

# Key Information Document (“KID”)

## Purpose

This document provides you with key information about this investment product. It is not marketing material, investment advice, or an invitation or offering to purchase the product. It is information required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

<b>Product name:</b>	Equity Option Call Short
<b>Product manufacturer:</b>	Bank Julius Baer & Co. Ltd., Zurich
<b>Website:</b>	<a href="https://derivatives.juliusbaer.com/en/home">https://derivatives.juliusbaer.com/en/home</a>
<b>Phone number:</b>	+41 58 888 87 58
<b>Competent authority:</b>	The manufacturer is supervised by the Swiss Financial Market Supervisory Authority (FINMA). FINMA is not considered a competent supervisory authority under EU Regulation 1286/2014 on Key Information Documents for packaged investment products (PRIIPs) in the technical sense, as Switzerland is not a member of the EU.
<b>Date and time of production</b>	29 <sup>th</sup> March 2018, 1:31 p.m. CET

**You are about to purchase a product that is not simple and may be difficult to understand.**

## 1. What is this product?

**Type** Equity call options are derivative based contracts. A derivative is a financial contract, which derives its value from the value of another underlying instrument, asset or index, in this case the underlying is a stock.

### Objectives

A call option gives the buyer (long position) the right, but not the obligation, to buy the underlying asset at a certain time in the future for a certain price (the option's strike price). An Equity call option has a pre-defined maturity date. The seller of a call option (short position) sells the above rights to buy to the buyer, and will be obliged to sell the underlying asset at the pre-defined time for the strike price, if the buyer exercises his purchase right. By entering into this Equity Option Call Short you would act as the seller.

For the potential purchase right of the underlying, the buyer pays the seller the option's premium (the price of the option). An option's premium can fluctuate due to movements and expectations of the following non-exhaustive list of parameters: the difference between the option's strike price and the price of the underlying asset, interest rates, remaining time until expiry of the options contract, expected volatility in the underlying asset, etc.

The buyer and the seller have opposing expectations of how the value of the underlying, and thus the option's premium will develop. The buyer of a call option expects that upon the option's expiration or closure the underlying asset's market value will be higher than the sum of the option's strike price plus the option's premium. The seller of a call option expects that upon the option's expiration or closure the underlying asset's market value will be lower than the sum of the option's strike price plus the option's premium.

The potential pay-off at expiration of a Equity Call Option Short is asymmetric to the value development of the underlying asset. The risk and reward profile at maturity is depicted in the section “Profit and Loss Prospect”. The gross profit or loss of the seller of an options call depends on the underlying asset's market value at the option's expiration or closure. If the underlying asset's market value is lower than the option's strike price, the gross pay-off of the seller of a call option equals the option's premium. If the underlying asset's market value is higher than the option's strike price plus the option premium, the seller will incur a loss. The seller's maximum potential gross loss is unlimited; the seller's maximum potential gross profit is the option's premium (as the buyer will not exercise his option right when the strike price is higher than the underlying's market value). The seller's pay-off is zero, when the underlying's market value equals the option's strike price plus the option's premium. Buyer and seller can, within their individual limits, experience profits or losses at any point up to and including the option's maturity date.

### Intended retail investor

Potential customers of an Equity Call Option Short comprise professional clients and retail clients with extensive knowledge and/or experience in derivative financial products. The product is suitable for the purpose of capital optimisation, leverage for the purpose of directional investing, arbitrage or hedging. It can be used for a short-term, mid-term or long-term investment horizon, depending on the maturity date. The potential customer must be able to bear financial losses beyond the initially invested capital, and does not require capital protection (repayment of the invested capital is not guaranteed).

Before entering into an Equity call option, you must make your own independent assessment on whether to enter into such a contract and whether it is appropriate for you based on your knowledge and experience, your financial situation, and your investment needs, according to your own judgment and the recommendation from the persons selling or advising this product to you.

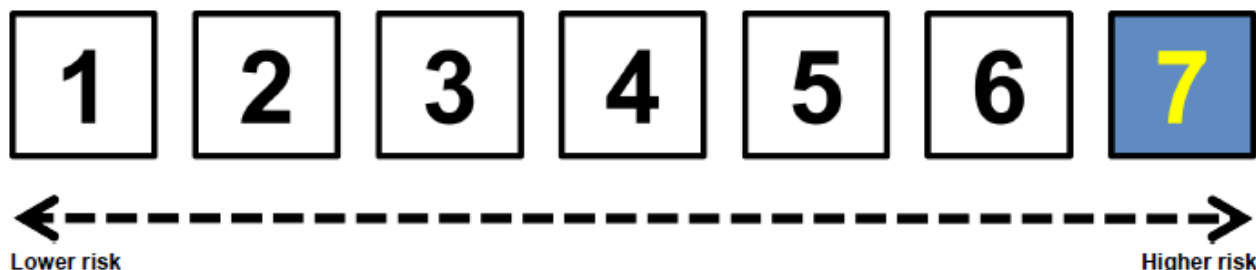
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## 2. What are the risks and what could I get in return?

### Risk indicator

The summary risk indicator is a guide to the level of risk of these products compared to other products. It shows how likely it is that a product will lose money because of movements in the markets or because of a default risk of the issuer or counterparty.

We have classified the Equity Option Call Short as 7 out of 7, which is the highest risk class, because the potential loss you might incur is not limited, and will increase as much as the market value of the underlying asset exceeds the sum of the strike price plus the option premium.



Options are leveraged products; initial costs of a customer, e.g. execution fees, assets deposited to secure the option's exposure, account for only a small percentage of the traded contract's overall value. Small changes in the underlying assets market value can result in huge gains or losses, which significantly exceed the options price. These products do not include any protection from future market performance. **Be aware of currency risk. You may receive payments in a different currency, so the final return you get will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

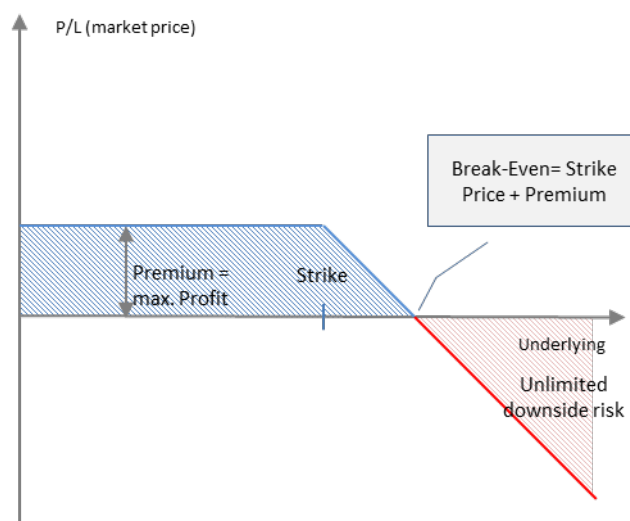
### Profit and Loss Prospect

Your maximum profit equals the option premium. Your maximum loss is not limited, and increases as much as the market value of the underlying asset exceeds the sum of the strike price plus the option premium.

This graph illustrates how your investment could perform. You can compare it with the pay-off graphs of other derivatives. The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back.

What you get will vary depending on how the underlying will develop. For each value of the underlying, the graph shows what the profit or loss of the product would be at maturity. The horizontal axis shows the various possible market values of the underlying asset on the expiry date and the vertical axis shows the profit or loss. Entering an Equity Option Call Short position means that you think the underlying asset's market value will decrease.

The illustration does not take into account your personal tax situation, which may also affect how much you get back.



## 3. What happens if the manufacturer is unable to pay out?

In the case of insolvency or bankruptcy of the manufacturer, the retail investor is exposed to the risk that the manufacturer might be unable to meet its obligations in connection with the product. This product is not subject to any statutory or other deposit guarantee scheme or any other type of warranty. If the manufacturer is no longer able to meet its payment obligations, you may suffer a partial, full or even your investment amount exceeding loss. In the case of bankruptcy, the competent resolution authority may prescribe a premature termination of the derivative instrument. If, as a result of the termination, a payment claim on the end of the retail investor should arise, the competent authority's termination order may result in it being written down in part or in full.

## 4. What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The figures are estimates and may change in the future.

### Cost over time

Total costs (Based on investment of 10'000.-)	0.- - Max 350.-
Impact on Return (RIY)	0% - 4.0%

### Composition of costs

One-Off costs	Entry costs	0% - 3.50%	The impact of the costs you pay when entering into your investment.
	Exit costs	n/a	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Transaction costs	n/a	The impact of the costs of us buying and selling underlying investments for the product.

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	<i>Other ongoing costs</i>	n/a	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	<i>Performance fees</i>	n/a	The impact of the performance fees. We take these from your investment if the product outperforms its benchmark.
	<i>Carried interests</i>	n/a	The impact of carried interest.

## 5. How long should I hold it and can I take money out early?

The illustrated holding period of an Equity Option Call Short is the pre-defined maturity date. The seller of an Equity option receives a premium from the buyer at the conclusion of the contract. There is no investment amount to be “taken out”. The customer can exit the exposure to this Equity Option Call Short by entering into an opposing options call position (with the same underlying, maturity and strike price) on the market place.

<b>Exchange Listed</b>	no	<b>Price quotation</b>	n/a
<b>Smallest tradable unit</b>	n/a		

## 6. How can I complain?

Any complaint regarding the conduct of the persons advising on, or selling, the product can be submitted directly to these persons or their supervisors. Any complaint regarding the product or the conduct of the manufacturer of this product can be addressed in writing to the following address: Bank Julius Baer & Co. Ltd., Hohlstrasse 604/606, P.O. Box, 8010 Zurich, Switzerland, or by email to: [derivatives@juliusbaer.com](mailto:derivatives@juliusbaer.com) or at the following website: <https://derivatives.juliusbaer.com/en/home>.

## 7. Other relevant information

General information on financial instruments can be requested free of charge at <https://derivatives.juliusbaer.com/en/home>. If the preparation of issuance programme documentation is required for a product, please consult also these documents, such as the Termsheet, Prospectus, etc., and request it from your client advisor or free of charge from <https://derivatives.juliusbaer.com/en/home>.

This product may not be offered or sold, directly or indirectly, in the United States of America or to U.S. persons. The term "U.S. person" is defined in Regulation S under the U.S. Securities Act of 1933, as amended.