

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

Product name:	FX option call short (position of the currency seller)
Product manufacturer:	Bank Julius Baer & Co Ltd., Switzerland (Julius Baer)
Website:	https://derivatives.juliusbaer.com/en/home
Phone number:	+41 58 888 87 58
Competent authority:	The Manufacturer is regulated by the Swiss Financial Market Supervisory Authority FINMA. FINMA is not the competent authority in the technical sense of the EU regulation 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), since Switzerland is not a member of the EU.
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You are about to purchase a product that is not simple and may be difficult to understand.

1. What is this product?

Type FX 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 currency.

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 FX 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 FX 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. For FX options, the market value of the underlying is the FX spot rate for a specific currency pair. The buyer of an options call 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 an options call 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 an options call short is asymmetric to the value development of the underlying asset. The risk and reward profile at maturity is depicted in the section "Performance scenarios". 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 an options call 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 FX options call 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).

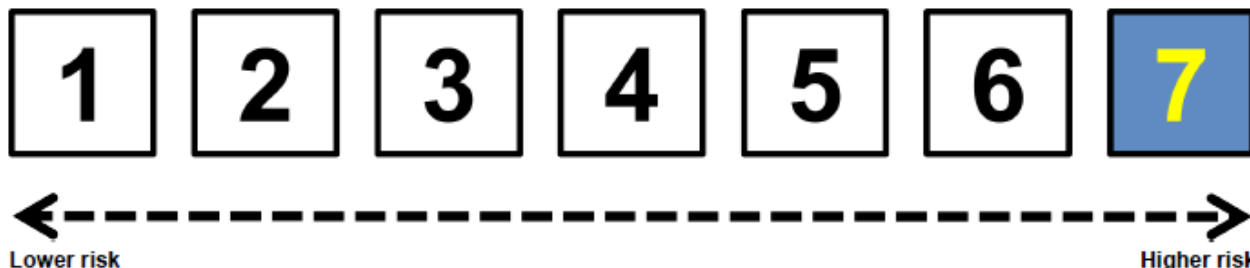
Before entering into an FX call option, you must make your own independent assessment on whether to enter into such a contract and whether it is appropriate for you based on your knowledge and experience, your financial situation, and your investment needs, according to your own judgment and the recommendation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

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 FX 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.

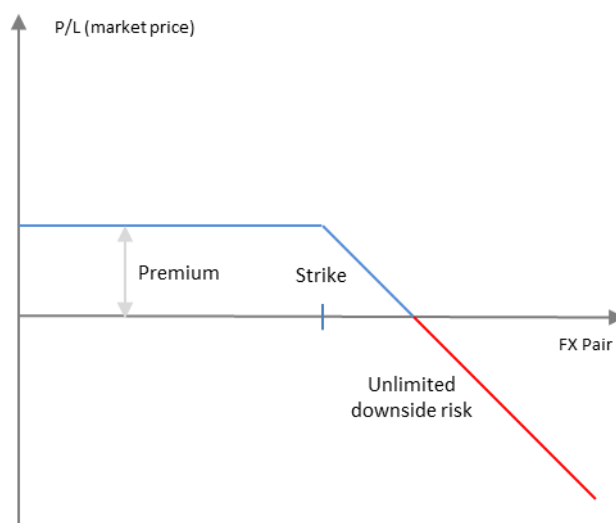
Profit and Loss Prospect

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 FX option call short position means that you think the underlying asset's market value will decrease.

The figures do not take into account your personal tax situation, which may also affect how much you get back. Depending on the chosen product, you will receive payments in a currency different from your reference currency. The final return you will get in your reference currency may be different from the illustrations above. The figures consider the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor.



Performance scenarios

(Example: Investment 10'000 EUR in FX Call Option Short on EUR/USD tenor 1 year)

Illustrated holding period 1 year

Stress scenario	What you might get back after costs Average return each year	EUR -2,395.98 -23.96%
Unfavourable scenario	What you might get back after costs Average return each year	EUR -495.97 -4.96%
Moderate scenario	What you might get back after costs Average return each year	EUR 180.00 1.80%
Favourable scenario	What you might get back after costs Average return each year	EUR 180.00 1.80%

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.-)	Tier 1 CCY (AUD CAD CHF CNH EUR GBP JPY NOK NZD SEK SGD USD)	Tier 2 CCY (AED CNY CZK DKK HKD INR KRW MXN MYR PLN TWD)	Tier 3 CCY (BRL HUF IDR ILS RUB THB TRY XAU ZAR BGN KWD RON XAG XPD XPT ARS PKR)
Impact on Return (RIY)	150.- 2%	170.- 2.30%	220.- to 300.- 3.50%

Composition of costs

One-Off costs	Entry costs	See Total costs	The impact of the costs you pay when entering into your investment. When entering your investment you will be charged a one-off commission in % depending on the trade volume and the currency pair.
	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.
	Other ongoing costs	n/a	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	n/a	The impact of the performance fees. We take these from your investment if the product outperforms its benchmark.
	Carried interests	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 FX options call short is the pre-defined maturity date. The seller of an FX 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 options call short by entering into an opposing options call position (with the same underlying, maturity and strike price) with Bank Julius Baer & Co Ltd. The reverse call option will entail respective entry costs, which may be higher than the entry cost of the original call option.

Exchange Listed	n/a	Price quotation	nominal
Smallest tradable unit	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 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.