

## Key Information

SSPA Swiss Derivative Map®/ EUSIPA Derivative Map® Tracker Certificate (1300)

## Actively Managed Certificate on Next Generation Equity Portfolio

(the "Products")

### 100% Participation on Actively Managed Notional Basket – Cash Settlement – USD

This document is for information purposes.

A Product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA"). Therefore, it is not subject to authorization by the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and potential investors do not benefit from the specific investor protection provided under the CISA and are exposed to the credit risk of the Bank. Under Singapore law, the Products are considered securities under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and its subsidiary legislation. They are not intended to be, and do not constitute, a collective investment scheme under the SFA.

The Products are linked to the performance of a dynamic, discretionary managed notional basket.

## I. Product Description

### Terms

<b>Issuer</b>	Bank Julius Baer & Co. Ltd., Zurich (Rating: Moody's A2) (Prudential Supervision: by the Swiss Financial Market Supervisory Authority FINMA)
<b>Lead Manager</b>	Bank Julius Baer & Co. Ltd., Zürich
<b>Swiss Security Number (Valor)</b>	33226602
<b>ISIN</b>	CH0332266029
<b>Issue Size</b>	Up to 500,000 Products (USD 50,000,000 - may be increased/decreased at any time)
<b>Issue Currency</b>	USD
<b>Issue Price</b>	USD 100.00 (per Product; including the Distribution Fee)
<b>Denomination</b>	USD 100.00
<b>Initial Fixing Date</b>	<b>22 May 2017</b> , being the date during which the Initial Value and the initial composition of the Underlying are determined.

### Issue Date/Payment Date

**30 May 2017**, being the date on which the Products are issued and the Issue Price is paid.

### Final Fixing Date

The Call Date or the relevant Put Date, as applicable.

### Final Redemption Date

The date that is five Business Days after the earlier of (x), in respect to all Products, the Call Date on which the Issuer has exercised its Issuer Call Option or (y), in respect to a particular Product, the Put Date on which the Holder of such Product has exercised its Holder Put Option.

### Issuer Call Option

Unless previously redeemed, repurchased or cancelled, on any Call Date the Issuer may exercise its right to redeem the Products, subject to a 35 days notice on the last trading day of the month, in whole but not in part, on the applicable Final Redemption Date at the Final Redemption Amount per Product by notifying the Holders of such exercise on or prior to such Call Date; provided, however, that any outstanding Products that are subject to a Holder Put Option exercised prior to such Call Date shall be excluded.

**Holder Put Option**

Unless previously redeemed, repurchased or cancelled, on any Put Date the Holder of any Product may exercise, subject to a 370 days' notice on the last trading day of the month, its right to require the Issuer to redeem such Product on the applicable Final Redemption Date at the Final Redemption Amount by delivering an Exercise Notice to the Paying Agent on or prior to such Put Date.

**Call Date(s)**

Any Business Day on or after the Issue Date, subject to a 35 days notice on the last trading day of the month, being the dates on which the Issuer may exercise its right to redeem each Product on the applicable Final Redemption Date at the Final Redemption Amount.

**Put Date(s)**

Any Business Day on or after the Issue Date and prior to the Call Date on which the Issuer exercises the Issuer Call Option, subject to a 370 days' notice on the last trading day of the month, being the dates on which any Holder may exercise its right to require the Issuer to redeem any Product held by such Holder on the applicable Final Redemption Date at the Final Redemption Amount.

**Exercise Notice**

With respect to any Product(s), a notice in a form satisfactory to the Paying Agent exercising the Holder Put Option with respect to such Product(s).

**Underlying****Next Generation Equity Portfolio**

**Sponsor** Bank Julius Baer & Co. Ltd., Zurich

**Advisor** Julius Baer Investment Management

**Underlying Description** The Underlying is a basket representing an actively-managed notional portfolio mainly consisting of equities, ETFs and mutual funds, with a focus on the Next Generation investment themes (Arising Asia, Digital Disruption, Energy Transition, Feeding the World, and Shifting Lifestyles), which notional composition and weighting is discretionarily-managed over the course of the term of the Products by the Advisor.

**There is no obligation on the Issuer, the Sponsor or the Advisor or any other party to purchase, hold, manage and/or sell any components contained in the Underlying and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Underlying is merely notionally comprised of components, the performance of which is used as a reference point for the purpose of calculating the value of the Underlying. References to any changes in the composition of the Underlying should not be construed as imposing an obligation on the Issuer, the Sponsor, the Advisor or any person to actually acquire or dispose of any securities, depositary receipts, futures, other investments, assets or other property but are references to the change in, and relate solely to the calculation of, the value of the notional Underlying which is relevant for the determination of amounts payable in respect of the Products.**

**Investment Strategy (Basic Parameters)** The AMC on Next Generation Equity Portfolio is an actively managed notional portfolio of equities managed by the Next Generation Team at Julius Baer Investment Management. The notional portfolio includes up to 100 stocks which represents JB Next Generation's strongest conviction ideas based on their investment process. The notional portfolio is the result of a top-down and bottom-up analysis irrespective of the current in-house macro scenario and sector allocation.

**Investment Guidelines** Only investments in investment products contained in the Investment Universe (as defined below) are permitted. Notional short selling and borrowing are not permitted. The Advisor is permitted to change the notional composition of the Underlying on a daily basis. Nevertheless, the Sponsor is entitled to reject changes in the notional composition of the Underlying in case of more than 70 changes per year. At any time, the Underlying contains a minimum of 20 and a maximum of 100 components.

The Investment Guidelines and the Investment Universe must be respected on the initial fixing of the Underlying and upon any change in the notional composition of the Underlying. The Advisor is free to correct infringements of the Investment Guidelines which might possibly occur thereafter. No liabilities are assumed by the Advisor or the Sponsor due to such infringements.

**Diversification Rules** The limits below are in percent of the total notional portfolio's value:

- Cash: max. 30%
- There is no regional and sector limitations
- Single Position: max. 10%

<b>Investment Universe</b>	<p>The notional Underlying can include any exchange-traded stocks on any world exchange, as well as ETFs and Mutual Funds that are tradable daily, maximum weekly.</p> <p>Besides the aforementioned assets, the Underlying may contain a cash component in the Product's currency. No interest is paid on this cash component. A negative interest rate may be applied due to market conditions.</p>
<b>Change of Basket Composition</b>	<p>The Sponsor will use its best effort to implement the Advisor's investment decisions (see "Right of Objection" below) as soon as practical. This may take several days as the Sponsor might have to enter into respective hedging transactions relating to its obligations under the Products due to its position as Issuer of the Products. No assurance can be given that all investment decisions will be realized as intended by the Advisor. The Sponsor implements the changes in the notional composition of the basket on a discretionary basis at the respective net ask and bid prices available on the market or, if it considers this necessary due to the market constellation, the Sponsor implements it on a discretionary basis at the respective average net ask and bid prices of the assets.</p>
<b>Right of Objection</b>	<p>The Sponsor has the right to reject components selected by the Advisor at his sole discretion should any situation whatsoever arise whereby the Sponsor (a) due to applicable rules, regulations and internal or external restrictions, or (b) due to technical constraints cannot execute the Advisor's investment decision or (c) due to any other reasons is unable to hedge its position as Issuer of the Products, is not able to buy, hold or sell the Underlying or any component thereof (as if the Underlying is not notional).</p>
<b>Reinvestment of the Returns</b>	<p>The Sponsor may, on a notional basis, (re-)invest any net returns (after deduction of possible withholding taxes) into the corresponding assets. Should the new notional investment contradict the Investment Guidelines, the Advisor decides on the (re-)investment. If the Advisor cannot be reached by the Sponsor within useful time, the Sponsor decides on the notional (re-) investment.</p>
<b>Adjustments</b>	<p>The Sponsor decides according to the terms outlined in the Base Prospectus and the Final Terms how the basket is adjusted when dilution and concentration effects notionally affecting the Underlying occur, investors' rights change as well as in comparable situations. The adjustments are implemented on or around the respective trading day. No liabilities are assumed by the Sponsor due to possible infringements of the Investment Guidelines or the Investment Universe which might occur as a consequence of such adjustments. The value of the Underlying is not retroactively adjusted.</p>
<b>Responsibility</b>	<p>Subject to the Investment Guidelines and the Investment Universe, the Advisor is responsible for the composition of the basket and the weighting of the Underlying components. The performance of the Underlying - and therefore of the Product - depends, among other things, on the quality of the Advisor's investment decisions. The Sponsor is only responsible for the administration of the Product. Neither the Issuer nor the Sponsor assume responsibility whatsoever for the composition of the Underlying, any adjustments to the Underlying, and its impact on the performance of the Products.</p>
<b>Information about the Investment Strategy</b>	<p>Further Information about the Investment Strategy is free of charge available from the Issuer upon request.</p>
<b>Composition of the Underlying</b>	<p>Information about the current composition of the Underlying is available from the Issuer upon request.</p>

## Redemption

<b>Final Redemption</b>	<p>Unless previously redeemed, repurchased or cancelled, the Issuer shall redeem each Product on the Final Redemption Date by payment of the Final Redemption Amount to the Holder thereof.</p> <p>For the avoidance of doubt, there is no and will not be any pooling of contributions from holders of the Product and notional profits, income, payments or returns of the Underlying for the benefit of all holders of the Product. Payments under a Product will essentially be in the nature of a debt due from the Issuer to the redeeming holder of a Certificate separate and distinct from payments under any other Certificate.</p>
<b>Final Redemption Amount</b>	<p>A cash amount equal to the Strategy Value minus the accrued Recurring Fees calculated by the Calculation Agent on the Final Fixing Date in accordance with the following formula:</p> $\text{Strategy Value}_t - \text{accrued Recurring Fees}$
<b>Settlement Type</b>	Cash settlement
<b>Strategy Value<sub>t</sub></b>	<p>The value of the Underlying, determined by the sum of the value of each of the components notionally contained in the Underlying at a point in time <math>t</math> (including the cash component expressed in the Issue Currency), converted to the Issue Currency at the then prevailing exchange rate(s), as determined by the Calculation Agent.</p>
<b>Initial Value</b>	USD 100.00

<b>Recurring Fees</b>	The Administration Fee and the Advisory Fee (the "Recurring Fees") The Recurring Fees are calculated and deducted from the Strategy Value by the Calculation Agent on a daily basis.
<b>Administration Fee</b>	0.30% p.a. of the Strategy Value
<b>Advisory Fee</b>	0.80% p.a. of the Strategy Value
<b>Distribution Fee</b>	Up to 0.00% p.a. of the Issue Price (incl. VAT, if any), calculated on the basis of a hypothetical term of 5 years; The Distribution Fee will be allocated / paid to the internal and/or external Distributor. For further details please see under section IV "Distribution Compensation/Distribution Allowances from and to Third Parties".

## Swiss Taxation

**Stamp duty** No stamp duty upon issuance. No federal turnover tax is due on secondary market transactions.

**Withholding tax** No Swiss Federal withholding tax.

**Income tax** For private investors (individuals) with tax residence in Switzerland, the Product is treated like a unit of a collective investment scheme. The Issuer informs the Swiss Federal Tax Administration about the capital gains/losses and the earnings on the assets on an annual basis. Only the declared net earnings on the assets are subject to income tax.

The aforementioned tax description is based on the relevant tax laws and regulations of the tax authorities valid at the time of launch of this issue. These laws and regulations may change at any time, possibly with retroactive effect. Furthermore the tax treatment may depend on the personal situation of the investor and may be subject to change in the future. This information is not purported to be a complete description of all potential tax effects. Potential investors are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of the Product.

## Product Description

The Products are financial instruments which allow the investor to fully participate in the positive performance of the Underlying, but which also reflect the development of the Underlying if its performance is negative. The Underlying is an actively managed notional basket of securities, as described above under section "Underlying Description".

On the Final Redemption Date, the Product is redeemed at the Final Redemption Amount, which amount will be dependent upon the performance of the Underlying, and will also be adjusted for applicable Fees and costs.

The Products enable the holder thereof to benefit from an unlimited participation in any positive performance of the Underlying, subject to the terms of the Products. Therefore, if the Underlying performs positively, an investment in the Products directly reflects the positive performance of the Underlying. Likewise, if the Underlying performs negatively, an investment in the Products directly reflects the negative performance of the Underlying. Therefore, the risk associated with an investment in the Products is comparable to the risk associated with a direct investment in the Underlying, and a total loss of the amount invested in the Products is possible, although any such loss is limited to the amount invested.

There is no obligation on the Issuer to purchase and/or hold any components contained in the Underlying. The Issuer shall be free to choose how to invest the proceeds from the issuance of the Products.

The Products are open-ended which means that they do not have a fixed maturity date. Instead, such Product provides for an investor a termination right (Holder Put Option), subject to a 370 days' written notice, and for the Issuer an Issuer termination right (Issuer Call Option), subject to a 35 days' written notice.

It should be noted that the Underlying is a "notional" portfolio and there is no actual portfolio of assets to which any person is entitled or in which any person has an ownership interest. Investors in the Product should accordingly be aware that given the nature of the Product, the Underlying (or any hedges or investments made in connection therewith ("Hedge")) cannot and will not in any way be held by the Issuer for the benefit of the investors of the Product. For the avoidance of any doubt, the investors of the Product will not obtain any right, title, interest or benefit whatsoever to the Underlying (or its Hedge) and will not have any voting or other rights (including in any (notional) assets included in the Underlying (or its Hedge)). The Issuer is not obligated to buy, hold, manage or sell the Underlying or any securities referenced thereunder or to have any right, title, interest or benefit in relation to any of the foregoing. However, the Issuer may, at its sole discretion, buy, sell and/or hold assets, which may or may not be identical to the Underlying, for itself solely for hedging its risks in relation to the Certificates. The Issuer shall be free to choose how to invest the proceeds from the issuance of the Products.

## Product Documentation

The complete and legally binding terms and conditions of the Products are set forth in the base prospectus for the issuance of Participation Products of Bank Julius Baer & Co. Ltd. (the "Bank"), dated 17 June 2016, as supplemented from time to time (the "Base Prospectus") and the relevant final terms prepared in relation to the Products (the "Final Terms"). The Base Prospectus and the Final Terms may be obtained free of charge from Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, 8001 Zurich, Switzerland.

This document is designated for distribution and use in Switzerland. Neither the Issuer nor any other person assumes any responsibility for the compliance of this document with any applicable law and regulations in any other jurisdiction than Switzerland.

**Details**

<b>Risk Category</b>	Complex Product
<b>Product Category</b>	Participation
<b>Product Type</b>	Tracker Certificate
<b>SSPA Code</b>	1300
<b>Calculation Agent</b>	Bank Julius Baer & Co. Ltd., Zurich and any agents or other persons acting on behalf of such Calculation Agent and any successor appointed by the Issuer
<b>Paying Agent</b>	Bank Julius Baer & Co. Ltd., Zurich and any agents or other persons acting on behalf of such Paying Agent and any successor appointed by the Issuer
<b>Listing and Admission to Trading/Secondary Market Trading</b>	None
<b>Minimum Investment Lot</b>	1 Certificate
<b>Quotation</b>	The Products are traded in units and are booked accordingly.
<b>Clearing System</b>	SIX SIS AG
<b>Form</b>	Uncertificated Securities
<b>Governing Law / Jurisdiction</b>	Swiss Law / Zurich 1, Switzerland

## II. Profit and Loss Prospects

This Product is aimed at investors who expect a positive performance of the Underlying. The potential return on a Product is not limited, but dependent on the value of the Underlying, *i.e.* the investor benefits fully from an increase in the value of the Underlying over the term of the Product and the quality of the investment decisions of the Advisor.

The potential loss associated with an investment in the Products is also dependent on the value of the Underlying. A total loss may occur if the Underlying and the securities notionally contained in the actively managed basket, respectively, have no value on the Final Fixing Date.

### III. Significant Risks for Investors

The following risk disclosure cannot disclose all the risks associated with an investment in the Products. Therefore, potential investors in Products should consult the Base Prospectus and the Final Terms and their client advisor as to the product specific risks before making an investment decision.

#### 1. Issuer Risk

Investors bear the credit risk of the Issuer. The Products' retention of value is dependent not only on the development of the value of the Underlying, but also on the creditworthiness of the Issuer, which may change over the term of the Product. The credit rating of the Issuer is not a guarantee of credit quality. In case of the Issuer's insolvency or bankruptcy the investors in the Products may lose their entire investment.

The Products are direct, unconditional, unsecured and unsubordinated obligations of the Issuer. If the Issuer were to become insolvent, claims of investors in Products will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer, except such obligations given priority by law. In such a case, investors in Products may suffer a loss of all or a portion of their investment therein, irrespective of any favourable development of the other value determining factors, such as the performance of the Underlying(s).

The Products do not constitute bank accounts or deposits at Bank Julius Baer & Co. Ltd. The Products are less liquid than bank accounts or deposits and bear higher risks. An investment in Products will not be covered by any compensation or insurance scheme (such as a bank deposit protection scheme) of any government agency of Switzerland or any other jurisdiction and Products do not have the benefit of any government guarantee. Products are the obligations of the Issuer only and holders of Products must look solely to the Issuer for the performance of the Issuer's obligations under such Products. In the event of the insolvency of the Issuer, an investor in Products may lose all or some of its investment therein.

Bank Julius Baer & Co. Ltd. is a bank pursuant to the Federal Banking Act (BA; SR 952.0) and a securities dealer pursuant to the Federal Act on Stock Exchanges and Complex Products Trading (SESTA; SR 954.1) subject to the prudential supervision by the Swiss Financial Market Supervisory Authority FINMA in Berne (Laupenstrasse 27, CH-3003 Berne; <http://www.finma.ch>).

#### 2. Product Risks

An investment in Products entails certain risks, which vary depending on the specific type and structure of the relevant Products and the relevant Underlying(s).

An investment in Products requires a thorough understanding of the nature of Products. Potential investors in Products should be experienced with respect to an investment in complex financial instruments and be aware of the related risks. A potential investor in Products should determine the suitability of such an investment in light of such investor's particular circumstances. In particular, a potential investor in Products should:

- have sufficient knowledge and experience to make a meaningful evaluation of Products, the merits and risks of

investing in Products and the information contained in the Base Prospectus and the applicable Terms and Conditions;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of such investor's particular financial situation, an investment in Products and the impact the relevant Products will have on such investor's overall investment portfolio;
- have sufficient financial resources to bear all the risks of an investment in the relevant Products;
- understand thoroughly the Terms and Conditions applicable to the relevant Products and be familiar with the behavior of the relevant Underlying(s) and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect such investor's investment and ability to bear the applicable risks of an investment in Products until their redemption; and
- recognize that it may not be possible to dispose of Products for a substantial period of time, if at all, before their redemption.

The trading market for securities, such as Products, may be volatile and may be adversely impacted by many events.

Products are complex financial instruments. Investors generally purchase complex financial instruments as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall investment portfolios. A potential investor should not invest in Products unless such investor has the expertise (either alone or with the help of a financial adviser) to evaluate how the relevant Products will perform under changing conditions, the resulting effects on the market value of the relevant Products and the impact such an investment will have on such investor's overall investment portfolio.

#### Risk of total loss

Products involve a high degree of risk, and prospective investors in the Products should recognise that, under certain circumstances, Products may have a redemption value of zero. Prospective investors should therefore be prepared to sustain a partial or total loss of the amount of their investment therein.

#### Unpredictable Market Value for Products

During the term of a Product, the market value of, and the expected return on, such Product may be influenced by many factors, some or all of which may be unpredictable. Many economic and market factors will influence the market value of a Product. The Issuer expects that, generally, the value and volatility of the Underlying(s) on any day will affect the market value of such Product more than any other single factor. However, a potential investor should not expect the market value of a Product in the secondary market to vary in proportion to changes in the value of the Underlying(s). The return on a Product (if any) may bear little relation to, and may be much less than, the return that the investor therein might have achieved if such investor had invested directly in the Underlying(s).

The market value of, and return (if any) on, a Product will be affected by a number of other factors, which may be unpredictable or beyond the Issuer's control, and which may offset or magnify each other, including, without limitation:



- supply and demand for such Product, including inventory positions of any other market maker;
- the expected frequency and magnitude of changes in the market value of the Underlying(s) (volatility);
- economic, financial, political or regulatory events or judicial decisions that affect the Issuer, the Underlying(s) or the financial markets generally;
- interest and yield rates in the market generally;
- the time remaining until the Final Redemption Date;
- if applicable, the difference between the Level or Commodity Reference Price, as applicable, and the relevant threshold specified in the applicable Terms and Conditions;
- the Issuer's creditworthiness, including actual or anticipated downgrades in the Issuer's credit ratings; and
- dividend payments on the Underlying(s), if any.

Some or all of these factors may influence the price of a Product. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors.

In addition, certain built-in costs are likely to adversely affect the market value of Products. The price at which the Issuer will be willing to purchase Products from a holder in secondary market transactions, if at all, will likely be lower than the original Issue Price.

#### **Exposure to the performance of the Underlyings**

Each Product will represent an investment linked to the performance of the Underlying(s) and potential investors should note that any amount(s) payable or other benefit to be received under the Products will generally depend upon the performance of the Underlying(s). The past performance of the Underlyings is not indicative of the future performance.

#### **No obligation on any other party to purchase and/or hold interests in the Underlying or any components contained in the Underlying**

Investors should be aware that there is no obligation on the Issuer or any other party to purchase and/or hold and/or manage and/or sell any interests in the Underlying or any components contained in the Underlying or to have any right, title, interest or benefit in relation to any of the foregoing and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest.

#### **Secondary Market**

Products may have no established trading market when issued and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Products easily or at prices reasonably acceptable to them.

Under normal market circumstances, the Issuer will endeavour to provide a secondary market for Products, but is under no obligation to do so. Upon investor demand, the Issuer will endeavour to provide bid/offer prices for Products, based on actual market conditions. Depending on the composition of the Underlying, investors must also be aware of an increased spread risk. This means that during the term of the Product, bid and offer prices may differ to a considerable extent. It is important to note that in the secondary market, if a market does develop, the Issuer

cannot guarantee to repurchase/sell unlimited volumes of the Product at the prices provided by the Lead Manager. For large sale/purchase orders (taking into account the liquidity and spread of the constituents) the Issuer may treat the order execution based and might quote a narrower spread of approx. 0.50% (based on net price). Such orders may not be executed at once and investors may have to bear considerable delays. The Issuer has at no time an obligation to repurchase/sell the Product.

#### **Early Redemption**

The investors must be aware of a possible early redemption of the Product.

Upon the occurrence of an extraordinary event, the Calculation Agent and the Issuer, acting together, have the right to, among other things, early redeem the relevant Products. If the Issuer exercises such early redemption right(s), investors should be aware that the early redemption price may be considerably lower than the Issue Price (or, if different, the price the relevant investor paid for such product) and/or the Final Redemption Amount that would otherwise have been paid on the Final Redemption Date.

#### **Issuer Call Option and Put Holder Option**

The Products provide for a Holder Put Option (*i.e.*, an investor may, on any Put Date, exercise its right to require the Issuer to redeem its Product(s) on the applicable Final Redemption Date at the Final Redemption Amount), and an Issuer Call Option (*i.e.*, the Issuer may, on any Call Date, exercise its right to redeem the Products, in whole but not in part, on the applicable Final Redemption Date at the Final Redemption Amount). The Issuer and each investor in any such Product may exercise its Issuer Call Option and Holder Put Option, respectively, at its own discretion.

#### **Further product specific risks**

The Products are complex financial instruments, may therefore involve a high degree of risk and are intended for use only by sophisticated investors who are capable of understanding and assuming the risks involved. Before entering into any transaction, an investor should determine if this Product is suitable with regards to the particular circumstances and should independently assess (together with the client advisor) the specific risks as described herein and any other legal, regulatory or credit consequences. The Issuer makes no representation as to the suitability or appropriateness of this Product for any particular investor. This document does not replace a personal discussion with your client advisor, which is tailored to your requirements, investment objectives, experience, knowledge and circumstances and which is recommended by the Issuer before the investment decision. Please ask your client advisor about supporting information regarding this Product.

The return on the Products depends on the performance of the Underlying. Since the notional basket of securities is actively managed by the Advisor, the performance of the Product depends on the quality of the investment decisions of the Advisor. As past performance is no guarantee of future development, the performance cannot be predicted at the time of the investment decision. Further, there is no assurance that all investment decisions intended by the Advisor will be realised and that its expectations regarding the performance of the Products will be met.



Investors should be aware that an investment in these Products generally results in a loss upon redemption if the value of the Underlying decreases. Consequently, the potential loss associated with an investment in such Products is linked to the negative performance of the Underlying. Investors in the Products should be prepared to sustain a partial or total loss of their investment.

Owning this Product is not the same as owning the Underlying or values covered by the Underlying or the securities referenced thereunder. The Issuer is not obligated to actually buy, hold or sell the Underlying or any securities referenced thereunder. Investors in this Product should be aware that the Underlying or any part thereof will not in any event be held by the Issuer for the benefit of

the holders of the Product. Accordingly, changes in the market value of the Underlying or the values covered by the Underlying may not result in a comparable change in the market value of the Product.

#### **Further Information**

For further details on the Product related risks please consult the risk disclosure brochure "Special Risks in Complex Products Trading" (Edition 2008) which is available on the Swiss Bankers Association's website:

<http://www.swissbanking.org/en/home/shop.htm> or may be obtained from your client advisor upon request.

## IV. Important Additional Information

If the Product is not listed on SIX Swiss Exchange, this document constitutes the simplified prospectus for the Products pursuant to Article 5 of the Swiss Federal Act on Collective Investment Schemes ("CISA") and is of summary nature with a view to include the information required by Article 5 CISA and the Guidelines of the Swiss Bankers Association dated July 2007 in relation to the Information for Investors in Structured Products. The simplified prospectus may be obtained free of charge from Julius Baer & Co. Ltd., Bahnhofstrasse 36, 8001 Zurich, Switzerland. This document is not and will not be registered with the Monetary Authority of Singapore as a "prospectus" under Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA.

This document does not constitute an offer or invitation to enter into any type of financial transaction and the Issuer has no obligation to issue the Products. This document is not the result of a financial analysis and therefore, is not subject to the "Directives on the Independence of Financial Research" from the Swiss Bankers Associations. The content of this document does therefore not fulfill the legal requirements for the independence of financial analyses and there is no restriction on trading in this regard.

### Conflicts of Interest

The Issuer and affiliated companies may from time to time enter into transactions for their own account or for the account of a client that are related to the Products. These transactions may not be for the benefit of the investor and may have positive or negative effects on the value of the Underlying(s) and thus on the value of the Products. Companies affiliated to the Issuer may also become counterparties in hedging transactions. Accordingly, conflicts of interest may therefore arise with regard to obligations relating to the ascertainment of the values of the Products and other related determinations both among affiliated companies of the Issuer and between these companies and the investors. In addition, the Issuer and affiliated companies may exercise a different function, if applicable, in relation to the products, for example as calculation agent, paying agent or administrative office.

### Distribution Compensation/Distribution Allowances from and to Third Parties

In connection with the Products, the Issuer and/or its affiliates may pay to third parties or to each other, or receive from third parties one-time or recurring remunerations (e.g. placement or holding fees). Such remunerations, if any, are included in the Issue Price. Investors may request further information from Bank Julius Baer & Co. Ltd. By receiving payments in connection with the Products, the interest of the Issuer or such affiliate may be adverse to the interest of the investor in the Products.

### Amendments to the Product Conditions

Information regarding unforeseen changes to the conditions of the Product which may arise during the lifetime of the Products are not subject to this document but may be obtained from your client advisor upon request and will be published on:

<http://derivatives.juliusbaer.com>; corporate actions and/or

[http://www.six-swiss-exchange.com/news/official\\_notices/-search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/-search_en.html). This document will not be amended throughout the term of the Products.

### Selling Restrictions

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**Dividend equivalent payments**

Investors should note that “dividend equivalent” payments made in connection with the Products are subject to an U.S. federal withholding tax under Section 871(m) of the U.S. Internal Revenue Code. The Issuer will always apply a withholding of 30 percent on

such dividend equivalent payments linked to stocks of U.S. corporations or certain indices containing U.S. corporations. Accordingly, the investor will receive less than the amount he would have otherwise received in the absence of such withholding.

## Acknowledgement

**The Bank is acting as principal in the sale of this security to you. You bear the credit risk of the issuer and the guarantor (as applicable) of this security. By purchasing this security, you are relying upon the creditworthiness of the issuer and the guarantor (as applicable) and no other person. If the issuer or the guarantor (as applicable) becomes insolvent or defaults on its obligations under this security, you can only claim as an unsecured creditor and may lose the total amount invested.**

By entering into a transaction to purchase this security from the Bank, you hereby acknowledge that (a) you have read and fully understood the terms of this transaction and its inherent risks and (b) you have made your own assessment and relied on your own judgment in relation to such transaction and fully accept any and all risks associated therewith and any losses suffered as a result thereof.

*Please confirm that the foregoing correctly sets forth the terms of this transaction by executing a copy of this document and returning it to the Bank within fourteen (14) days from the date hereof, failing which you shall be taken conclusively to have approved and accepted the terms and conditions as set out above as true and accurate in all respects.*

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Name(s)

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Signature(s)

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**Investors must be aware that conversations on trading lines are recorded. No objection is assumed.**

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