

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is 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>	Leveraged FX OTC Accumulator on Currency with American Knock-Out and Guaranteed Fixings
<b>Product manufacturer:</b>	Bank Julius Baer & Co Ltd., Switzerland
<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>	15 June 2018, 10:23 a.m. CET

**You are about to purchase a complex product that may be difficult to understand.**

## 1. What is this product?

<b>Type</b>	Swiss law governed notes
<b>Objectives</b>	<p>A Leveraged FX OTC Accumulator on Currency with American Knock-Out and Guaranteed Fixings is a derivative contract. It allows the client on each Fixing Date to accumulate in the Base Currency at a Strike Price which is more attractive than the prevailing market rate at inception of the trade.</p> <p>The Guaranteed Fixings take place regardless of the currency pair trading at or above the Knock-Out Level during the Guaranteed Fixing period. On each Guaranteed Fixing the client buys the Fixing Amount if the currency pair trades at or above the Strike Price on the Fixing Date and Time.</p> <p>On each Fixing Date the client bears the risk of having to buy the Levered Fixing Amount at the Strike Price which is higher than the prevailing market rate. As soon as currency pair trades at or above the Knock-Out Level the Leveraged FX OTC Accumulator is terminated and all subsequent Fixings, except the Guaranteed Fixings, are cancelled.</p> <p>The client expects the currency pair to trade at or above the Strike Price on each Fixing Date and Time and not to touch or breach the Knock-Out Level until the Last Fixing Date.</p> <p>Final Redemption Amount and Scenario is dependent on the selected Base Currency.</p>

Base Currency (First Currency in the Currency Pair)	Scenario
Scenario for each fixing date	<p>a) If the currency pair fixes at or above the predefined Strike Price, the investor has the right to buy a dedicated amount in the Base Currency at the predefined Strike Price.</p> <p>If the currency pair trades at or above the Knock-Out Level during the Guaranteed Fixing period the product is terminated after the last Guaranteed Fixing as well as all subsequent Fixings are cancelled. Otherwise the product is terminated at the next Fixing Date as well as all subsequent Fixings, if the currency pair trades anytime at or above the Knock-Out Level.</p>
Scenario for fixings after the guaranteed fixing period	<p>b) If the currency pair fixes below the Strike Price on the Fixing Date and Time the investor is obliged to buy a dedicated amount of the Base Currency at the dedicated Strike Price.</p>

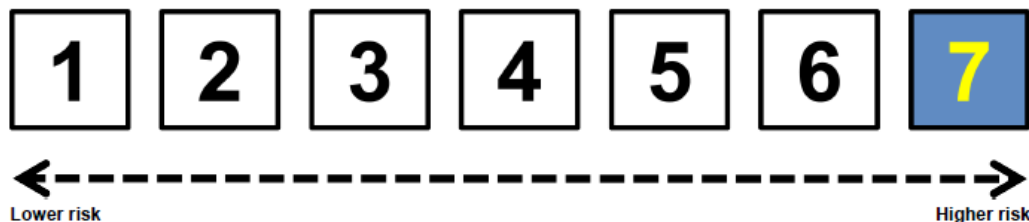
## Intended retail investor

Potential customers of a Leveraged FX OTC Accumulator on Currency with American Knock-Out and Guaranteed Fixings 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 up to the strike prices and does not require capital protection (repayment of the invested capital is not guaranteed). Before entering into a Leveraged FX OTC Accumulator, 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 this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. This product does not protect you from future market developments, so you may lose all or part of your investment.



**This risk indicator is based on the assumption that you will hold the product until the end of the term. If you close the investment early, the actual risk may differ significantly and you may get back less. You may not be able to sell your product or sell it at a price that will significantly reduce the amount you receive.**

Be aware of currency risk. Depending on the chosen product, you will receive payments in conversion currency, so the final return you will get will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

### Profit and Loss Prospects

As a buyer of the Leveraged FX OTC Accumulator with American Knock-Out the client might be obliged to buy the Base Currency at a less attractive level than the prevailing spot exchange rate on each Fixing Date and Time. That can result in a significant loss. The loss potential is limited to the Strike Price.

Product example:

Option Strategy	Buy Leveraged FX OTC Accumulator with American Knock-Out with Guaranteed Fixing
Underlying	EUR/USD
Number of Fixings	52
Number of Guaranteed Fixings	4
Fixing Frequency	weekly
Fixing Amount	EUR 10,000
Total Amount	EUR 520,000
Leverage	2
Levered Fixing Amount	EUR 20,000
Total Levered Amount	EUR 1,040,000
Spot Reference	1.2323 USD per 1 EUR
Strike Price	1.2050 USD per 1 EUR
Knock-Out Level	1.2700 USD per 1 EUR

### Profit/Loss analysis at each Fixing Date and Time

Scenario	Fixing Rate	Strike Price	EUR/USD Perf	Guaranteed Fixing Period			Non guaranteed Fixing Period		
				Notional (EUR)	Net Profit/Loss (EUR)	Net Profit/Loss (%)	Notional (EUR)	Net Profit/Loss (EUR)	Net Profit/Loss (%)
Stress	1.1400	1.2050	-7.49%	0	0.00	0.00%	20,000	-1,140.35	-5.70%
	1.1600	1.2050	-5.87%	0	0.00	0.00%	20,000	-775.86	-3.88%
Unfavourable	1.1800	1.2050	-4.24%	0	0.00	0.00%	20,000	-423.73	-2.12%
	1.2000	1.2050	-2.62%	0	0.00	0.00%	20,000	-83.33	-0.42%
Moderate	1.2200	1.2050	-1.00%	10,000	+122.95	+1.23%	10,000	+122.95	+1.23%
	1.2400	1.2050	+0.62%	10,000	+282.26	+2.82%	10,000	+282.26	+2.82%
Favourable	1.2600	1.2050	+2.25%	10,000	+436.51	+4.37%	10,000	+436.51	+4.37%
	1.2800	1.2050	+3.87%	10,000	+585.94			Knock-Out at 1.2700	

### 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 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	Min. 2000.-
Impact on Return (RIY) per year	max. 2% of the total risk notional

#### Composition of costs

<b>One-Off costs</b>	<i>Entry costs</i>	2% (min 2000.-)	The impact of the costs you pay when entering into your investment.
	<i>Exit costs</i>	n/a	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	<i>Transaction costs</i>	n/a	The impact of the costs of us buying and selling underlying investments for the product.
	<i>Other ongoing costs</i>	n/a	The impact of the costs that we take each year for managing your
<b>Incidental costs</b>	<i>Performance fees</i>	n/a	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	<i>Carried interests</i>	n/a	

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

The illustrated holding period corresponds to the settlement date. This product cannot be easily ended. This means it is difficult to estimate how much you would get back or be required to pay if you end before the illustrated holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

<b>Exchange Listed</b>	n/a	<b>Price quotation</b>	nominal
<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>.

It should be noted that the performance scenarios presented in this Key Information Document (“KID”) are based on a methodology, as set out in the EU Regulation 1286/2014 on Key Information Documents for packaged investment products (PRIIPs) and its supplementing regulations. Compliance with the prescribed calculation methodology may result in unrealistic performance scenarios and values for a number of products. Despite this fact, we are required by law to maintain this calculation methodology and present those performance scenarios.

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.