

Key Information – 26 October 2018

SSPA Swiss Derivative Map©/ EUSIPA Derivative Map© Various Leverage Products (2099)

## Long Leverage Certificate on Alibaba Group Holding Ltd

(the "Products")

### Cash Settlement – USD

The Product may not be offered, sold or otherwise distributed in or from Switzerland/Europe except to Qualified Investors.

This document is for information purposes only.

A Product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes. Therefore, it is not subject to authorisation 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 Issuer.

### I. Product Description

#### Terms

<b>Swiss Security Number (Valor)</b>	41795757
<b>ISIN</b>	CH0417957575
<b>Issue Size</b>	100 Products (USD 10,000,000)
<b>Issue Currency</b>	USD
<b>Issue Price</b>	USD 101,000 (per Product)
<b>Denomination</b>	USD 100,000

#### Initial Fixing Date

**26 October 2018**, being the date on which the Initial Level, the Stop Loss Level and Leverage are fixed.

#### Issue Date/Payment Date

**02 November 2018**, being the date on which the Products are issued and the Issue Price is paid.

#### Final Fixing Date

**28 October 2019**, being the day on which the Final Level will be fixed.

#### Last Trading Date

**28 October 2019**, being the last date on which the Products may be traded.

#### Final Redemption Date

The earlier of

(x) **04 November 2019** or

(y) the date that is five Business Days after the Call Date on which the Issuer has exercised its Issuer Call Option,

being the date on which each Product will be redeemed at the Final Redemption Amount.

#### Issuer Call Option

Unless previously redeemed, repurchased or cancelled and so long as no Stop Loss Event has occurred, on any Call Date, the Issuer may exercise its right to redeem the Products, subject to a one-month 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 if a Stop Loss Event occurs after the Issuer has exercised its Issuer Call Option, but prior to the Final Redemption Date, the Products shall be subject to the Stop Loss Redemption rather than the Issuer Call Option.

#### Call Date(s)

Any Business Day on or after the Issue Date, subject to a one-month 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.

**Underlying****Alibaba Group Holding Ltd (BABA US <EQUITY>; New York Stock Exchange, Inc.)**

Initial Level	USD 138.88	ISIN	US01609W1027
Currency	USD	Valor	24409862
Number of Shares per Product	2,160.1382		

**Redemption**

**Final Redemption** Unless previously redeemed, repurchased or cancelled, the Issuer will redeem each Product on the Final Redemption Date by payment of a cash amount equal to the Final Redemption Amount to the Holder thereof.

**Final Redemption Amount** A cash amount per Product equal to the sum of (a) the product of (y) the Number of Shares per Product and (z) the Final Level and (b) the Final Short Cash Position, calculated by the Calculation Agent in accordance with the following formula:

$$(Number\ of\ Shares\ per\ Product * Final\ Level) + Final\ Short\ Cash\ Position$$

The Issuer has at its sole discretion the right to redeem the Final Redemption Amount fully in cash or fully physical delivery of shares (redemption in kind) or partially in cash and partially in physical delivery of shares. In such a case the Issuer will redeem the corresponding shares after repayment of the embedded leverage, any unwinding costs or changes et al. as soon as possible in accordance with the product documentation on a best efforts basis.

<b>Settlement Type</b>	Cash settlement
<b>Level</b>	the Share Price
<b>Final Level</b>	A fair value price per share for the individual stock as determined by the Issuer, at his sole discretion. The fair value price shall be a weighted average execution price (net of any costs, charges etc.) achieved by the Issuer when performing his hedging activities related to the unwinding of the Products, on a best effort basis.
<b>Leverage Upon Initial Fixing Date</b>	300%
<b>Initial Short Cash Position</b>	an amount per Product being equal to -200,000 USD
<b>Underlying Exposure Upon Initial Fixing Date</b>	300,000 USD per Product
<b>Short Cash Position</b>	on any day, an amount per Product being equal to the Initial Short Cash Position minus accrued Management Fee and minus accrued Amortization Fee, as determined by the Calculation Agent
<b>Final Short Cash Position</b>	the Short Cash Position on the Final Fixing Date
<b>Management Fee</b>	2.50% p.a. on the Underlying Exposure Upon Initial Fixing Date charged on every Business Day
<b>Amortization Fee</b>	0% per month of the Denomination, for the first 0 calendar months of the lifetime of the Notes from Issue Date

**Stop Loss Redemption**

**Stop Loss Redemption** Unless previously redeemed, repurchased or cancelled, upon the occurrence of a Stop Loss Event, the Issuer shall redeem each Product on the Stop Loss Redemption Date at the Stop Loss Redemption Amount.

**Stop Loss Redemption Date** upon the occurrence of a Stop Loss Event, the date designated as such by the Issuer on which it will redeem each Product at the Stop Loss Redemption Amount, provided that such date is not later than 5 Business Days after the date of such Stop Loss Event.

**Stop Loss Redemption Amount** A cash amount determined by the Issuer in its sole discretion based on the Liquidation Value.

<b>Liquidation Value</b>	the value of the Underlying, determined by the net selling price of the Underlying times the Number of Shares per Product, minus any unwind and transaction costs, converted to the Issue Currency at the then prevailing exchange rate(s), plus the Short Cash Position (a negative number), as determined by the Calculation Agent.
<b>Stop Loss Level</b>	USD 60,000
<b>Stop Loss Event</b>	if the value of the Product at any time on any Business Day after the Initial Fixing Date is <b>at or below</b> the Stop Loss Level for such Business Day, as determined by the Calculation Agent.

#### Swiss Taxation

<b>Stamp duty</b>	No stamp duty upon issuance. Federal turnover tax is not due on secondary market transactions.
<b>Withholding tax</b>	No Swiss Federal withholding tax
<b>Income tax</b>	Investors are asked to consult their tax advisor about the implications of this Product.

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.

#### General Tax Information

Transactions and payments related to this product may be subject to additional (foreign) transaction taxes and or withholding taxes such as US withholding taxes pursuant to FATCA (Foreign Account Tax Compliance Act) or the Section 871(m) of the US Internal Revenue Code. Any amounts due, shall be paid net of such taxes. The issuer is not obliged to pay additional amounts with regard to amounts so withheld.

#### Product Description

The Products are leveraged products and allow the Holder thereof to disproportionately benefit, due to leverage, from a positive performance of the Underlying, but they also reflect the development of the Underlying disproportionately if its performance is negative.

Any changes in the value of the Underlying will have a disproportionate effect on the value of the Product, which is the leverage effect. The leverage may vary during the term of the Product and is dependent on the Underlying.

Unless previously redeemed, repurchased or cancelled, the Product entitles the investor to receive on the Final Redemption Date the applicable Final Redemption Amount, which amount is dependent upon the Final Level and the Final Short Cash Position, as determined by the Calculation Agent.

Furthermore, the occurrence of a Stop Loss Event will trigger the early redemption of the Product. A Stop Loss Event occurs if the relevant level at a specific time is at or below the Stop Loss Level. In such case, the Issuer will redeem each Product on the Stop Loss Redemption Date at the Stop Loss Redemption Amount, which amount is dependent upon the Liquidation Value, as determined by the Calculation Agent. The Stop Loss Redemption Amount has a value greater than or equal to zero.

The Issuer is entitled to early terminate the Products in whole but not in part without cause subject to a specified notice. In such case, the Holder is entitled to receive from the Issuer a cash amount that corresponds to the fair market value of the Product determined by the Calculation Agent.

The Issuer has at its sole discretion the right to redeem the Redemption Proceeds fully in cash or fully physical delivery of shares (redemption in kind) or partially in cash and partially in physical delivery of shares. The physical delivery can be composed of any combination of the positions held within the underlying Basket. In such a case the Issuer will redeem the corresponding shares after repayment of the embedded leverage, any unwinding costs or changes et al. as soon as possible in accordance with the Underlying's documentation on a best efforts basis.

#### Product Documentation

The complete and legally binding terms and conditions of the Products are set forth in the base prospectus for the issuance of Leverage Products of Bank Julius Baer & Co. Ltd. (the "Bank"), dated 19 June 2018, 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>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., Zurich
<b>Risk Category</b>	Complex Product
<b>Product Category</b>	Leverage
<b>Product Type</b>	Leverage Certificate
<b>SSPA Code</b>	2099
<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/Exercise 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 Trading Lot</b>	1 Product(s)
<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

The potential return on a Product is not limited, but dependent on the value of the Underlying, *i.e.* the investor benefits fully, with leverage, from an increase in the value of the Underlying over the term of the Product.

The potential loss associated with an investment in the Products is also dependent on the value of the Underlying. Due to the leveraged nature of the Products, a comparatively low negative

performance of the Underlying may result in larger loss for the investor. A total loss may occur if the Underlying has no value on the Final Fixing Date. The Stop Loss Level does not offer a capital protection and, accordingly, a total loss may occur even if the Product is terminated upon the occurrence of a Stop Loss Event if the Value of Underlying (further) decreases after the occurrence of the Stop Loss Event.

## 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.

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:

### 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

- 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 behaviour 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
- recognise 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.

### Exchange Rate Risk

The Underlying(s) may be denominated in a currency other than that of the Issue Currency or, if applicable, the Settlement Currency for such Product, or the Underlying(s) may be denominated in a currency other than, or the Issue Currency or, if applicable, the Settlement Currency may not be, the currency of the home jurisdiction of the investor in such Product. Exchange

rates between currencies are determined by factors of supply and demand in the international currency markets, which are in particular influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Therefore, fluctuations in exchange rates may adversely affect the market value of a Product or the value of the Underlying(s).

### 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, depending on actual market conditions. There will be a price difference between bid and offer prices (spread).

### 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 terminate or 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.

### Further product specific risks

Investors in Products that are Leverage Certificates should be aware that an investment in such Products may result in a loss if the Underlying(s) perform(s) negatively. Furthermore, such Products are leveraged products. Consequently, the market value of such Products may disproportionately decline as compared to any decline in the value of the Underlying(s) and may even result in a total loss.

The occurrence of a Stop Loss Event will trigger the early redemption of the Product. A Stop Loss Event occurs if the relevant level at a specific time is at or below the Stop Loss Level. In such case, the Issuer will redeem each such Product, as the case may be, on the Stop Loss Redemption Date at the Stop Loss Redemption Amount, which amount is dependent upon the liquidation value of the Underlying(s), as determined by the Calculation Agent, and may be equal to zero. Therefore, a total loss of the amount invested in such Products is possible, but any such loss is limited to the amount invested.

### 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 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 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.

### 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. This document will not be amended throughout the term of the Products.

### Selling Restrictions

The Products were not registered with the local regulator and are not publicly distributable outside of Switzerland. The Products may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further prospectus relating to the Products in that jurisdiction. Potential purchasers of the Products are advised to read the detailed selling restrictions in the Base Prospectus and the Final Terms. Potential purchasers of the Products should seek specific advice before purchasing or selling-on a Product. Particular attention should be paid to the selling restrictions set out in the Base Prospectus and the Final Terms with respect to the following jurisdictions: European Economic Area (EEA), United States of America, United Kingdom, Guernsey, The Netherlands, Italy, Hong Kong, Singapore, Dubai International Financial Centre, United Arab Emirates, Kingdom of Bahrain, Israel, Uruguay, Panama. These restrictions must not be taken as conclusive guidance as to whether the Products can be sold in a jurisdiction.

### Contact address

Bank Julius Baer & Co. Ltd.  
Hohlstrasse 604/606  
P.O. Box  
8010 Zurich  
Switzerland

Phone +41 (0)58 888 8181  
E-Mail [derivatives@juliusbaer.com](mailto:derivatives@juliusbaer.com)  
Internet [derivatives.juliusbaer.com](http://derivatives.juliusbaer.com)

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

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