Julius Bär

QUALITY OF EXECUTION REPORT

BANK JULIUS BAER & CO. LTD.

INTRODUCTION

Under Art. 27 (6) of the Markets in Financial Instruments Directive 2014/65 ("MiFID II"), Art. 65 (6) of the Commission Delegated Regulation (EU) 2017/565, and the Commission Delegated Regulation (EU) 2017/576 ("RTS 28"), banks are requested to publish a report which enables clients to evaluate their quality of execution practices. Though, being a licensed Swiss bank, regulated and supervised by the Swiss Financial Market Supervisory Authority ("FINMA"), to which the provisions of MiFID II are not directly applicable, Bank Julius Baer & Co. Ltd. (hereinafter "the Bank" or "Julius Baer") endeavours to be in line with these standards in order to provide the best service to its clients.

This report sets out a summary of the analyses and conclusions drawn within the Bank's annual review of the detailed monitoring of the quality of execution obtained on the execution venues. The report covers the period from 1 January 2023 to 31 December 2023 and is linked to the Best Execution and Order Handling Disclosure Statement ("Bank's Best Execution Policy"), which is available on the Bank's website.

Your relationship manager is at your disposal for further information or any additional questions.

1 EXECUTION VENUES

A list of the Execution Venues, most frequently used by the Bank, specifies the Execution Venues for each class of financial instruments. This list is published via a separate document ("Execution Venue List") on the Bank's website. This list is not exclusive, but comprises Execution Venues on which the Bank places permanently significant reliance. However, the Bank reserves the right to use other Execution Venues, where it deems appropriate, in accordance with its Policy, and may add or remove any Execution Venues to/from this list. Julius Baer regularly, at least annually, assesses the Execution Venues that are available and may update the list from time to time. Any updates will not be separately notified.

2 QUALITY OF EXECUTION

This report refers to the quality of execution obtained concerning all classes of financial instruments according to Annex I of RTS 28 (reference is made to the Appendix of this document).

Throughout this report, a general statement is given in light of the execution quality obtained across all classes of financial instruments. Where a different quality of execution is obtained for a specific asset class, this will be highlighted explicitly to ensure that the quality assessment is applied and disclosed with regard to the relevant asset class.

A) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

General

A detailed determination of the relative importance (priority) of best execution factors per asset class of financial instruments can be found in the Bank's Best Execution Policy. Nonetheless, on a case-by-case basis and subject to any specific client instructions, the Bank may prioritise one or more of the execution factors differently and this may result in different permissible approaches used by the Bank on a per-order basis. For example, in markets where there is insufficient available liquidity, the importance of the likelihood of execution may increase; while in markets where volatility is high, the speed of execution may potentially be more important. Moreover, the Bank reserves the right to intervene in the execution of such orders, which could result in adverse market impact (e.g. large orders).

Some of the execution factors are considered to be more important than others. Their relative importance may vary, taking into account the following criteria:

- **Characteristics of a client order** e.g. order size or type (e.g. limit order);
- **Financial instrument** that is subject to the transaction – e.g. asset class;
- **Execution venue** to which an order can effectively be directed;
- **Characteristics of a client** – Julius Baer does not make a distinction in terms of regulatory categorisation (e.g. retail or professional client) of its clients regarding the order handling. The Bank ensures that all orders are handled and executed in accordance with the requirements applicable to retail clients.

In most cases, the price of the financial instrument and costs relating to execution of the order will merit the highest relative importance in obtaining the best possible result. However, the overall value to a client of a particular transaction may be affected by other factors (total consideration). The Bank may in specific cases place a higher importance to other execution factors than price and costs for obtaining the best possible result in accordance with its Best Execution Policy.

Asset Class specific update

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

B) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

General

Conflicts of Interest

Within the Bank's yearly review of its Best Execution Arrangements and Policy, the Bank's Best Execution Committee did not identify any conflicts of interests that could influence the order process in any case.

Close links within Julius Baer Group

For financial instruments that are listed in Asia, the Bank is routing its order flow via Bank Julius Baer & Co. Ltd., Singapore Branch ("BJB Singapore"), a branch of the Bank. BJB Singapore though is treated like any other broker within the Bank's broker network and has to fulfil the same kind of best execution criteria as any other counterparty the Bank is working with.

Close links associated with third parties

Julius Baer has links to SIX Group Ltd. (SIX), since the Bank is one of its shareholders. SIX is owned by over 100 domestic and international financial institutions, which are the users of its services. Consequently, Julius Baer does not gain any advantages over other financial institutions due to this relationship.

Asset Class specific update

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

C) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

General

Julius Baer does not have any specific arrangements with any execution venues in place that would entitle the Bank to receive any payments, discounts, rebates or other non-monetary benefits. Further, broker research has been unbundled from the execution side.

Asset Class specific updates

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

D) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

General

The Bank's "Execution Venue List" has been reviewed by the Bank's Best Execution Committee and remained largely unchanged during the relevant reference period.

Asset Class specific updates

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

E) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.

General

Julius Baer does not distinguish between private/retail and professional clients regarding the order handling. All orders are handled and executed in accordance with the Bank's Best Execution framework applying the requirements for retail clients without distinct rules or standards depending on client types or categorisations.

Asset Class specific updates

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

F) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

General

Julius Baer may give precedence to further execution factors if either instructed so by the client, or if these factors are instrumental in delivering the best possible result in terms of total consideration to the client (reference is made to paragraph A). Such circumstances may lead to a deviation from the focus on price and cost, and give a higher relative importance to other execution factors such as order size, speed or likelihood of execution. In the event of client instruction, the order will be executed in accordance with the client's instruction to the part of the order the instruction is related to, for the remaining part of the order, which is not covered by the instruction, the Bank's best execution principle do apply.

Asset Class specific updates

No further asset class specific quality of execution was obtained in the period covered by this report. Therefore, the statement according to the general section applies for all asset classes.

G) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27] (execution quality reports published by Execution Venues).

General

Periodic internal reviews and analyses of the Bank's execution venues are undertaken to support the review and assessment of the Bank's execution venues as requested under the adherence to MiFID II best execution provisions.

Julius Baer implemented a dedicated monitoring to oversee its execution arrangements in regards of best execution and fair pricing. The best execution monitoring is based on a sample analysis.

Furthermore, a manual outlier review process has been implemented. All kind of negative observations are reported to the Bank's Best Execution Committee.

Deviations, which are not in a predefined range, will be analysed in detail and may lead to potential action tasks and optimization measures.

Asset Class specific updates

Equities & Equity-like Instruments, etc.

For best execution monitoring, the Bank observes the execution prices compared to the execution prices in the market.

The execution data is being validated and officially benchmarked at least on a quarterly basis, on top of that, best effort checks are also done on a monthly pace. Outliers can be identified with thresholds determined by the Bank's Best Execution Committee.

The monitoring results showed that the arrangements chosen by Julius Baer are effective and efficient with regards to fulfilling best services to the clients' interests.

Fixed Income

For best execution monitoring, the Bank constantly observes execution results on a high level as well as dedicated transactions on a sample basis. Julius Baer constantly reviews process parameters and guidelines in order to optimise the best execution process and to ensure the best possible outcome for its clients.

For Fixed Income Products, electronic (MTF) platforms such as Bloomberg TSOX or MarketAxess are generally used and provide the opportunity for simultaneous, competitive bid /offer quotes as well as request for quote (RFQ) type price discovery. Whenever possible Julius Baer includes at least 4 best in class counterparts in those RFQ processes to obtain the best possible results for our clients. Trades are executed with the counterparty which provided the best available quote. The effectiveness of the RFQ processes is validated on a quarterly basis.

The monitoring results showed that the actual best execution processes are efficient and effective. The monitoring results correspond to the expectations and confirm the high quality of the execution process.

OTC Derivatives, FX, etc.

In terms of Best Execution Monitoring, the Bank has implemented a repricing process of the completed transactions on the basis of samples. This allows the prices executed to be analysed and to parameterise the input parameters used, which results in an ongoing optimisation process regarding the quality of Best Execution.

The execution data is being validated and benchmarked on a quarterly basis. Outliers can be identified with thresholds determined by the Bank's Best Execution Committee.

The monitoring showed that clients' instruments are consistently executed on a fair and market consistent price.

H) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU, where applicable.

Julius Baer does not use the output of a consolidated tape provider.

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APPENDIX

Financial Instruments not in Scope of this Report

- Money-market instruments;
- Units in collective investment undertakings;
- Derivative instruments for the transfer of credit risk;
- Financial contracts for difference.