

# “Open End” Bull and Bear Certificates on the VSMI<sup>®</sup>

17.07.03

These certificates enable the holder to trade the implicit volatility of SMI<sup>®</sup> options.

	Bull Certificates	Bear Certificates
<b>Symbol</b>	VSMIC	VSMIP
<b>Sec. Number/ISIN</b>	Sec. no.: 1641379/ISIN: CH0016413798	Sec. no.: 1641380/ISIN: CH0016413806
<b>Redemption Price</b>	Settlement price of the VSMI <sup>®</sup>	CHF 80.00 less the settlement price of the VSMI <sup>®</sup>
<b>Issue Price</b>	CHF 18.92 (spot reference CHF 18.92)	CHF 61.08 (spot reference CHF 18.92)

## Additional Information

<b>Issuer/Lead Manager</b>	Banca del Gottardo, Lugano		
<b>Underlying Index</b>	VSMI <sup>®</sup> (Gottardo SMI <sup>®</sup> -Volatility Index)		
<b>Issue Size</b>	1,000,000 certificates each (with possibility to increase issue amount)		
<b>Issue Date</b>	17.07.2003		
<b>Payment Date</b>	24.07.2003		
<b>Expiry Date</b>	Open end		
<b>Settlement Price</b>	The daily settlement price of the VSMI <sup>®</sup> corresponds to the arithmetic mean of all VSMI <sup>®</sup> prices published on the given trading day. Further information on the VSMI <sup>®</sup> can be accessed via the Internet at <a href="http://www.vsmi.ch">www.vsmi.ch</a>		
<b>Stop-Loss Level</b>	If the published price of the VSMI <sup>®</sup> exceeds CHF 70.00, the Bear Certificate will be automatically terminated for immediate effect and redeemed on the following trading day at the redemption price. A redemption price less than CHF 0.01 will not be paid.		
<b>Listing</b>	Listing on the SWX Swiss Exchange has been applied for. First trading day: 18.07.03		
<b>Settlement/Clearing</b>	Euroclear, CLEARSTREAM, global certificate deposited at SIS SEGAINTERSETTLE AG		
<b>Issuer's Call Right</b>	The issuer has the right, upon observance of a three-month notification period, to redeem the certificates for effect at the end of a given quarter (last trading day) versus payment of the redemption price.		
<b>Investor's Exercise Right</b>	The investor has the right, upon observance of a two-week notification period, to exercise the certificates for effect at the end of a given quarter (last trading day) versus receipt of the redemption price. The investor also has the option of selling the certificates in the open market. The issuer has committed to make a market in the certificates.		
<b>Sales Restrictions</b>	USA, US persons, UK		
<b>Market Making</b>	Internet: <a href="http://www.gottardo-fs.ch">www.gottardo-fs.ch</a> Reuters: GOTTARDOZH Bloomberg: BDGZ		
<b>Round Lot</b>	1 certificate		
<b>Risk Information</b>	This investment product is a derivative financial instrument, the price movement of which is closely tied to that of the VSMI <sup>®</sup> . The value of a certificate could potentially fall below the issue price. These certificates are not subject to supervision by the Federal Banking Commission as the supervisory authority over investment funds. Investors should seek competent advice in this regard.		
<b>Trademark</b>	The securities described in this term sheet are neither endorsed, issued, sold nor purchased by the SWX Swiss Exchange. VSMI <sup>®</sup> is registered trademark of the SWX Swiss Exchange. Banca del Gottardo calculates the value of the VSMI <sup>®</sup> on the basis of the Swiss Market Index (SMI <sup>®</sup> ). The SWX Swiss Exchange bears no liability whatsoever for services provided under the VSMI <sup>®</sup> trademark.		
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	All telephone calls are recorded – agreement is assumed on calling.		
<b>Orders</b>	Orders can be placed directly via your bank or broker.		

This term sheet does not constitute a prospectus in the sense of Art. 652a resp. Art. 1156 of the Swiss Code of Obligations. The legally binding terms may be obtained directly at Banca del Gottardo, OPFP, Viale S. Franscini 8, 6901 Lugano or via e-mail: [capitalmarkets@gottardo.com](mailto:capitalmarkets@gottardo.com).

**BANCA DEL  
GOTTARDO**