

# Julius Bär

## 2M 2.29% P.A. JB TERM DEPOSIT NOTE WITH DAILY LIQUIDITY

(the "Products")

SSPA SWISS DERIVATIVE MAP<sup>®</sup> / EUSIPA DERIVATIVE MAP<sup>®</sup> MISCELLANEOUS CAPITAL PROTECTION PRODUCTS (1199)

### CASH SETTLEMENT – USD

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

|                               |  |
|-------------------------------|--|
| Swiss Security Number (Valor) | 44381047   |
| ISIN                          | CH0443810475   |
| Issue Size                    | up to USD 7,955,000 (may be increased/decreased at any time) |
| Issue Currency                | USD  |
| Settlement Currency           | USD  |
| Issue Price                   | 100.00% (per Product; including the Distribution Fee)        |
| Denomination                  | USD 1,000.00   |
| Tenor                         | 60 days  |

|   |                              |
|---|------------------------------|
| Final Redemption Amount plus Coupon for Tenor | 100% + 0.38167% = 100.38167% |
|---|------------------------------|

**Initial Fixing Date: 22 November 2018**, being the date on which the Product is fixed.

**Issue Date/Payment Date: 23 November 2018**, being the date on which the Products are issued and the Issue Price is paid.

**Last Trading Date: 17 January 2019**, being the last date on which the Products may be traded.

**Final Redemption Date: 22 January 2019**, being the date on which each Product will be redeemed at the Final Redemption Amount.

#### Coupon

|  |  |
|--|--|
| Interest Amount                              | 2.29% p.a. of the Denomination.          |
| Interest Payment Date                        | 22 January 2019                          |
| Business Day Convention / Day Count Fraction | modified following, unadjusted / Act/360 |

**Redemption**

|                         |   |
|-------------------------|---|
| Final Redemption        | Unless previously redeemed, repurchased or cancelled, the Issuer shall 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 100% of the Denomination   |
| Settlement Type         | Cash settlement   |

**Swiss Taxation**

|                 |  |
|-----------------|--|
| Stamp duty      | Stamp duty is not due on secondary market transactions in case the product's term does not exceed one year.  |
| Withholding tax | No Swiss Federal withholding tax.  |
| Income tax      | For private investors (individuals) with tax residence in Switzerland the difference between the redemption or sales price and the purchase price converted into CHF at the relevant daily rate 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.

**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**

If not early redeemed, the Products will be redeemed at the Final Redemption Amount being a cash amount equal to 100.00% of the Denomination plus the Coupon. There will be no interest payments during the term 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 Fixed Income 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 Final Terms do not constitute Final Terms pursuant to the EU Prospectus Directive (Directive 2003/71/EG) and the implementation laws of any EU Member State and, accordingly, no non-exempt public offer of the Product will be made in any EU jurisdiction.** 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<br>(Rating: Moody's A2)<br>(Prudential Supervision: by the Swiss Financial Market Supervisory Authority FINMA) |
| Lead Manager      | Bank Julius Baer & Co. Ltd., Zurich   |
| Risk Category     | Complex Product   |
| Product Category  | Fixed Income  |
| Product Type      | Miscellaneous Capital Protection Products   |
| SSPA Code         | 1199  |
| 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  | Up to 0.01667% of the Issue Price (incl. VAT, if any);<br>The Distribution Fee will be allocated/paid to the internal and/or external Distributor.<br>For further details please see under section IV "Distribution Compensation/Distribution Allowances from and to Third Parties". |
| Paying 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/<br>Secondary Market Trading | None   |
| Minimum Trading Lot   | 1 Product(s)   |
| Minimum Investment Size per Investor                          | USD 100,000  |
| Trading (Secondary Market)                                    | Under normal market conditions, Bank Julius Baer & Co. Ltd. Zurich will endeavour to provide a secondary market, but is under no legal obligation to do so.  |
| Quotation   | The Products are traded in percentage of the Denomination at a full price (dirty price), including interest and premium rights, 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 limited to the Coupon scheduled to be paid at maturity of the Product.

If the Products are early redeemed, investors may receive a redemption amount that is considerably lower than the Final

Redemption Amount that would have otherwise been received. In such case, the investor in the Product may suffer a partial loss on its investment.

### 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 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.

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.

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 factors affecting the 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.

Products are complex financial instruments. 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.

#### Secondary Market

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 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 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 Bank 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.

**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

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

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payments in connection with the Products, the interest of the Issuer or such affiliate or the third party, as the case may be, may conflict with 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. 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, Bahamas, Lebanon. These restrictions must not be taken as conclusive guidance as to whether the Products can be sold in a jurisdiction.

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