

Julius Bär

Julius Baer Investment Specialists Equity Methodology

In addition to the relative 9- to 12-month Julius Baer Research equity rating or the Morningstar Qualitative or Quantitative long-term Star Rating, Julius Baer Investment Specialists can open, reiterate or close Market Opportunities on individual equities by following an absolute, bottom-up, less fundamental but rather market-driven, events-based and shorter-term oriented (1 to 9 months) approach.

Equity specialists select equities based on the following methodology:

- All equities from the combined Julius Baer Equity Universe (including Morningstar) provide the basis for the selection process.
- Relevant assets under management (AuM)

In general, the following criteria are applied:

- Technical picture
- Momentum indicators
- News flow
- Company events
- Market positioning
- Return potential to Julius Baer price target/Morningstar fair value
- Consensus ratings and return potential
- Corporate actions (mergers and acquisitions, spin-offs)

The coverage of equities is initiated/reiterated (Market Opportunity: Open) and terminated (Market Opportunity: Close) based on the following rules:

Market Opportunity: Open

A Market Opportunity is initiated/reiterated when an equity is considered attractive from a risk/reward perspective over a targeted investment period of 1 to 9 months.

Market Opportunity: Close

A Market Opportunity is closed when the corresponding Market Opportunity Open is no longer valid (take profit, stop loss). After a Market Opportunity is closed, Julius Baer Investment Specialists will no longer update the rating and assessment of the equity (i.e. termination of coverage), after which the relative 9- to 12-month Julius Baer Research equity rating or the Morningstar Qualitative or Quantitative long-term Star Rating will be the only decisive rating.

Zurich, 18 November 2019.

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