and adapt its assumptions as it deems appropriate from time to time.