

Indicative Key Information – 21 December 2018

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

JB Leveraged Floating Rate Certificate linked to a Portfolio of Emerging Markets Bonds

(the "Products")

Cash Settlement – USD – 4.60% p.a. Coupon Spread

This document is for information purposes only and until the Initial Fixing Date the terms are indicative and may be amended. This document is only available in English.

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

Swiss Security Number (Valor)	45379998
ISIN	CH0453799980
Issue Size	1,000 Products (USD 10,000,000.00)
Issue Currency	USD
Issue Price	10,000.00 USD (per Product; including the Distribution Fee)
Reference Value	10,000.00 USD (per Product)
Denomination	USD 10,000.00
Initial Fixing Date	25 January 2019 , being the date on which the Initial Level, the Stop Loss Level and Leverage are fixed.
Issue Date/Payment Date	01 February 2019 , being the date on which the Products are issued and the Issue Price is paid.
Final Fixing Date	24 April 2023 , being the day on which the Final Level will be fixed.
Last Trading Date	24 April 2023 , being the last date on which the Products may be traded.

Final Redemption Date

The date that is five Business Days after the earlier of (x) the Final Fixing Date, (y) in respect to all Products, the Call Date on which the Issuer has exercised its Issuer Call Option or (z), 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 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.

Holder Put Option

Unless previously redeemed, repurchased or cancelled, on any Put Date the Holder of any Product may exercise, subject to a one-month 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 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.

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 one-month 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**Bond Basket**

The Bond Basket consists of 8 bonds.

Name	Weight	Coupon	Issue Size	S&P Rating	Moody's Rating	Fitch Rating	Maturity	ISIN	Country of risk	Currency	Notional (2)	Initial Level
BRASKEM NETHERLANDS	12.5%	3.5	500.0	BBB-	N/A	BBB-	1/2023	US10554TAA34	BR	USD	TBD	TBD
CENCOSUD SA	12.5%	4.9	1'200.0	N/A	Baa3	BBB-	1/2023	USP2205JAH34	CL	USD	TBD	TBD
LEADING AFFLUENCE LTD	12.5%	4.5	500.0	N/A	Baa3	BBB-	1/2023	XS0878083517	CN	USD	TBD	TBD
OMAN GOV INTERNTL BOND	12.5%	4.1	1'250.0	N/A	Baa3	BB+	1/2023	XS1750113406	OM	USD	TBD	TBD
ADCB FINANCE CAYMAN LTD	12.5%	4.5	750.0	A-	NR	A	3/2023	XS0897453493	AE	USD	TBD	TBD
LONGFOR HOLDINGS LTD	12.5%	3.9	300.0	N/A	Baa3	BBB	4/2023	XS1743535228	CN	USD	TBD	TBD
VANKE REAL ESTATE HK	12.5%	4.2	971.0	BBB	Baa2	BBB+	4/2023	XS1805368682	CN	USD	TBD	TBD
BANCO DO BRASIL (CAYMAN)	12.5%	4.9	750.0	BB-	Ba2	BB-	4/2023	USP3772WAJ10	BR	USD	TBD	TBD

¹⁾ See Hedging Period

²⁾ Notional per Product (including leverage)

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 notional of each bond i (equal to the Notional per bond) and (z) the Final Level of each bond i and (b) the sum for each bond of the Value of each Swap and the (c) the Short Cash Position, calculated by the Calculation Agent in accordance with the following formula:

$$\left[\sum_{i=1}^N \text{Notional per bond}_i * \text{Final Level}_i \right] + \sum_{i=1}^N \text{Value of Swap}_i + \text{Short Cash Position}$$

where N is the Number of bonds in the Underlying

The Issuer has at its sole discretion the right to redeem the Final Redemption Amount fully in cash or fully physical delivery of bonds (redemption in kind) or partially in cash and partially in physical delivery of bonds. In such a case the Issuer will redeem the corresponding bonds 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.

Value of the Swap

The value of the swap corresponds to the fair liquidation value that will be determined by the Calculation Agent at its discretion. The liquidation value of the swap may be positive or negative. Costs that result from an extraordinary termination of the swap agreement will be charged to the liquidation value.

Redemption Scenarios	<p>Scenario 1: No Default related to the Issuers of the Reference Bonds and the Stop Loss Limit is never reached Each holder of a Floater qualifies for redemption on the Redemption Date by the Issuer at the Denomination of USD 10,000.</p> <p>Scenario 2: No Default related to one or more Issuer within the Reference Bond Portfolio and the Stop Loss Limit is reached See Stop Loss redemption</p> <p>Scenario 3: Default related to one or more Issuer within the Reference Bond Portfolio In case of a default (see "Additional Extraordinary Events") the Issuer, at its sole discretion, has the right but not the obligation to prematurely terminate and redeem the Certificate by cash payment of the Early Redemption Amount for value five Business Days after the day of the premature termination.</p> <p>Note: The Issuer might, at its sole discretion, pay the Redemption Amount in kind (physical settlement) instead of a cash payment. The physical settlement can be for a part of the Redemption Amount or for its entirety. The same is the case for redemptions during the lifetime of the Certificate (Secondary Market).</p> <p>Adjustment and Termination upon the Occurrence of Events with Impact on the Bonds within the Reference Bond Portfolio or the Issuer "Additional Extraordinary Events" are the following events with impact on the Reference Bonds or the Issuer:</p> <ul style="list-style-type: none"> (i) a bond is in part or in total early redeemed or repurchased; (ii) the rating of the issuer of a bond is downgraded; (iii) the issuer of a bond falls, or is likely to fall into bankruptcy, declares to be, or is likely to become insolvent; (iv) any other event with regard to the issuer of a bond that is likely to cause a default of the bond; (v) the restructuring of the issuer of a bond; (vi) the suspension, limitation, or other restriction of the dealing in a bond; (vii) the taxation of the coupon payments of a bond changes; (ix) a bond ceases to pay or modifies the coupons (viii) any other event which has, or may have, adverse effects on the Issuer's ability to fulfill its obligations under the derivative, or to hedge its exposure under the derivative. <p>If the Issuer determines in its sole discretion that an Additional Extraordinary Event occurs, or is likely to occur with respect to the Reference Bond, the Issuer may, but is not required to, in its sole discretion (a) adjust to the conditions of the Product in such a way that the economic value of the Product corresponds to the economic value prior to the occurrence of the Additional Extraordinary Event, (b) adjust the composition of the Reference Basket, or (c) early terminate the Product by notification in accordance with the provisions of the Program Documentation (see below); however, without regard to any notice period (extraordinary termination).</p>
Settlement Type	Cash settlement
Hedging Period	<p>A total of 5 (five) Scheduled Trading Days under normal trading conditions and on a best effort basis as determined by the Issuer, unless in the opinion of the Issuer, such period shall be extended for the due execution or the unwinding of the related hedging arrangements in respect of the Products.</p> <p>For the Initial Level, the Hedging Period starts from (and including) the Initial Fixing Date. For the Final Level, the Hedging Period starts with (and including) the Final Fixing Date.</p> <p>For the Stop Loss Redemption Amount, the Hedging Period starts from (and including) the trading day on which the Stop Loss Level is reached.</p> <p>All prices and amounts are determined at the sole and absolute discretion of the Issuer.</p>
Initial Level	A fair value price for each individual bond (as dirty price in %) 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 issuance of the Products, on a best effort basis. The prices will be calculated at the end of the relevant Hedging Period.
Final Level	A fair value price for each individual bond (as dirty price in %) 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. The prices will be calculated at the end of the relevant Hedging Period.
Leverage upon Initial Fixing Date	300.00%
Initial Short Cash Position	A (negative) amount per Product being equal to -USD 20,000.00
Underlying Exposure Upon Initial Fixing Date	USD 30,000.00 per Product

Short Cash Position On any day, a negative amount being equal to the Initial Short Cash Position minus Accrued Interest and minus accrued Distribution Fee minus any Coupon Payments, as determined by the Calculation Agent.

Accrued Interest Accrued interest using the Refinancing Rate

Refinancing Rate 3-months USD Libor + 0.90% p.a., monthly reset and rolling (LIBOR floored at 0%)

Coupon

Coupon Reference Interest Rate + Coupon Spread, Quarterly Payments

Reference Interest Rate 3-months USD LIBOR (Bloomberg: US0003M Index), determined two banking business days prior to the beginning of each quarter

Observation Dates of the Reference Interest Rate Quarterly, determined two banking days prior to the beginning of the applicable coupon period

Coupon Spread 4.60% p.a.

Coupon Payment Dates 02 May 2019; 02 August 2019; 04 November 2019; 03 February 2020; 04 May 2020; 03 August 2020; 02 November 2020; 02 February 2021; 03 May 2021; 02 August 2021; 02 November 2021; 02 February 2022; 02 May 2022; 02 August 2022; 02 November 2022; 02 February 2023; 02 May 2023

Business Day Convention 30/360, modified following, unadjusted

Coupon Payment Each holder of a Certificate qualifies for payment of the Coupon on the Coupon Payment Dates as a function of the level of the Reference Interest Rate pursuant to the following formula:

$$\text{Coupon payment} = \text{Denomination} \times \max [(\text{Reference Interest Rate}_{n-1} + \text{Coupon Spread } \%); 0] \times T_{n-1,n} / 360$$

whereby,

Reference Interest Rate $_{n-1}$ Reference Interest Rate observed on the Observation Date $n-1$

$T_{n-1,n}$ Number of days T in the period from the last Coupon Date $n-1$ (or the Payment Date in respect of the first Coupon period) to the Coupon Date n .

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 day of the end of the relevant Hedging Period (see "Hedging Period").

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

Stop Loss Liquidation Value The value of the Underlying, determined as the sale price of the Underlying minus any transaction costs per the Stop Loss Redemption Date, converted to the Settlement Currency at the then prevailing exchange rate(s), minus the Short Cash Position, as determined by the Calculation Agent.

Stop Loss Level USD 6,000

Stop Loss Event if the value of the Product at any time on any Business Day after the Initial Fixing Date is **at or below** the Stop Loss Level for such Business Day, as determined by the Calculation Agent.

Early Redemption

Early Redemption Amount	A cash amount determined by the Issuer in its sole discretion based on the Early Liquidation Value.
Early Liquidation Value	The value of the Underlying, determined as the sale price of the Underlying minus any transaction costs per the Early Redemption Date, minus the Short Cash Position, as determined by the Calculation Agent.
Early Redemption Date	In case of a default (see "Additional Extraordinary Events), the date designated as such by the Issuer on which it will redeem each Product at the Early Redemption Amount, provided that such date is not later than 5 Business Days after the day of the end of the relevant Hedging Period (see "Hedging Period").
Stamp duty	No stamp duty upon issuance. Federal turnover tax is due on secondary market transactions in case the Product's term exceed one year. In case of delivery of an Underlying upon redemption federal turnover tax is levied.
Withholding tax	No Swiss Federal withholding tax.
Income tax	For private investors (individuals) with tax residence in Switzerland, the periodic coupon payments and the difference between the redemption or sales price and the purchase price is subject to income tax ("reine Differenzbesteuerung")

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 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. To make floating proceeds available to the investor, the Lead Manager acquires the bonds contained in the Reference Bond Portfolio in accordance with the Participation and, subsequently, enters into a swap for each bond for its entire lifetime. The swap transforms the fixed coupon payments under the bonds into floating payments. This product allows the investor to profit from rising interest rates by receiving a floating coupon instead of a fixed cash flow. This Product is aimed at investors who expect a positive performance of the Underlying; expecting flat or declining credit spreads for the Underlying Bonds.

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 is static, i.e. is not actively managed neither by the Holder of the Product nor by the Calculation Agent.

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 Short Cash Position, as determined by the Calculation Agent.

The Products are linked to multiple Underlying(s) with a basket feature. Therefore, the performance of each Underlying in accordance with its Weight has to be taken into account for the determination of the Final Redemption Amount.

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 bonds (redemption in kind) or partially in cash and partially in physical delivery of bonds. 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 bonds 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 17 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

Issuer	Bank Julius Baer & Co. Ltd., Guernsey Branch (Rating: Moody's A2) (Prudential Supervision: by the Swiss Financial Market Supervisory Authority FINMA)
Lead Manager	Bank Julius Baer & Co. Ltd., Zurich
Risk Category	Complex Product
Product Category	Leverage
Product Type	Various Leverage Products
SSPA Code	2099
Calculation Agent	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
Distribution Fee	1.5% of the Denomination (incl. VAT, if any), amortized during the first 36 months after the Initial Fixing Date (0.041667% per month) 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".
Paying Agent/Exercise Agent	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
Listing and Admission to Trading	None
Minimum Trading Lot	1 Product(s)
Quotation	The Products are traded in units and are booked accordingly.
Clearing System	SIX SIS AG
Form	Uncertificated Securities
Governing Law / Jurisdiction	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.

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>).

The Issuer, Bank Julius Baer & Co. Ltd, Guernsey Branch (a branch of Bank Julius Baer & Co. Ltd., Zurich, founded in Switzerland and under the supervision of the Swiss Financial Market Supervisory Authority FINMA), is licensed in Guernsey under the Banking Supervision (Bailiwick of Guernsey) Law 1994 and The Protection of Investors (Bailiwick of Guernsey) Law 1987. Neither the Guernsey Financial Services Commission (P.O. Box 128, Glatigny Court, Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3HQ) nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Issue or for the correctness of any of the statements made or opinions expressed with regard to it.

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 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). Any remaining part of the Distribution Fee will be added to the Short Cash Position in case the Holder sells the product in the Secondary Market before the Final Fixing Date.

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. Any remaining part of the Fee will be added to the Short Cash Position in case of Early Redemption.

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

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.

Risk relating to the basket feature

Investors in Products linked to a Basket should be aware that even in the case of the favourable performance of one or more Underlyings, the performance of the Basket as a whole may be unfavourable if the unfavourable performance of one or more of the other Underlyings outweighs or is of a greater magnitude than such favourable performance.

Risks relating to the underlying bonds

Bonds constitute debt obligations of the Bond Issuer. Products linked to Bonds are therefore linked to the default risk of the Bond Issuer.

In addition, the performance of the Bond(s) is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and Bond Issuer-specific factors, such as earnings position, market position, risk situation, shareholder structure and distribution policy.

Products linked to Bond(s) do not represent a claim against the relevant Bond Issuer and investors in such Products will not have any right of recourse under such Products to such Bond(s) or the relevant Bond Issuer. Products linked to Bonds are not in any way

sponsored, endorsed, or promoted by the relevant Bond Issuer and the relevant Bond Issuer has no obligation to take into account the consequences of its actions on any investor in such Products. Accordingly, the relevant Bond Issuer may take any actions in respect of the Bond(s) without regard to the interests of the investors in Products linked thereto, and any of these actions could adversely affect the market value of such Products. The relevant Bond Issuer will have no involvement in the offer and sale of Products linked to Bond(s) and will have no obligation to any investor in such Products. An investment in Products linked to Bond(s) does not result in any right to receive information from the relevant Bond Issuer in respect of the Bonds or distributions on the Bond(s).

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.

For investors located in Panama: Neither these securities, nor their offer, sale or transfer, have been registered with the Superintendence of the Securities Market (formerly the National Securities Commission). The exemption from registration is based on numeral 3 of Article 129 (Institutional Investors) of Decree Law 1 of July 8, 1999 as amended and organized into a single text by Title II of Law 67 of 2011 (the "Securities Law"). In consequence, the tax treatment established in Articles 334 to 336 of the Securities Law, does not apply to them. These securities are not under the supervision of the Superintendence of the Securities Market.

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

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