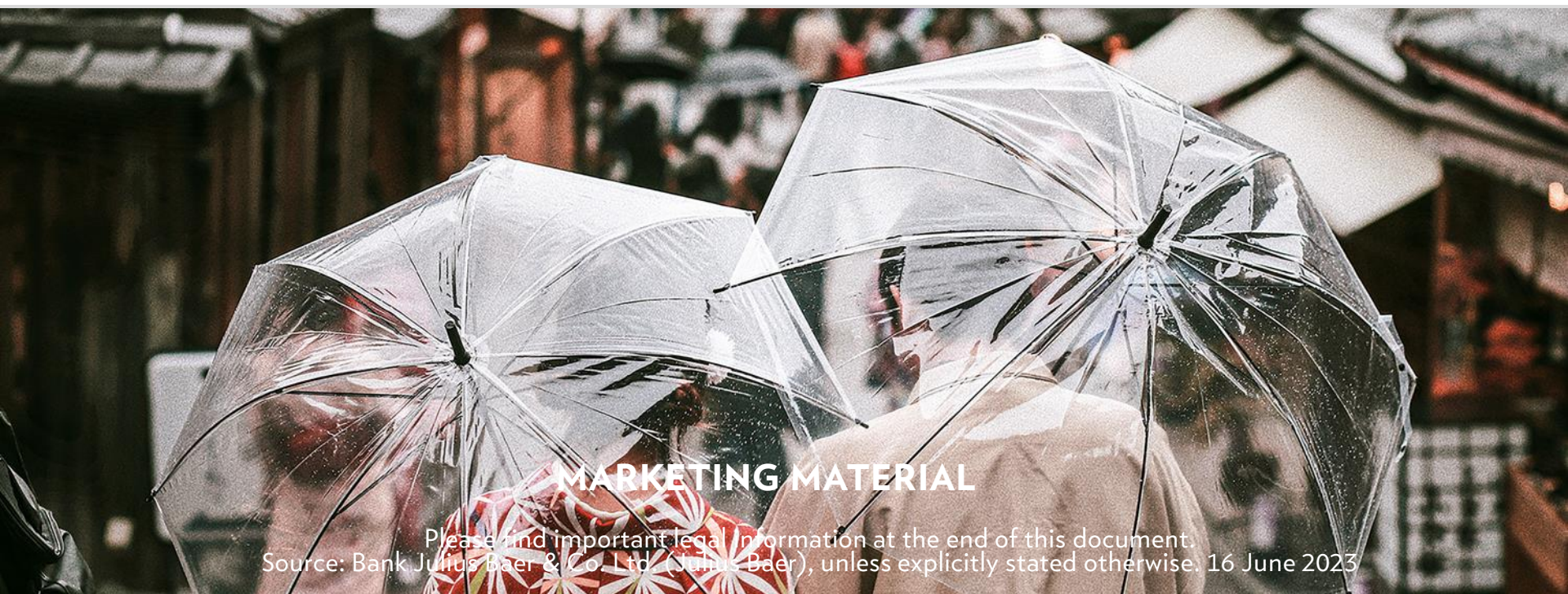


Julius Bär

# ACTIVELY MANAGED CERTIFICATE ON DIVERSIFIED HEDGE FUND PORTFOLIO

June 2023

FOR QUALIFIED / ACCREDITED / PROFESSIONAL INVESTORS ONLY



**MARKETING MATERIAL**

Please find important legal information at the end of this document.  
Source: Bank Julius Bär & Co. Ltd. (Julius Bär), unless explicitly stated otherwise, 16 June 2023

# ACTIVELY MANAGED CERTIFICATE

## Overview

### Strategy

Actively managed and diversified multi-strategy hedge fund portfolio offering a core hedge fund exposure in one go.

### AMC

- 10-15 funds from the Julius Baer recommended hedge fund universe
- Maximum single fund weight in AMC: 25%
- Minimum number of components in the portfolio (excluding cash): 5
- Maximum number of components in portfolio (excluding cash): 20

### Underlying Funds

- AuM minimum: USD 100m
- Maximum allocation size of notional portfolio to underlying fund: 10%
- Max. 40% in quarterly liquid funds
- Min. 20% in daily or weekly liquid UCITS funds
- No investor level gates or hard lock ups

### Expected risk / return over a holding period of 3-5 years\*

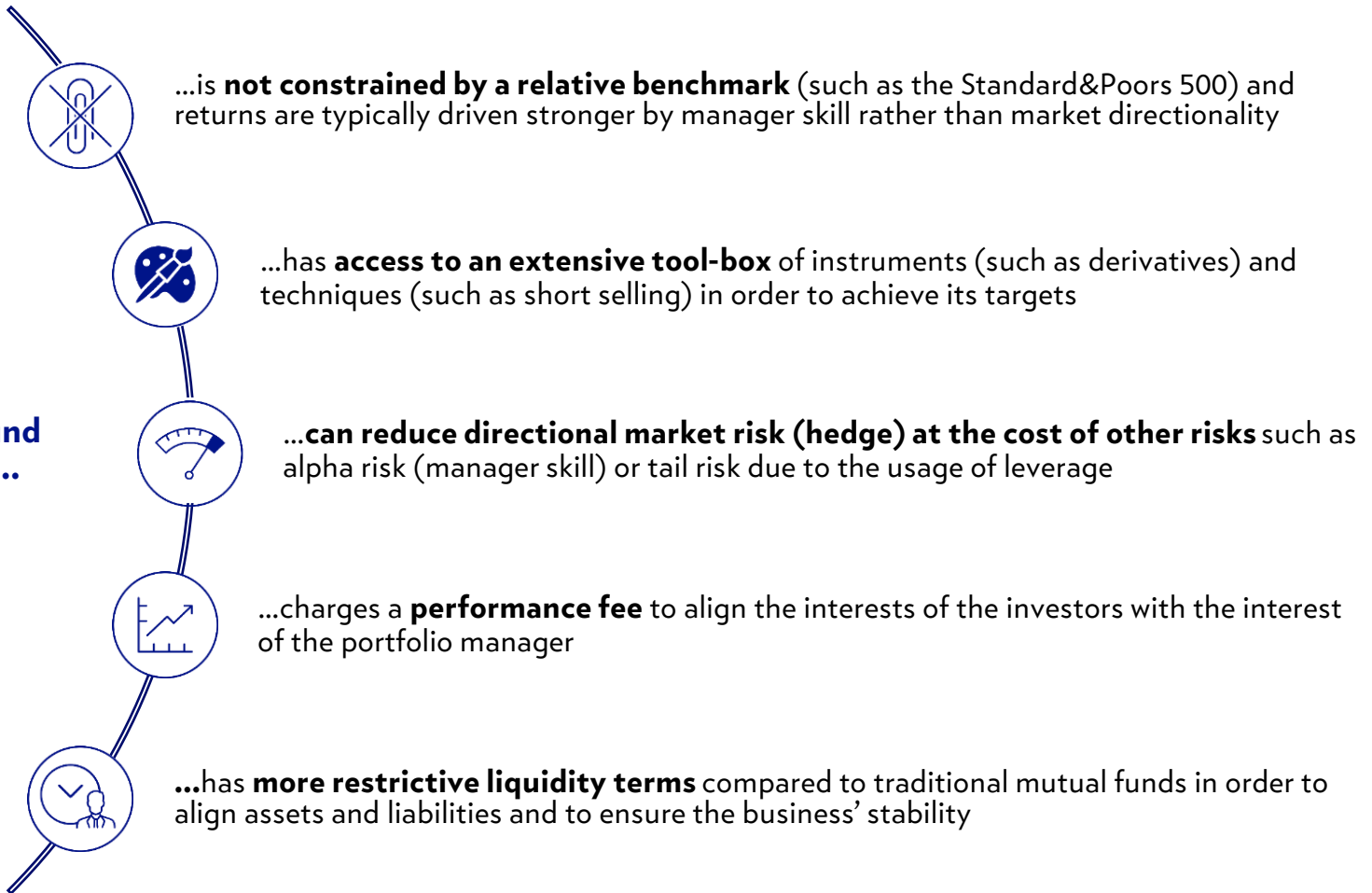
- 6 – 8% return p.a. in USD net of underlying funds and AMC fees
- 4 – 6% volatility p.a.
- 4 – 8% max. drawdown
- 0.1 – 0.3 beta to equities

\* Figures are derived based on past performance of the indicative initial portfolio. No guarantee is given that the targeted risk and return will be achieved. The value of your investment may fall as well as rise, meaning that you may not get back your initial investment. **Past performance and simulations are not reliable indicators of future performance.** Returns reflect all ongoing charges excluding transaction fees. All investments have inherent risks, and investors may not recover their initial investment. Returns may increase or decrease as a result of currency fluctuations.

# ACTIVELY MANAGED CERTIFICATE

## Characteristics of hedge funds

### A hedge fund typically...



# ACTIVELY MANAGED CERTIFICATE

## Julius Baer Considers Six Hedge Fund Strategies

- |    |                   |                                                                                                                                                                                                                                     |
|----|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Equity Long/Short | Typically fundamentally driven stock pickers that either hedge out equity market risk only partially ('Long Biased'), significantly ('Low Net') or almost entirely ('Equity Market Neutral').                                       |
| 2. | Event Driven      | Managers generating ideas across equities and bonds driven by corporate events such as mergers and acquisitions ('Merger Arbitrage'), spin-offs & restructurings ('Special Situations') or self-created events ('Activist').        |
| 3. | Relative Value    | Market neutral funds that focus on dislocations between two statistically or fundamentally related securities in equities ('Quant Equity'), fixed income ('Fixed Income Relative Value') or both ('Convertible Arbitrage').         |
| 4. | Trading           | Multi-asset funds investing in market indices rather than individual issuers on the back of macroeconomic top-down views ('Global Macro') or quantitative relationships ('Systematic Macro' and 'Commodity Trading Advisor (CTA)'). |
| 5. | Credit/Income     | Typically fundamentally driven credit investors ('Credit Long/Short') or bankruptcy specialists ('Distressed').                                                                                                                     |
| 6. | Multi-strategy    | Invests in several of the above mentioned strategies and sub-strategies.                                                                                                                                                            |

# ACTIVELY MANAGED CERTIFICATE

## Julius Baer's Hedge Fund Capabilities

### BROAD FOOTPRINT

- With over \$5 billion of assets under management (AUM) in alternative strategies, Julius Baer is a significant investor in the industry
- We provide access to a broad universe of high-quality hedge fund managers in a controlled environment
- Through our global network, we are able to offer you exclusive access to funds which are closed for new investments or are otherwise hard to access

### DEEP DUE-DILIGENCE

Of the 250 funds we source, approximately 12 pass our rigorous investment and operational due diligence requirements

Selection criteria include in-depth product and strategy reviews, return and peer analysis, operational checks and process due diligence

After their approval, funds are constantly monitored and provide monthly performance, attribution and business updates

For more Information on due diligence and selection, please see appendix.

# ACTIVELY MANAGED CERTIFICATE

## Risk Considerations

### MAIN STRATEGY RISKS\*

- The products is expected to underperform long only equity investments during a market rally due to the overall low beta.
- Hedge funds can run substantial leverage which can lead to tail risk i.e. magnifying losses when the portfolio experience stress.
- Due to the uncorrelated nature of the products the fund can experience drawdowns in flat or positive long-only markets.

### LIQUIDITY CONSIDERATION

- 25% fund level gate: In some cases the Issuer together with the Advisor has the right but not the obligation to reduce redemption requests pro rata amongst Investors who have submitted redemption requests for a specific month end redemption which, in aggregate, equals to not more than 25% of the Strategy Value per month.

\* The list of risks is not intended to be exhaustive. Please refer to the Offering Memorandum for further information.

**Past performance and simulations are not reliable indicators of future performance.** Returns reflect all ongoing charges excluding transaction fees. All investments have inherent risks, and investors may not recover their initial investment. Returns may increase or decrease as a result of currency fluctuations.



# HEDGE FUNDS AS AN ALTERNATIVE TO FIXED INCOME

Credit-like risk/return profile with positive optionality from rising rates

20 YEAR STATS	HEDGE FUNDS <sup>1</sup>	INVESTMENT GRADE (IG) BONDS <sup>2</sup>	HIGH YIELD (HY) BONDS <sup>3</sup>	50% IG / 50% HY
Return p.a.	6%	4%	8%	6%
Volatility p.a.	6%	4%	9%	6%
Max. Drawdown	-21%	-17%	-31%	-19%
Beta to Equities <sup>4</sup>	0.4	0.1	0.5	0.3
Beta to Treasuries <sup>5</sup>	-0.4	1.0	0.0	0.5
	↓			↓

- Comparable risk as measured by volatility, maximum drawdown and equity beta/sensitivity
  - Comparable return despite negative sensitivity to treasuries / positive sensitivity to interest rates
  - This differentiating factor comes from generally low exposure to credit, ability to short rates and floating profiles
- **Hedge funds generate credit-like risk and return which, contrary to credit, can benefit from rising rates**

Statistics for the period 31.12.2002 – 31.12.2022 (20 years) in USD

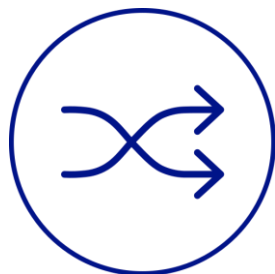
Source: Bloomberg Finance L.P., Julius Baer, Funds

<sup>1</sup>HFRI Fund Weighted Index TR USD; <sup>2</sup>Barclays Global Aggregate Credit TR USD hedged; <sup>3</sup>Barclays Global Aggregate High Yield Credit TR USD hedged;

<sup>4</sup>MSCI World TR USD; <sup>5</sup>Barclays Global Aggregate Treasuries USD hedged

# ACTIVELY MANAGED CERTIFICATE (AMC)

Immediate Exposure to a Diversified Hedge Fund Portfolio



## ACTIVE MANAGEMENT

Decide once and delegate everything else to us - we manage the portfolio actively for you



## EXPANDED UNIVERSE

Beyond the traditional advisory shelf, the AMC has access to hedge funds not broadly available



## ENHANCED REPORTING

Timely and transparent monthly report with performance attribution and comments



## LOW INVESTMENT MINIMUM

\$100k minimum investment for a portfolio that would otherwise require a \$1m+ if built line by line



## INSTITUTIONAL PRICING

0.6% p.a. lower management fee on underlying funds thanks to access to institutionally priced share classes

Source: Julius Baer



# PERFORMANCE INCENTIVISED PRICE MODEL

Strong correlation between fees and returns

## Fee Discount via Institutional Access

**1.5%**

Average underlying fund  
management + admin fee

**vs.**

**2.2%**

industry standard

## Performance Fee ensures Strong PM Incentive

**17%**

average performance fee

**vs.**

**20%**

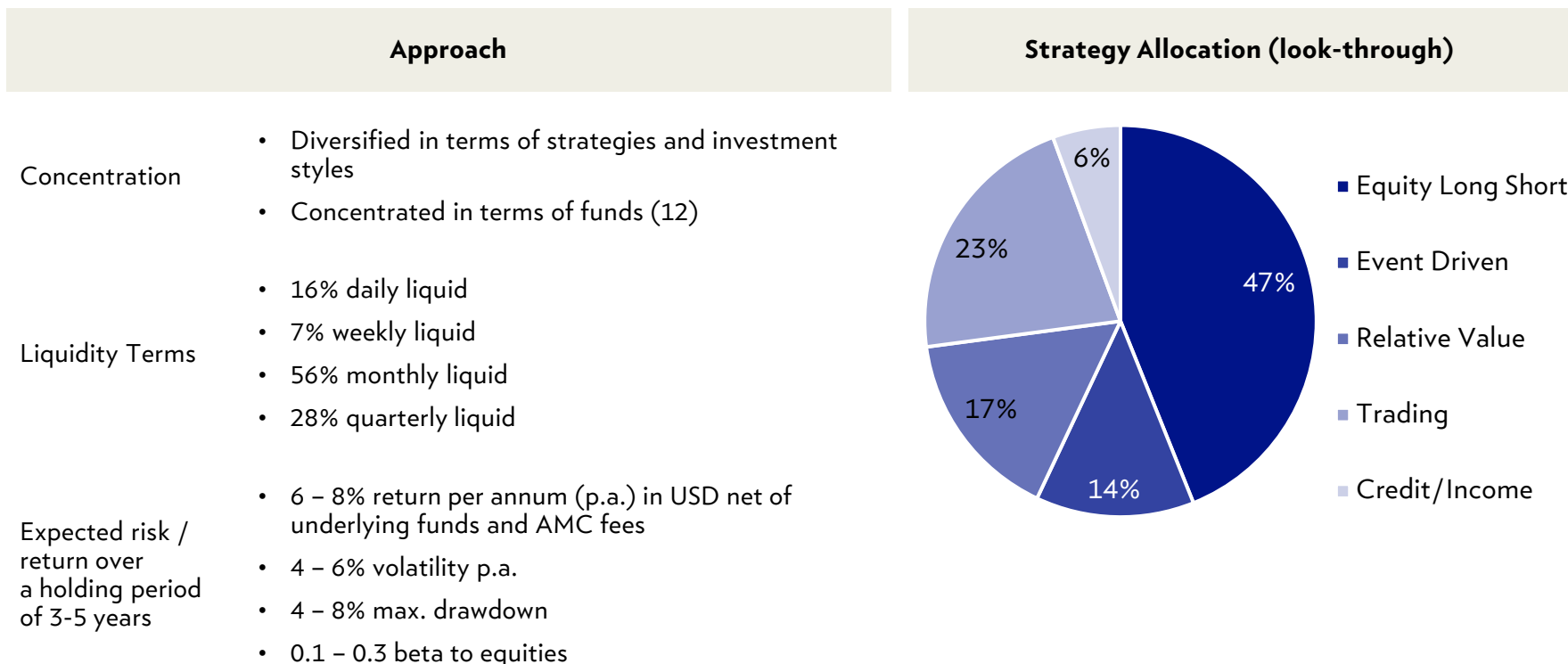
industry standard

**Past performance and simulations are not reliable indicators of future performance.** Returns reflect all ongoing charges excluding transaction fees. All investments have inherent risks, and investors may not recover their initial investment. Returns may increase or decrease as a result of currency fluctuations. Numbers calculated based on launch portfolio – 01.03.2022.

**Source:** Julius Baer

# PORTFOLIO COMPOSITION

## Diversified core-satellite approach



**Source:** Julius Baer, data as of 01.06.2023 (includes estimates).

**Past performance and simulations are not reliable indicators of future performance.** Returns reflect all ongoing charges excluding transaction fees. All investments have inherent risks, and investors may not recover their initial investment. Returns may increase or decrease as a result of currency fluctuations.

# PORTFOLIO COMPOSITION & FUND STATISTICS

For indicative purposes only

FUND			CALENDAR YEAR					5 YEAR STATISTICS			
Name	Allocation	Strategy	2023	2022	2021	2020	2019	Return	Vol	Sharpe	Beta
Nineteen77 (O'Connor) GMSA	12.9%	Multi-Strategy	1%	-4%	9%	37%	8%	10%	8%	1.0	0.2
North Rock	15.1%	Equity Long Short	1%	6%	7%	22%	9%	8%	6%	1.1	0.1
Covalis Enhanced	7.4%	Equity Long Short	4%	14%	-4%	18%	4%	7%	6%	0.9	0.0
Schroder GAIA Contour	6.5%	Equity Long Short	15%	-9%	-7%	35%	7%	4%	12%	0.2	0.1
Eleva Absolute Return Europe	6.3%	Equity Long Short	4%	1%	7%	10%	10%	6%	4%	1.2	0.2
FengHe Asia Fund	6.1%	Equity Long Short	8%	-5%	27%	19%	6%	11%	10%	1.0	0.3
Two Sigma Absolute Return Enhanced	11.0%	Relative Value	4%	14%	1%	-3%	2%	6%	9%	0.5	0.0
Obsidian Relative Value Strategies	6.6%	Relative Value	2%	-2%	-4%	14%	10%	4%	5%	0.5	0.0
BlackRock Global Event Driven	9.7%	Event Driven	-1%	-2%	2%	7%	7%	3%	5%	0.3	0.2
Stenham Macro Focus Alpha	16.5%	Trading	-7%	11%	0%	34%	11%	9%	6%	1.2	0.0
Iguazu	4.0%	Trading	-1%	11%	6%	13%	15%	8%	8%	0.8	0.1
Wellington Macro Strategies	4.0%	Trading	-4%	15%	4%	1%	4%	6%	8%	0.5	-0.1
Cash	-6.4%										
TOTAL	100%										

Allocation data as of 01.06.2023 (based on estimates).

Statistics data as of 31.05.2023 in USD, net of underlying fund fees (includes estimates). Statistics calculated for the period 31.05.2018 – 31.05.2023 using monthly data. If an underlying fund was launched less than 5 years ago, the statistics are since launch. Past performance is not a reliable indicator of future results. Performance returns take into account all ongoing charges but not transaction fees. The value of your investment may fall as well as rise, meaning that you may not get back your initial investment. Source: Respective managers, Julius Baer Funds, Bloomberg Finance L.P.

# FUND RETURNS AND STATISTICS

For indicative purposes only

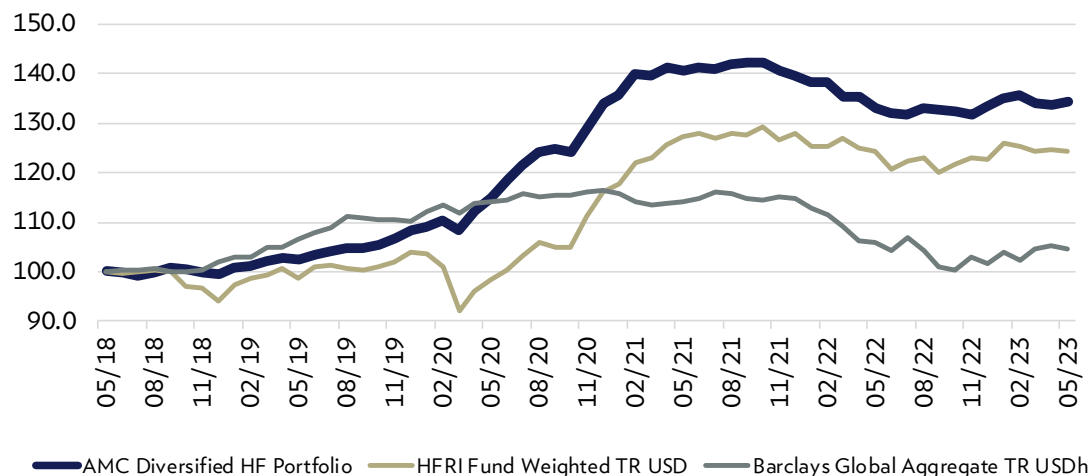
5 YEAR CORRELATIONS	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Nineteen77 GMSA [1]	1.0											
North Rock [2]	0.7	1.0										
Covalis Enhanced [3]	0.4	0.4	1.0									
Schroder GAIA Contour [4]	0.3	0.5	0.2	1.0								
Eleva Absolute Return Europe [5]	0.4	0.3	0.2	0.4	1.0							
FengHe Asia [6]	0.5	0.3	0.2	0.1	0.4	1.0						
Two Sigma Absolute Return Enhanced [7]	-0.1	0.0	-0.2	0.0	0.1	-0.1	1.0					
BlackRock Obsidian Relative Value [8]	-0.1	-0.1	-0.2	0.1	0.1	0.0	-0.1	1.0				
BlackRock Global Event Driven [9]	0.7	0.4	0.3	0.0	0.4	0.4	-0.1	-0.2	1.0			
Stenham Macro Focus Alpha [10]	0.3	0.3	0.3	0.2	0.1	0.0	0.0	0.1	0.2	1.0		
Iguazu [11]	0.3	0.2	0.4	0.1	0.2	0.0	0.1	-0.2	0.4	0.3	1.0	
Wellington Macro Strategies [12]	0.0	0.2	0.1	0.0	-0.3	-0.2	-0.2	-0.1	0.0	0.2	-0.1	1.0
<b>Average manager correlation</b>	<b>0.14</b>											

Data as of 31.05.2023 in USD, net of underlying fund fees. Statistics calculated for the period 31.05.2018 – 31.05.2023 using monthly data and monthly rebalancing. If an underlying fund was launched less than 5 years ago, the allocation is kept in cash until launch. Past performance is not a reliable indicator of future results. Performance returns take into account all ongoing charges but not transaction fees. The value of your investment may fall as well as rise, meaning that you may not get back your initial investment. Source: Respective managers, JB Funds, Bloomberg Finance L.P.

# AMC ON DIVERSIFIED HEDGE FUND PORTFOLIO

## Realized and back-tested performance composite

### CUMULATIVE RETURNS SINCE LAUNCH



Data as of: 31.05.2023. Source: Respective managers, JB Funds, Bloomberg Finance L.P.

### STATISTICS

	JB portfolio	HFRI FW	Barclays Gl. Agg
Net return p.a.	6.1%	4.4%	0.9%
Volatility p.a.	4.5%	7.7%	4.4%
Sharpe Ratio	1.0	0.4	-0.1
Equity Beta <sup>1</sup>	0.11	0.37	0.11
Fixed Income Beta <sup>2</sup>	0.15	0.42	1.00
Max. Drawdown	-7.6%	-11.6%	-13.8%

1 = MSCI World TR USD; 2 = Barclays Global Aggregate TR USDh  
Data as of 31.05.2023 in USD, net of underlying fund fees.

Statistics calculated for the period 31.05.2018 - 31.05.2023 using monthly data and monthly rebalancing. If an underlying fund was launched less than 5 years ago, the allocation is kept in cash until launch. Source: Respective managers, JB Funds, Bloomberg Finance L.P.

### MONTHLY PERFORMANCE

Returns prior to March 2022 are back-tested with the launch portfolio.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2023</b>	1.1%	0.5%	-1.2%	-0.2%	0.3%								<b>0.5%</b>
<b>2022</b>	-0.9%	-0.1%	-2.1%	0.1%	-1.7%	-0.8%	-0.1%	0.9%	-0.2%	-0.2%	-0.7%	1.5%	<b>-4.3%</b>
<b>2021</b>	1.2%	3.2%	-0.2%	1.3%	-0.5%	0.3%	-0.1%	0.6%	0.3%	0.1%	-1.2%	-0.8%	<b>4.2%</b>
<b>2020</b>	0.7%	1.2%	-1.8%	3.4%	2.3%	3.1%	2.6%	2.3%	0.3%	-0.4%	4.0%	3.7%	<b>23.7%</b>
<b>2019</b>	1.3%	0.3%	1.0%	0.7%	-0.4%	1.1%	0.7%	0.7%	0.0%	0.5%	1.1%	1.6%	<b>9.0%</b>
<b>2018</b>						-0.2%	-0.5%	0.6%	0.9%	-0.4%	-0.7%	-0.3%	<b>-0.6%</b>

Data as of 31.05.2023 in USD, net of underlying fund fees. Statistics calculated for the period 31.05.2018 - 31.05.2023 using monthly data and monthly rebalancing. If an underlying fund was launched less than 5 years ago, the allocation is kept in cash until launch. Past performance is not a reliable indicator of future results. Performance returns take into account all ongoing charges but not transaction fees. The value of your investment may fall as well as rise, meaning that you may not get back your initial investment. Source: Respective managers, JB Funds, Bloomberg Finance L.P.

# AMC ON DIVERSIFIED HEDGE FUND PORTFOLIO

## Terms

Name	Actively Managed Certificate on Diversified Hedge Fund Portfolio USD	Issuer	Bank Julius Baer & Co. Ltd., Guernsey Branch (Rating: Moody's A2)
Distribution	The Product may not be offered, sold or otherwise distributed in or from Switzerland/EU except to Qualified Investors and professional (elective / per se) or eligible counterparty clients.	Initial Fixing Date	28 February 2021
Lead Manager	Bank Julius Baer & Co. Ltd., Zurich	NAV frequency	Monthly
Denomination	USD	Secondary Market Subscription Liquidity	Monthly, plus 10 days' notice period
Quotation	Traded in units and booked accordingly	Secondary Market Redemption Liquidity	Monthly with 95 days notice, 25% AMC Level Gate*
Minimum Investment	1 unit	Fee per annum (administration & advisory fee)	1.3%
Additional Investment:	1 unit	ISIN / Valor	CH1150647308 / 115064730

### PLEASE READ THE TERM SHEET CAREFULLY PRIOR TO INVESTING

\* In some cases the Issuer together with the Advisor has the right but not the obligation to reduce redemption requests pro rata amongst Investors who have submitted redemption requests for a specific month end redemption which, in aggregate, equals to not more than 25% of the Strategy Value per month. Source: Julius Baer Funds

# ADDITIONAL INFORMATION



# HOW DO WE SELECT HEDGE FUNDS?

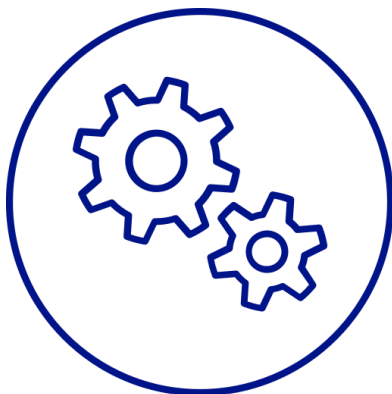
## Our selection criteria

### PRODUCT

- Investment strategy - focus and specialization
- Strategy capacity
- Portfolio liquidity and fund terms
- Size and structure
- Pricing

### PEOPLE AND BUSINESS

- Firm setup and infrastructure
- Reputation and reliability
- Business model
- Transparency
- Investment team experience
- Team stability
- Operational strength



### PERFORMANCE

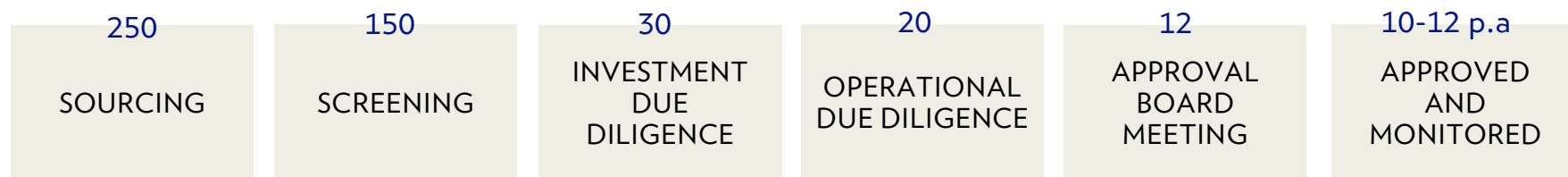
- Returns quality and attribution (profits and losses)
- Performance drivers
- Returns sustainability
- Relative performance versus peers and markets
- Risk figures analysis
- Data quality

### PROCESS

- Investment process
- Trading style
- Style consistency and sustainability
- Exposure evolution
- Portfolio analysis
- Risk management - portfolio and position level

# HOW DO WE SELECT HEDGE FUNDS?

Well-established and tested due diligence process



Source: Julius Baer Funds

# PORTFOLIO COMPOSITION (INDICATIVE)

## Diversified core-satellite approach

Fund	%	Strategy
Nineteen77 (O'Connor) Global Multi-Strategy Alpha	12.9%	<ul style="list-style-type: none"> <li>Relative value focused multi-strategy fund with low directionality</li> <li>Dynamic allocation between equity long/short, event driven and credit</li> <li>A senior committee allocates capital to over 20 PMs with individual mandates</li> </ul>
North Rock	15.1%	<ul style="list-style-type: none"> <li>Equity long/short platform actively allocating between various sector PMs</li> <li>Very low directionality (0-20% net exposure) and moderate leverage (2-4x)</li> <li>Institutional setup and part of Lighthouse, a \$10bn+ alternatives manager</li> </ul>
Covalis Enhanced	7.4%	<ul style="list-style-type: none"> <li>Equity long short fund investing in European utilities and industrials stocks</li> <li>Market neutral profile as a result of a high velocity pairs trading approach</li> <li>The CIO has over 20 years of utility long short experience</li> </ul>
Schroder GAIA Contour Tech (UCITS)	6.5%	<ul style="list-style-type: none"> <li>Technology equity long/short fund focusing on internet, media and software</li> <li>Low directionality (-25% to +25% net exposure) and high leverage (1.5-2.5x)</li> <li>David Meyer, runs the strategy since 2005 with limited FAANG exposure</li> </ul>
Eleva Absolute Return Europe	6.3%	<ul style="list-style-type: none"> <li>Equity long short fund investing in European stocks across the market cap spectrum</li> <li>Bottom-up stock picking combined with a macro overlay based on market indicators</li> <li>Conservative profile with low net (-10% to 50%) and gross (90% to 160%) exposures</li> </ul>
FengHe Asia	6.1%	<ul style="list-style-type: none"> <li>Asia ex-Japan equity long/short fund with a bottom-up approach</li> <li>Three core engines - China, Asian technology supply chain and SE Asia</li> <li>Flexible net exposure (20-70%) with 50-70 positions across long &amp; shorts</li> </ul>

Allocation data as of 01.06.2023 (based on estimates).

Source: Julius Baer Funds

# PORTFOLIO COMPOSITION (INDICATIVE)

## Diversified core-satellite approach

Fund	%	Strategy
Two Sigma Absolute Return Enhanced	11.0%	<ul style="list-style-type: none"> <li>Pioneer investor in quant equity with more than USD60bn assets and 1'800 employees</li> <li>~70% in quant equity built on fundamental, technical, event and alpha capture models</li> <li>Remaining 30% split across trend following, systematic macro and relative value models</li> </ul>
Obsidian Relative Value Strategy Fund	6.6%	<ul style="list-style-type: none"> <li>Multi-strategy and multi-PM approach to fixed income relative value investing</li> <li>8 strategies including yield curve, cash-future basis, agency mortgages etc.</li> <li>Carve-out of market neutral strategies within Obsidian Flagship fund</li> </ul>
BlackRock Global Event Driven (UCITS)	9.7%	<ul style="list-style-type: none"> <li>Global event driven fund aiming to return 4-6% net p.a. with minimal beta</li> <li>Actively allocating between merger arbitrage, special situations and credit</li> <li>Autonomous boutique leveraging BlackRock's resources and infrastructure</li> </ul>
Macro Focus Alpha	16.5%	<ul style="list-style-type: none"> <li>Multi-PM basket investing in 4 global macro managers with scarce capacity</li> <li>Investing in Caxton Macro, Pharo Gaia, Brevan Howard Master and Capula Tactical Macro</li> <li>Aiming to deliver uncorrelated returns by investing in equities, rates and FX</li> </ul>
Iguazu	4.0%	<ul style="list-style-type: none"> <li>Emerging market debt fund combining credit long short as well as macro strategies</li> <li>Multi-manager approach across five portfolio managers led by Julian Dwek.</li> <li>Successful track record with no negative years since launch in 2006</li> </ul>
Wellington Macro Strategies	4.0%	<ul style="list-style-type: none"> <li>Global Macro fund embedding a variety of directional macro and relative value strategies</li> <li>Multi-manager approach operating in a platform fashion, allocating to 15+ PMs</li> <li>Successful turn-around story since restructuring in 2017, led by CIO Mark Sullivan</li> </ul>

Allocation data as of 01.06.2023 (based on estimates).

Source: Julius Baer Funds

# INVESTMENT TEAM

## Hedge Fund Portfolio Construction Team (PCT)



SEBASTIEN HONNIBALL

Hedge Fund Portfolio Manager / Executive Director

Sebastien has over 20 years experience in hedge funds. He is covering equity long/short, trading and credit long/short strategies. Prior to joining Julius Baer in 2017 Sebastien was an institutional banker at Standard Chartered Bank in charge of the sell side coverage of hedge fund managers in Hong Kong. He started his hedge fund career at Man Investments in 2000, as a hedge fund analyst and portfolio manager in London and Hong Kong. He holds a master's degree in Finance from the University of Caen and a bachelor's degree in Economics from the Manchester Metropolitan University.



IVAN ILIEV

Hedge Fund Analyst / Executive Director

Ivan has over 10 years experience in hedge funds. He is covering equity long/short, event driven and relative value strategies. Prior to joining Julius Baer in 2020 Ivan was a portfolio manager at UBS where he co-managed over \$10 billion of AuM in hedge fund and risk parity portfolios since 2016. Ivan started his career as a hedge fund and investment fund advisor to UHNW and Global Family Office clients at UBS. He holds a Master's degree in Finance from Imperial College London and a Bachelor's degree in Banking & Finance from the University of Zurich.



MICHAEL WONG

Hedge Fund Portfolio Manager / Executive Director

Michael has over 20 years of experience in investment management industry. He is part of the Asia hedge fund team responsible for managing Asia fund-of-hedge funds products, including manager selection and portfolio construction. Before joining Julius Baer in 2021, he was a Managing Director and Senior Research Analyst at K2 Advisors, where he was responsible for the firm's manager selection and due diligence in Asia. Prior to K2, Michael was an Associate Director at SPARX where he worked as a research analyst of its Asia fund of hedge funds business. He started his career at American International Assurance Co. Ltd. as an investment analyst at the investment department. Michael holds an MBA from the Chinese University of Hong Kong. He is a CFA charter holder and CAIA charter holder.

# IMPORTANT LEGAL INFORMATION

# IMPORTANT LEGAL INFORMATION

## IMPRINT

This document constitutes **marketing material** and is not the result of independent financial/investment research. It has therefore not been prepared in accordance with the legal requirements regarding the independence of financial/investment research and is not subject to any prohibition on dealing ahead of the dissemination of financial/investment research. It has been produced by Bank Julius Baer & Co. Ltd., Zurich, which is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). This document series is issued regularly. Information on financial instruments and issuers will be updated irregularly or in response to important events.

## AUTHOR

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<sup>1</sup> This author is employed by Bank Julius Baer & Co. Ltd., Zurich, which is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

## PRICE INFORMATION

Unless otherwise stated, the price information reflects the closing price of the previous trading day.

**Net asset value (NAV):** The net asset value is calculated on the basis of the fund's dealing frequency and will be published with a delay.

## METHODOLOGIES AND GLOSSARY

Julius Baer: [www.juliusbaer.com/en/legal/methodologies-and-glossary/](http://www.juliusbaer.com/en/legal/methodologies-and-glossary/)

## FUNDS

### Distribution types

Accumulation	All capital income (e.g. dividends, interest income) is reinvested.
Income	Capital income (e.g. dividends, interest income) is distributed among investors. The amount of distributed capital income is at the discretion of the fund manager.

### Frequency of fund rating updates

The fund ratings are updated monthly. In some special cases, ratings may be updated more frequently than monthly. Due to specific investment philosophies, fund managers cannot be expected to outperform every calendar year and, therefore, actively managed funds are not appropriate for short-term investment.

## STRUCTURED PRODUCTS

### Frequency of structured products rating updates

The recommendations are not updated on a regular basis but depending on their fixed duration.

## JULIUS BAER PRODUCT RISK RATING

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product. It captures market capitalization, trading volumes and costs. The Julius Baer Product Risk Rating is not static and may vary over time. An allocation to the lowest risk rating does not mean that an investment product is risk free.

Risk Level	Description
1	This rates the potential losses from future performance at a very low level, and poor market conditions are extremely unlikely to impact the counterparty's capacity to pay you.
2	This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the counterparty's capacity to pay you.
3	This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the counterparty's capacity to pay you.
4	This rates the potential losses from future performance at a medium level, and poor market conditions might impact the counterparty's capacity to pay you.
5	This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact the counterparty's capacity to pay you.
6	This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the counterparty's capacity to pay you.
7	This rates the potential losses from future performance at a very high level, and poor market conditions are extremely likely to impact the counterparty's capacity to pay you.

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