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INVESTMENT SERVICES AT JULIUS BAER
BASIC CLIENT INFORMATION

PRIVATE BANKING

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CONTENTS

Welcome to Julius Baer **3**

General Information on Julius Baer Entities **4**

Introduction 4
Single Location Relationship 4
Dual Location Relationship 4
Contact and Licence Information 4

Investment Services Provided by Julius Baer **6**

General Remarks 6
Discretionary Portfolio Management Mandates 6
Advisory Mandates 6
Non-Advised Mandates 6
Execution of Client Orders 7
Reception and Transmission of Orders 7
Custody Accounts 7
Securities Credit Facility 7

Additional Information on Investment Services **8**

Julius Baer Investment Universe 8
Suitability 8
Appropriateness 9
Information on Client Classification 9
Sustainability-Related Disclosures 11
Integration of Sustainability Risks 11

Information on Order Execution Principles **12**

Purpose 12
Information on the Order Execution Chain 12
What is "Best Execution"? 12
Best Execution Factors 12
Cost of A Transaction / Principal vs. Agent Trading 12
Limits of Best Execution Obligation 13
Julius Baer's Best Execution Framework 13
Best Execution Aspects by Asset Class 13

Organisational Topics **15**

Conflicts of Interest 15
Inducements 16
Complaints Handling 17

Other Matters **19**

Tax Aspects 19
Disclosure of Client Information
Related to Holding or Trading in Securities 19
Recording of Conversations and Electronic Communications 19

Risk of Investing in Securities **20**

Equities 20
Bonds / Debentures 20
Convertible Bonds 21
Warrants 21
Derivatives 22
Options 22
Futures / Forwards 22
Contracts for Differences 23
Undertakings for Collective Investment ("UCI") 23
Exchange Traded Funds 24
Hedge Funds 24
Private Equity Funds 24
Real Estate Funds 25
Funds of Funds 25
Structured Products 25
Foreign Exchange Trading 25

Important Legal Information **26**

LU-02416-EN 1-1182 EN_LU_02
20251118

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PRIVATE BANKING

WELCOME TO JULIUS BAER

Dear Client,
Dear prospective Client,

We are pleased to welcome you to Julius Baer, a leading global banking group focused purely on private banking. You have made the right choice in partnering with a highly professional financial services provider, with exceptional experience in all aspects of wealth management.

This brochure provides you with essential information about investment services at Julius Baer, including such information as required by the Markets in Financial Instruments Directive (MiFID) and its implementing regulations. It contains key facts about our investment universe, our advisory approach and our order execution processes. You can also find information on the regulatory licences and regulators of the Julius Baer entities covered in this brochure. It further addresses organisational matters, such as the handling of potential conflicts of interest, or whom to approach in case of a complaint, as well as other topics.

Please note that while basic information on risks involved in investing in specific financial instruments is also provided in this brochure, additional more extensive information can be found in the dedicated separate brochure "Basic information on securities and other investments". For information on applicable prices and fees, please refer to the prevailing "Schedule of Prices and Services".

Should you wish to know more about any of the topics covered in this brochure, your Relationship Manager will be pleased to answer any questions you may have.

Yours sincerely,
Bank Julius Baer Europe S.A.

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GENERAL INFORMATION ON JULIUS BAER ENTITIES

1 INTRODUCTION

Julius Baer is a global banking group focused purely on private banking and wealth management, with presences in over 50 locations around the world. The group's head office is in Zurich, Switzerland. In the European Union, Julius Baer operates fully licensed banks in Luxembourg and Germany. This brochure covers the branches of Bank Julius Baer Europe SA. in Spain, Ireland, Portugal and Italy (referred to below as "Branch[es]") and their booking centre (where client's accounts are held) Bank Julius Baer Europe S.A. (referred to below as "the Bank"). The Bank, including its Branches, is a fully owned subsidiary of Julius Baer Group Ltd. (referred to below as "JB Group") which is listed on the SIX Swiss Exchange.

Together, we are Julius Baer.

Julius Baer offers tailor-made services for its clients. This also implies that clients are able to choose the location for their point of interaction.

2 SINGLE LOCATION RELATIONSHIP

Clients may wish to interact and obtain advisory services directly from the Bank.

In that case, a dedicated Relationship Manager will be at the clients' disposal in Luxembourg. All contracts for banking and investment services will be concluded with the Bank directly. Consequently, the Bank will be responsible for the provision of the respective services.

3 DUAL LOCATION RELATIONSHIP

Clients may wish to maintain a relationship with a local Branch. In such cases, a dedicated Relationship Manager will be at the clients' disposal in the chosen Branch. Clients will enter into a contractual relationship for the advisory services and the transmission of orders with the Branch directly, while having a contract for custody, brokerage, payment, credit and other services with the Bank.

Servicing clients out of the Branch, a dedicated Relationship Manager will take care of the clients' needs, provide advice and liaise with the Bank in all relevant matters. He will forward client instructions, orders or other relevant information to the Bank and discuss all relevant statements, reports and communications with the client, including such provided by the Bank.

Clients may receive written information from both the Bank and the Branch via their "E-documents" account hosted by the Bank.

The Bank will custody clients' assets, execute forwarded orders directly or via a broker on the market, and provide typical banking services such as credit and payment services. The Bank's services extend to managing assets under a discretionary mandate or providing product-specific advisory services where the Branch does not itself offer that service.

This multi-location approach will require clients to sign a communication authorisation to enable the Branch and the Bank to exchange personal and account data between them.

4 CONTACT AND LICENCE INFORMATION

Below are the contact details for the Julius Baer entities covered in this brochure, their respective licences, and the contact details of their supervisory authorities.

Luxembourg
Bank Julius Baer Europe S.A.
14, rue Edward Steichen
L-2540 Luxembourg
Phone: +352 47 60-1
Fax: +352 47 60-8850
E-mail: info.lux@juliusbaer.com
Internet: www.juliusbaer.lu

Bank Julius Baer Europe S.A. is entered in the Commercial Register of Luxembourg (Registre du Commerce et des Sociétés Luxembourg) under No. B 8495 and has been licensed to conduct banking business in Luxembourg since 16 July 1969, including the following investment and ancillary services:

- Portfolio management
- Investment advice
- Lending
- Reception and transmission of orders
- Execution of orders on behalf of clients
- Safekeeping and administration of securities
- Safe custody services
- Issuing and administering means of payment
- Dealing on own account
- Guarantees and commitments
- Additional MiFID services and activities

The Commission de Surveillance du Secteur Financier (CSSF) is the supervisory body responsible for banking in Luxembourg; its address is:

Commission de Surveillance du Secteur Financier 283,
route d'Arlon, L-1150 Luxembourg

Bank Julius Baer Europe S.A. is affiliated with the Luxembourg Deposit Protection Fund, the "Association pour la Garantie des Dépots, Luxembourg" (AGDL). Further information is available on request.

Spain
Bank Julius Baer Europe S.A., Sucursal en Espa a
Paseo de la Castellana 7, 2ª planta
28046 Madrid
Phone: +34 91 432 99 00
Fax: +34 91 432 99 59
("BJBE Spain Branch")

BJBE Spain Branch is authorised and regulated by the Comission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg, and regulated for conduct of business rules by the Bank of Spain (BoS), c/Alcala, 48, 28014 Madrid and by the Comision Nacional del Mercado de Valores (CNMV), C/Edison, 4, 28006 Madrid.

BJBE Spain Branch is licensed to provide, among others, investment advice, distribute collective investment schemes and reception and transmission of client orders for execution.

LU-02416-EN 1-1182 EN_LU_02
20251118

Ireland
Bank Julius Baer Europe S.A. Ireland Branch
47-49 St Stephen's Green
Dublin 2
D02 W634 Ireland
Phone: +353 1653 23 00
Fax: +353 1653 23 99
("BJBE Ireland Branch")

BJBE Ireland Branch is authorized and regulated by the Comission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg, and is regulated for conduct of business rules by the Central Bank of Ireland (CBI), N Wall Quay, North Wall, Dublin, D01 F7X3, Ireland

BJBE Ireland Branch is licensed to provide investment advice and reception and transmission of client orders for execution.

Italy
Bank Julius Baer Europe S.A., Succursale in Italia
Via Melchiorre Gioia 8
20124 Milan, Italy
Phone: +39 (02) 305 49000
Fax: +39 (02) 305 49001
("BJBE Italy Branch")

BJBE Italy Branch, is a branch of Bank Julius Baer Europe S.A. with registered branch office in Via Melchiorre Gioia 8, 20124 Milan, Italy. It is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg, and is regulated for conduct of business rules by the Bank of Italy (Banca d'Italia), Via Nazionale 91, 00100 Rome, Italy, and registered with the commercial register of Milan under the number 13946870964. BJBE Italy Branch is also authorised to provide investment services subject to the supervision of the Commissione Nazionale per le Società e la Borsa (Consob), Via G. B. Martini 3, 00198 Rome, Italy.

BJBE Italy Branch is licensed to provide investment advice, portfolio management, placing of financial instruments without a firm commitment basis and reception and transmission of client orders for execution.

Portugal
Bank Julius Baer Europe S.A., Sucursal Portugal
Avenida da Liberdade 196, 6th floor
1250-147 Lisbon, Portugal
Phone: +351 211 242 600
F +351 211 242 520
www.juliusbaer.com

Commercial registry and tax identification number: (PT) 980859042

Regulated for conduct of business rules by the Bank of Portugal (Banco de Portugal), Rua Castilho 24, 1250-069 Lisbon, Portugal

Supervised by the Comissão do Mercado de Valores Mobiliários (CMVM), Rua Laura Alves 4, 1050-138 Lisbon, Portugal

LU-02416-EN 1-1182 EN_LU_02
20251118

INVESTMENT SERVICES PROVIDED BY JULIUS BAER

1 GENERAL REMARKS

Julius Baer offers its clients the full range of wealth management and banking services, including discretionary portfolio management, investment advisory services, and the purchase, sale and safe-keeping of securities and other financial instruments.

Julius Baer also conducts brokerage and payment services, the provision of credit and securities financing.

While the Bank is licensed to provide the full range of services above, the scope of services available directly from a Branch is limited to, among others, the provision of investment advice and the receipt and transmission of client orders (see above "Contact and Licence Information").

The services and their features are described below.

2 DISCRETIONARY PORTFOLIO MANAGEMENT MANDATES

With a discretionary portfolio management solution, clients delegate the power of making investment decisions to Julius Baer, providing relief for clients from the day-to-day burden of managing assets. Highly experienced portfolio managers will conduct investments based on an agreed investment strategy, and clients will benefit from constant market and portfolio monitoring as well as an active asset allocation.

For this service, clients sign a specific discretionary mandate agreement. This contract authorises Julius Baer to manage the assets in the specified account(s), states the chosen investment strategy, the types of financial instruments to be used and other key features of how the mandate is to be performed.

A broad variety of discretionary solutions is offered by Julius Baer, from mandates based on standard strategies defined by Julius Baer, to topic or market focused approaches or entirely bespoke solutions.

Before a client can enter into a discretionary mandate, the "Client Investment Profile" (CIP) form must be completed. This allows Julius Baer to assess the client's individual needs, investment objectives, financial ability to bear losses (risk ability) and attitude towards risk (risk tolerance). The CIP forms the basis for defining a suitable mandate and investment strategy for discretionary solutions (for more information see "Suitability and Appropriateness" below).

Discretionary Clients receive regular reports and statements informing them of the status and performance of the managed portfolio.

Discretionary Portfolio Management mandates are offered by both the Bank and BJBE Italy Branch.

3 ADVISORY MANDATES

By choosing an advisory mandate, clients can obtain tailor-made individual strategic and tactical investment recommendations. Julius Baer provides a broad range of advisory solutions, ranging from reactive advice on single financial instruments, portfolio-based advice at the point of investment, to proactive advice based on ongoing portfolio monitoring against standardized or bespoke criteria.

To receive this service, clients sign a specific advisory agreement which establishes the framework, such as the client's assets in scope, the desired service level and investment guidelines along which the Bank will provide personal recommendations. The responsibility of making the final investment decision remains with the client, and Julius Baer will not initiate any transactions without being explicitly instructed to do so by the client. Advisory mandates are offered by both the Bank and the Branches. The available service levels depend on the Julius Baer entity providing the advice.

Before an advisory mandate can be concluded, the "Client Investment Profile" (CIP) form must be completed. This allows Julius Baer to assess the client's individual needs, investment objectives, financial knowledge and experience, financial ability to bear losses (risk ability) and attitude towards risk (risk tolerance). The CIP forms the basis for defining a suitable and appropriate investment strategy, and puts Julius Baer in a position to ensure that every recommendation fits the client's individual circumstances (for more information see "Suitability and Appropriateness" below).

The investment universe that is considered for recommendations in our advisory mandates is based on the Julius Baer open product platform, which is comprised of both products from members of the JB Group and products from a large range of third party providers. However, investment advice is not provided on an independent basis in the sense of Article 24 of Directive 2014/65/EU on Markets in Financial Instruments. This entails a different treatment of inducements (see "Inducements" below) and that the range of financial instruments considered for advice may be narrower in some respects, depending on the asset class (for further information on the range of products and the potential relationships of Julius Baer with their issuers, see "Investment Universe" below).

Advisory mandate clients receive reports on a regular basis and statements informing them of the status and performance of the advised portfolio. Some mandates also include a detailed periodic portfolio analysis.

4 NON-ADVISED MANDATES

Clients requiring neither discretionary services nor investment advice, but who would still like to have access to the full range of investment products via the Julius Baer trading platform and receive generic, high quality research on financial matters, may enter into a non-advised agreement.

A non-advised agreement is always concluded directly with the Bank. There are two types of non advised mandates available: one is focused on worldwide access to financial instruments available

for trading and the reception of respective information ("Trade Basic Agreement"), and the other is for the long-term safekeeping of strategic holdings for which no transactions are planned in the foreseeable future ("Non-Trading Account").

For non-advised services, the Bank is required by law to review whether the client has adequate knowledge and practical experience to make an appropriate assessment of the risks associated with a transaction. The Bank is therefore required to gather information on the client's knowledge and experience. Further information can be found in the section "Suitability and Appropriateness".

LU-02416-EN 1-1182 EN_LU_02 20251118

5 EXECUTION OF CLIENT ORDERS

The Bank offers the execution of client orders to purchase and sell financial instruments on the market. It can do so on a commission or fixed price basis.

Depending on the financial instrument and the agreement with the client in accordance with the Bank's best execution framework, orders may be executed on regulated trading venues via members of the Julius Baer Group who will act as the Bank's broker via third party brokers or off-venue over the counter (OTC). For more details on the order execution chain and Julius Baer's best execution framework see "Information on Order Execution Principles" below.

6 RECEPTION AND TRANSMISSION OF ORDERS

Branches are entitled to receive and forward their clients' orders to the Bank for execution. Order transmission is made in accordance with the applicable best-execution principles (for details see "Information on Order Execution Principles" below).

7 CUSTODY ACCOUNTS

Clients looking for safe-keeping services for their financial instruments need to open a custody account with the Bank. The Bank is able to safe keep a large variety of financial instruments worldwide, based on the global Julius Baer custody network.

Securities usually have to be held in the central securities depository of the country in which they are issued. Julius Baer has concluded a broad number of agreements with carefully selected local subcustodians, who in turn have accounts with their country's central securities depository. Throughout the custody chain, Julius Baer endeavours to ensure that clients' rights regarding their securities are adequately safeguarded at all times.

8 SECURITIES CREDIT FACILITY

The Bank may grant loans to clients to finance transactions involving securities and other investments, if certain conditions are met and the necessary collateral is provided. The granting of loans requires the conclusion of separate credit and pledge agreements.

Where client assets such as securities are provided as collateral ("lombard loans"), the Bank determines the maximum loan amount as a percentage of their current value ("loan to value"), based on its own formulas. If, during the period of the loan, the value of the collateral falls below the minimum set by the Bank, the Bank will formally request the client to provide additional collateral within the specified timeframe to further uphold the loan ("margin call"). Otherwise the Bank will be entitled to demand immediate repayment of the loan and/or liquidate the pledged collateral to cover the loan taker's dues. Further information on credit facilities will be provided by the Bank upon request.

LU-02416-EN 1-1182 EN_LU_02
20251118

ADDITIONAL INFORMATION ON INVESTMENT SERVICES

1 JULIUS BAER INVESTMENT UNIVERSE

Where Julius Baer selects financial instruments for its advisory or portfolio management services, it does so based on a pre-defined investment universe, consisting of an open product platform. In order to find the best-in-class product in the relevant market, Julius Baer considers both products provided by members of the Julius Baer Group and products of more than 100 carefully selected third party providers.

Product providers are selected based on a stringent due diligence process and are monitored on an ongoing basis. These criteria apply to third party providers as well as to providers from the Julius Baer Group.

Please find below further details on Julius Baer's open product platform by individual asset class as well as information on Julius Baer's relationship with their issuers.

1.1 Shares

Julius Baer provides access to publicly traded shares worldwide. The Julius Baer equity research and strategy department covers a selected number of shares and develops a regional (major developed and emerging markets) and sector/industry-specific equity strategies and recommendation lists. As Julius Baer does not engage in investment banking or large scale commercial lending activities, there is generally no specific relationship between Julius Baer and the issuers of shares.

1.2 Bonds

Julius Baer provides access to a global selection of corporate and sovereign bonds. The Julius Baer fixed income research and strategy department covers a select number of issuers and develops a regional and issuer-specific bond strategies and recommendation lists. As Julius Baer does not engage in investment banking or large scale commercial lending activities, there is generally no specific relationship between Julius Baer and the issuer of bonds. On a very limited basis, Julius Baer may however act as a co-lead manager of new bond issues.

1.3 Investment funds

Julius Baer is one of the few truly global private banking group that does not operate a large scale production of its own in-house investment funds. The vast majority of our investment fund universe is based on the products of more than 100 carefully selected third party fund providers. This allows for a more objective selection to find the best available product. Currently, only three smaller fund management boutiques specialising in niche products are fully or partially owned by the Julius Baer Group: Kairos Partners SGR spa., Julius Baer Gesti n, SGIIC, S.A.U. and WMPartners Wealth Management Ltd.

Bank Julius Baer & Co Ltd. Switzerland maintains global distribution agreements with the approved fund providers, which govern a large range of distribution related obligations, and may entail the right of Bank Julius Baer & Co Switzerland to receive compensation from the fund providers for its distribution services, part of which may be passed on to other Julius Baer Group entities for their involvement in the distribution process (only in countries where such products are part of the offering and depending on the respective regulation, see "Inducements" below).

Certain fund management companies have delegated the management of the assets in some of their funds to Julius Baer. Julius Baer receives a management fee for this service from those fund management companies.

1.4 Structured products and other derivatives

When offering structured products, Julius Baer cooperates with a small number of carefully selected issuers that fulfil criteria such as balance sheet healthiness, attractiveness of product range, expertise and pricing structure. Furthermore, Julius Baer creates its own innovative structured products which are issued by Julius Baer entities and made available to clients of Julius Baer as well as third party investment firms.

When selecting an issuer for a product idea, Julius Baer will, for a large range of products, evaluate its own issuing entities against third party issuers, with a view to achieving a favourable result for the client.

In some areas, Julius Baer will use its own structured products and derivatives exclusively. This is particularly the case for products with an FX underlying or for products which are tailor-made on the spot to meet a particular client's needs in one of Julius Baer's real-time derivatives creation tools.

In the case that a structured product is issued by a third party but the idea for the product was designed by Julius Baer, there may be a structuring fee received by Julius Baer.

When providing investment advice or discretionary services, Julius Baer may choose from the group's own structured products and derivatives.

2 SUITABILITY

When providing advised services such as advisory mandates or portfolio management mandates, Julius Baer has the duty by law to consider that the products and financial instruments recommended are suitable for the client. This means that a client has to be able to adequately understand the underlying nature and risk of a transaction or service and needs to have the ability to bear any related financial loss. Julius Baer needs to assess whether the transaction suits the client's investment objectives.

To this end, Julius Baer is obliged to obtain specific information about the client's circumstances.

Where Julius Baer does not obtain the necessary information, it is by law required to abstain from providing advised services.

Therefore, the provision of a duly signed "Client Investor Profile" (CIP) is necessary for clients who would like to receive advised services. This form is designed to evaluate the necessary information regarding clients',

- knowledge and experience with regard to investment services and financial instruments;
- investment goals, including investment purpose, planned time horizon and risk appetite;

LU-02416-EN 1-1182 EN_LU_02 20251118

– financial situation, including an overview of the client's total assets, regular income and regular financial commitments.

Julius Baer will rely on the information provided and clients are strongly advised to immediately inform Julius Baer of any change in circumstances alters the information provided to Julius Baer, whether in the CIP or otherwise.

2.1 Suitability of investment strategies

With the help of the CIP, a suitable investment strategy will be defined for the assets held with Julius Baer. Where a client has only one mandate covering all their assets with Julius Baer, the chosen mandate strategy must correspond to the overall investment strategy. Where a client has multiple mandates with Julius Baer (e.g. one for the purpose of retirement security and a second one for the purpose of maximising current market opportunities), the chosen mandate strategies may deviate from the strategy chosen in the CIP, but must correspond when looked at from a holistic client perspective. It is at the Bank's discretion to decline a chosen mandate strategy when it considers it to be unsuitable.

2.2 Suitability of individual transactions

Before recommending a financial instrument, Julius Baer will assess its suitability in the context of the information provided. If a client requests advice on a financial instrument deemed unsuitable, Julius Baer will inform the client accordingly.

The client may wish to proceed with such a transaction, however it will then be considered to take place on a non-advised basis. Julius Baer may decline to include such instruments in a portfolio for which it offers on-going portfolio monitoring services, or it may exclude such instruments from the monitoring activity.

3 APPROPRIATENESS

Julius Baer is required to assess whether the client is able to understand the nature and risks associated with a financial instrument before placing the order.

However, the client's financial ability to bear the investment risk associated with the financial instrument is not evalutated for non-advised transactions. To that end, the Bank is required to obtain the necessary information about the client's knowledge and experience in the relevant section of the CIP or other dedicated client forms.

If a financial instrument for which an order has been placed is deemed to be inappropriate, or if the necessary information to assess the appropriateness is missing, Julius Baer will warn the client accordingly. It is at the client's discretion to refrain from making the trade or to proceed in spite of the warning. Julius Baer reserves the right to decline to proceed if it deems such action necessary in the best interest of the client.

Clients should be aware that Julius Baer is not obliged to assess appropriateness in case of a mere execution of orders placed with regard to non- complex products in the sense of MiFID, such as shares, bonds or units in non-complex UCITS funds.

3.1 Applicable knowledge and experience

With regard to checking knowledge and experience, the assessment will be based on the information given by the person giving an order or receiving the recommendation. This may be the account holder or a person authorised to act on the account holder's behalf. Where the account holder is a legal entity, it shall define the level of knowledge and experience that will be relevant for all authorised signatories. With regard to the testing of investment objectives and the financial ability to bear losses for suitability purposes, the assessment is always based on the circumstances of the account holder, even when the recommendation is addressed to an authorised representative.

4 INFORMATION ON CLIENT CLASSIFICATION

According to the "Markets in Financial Instruments Directive" (MiFID), investment firms classify clients as either "retail client", "professional client" (elective or per-se) or "eligible counterparty". Each category is assigned a different level of consumer protection (e.g. with regard to the extent of suitability and appropriateness testing, mandatory pre-trade client information, available financial instruments etc.).

4.1 Retail client status

By default, Julius Baer will treat all clients as "retail clients", who receive the highest level of consumer protection. Retail clients must be given extensive information regarding product risk (e.g. Key Investor Document), suitability (suitability statement), cost and charges, and other parameters before a service can be provided or a trade can be executed. The range of financial instruments available is generally limited to products targeted at retail clients or which are explicitly registered for distribution to retail clients.

4.2 Professional client status

Professional clients are treated as sophisticated investors who enjoy a lower level of consumer protection, based on their level of knowledge and experience and their financial ability to bear losses. Some pre-trade disclosure requirements and other information requirements do not apply to professional clients. Professional clients are eligible for a larger investment universe, including financial products targeted at professional clients only or which are

not registered for distribution to retail clients. MiFID differentiates between three categories of professional clients, further described in the following sections.

1 Elective professional clients

Retail clients who hold bankable assets of EUR 500,000 or more and have the necessary experience, either based on their trade history (ten trades of a significant size per quarter in the relevant market over the last four quarters) or based on their professional background (at least one year's employment in the financial industry in a position requiring relevant knowledge), may request to be treated as elective professional clients ("opt up").

Clients wishing to become an elective professional may do so by submitting the respective application form to Julius Baer. However, it is not normally possible to opt up for individual services or classes of financial instruments only, but for the full range of the relationship with Julius Baer. Clients must confirm they fulfil the necessary prerequisites regarding all aspects before becoming an elective professional. Clients will be informed in writing when Julius Baer considers the conditions to be fulfilled, including information on rights of protection that will no longer apply. Once this confirmation is received, Julius Baer will henceforth treat such clients as elective professionals.

LU-02416-EN 1-1182 EN_LU_02 20251118

2 Per-se professional clients

Larger companies with a certain balance sheet or turnover size, many governmental or public bodies and financial institutions, can qualify as per-se professional clients. Such clients may indicate their eligibility to Julius Baer, or Julius Baer may inform such clients that it considers them to be eligible and intends to treat them as a per-se professional client. Clients will be informed in writing when Julius Baer considers the conditions to be fulfilled, including information on rights of protection that will no longer apply.

3 Eligible counterparties

Per-se Professional clients who themselves are also authorised financial institutions or certain governmental bodies such as central banks can be treated as an eligible counterparty. Eligible counterparties have the lowest level of consumer protection, as they are seen as business-to-business clients. This status only applies to non-advised services. In particular, the principles of "best execution" do not apply to eligible counterparties.

4.3 Opting down

It is also possible for professional clients to request to be treated as retail clients and receive a higher level of consumer protection, along with a more restricted eligible investment universe.

4.4 Impact of client classification on suitability and appropriateness

If a client has requested to be treated as an elective professional client, Julius Baer may and will assume that the client has the required knowledge and experience. If a client is classified as a per-se professional client, Julius Baer may and will additionally assume that the client also has the financial ability to bear the risks associated with the transaction (for more information see "Information on Client Classification" below).

LU-02416-EN 1-1182 EN_LU_02
20251118

SUSTAINABILITY-RELATED DISCLOSURES FOR OUR DISCRETIONARY PORTFOLIO MANAGEMENT MANDATES AND OUR ADVISORY MANDATES

1 INTEGRATION OF SUSTAINABILITY RISKS

At Bank Julius Baer Europe S.A. and its Branches, we believe that creating value sustainably, requires a focus not only on cash flows and profits, but also on the responsible interaction with society as a whole. A full body of literature shows that long-term financial success is built on proper governance and consideration of social and environmental factors.

When it comes to the integration of sustainability risks into the investment management and advisory processes, we believe that it all starts with a sound governance framework. In this context, Bank Julius Baer Europe S.A. and its Branches, have adopted and implemented policies and processes relating to integration of sustainability risks.

Specifically, the Julius Baer Environmental, Social and Governance) Investment Rating Methodology (the "Julius Baer ESG Methodology") has been implemented to ensure a continuous screening of financial instruments for sustainability risks. If the results of screening demonstrate that financial instruments have a material negative impact on the environment or society or bear severe governance-related risks (so-called ESG Risk Investments), we exclude such financial instruments from our investment universe.

This means that Julius Baer will neither advise nor make ESG Risk Investments on your behalf in the context of a discretionary mandate (subject to exceptions, e.g., for index tracking purposes), or provide you with investment advice on such instruments.

The asset classes currently covered by our ESG Investment Rating Methodology include equities, corporate and sovereign bonds and funds. Please note that additional asset classes will be covered by the Julius Baer ESG Methodology in the future as ESG data coverage evolves. The above-mentioned processes allow us to manage the potential impacts of sustainability risks on financial returns of affected instruments.

LU-02416-EN 1-1182 EN_LU_02
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INFORMATION ON ORDER EXECUTION PRINCIPLES

1 PURPOSE

The purpose of this section is to provide clients of Julius Baer with key information on the execution chain regarding orders in financial instruments (e.g. shares, bonds, derivatives etc.), and on the measures implemented by the Julius Baer entities involved regarding their respective obligation of obtaining the best result for the client ("best execution").

2 INFORMATION ON THE ORDER EXECUTION CHAIN

The order execution chain is initiated when either a client or a person authorised to act on the client's behalf places an order to buy or sell a financial instrument with a Branch or directly with the Bank. Orders to the Bank must be placed in accordance with the applicable General Business Conditions and the correspondence instructions. Orders placed with a Branch will be forwarded to the Bank for execution. The Bank will forward the majority of orders to the Group's head office Bank Julius Baer & Co. Ltd. in Switzerland, which acts as the Bank's main broker. The head office will execute the order in the market in accordance with Julius Baer's best execution framework.

There are different ways for an order to be executed. The majority of orders will be executed on a regulated trading venue (regulated market, multilateral trading facility, organized trading facility), either directly by a Julius Baer entity which is a member of the respective trading venue, or via carefully selected external third party brokers. Such brokers may also act as systematic internaliser, matching customer orders internally. In some cases, orders may also be executed on trading platforms that do not qualify as a regulated venue. Some asset classes are commonly traded off-venue between Julius Baer and a client, in so-called over-the-counter (OTC) transactions. The client agrees that Julius Baer may execute orders outside of regulated trading venues where in line with its best execution policy.

Whenever an order has been executed, clients will be provided with a transaction confirmation including information such as instrument price, transaction costs and other key details of the transaction. Discretionary portfolio management clients will receive the respective information in their periodic statements only.

For the avoidance of doubt, in the absence of a specific instruction of the client, the Bank generally executes orders on a regulated market, a multilateral trading facility or organized trading facility.

In addition, unless clients expressly instruct otherwise in the case of limit orders in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, Julius Baer will take measures to facilitate the earliest possible execution of that order by making public immediately that limit order in a manner which is easily accessible to other market participants.

3 WHAT IS "BEST EXECUTION"?

Transmitting and executing client orders is usually possible via different brokers and on different trading venues such as regulated markets, multilateral trading facilities, organised trading facilities, as well as via non-regulated trading platforms or directly with counterparties such other financial institutions (together the "execution venues").

Best execution is the obligation to take sufficient steps to obtain the best possible result when either executing transactions on a client's behalf or using other affiliates or brokers to execute transactions on a client's behalf, taking into account the execution factors below.

4 BEST EXECUTION FACTORS

Julius Baer will give consideration to the following execution factors to determine the best possible result.

- Price – this is the price a financial instrument is executed at;
- Cost – this includes the total of all fees and charges levied by the parties involved in the execution process including external costs (market venue fees, third party brokerage fees, settlement costs) and internal costs (Julius Baer commissions and spreads).
- Speed – time it takes to execute a client transaction;
- Likelihood of execution and settlement – the likelihood that we will be able to complete a client transaction;
- Size – this is the size of the transaction executed for a client accounting for how this affects the price of execution;
- Nature of the transaction or any other consideration relevant to the execution of the transaction – this is how the particular characteristics of a client transaction can affect how best execution is achieved.

Some of the above factors are considered to be more important than others. Their relative importance may vary taking into account the instrument type, the order size, the order type (e.g. limit orders, other instructions), the market or liquidity impact, the type of execution venue, and other considerations where relevant.

For clients classified as retail clients, price and cost (total consideration) will attract 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. For example, for transactions in illiquid securities, likelihood of execution and market impact become more important. The Bank may thus in specific cases determine that other execution factors may be more important than price and cost for obtaining the best possible result in accordance with its policy.

5 COST OF A TRANSACTION / PRINCIPAL VS. AGENT TRADING

When forwarding an order for execution or directly executing a securities transaction for a client, Julius Baer charges a transaction fee for its services. The way transaction fees are charged depends on the capacity in which Julius Baer engages in the transaction, which is either as commission agent or principal.

When a Julius Baer entity acts as agent, it forwards the order to a trading venue or a broker for execution on behalf of the client. The trading venue will match the client's order with a corresponding buy or sell order from another venue participant. Julius Baer arranges the trade, but does not buy or sell the instrument for the client on its own book. The client will receive or pay the price of the instrument as traded on the market venue. Julius Baer will charge a brokerage

LU-02416-EN 1-1182 EN_LU_02 20251118

fee (commission) for arranging the trade. The client further has to bear the external cost as applicable to the trade, such as the external brokerage fee, the trading venue fee and transaction taxes.

When acting as principal, Julius Baer itself becomes the counterparty of the client and will directly buy or sell the instrument from or to the client. The client pays for the transaction cost of principal trades either by paying a commission to Julius Baer, or Julius Baer may factor the transaction fee directly into the instrument price ("fixed price transaction"). No additional external brokerage or venue fees apply in a fixed price transaction, but transaction taxes may apply. In the case of fixed-price transactions, Julius Baer will meet its "best execution" obligation by applying a market conformity check, ensuring that the product's pricing parameters are reasonable and in conformity with the market.

Branches can only act in an agency basis. The Bank may act as commission agent or principal, depending on the agreement with the client for the respective trade. In both cases, clients receive the details of the applicable cost of a trade in the transaction confirmation.

6 LIMITS OF BEST EXECUTION OBLIGATION

6.1 Specific client instructions

Where clients provide Julius Baer with a specific instruction in relation to an order, Julius Baer will follow that instruction so far as is reasonably possible when executing the trade. In such cases, the obligation to provide best execution is satisfied by following the specific instruction, instead of applying the best execution principles described in this policy.

6.2 Non-reliance

Best execution obligations do not apply for the following types of unsolicited orders (i. e. orders initiated by the client) where Julius Baer is acting as principal and a client is not placing legitimate reliance on Julius Baer to protect its interest in relation to pricing and other aspects of the execution of the transaction:

- a client is "shopping around" by getting quotes from the Bank and other counterparties for the purpose of finding the best price by himself;
- a client approaches the Bank with a specific request to buy a financial instrument
- from the Bank or sell a financial instrument to the Bank on a principal basis;
- the client proposes the price, and where the client would be able to approach a different bank with the same request.

6.3 Shares in Collective Investment Schemes eligible for tax deferral in Spain ("Traspaso")

Orders with regard to funds and SICAV's which are eligible for tax deferral in Spain ("Traspaso") from customers who are Spanish tax residents are only available via one execution path. Such orders have to be placed with the Spanish Distributor Bank Julius Baer Europe S.A., Sucursal en Espa a, Madrid who will send these to Bank Julius Baer Europe S.A., Luxembourg. Such orders will only be executed via ALLFUNDS Bank International S.A., Luxembourg as the single execution venue. By placing such orders the client agrees to this execution path.

7 JULIUS BAER'S BEST EXECUTION FRAMEWORK

7.1 Governance framework

Julius Baer has implemented an internal governance framework including a set of policies in the Branches, the Bank, and in its main execution hub at Bank Julius Baer & Co Switzerland, through which it establishes its best execution principles. This framework also includes control processes and periodic monitoring activities with regard to the effectiveness of the best execution policy and order execution arrangements.

7.2 Selection, monitoring and review of execution arrangements

When selecting external partners for order execution arrangements, Julius Baer applies due diligence and approval processes which include the assessment and confirmation of their best execution capabilities and aptitude to enable the best result as defined in Julius Baer's best execution policy.

Julius Baer has periodic monitoring activities in place to determine whether best results have been obtained on a regular basis. However, Julius Baer is not obliged to monitor the order's immediate execution where it has transmitted the order for execution to an execution venue (e. g. a broker). Julius Baer will review its best execution policy and the overall order execution arrangements on an annual basis with regard to completeness and effectiveness of the framework (e. g. whether the selection criteria still lead to the same selection of brokers).

Clients will be informed where material changes to this policy or the overall framework occur.

7.3 Information on quality of execution and most usedvenues

Julius Baer will publish on its webpages an annual report on the best execution monitoring results and the quality of execution per asset class. Julius Baer will also publish on its webpages for each class of financial instruments a list with the top five execution venues in terms of trading volumes on a yearly basis. Furthermore, clients may request additional information on the execution of their specific orders.

8 BEST EXECUTION ASPECTS BY ASSET CLASS

8.1 Equities / Shares

Unless otherwise explicitly instructed by the client, orders in shares are executed by Julius Baer acting as agent on regulated trading venues via dedicated brokers. Selected brokers have a track record of achieving the best result in terms of the relevant execution factors and have confirmed to provide best execution according to MiFID or according to applicable local rules and regulations.

8.2 Bonds

The majority of bonds are traded outside of trading venues over the counter (OTC). When executing bond orders, Julius Baer will act as commission agent. The Bank will typically send the order to the Julius Baer Head Office in Switzerland, which will approach at least five counterparties (if available) for a price quote to find the best price. Julius Baer selects those counterparties based on commercial judgement and experience in light of the market information available.

LU-02416-EN 1-1182 EN_LU_02
20251118

Julius Baer will sell the bond at the price for which it was obtained from the counterparty with a transaction fee charged on top. In specific cases, if the Bank has agreed with the client on a "fixed price transaction", Julius Baer will charge the client the agreed price for the bond, which includes the transaction fees. Where applicable, Julius Baer also charges the accrued interest for interest-bearing bonds (accrued interest).

In the case of exchange traded bonds that are listed or admitted to trading on a trading venue, orders will be executed by the Bank acting as commission agent via a dedicated broker.

8.3 Collective investment funds / Exchange traded funds

Funds: Units in collective investment schemes are normally subscribed and redeemed directly with the fund provider (primary market) as the only execution venue. In some cases, a subset of those funds is also available on trading venues (secondary market). In such cases, Julius Baer decides, based commercialist professional judgement and experience and taking account of the liquidity of the product, or based on specific client instructions, whether the order shall be executed via the fund provider or the trading venue. A distinct subset of funds may be traded over the counter via Julius Baer's Secondary Fund Trading Desk with Julius Baer acting as principal.

ETFs: Julius Baer executes orders for ETFs on the respective trading venues acting as agent, either directly or through brokers that comply with Julius Baer's best execution requirements.

8.4 Structured products

Tailor-made OTC structured products: A tailor-made structured product is unique, based on a bilateral contract between the issuer and the investor, and often created by issuers at the investor's specific request. Best execution principles with regard to venue selection do not apply.

Other OTC structured products: Orders in OTC structured products are executed by Julius Baer acting as principal outside of any trading venues. Usually, the Bank trades OTC structured products directly with the issuer or arranger of the product, which may include another Julius Baer entity issuing the product against its own book. If there are several providers, the Bank endeavours to obtain quotes in the market to ensure it deals with the client on or near the best available price. Generally the price (including costs) is considered the most important execution factor. Other execution factors are considered as is appropriate for the size and nature of the relevant order. It should be noted that with less liquid instruments, there may be only one provider and therefore only one available price to trade on. Orders are usually executed as "fixed price transactions" with an agreed instrument price containing a transaction fee.

Exchange traded structured products: Orders in structured products that are admitted for trading on a trading venue will be executed by Julius Baer as agent at the dedicated trading venue via Julius Baer (where it is a member of the exchange) or via a third party broker that complies with Julius Baer's best execution requirements.

8.5 Traded options and futures

Orders in EUREX traded futures are executed by Julius Baer directly as a member of EUREX. Non-EUREX traded futures and traded options are traded exclusively through dedicated third party brokers that comply with Julius Baer's best execution requirements. By default, the price is considered the most important execution factor. Other execution factors may be taken into account as is appropriate for the size and nature of the relevant order.

8.6 Other OTC derivatives

Orders in other OTC derivatives (e.g. with FX or credit underlying) are executed outside of regulated trading venues. If there are several providers for an instrument, the Bank endeavours to obtain quotes in the market to ensure it deals with the client at or near the best available price. Julius Baer may also complete the trade by becoming the counterparty of the derivative contract with the client. However, it should be noted that, with less liquid instruments, there may be only one provider and therefore only one available price to trade on. Generally, the price (including costs) is considered the most important execution factor. Other execution factors are taken into account as is appropriate for the size and nature of the relevant order. Orders may be executed as "fixed price transactions" with an agreed instrument price containing a transaction fee.

LU-02416-EN 1-1182 EN_LU_02
20251118

ORGANISATIONAL TOPICS

1 CONFLICTS OF INTEREST

Like every global financial services provider that engages in a wide range of businesses and activities, Julius Baer faces potential conflicts of interest on a regular basis. Julius Baer has adopted a global framework, consisting of global and local policies as well as organizational measures and controls, by which conflicts of interest are identified and managed. These measures are aimed to maintain the high level of integrity and fair dealing which is expected from Julius Baer.

This section aims to summarize the key aspects of that framework, which consists of the following key steps:

- identify conflicts of interest that could arise with regard to the offered services;
- where possible, avoid those conflicts of interest;
- where that is not possible, take action that seeks to ensure, with reasonable confidence, that the risk of damaging clients' interests is prevented;
- if that cannot be achieved, disclose the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before the relevant transaction is undertaken or service provided.

1.1 Measures employed by Julius Baer to identify conflicts of interest

In a first step, Julius Baer endeavours to properly identify potential conflicts of interest in order to manage them. Therefore, each entity entertains a register of all identified situations where an involved party:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from such client's interest in that outcome;
- has a financial or other incentive to favour the interest of a client or group of clients over the interests of another client;
- carries on the same business as the Client; and/or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

1.2 Types of conflict of interest

Generally, conflicts of interest may occur when business interests are contrary to one another. With regard to clients, such conflicts of interest may occur between a client and Julius Baer (or persons associated with Julius Baer), between a client and an employee of Julius Baer, or between different clients of Julius Baer (together "involved parties").

The following non-exhaustive list illustrates examples where conflicts of interest may occur, in particular in connection with:

- investment advisory and discretionary portfolio management services, resulting from Julius Baer's own (revenue) interest in selling and trading financial instruments, including such instruments issued by a Julius Baer entity or other affiliated entity;
- receiving or paying inducements (for example initial placement fees/ongoing holdingfees) from or to third parties (for details on inducements see the section "Inducements" below);
- performance-based compensation of staff and intermediaries (where applicable and permitted);
- one or more Julius Baer entities acting in several capacities at the same time, for example as investment advisor on the one hand and as own accounts trader or issuer of financial instruments on the other hand;
- relationships (e. g. service, collaboration or revenue share agreements) a Julius Baer entity may have with issuers of financial instruments which are offered or recommended to clients. Concrete examples would be: a credit relationship, the collaboration regarding the issuing of new securities or cases where a Julius Baer entity acts as delegated manager of an investment fund;
- preparing or distributing financial analyses regarding securities offered for sale to clients;
- clients having an opposing interest to another client, where preferential treatment of one client would lead to a detriment of the other client;
- Julius Baer obtaining information that is not publicly known, the use of which could unfairly benefit or harm an involved party;
- personal relationships of Julius Baer staff or management members or persons associated with them;
- activities of Julius Baer employees outside of Julius Baer, such as engagements or vested interests in other companies or private business.

1.3 Measures employed by Julius Baer to avoid and manage conflicts of interest

The integrity and quality of Julius Baer is reflected in its professional handling of potential conflicts of interest. To that end, Julius Baer has implemented a global policy with minimum standards which are complemented by local policies tailored to the nature of the business of each entity. The framework also includes topic specific policies in areas of specific sensitivity with regard to conflicts of interest. Julius Baer employees are obliged to comply with those policies at all times.

Julius Baer expects from all staff to apply due diligence and honesty, lawful and professional conduct, observance of market standards, and in particular observance of the client's interests.

LU-02416-EN 1-1182 EN_LU_02 20251118

Furthermore, Julius Baer has put a broad range of organizational measures in place in order to best avoid and mitigate conflicts of interest, as illustrated by the following non-exhaustive overview:

- creation of organisational procedures to safeguard clients' interests in the areas of investment advice and asset management;
- rules on accepting, giving and disclosing inducements such as gifts and entertainment;
- creation of confidentiality zones by establishing information barriers, separation of responsibilities and/or spatial separation;
- keeping an insider list or watch list that helps to monitor sensitive information traffic and prevent misuse of insider information;
- raising internal awareness regarding staff members who could become involved in conflicts of interest due to their role; and
- general staff training;

1.4 Controls employed by Julius Baer regarding conflicts of interest

Julius Baer has implemented a number of controls at the level of business units as well as independent control functions to ensure its measures and policies regarding conflicts of interest are adequate and adhered to. Such controls include, amongst others:

- an independent compliance office, that is directly responsible to management and whose duty is to monitor the identification, avoidance and management of conflicts of interest by the business units; and
- a trade surveillance and reporting framework, supported by automated monitoring engines designed to identify abusive trading patterns.

1.5 Disclosure of conflicts of interest and consent to proceed

As demonstrated above, Julius Baer makes every effort to avoid any conflicts of interest that could arise with regard to the services offered to clients, and to mitigate any unavoidable potential conflict effectively in order to prevent them from having adverse effects on the interest of clients. However, due to the nature and complexity of the business, it cannot be fully excluded that situations may arise where Julius Baer cannot rule out with reasonable confidence that the interests of a client may not be adversely affected. In such situations, Julius Baer will adequately inform the client on the existence and nature of the conflict of interest, in order for the client to make an informed decision on whether to proceed with the envisaged service or transaction.

2 INDUCEMENTS

2.1 What are inducements?

Inducements are monetary or non-monetary benefits a Julius Baer entity may receive from another legal entity (incl. Group companies), which are not paid directly by a client or on behalf of a client. Charges paid directly by the client to Julius Baer, such as advisory fees, custody fees or transaction fees (including transaction fees that are included in the issue price of an instrument) are not inducements.

The most common form of inducement occurs between providers and distributors of financial instruments, whereby product providers forward part of their revenues from product internal charges to the distributor in exchange for distribution services.

For example, in the area of investment funds, the fund provider charges the investor a management fee for managing the fund assets, which is disclosed in the fund prospectus. The fund provider may use part of the revenues generated with this management fee to remunerate distributors such as banks or financial advisers for access to their distribution network, or for the administrative efforts they need to undertake when distributing the fund provider's products.

Non-monetary benefits may occur in the form of information on financial instruments, participation in conferences, and hospitality etc.

2.2 Regulation of inducements

Because inducements can lead to potential conflicts of interest, their reception and payment is strictly regulated. Clients must be properly informed about their existence and receive proper reports about inducements that have occurred. For the service of portfolio management, the reception of inducements is strictly prohibited. In some countries, the reception of inducements is also prohibited for other types of investment services such as investment advice or even non-advised transactions. Where inducements are allowed, investment firms must make sure that they do not impair the objectivity of their advice, and that they contribute to a tangible benefit for the client.

2.3 Inducements received by Julius Baer

The Julius Baer entities covered in this brochure offer solely inducement-free discretionary portfolio management mandates. Within the scope of an advisory agreement, they recommend only inducement-free products, unless explicitly agreed otherwise with the client in the advisory agreement. They may receive inducements in connection with products held or purchased at the initiative of the client (unless in countries where inducements are generally prohibited or where such products are not part of the offering).

Where Julius Baer receives inducements, it makes sure that they do not impair its duty to act in accordance with the best rendered objective advice, but rather contribute to a tangible benefit for the client, such as a higher level of service. The acceptance of non-monetary benefits by individual employees is further clearly regulated by an internal policy and undergoes a strict approval process.

2.4 Calculation of inducements

The amount of inducements depends on the financial instrument, its provider and the volume of assets invested in the financial instrument. The maximum bandwidths are detailed below:

Distribution fees from investment fund providers (in % of investment volume p. a.)

- Money market funds: up to 0.5 %
- Bond funds: up to 1.0 %
- Equity funds: up to 2.0 %
- Other funds: up to 2.0 %
- Non-traditional funds: up to 2.0 %

LU-02416-EN 1-1182 EN_LU_02 20251118

The client explicitly accepts that such Julius Baer is entitled to receive and retain such inducements. Special agreements between the client and Julius Baer as well as mandatory provisions of law remain reserved.

2.5 Inducements paid by Julius Baer to third parties

If Julius Baer has obtained the business or service relationship with a client through a third party acting as intermediary, Julius Baer may pay the intermediary a finder's fee of a determinable amount on a one-off or on-going basis

Where a client is advised by an independent financial advisor or external asset manager while using Julius Baer for custody and the execution of trades on the market, Julius Baer may pay such intermediary a collaboration fee of a determinable amount on a one-off or on-going basis.

Julius Baer informs its clients about the existence and nature of such payments to third parties where such relationships exist. In addition, any such party must comply with its own obligations associated with inducements, particularly regarding restrictions on receipt, disclosure obligations and handling of conflicts of interest, in accordance with the intermediaries' own business relationship with the client. Julius Baer has no responsibilities for the obligations of a third party in this respect.

3 COMPLAINTS HANDLING

Client feedback is best addressed directly to the client's dedicated relationship manager or contact person. Clients that would like to submit a formal complaint regarding an aspect of their relationship with Julius Baer may do so by addressing their written complaint to the complaints handling department of the Bank or, where applicable, the Branch.

Clients should include the reason as well their contact details and account number in their written complaint. Julius Baer will immediately confirm receipt of such written feedback and endeavour to address it as quickly as possible. In exceptional cases where we believe addressing the concern will take more than one month, we will inform the client of the expected response time.

In case a client perceives a response as being inadequate, we would be glad to receive this feedback accordingly. Where we are unable to address the client's concern appropriately, it is at the client's discretion to address the issue to the relevant supervisory authority and/or consumer protection agency.

The respective contact details are listed below.

Bank Julius Baer Europe S.A Luxembourg
Clients of Bank Julius Baer Europe S.A. may address formal complaints to:
Bank Julius Baer Europe S.A.
attn. Complaint Management
14, rue Edward Steichen, L-2540 Luxembourg
info.lux@juliusbaer.com

Furthermore, clients may raise a complaint directly for the attention of the Management Board.

In case no satisfactory response can be provided, it is at the client's discretion to refer the complaint directly to the Commission de Surveillance du Secteur Financier (CSSF).

The CSSF, the Luxembourg financial sector supervisory commission, is the competent authority for receiving complaints from clients of professionals subject to its supervision with the aim of amicably facilitating the resolution of complaints against these professionals. Within the context of out-of-court resolution of cross-border complaints, the CSSF cooperates with the competent foreign bodies, in accordance with the relevant governing laws and regulations. The CSSF cooperates in particular with FIN-NET, the European network of which the CSSF is a member, in order to facilitate the access of consumers to out-of-court procedures for complaints and the settlement of cross-border cases.

In order to facilitate the filing of a complaint, the CSSF publishes a form on its website: http://www.cssf.lu/fileadmin/files/Formulaires/Reclamation_240615_EN.pdf.

The CSSF can be reached by regular post at:
Commission de Surveillance du Secteur Financier,
Department Juridique II, 283, route d'Arlon,
L-1150 Luxembourg, or by fax: +352 26251-601.

BJBE Spain Branch
Clients of Bank Julius Baer Europe S.A., Sucursal en Espa a may address formal complaints to:
Bank Julius Baer Europe S.A., Sucursal en Espa a
attn. Complaint Management
Paseo de la Castellana 7, 2ª planta,
CP 28046, Madrid
atencioncliente.iberia@juliusbaer.com

In case no satisfactory response can be provided, it is at the client's discretion to refer the complaint directly to the CNMV, the Spanish financial sector supervisory commission, which is the competent authority for receiving complaints from retail clients subject to its supervision with the aim of amicably facilitating the resolution of claims or complaints.

Comisión Nacional del Mercado de Valores (CNMV)
Calle Edison 4, 28006 Madrid/
Passeig de Gràcia, 19, 08007 Barcelona

BJBE Ireland Branch
Clients of Bank Julius Baer Europe S.A. Ireland Branch may address formal complaints to:

Attn: complaint management, compliance
Bank Julius Baer Europe S.A. Ireland Branch
47-49 St Stephen's Green
Dublin 2 D02 W634
rachel.furlong@juliusbaer.com

In case no satisfactory response can be provided, it is at the client's discretion to refer their claim or complaint for independent determination directly to the

Irish Financial Services and Pensions Ombudsman, 3rd Floor, Lincoln House
Lincoln Place
Dublin 2
E-mail: enquiries@financialombudsman.ie

Please note that where such third party is based outside Ireland, the protections provided for under the regulatory regimes of Ireland do not apply. As a result a client will not have the right to make any complaint to the Financial Services and Pensions Ombudsman.

Please ask your contact person or the Compliance Officer at Bank Julius Baer Europe S.A. Ireland Branch if you would like to receive further details regarding the complaint handling procedures.

LU-02416-EN 1-1182 EN_LU_02
20251118

BJBE Italy Branch
Clients of Bank Julius Baer Europe S.A. Italy Branch may address formal complaints to:

Attn: Daniele Siboni - Ufficio Reclami

Bank Julius Baer Europe S.A. Succursale in Italia
Via Melchiorre Gioia 8,
20124 Milan, Italy
ABI Code: 3675.6
Email: reclami.italy@juliusbaer.com

BJBE Italy Branch adheres to the Arbitro per le Controversie Finanziarie (ACF).

In the event that the client is not satisfied with the final response he received from BJBE Italy Branch, the client can file its complain with the ACF
(https://www.acf.consob.it)

BJBE Portugal Branch
Clients of Bank Julius Baer Europe S.A., Sucursal Portugal, may submit formal complaints to:

Attn: Complaints Management

Avenida da Liberdade 196 – 6th Floor
1250-147 Lisbon
Portugal
Email: ComplaintManagement.Portugal@juliusbaer.com

The Client may submit a complaint in the Bank's physical or electronic register. Once the complaint has been submitted in the physical or electronic register, the Bank has 15 (fifteen) business days to respond to the Client. After this period, if the Client has not received a response from the Bank, he or she may submit the complaint directly to the CMVM (Commissão do Mercado de Valores Mobiliários). The Client may contact the Bank at any time for further information on the complaints procedure.

LU-02416-EN 1-1182 EN_LU_02
20251118

OTHER MATTERS

1 TAX ASPECTS

Security investments, in particular the income derived therefrom, are usually subject to tax. In many cases, national withholding tax is retained when income is distributed. Interest income received by individuals resident in Luxembourg is subject to a final withholding tax of 20 % as of 1 January 2017 (10 % before 2017).

The change of ownership with regard to specific securities of French or Italian origin may be subject to Italian or French financial transaction tax.

The French financial transaction tax was introduced in 2012 and is levied on stock purchases of French publicly traded companies with a market value over EUR 1 billion – the tax rate is currently 0.3 %. The Italian financial transaction tax was introduced in 2013 and applies to qualified equity trades with a tax rate of 0.22 % of the value of the trade (most common case: shares issued by Italian resident companies with a capitalisation equal to or higher than EUR 500 million).

A withholding tax of up to 30 % may apply to income derived (or deemed derived) from US securities. "US securities" are generally deemed to be all the equities, investment fund units, certificates and bonds issued by companies domiciled in the USA, regardless of the currency or the stock exchange on which they are traded. Most of the double taxation agreements concluded with the USA provide for reduced tax rates. In favour of its clients, the Bank has acquired the status of a "Qualified Intermediary" ("QI"). This status may entail reduced withholding tax rates for clients with holdings in US securities – for example withholding tax is not charged on interest payments.

Special regulations apply to specific recipients of income; since 2001, all new clients who have the status of "US persons" are obliged to provide the Bank with the relevant US form (W9) containing their TIN (Taxpayer Identification Number). If the required information is provided, no US withholding tax (28 % backup withholding tax) is deducted and the relevant data is reported to the US tax authorities (IRS) on an annual basis.

With the introduction of the FATCA regulations as of 1 July 2014, the bank has the obligation to report relevant US clients to the Luxemburgish tax authorities, who will forward the data to the IRS.

Furthermore, Luxembourg participates as at of 1 January 2016 in the system of the automatic exchange of information "Common Reporting Standard", implementing EU directive 2014/107/EU, based on the respective global OECD initiative. In this regard, the first data exchange will be executed in 2017 for relevant clients resident / domiciled in a country that is a CRS participating country. The bank will report the relevant data to the Luxemburgish tax authorities, which will forward it to the appropriate tax authority of a participating country in which the client is considered tax resident.

2 DISCLOSURE OF CLIENT INFORMATION RELATED TO HOLDING OR TRADING IN SECURITIES

Julius Baer entities domiciled in the European Economic Area are obliged to provide their regulators every day with reports on all transactions they have executed with regard to securities admitted to trading on European venues or derivatives thereof. Reports must include identification details of the buyer/seller of those securities and the person placing the order to trade. Where such a person is a legal entity, they will have to be reported with their Legal Entity Identifier (LEI).

Also, in some countries, it is mandatory for securities to be held in segregated sub-accounts in a client's own name, or for sub-custodians or local trading venues to provide local authorities with details of the persons they hold assets or execute trades for. This may be upon specific request or based on a standing reporting duty. Clients should be aware that holding and trading such securities may entail the Bank having to provide the local sub-custodians, trading venues, authorities or other third parties with information about them as the holder or beneficial owner of those securities.

By entering a business relationship with Julius Baer, clients will provide Julius Baer with their consent to deliver such personal information.

3 RECORDING OF CONVERSATIONS AND ELECTRONIC COMMUNICATIONS

Julius Baer is required by law to record all electronic communications which are related to a transaction, including communications with clients. This means that e-mails, fax messages and telephone conversations etc. are recorded.

Transaction-related conversations can't always be identified before they happen and may form part of a broader conversation. As a consequence, all calls need to be recorded. This means Julius Baer will not be able to accept transaction-related conversations with clients via channels that it is unable to record, such as third party instant messengers. Julius Baer is also required to create minutes of key content of client face-to-face meetings, in order to ensure the traceability of the recommendations made to clients.

Records will be stored on a durable medium in a manner that safeguards adequate confidentiality and protection from alteration. Records may be stored at any Julius Baer entity in Europe or Switzerland and – in the case of mobile phone recordings – at third party providers within Europe.

By entering into a business relationship with Julius Baer or contacting Julius Baer via an electronic channel, clients consent to the recording and storage methods described above. Clients are entitled to request a copy of their records. For more information, clients may contact the responsible data protection officer of their dedicated Julius Baer entity.

Investing in securities bears the risk of losing money. The price or value of a security and any income deriving from it may fall as well as rise as the result of market and currency fluctuations.

It is of the utmost importance that the Client understands the risks of the security the Client is investing in. In the section below, the risks of different asset classes are described.

LU-02416-EN 1-1182 EN_LU_02 20251118

RISK OF INVESTING IN SECURITIES

1 EQUITIES

When the client buys or subscribes for equities issued by a company, the client is buying a part of that company and becomes a shareholder in it, which usually means that the client has the right to vote on certain issues.

The client can either buy new shares when the company sells them to raise money (through an initial public offering if a company is listing) or buy existing shares which (in the case of a listed company) are traded on the stock market.

The aim is for the value of the client's shares to grow over time as the value of the company increases, in line with its profitability and growth. In addition, the client may also receive a dividend, which is an income paid out of the company's profits. Longer established companies usually pay dividends whilst growing companies tend to pay lower, or no dividends (with these you would typically be hoping for better capital growth). Under normal circumstances, a shareholder in a company has no right to require that company to return capital to it. Unless the company chooses to return capital to the shareholder (for example by effecting a share buyback) or the shares carry redemption rights exercisable by the shareholder (which is normally not the case), the shareholder's only way to realise their investment will be to sell the shares to another investor. Consequently, a shareholder's return on investing in the equity will depend to a large extent on the market price of the equities at the time of the sale.

The market price of an equity is affected by the supply of and demand for that equity within the market. In turn, supply and demand (and therefore the volatility of the share price) are affected by a number of factors, including:

- domestic versus international factors – the vulnerability of the company to international events or market factors, which include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets;
- sector-specific factors – these include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle change and changes in technology; and
- company-specific factors – these include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.

The level of a stock market goes up or down as the prices of the shares that are the constituents of that market go up or down. The main factor determining the price of a share is the perception of its current value to its owner. One factor that could affect the price of a share is a change in opinion as to how well the company itself is performing or could perform in the future. This opinion is frequently based on predictions about the economic conditions in which a company is operating, which is why it might seem that stock markets go up or down depending on economic conditions. Shares are generally a fairly volatile asset class – their value tends to go up and down more than other classes such as bonds and regulated collective investment schemes. If the client is investing in shares, they should expect the value of their investment to go down as well as up, and should be comfortable with this. Holding shares is high risk – if the client has put all their money into one company and that company becomes insolvent then the client will probably lose most, if not all, of their money. In the short term, shares may go up and down in value and this can occasionally be very significant. However, if the client has a wide range of shares, the likelihood of losing all or most of their money can be reduced. The liquidity of the shares may be affected by whether the shares are listed or unlisted. Where shares are unlisted it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale). If a company goes into liquidation, its shareholders rank behind the company's creditors (including its subordinated creditors) in relation to the realisation and distribution of the company's assets – with the result that a shareholder will normally only receive any money from the liquidator if there are any remaining proceeds of the liquidation once all the creditors of the company have been paid in full. Remember, as a shareholder in the company, the client could lose some or all of the money that they have invested in the shares. In addition to the above general risks, certain types of equity investment result in additional risks. These include the following:

2 BONDS/DEBENTURES

A bond is a loan to a company, government or a local authority. Generally, interest is paid to the client as the lender and the amount of the loan is repaid at the end of the term. When the client buys or subscribes for bonds, the client becomes a creditor of the issuer of the bonds. The issuer might be a government or a corporate business, or it may be an entity that has been formed specifically for the purposes of issuing the bonds (this is normally the case where the bonds pass through to investors the cash flows generated by specific assets, such as corporate loans, residential mortgages or credit card receivables). Bonds have a nominal value. This is the sum that will be returned to investors when the bond matures at the end of its term. However, because bonds are traded on the bond market, the price you pay for a bond may be more or less than the nominal value. There are several reasons why the price might vary from the nominal value, for example:

- If a bond is issued with a fixed interest rate of, say, 8% and general interest rates then fall well below that figure, then 8% will look like a good yield and the market price of the bond will tend to rise above the nominal value.
- The reverse is also true. If interest rates rise, the fixed rate of a particular bond might become less attractive and its price could fall below the nominal value.
- Ratings agencies might take the view that a particular company's bond no longer qualifies for a high rating – perhaps the company is not doing as well as it was when the bond was issued. If this happens then the market price of the bond might fall. On the other hand, the company's rating may be improved leading to a price rise.
- The inflation rate might start to creep up and the interest rate on some bonds might start to look less attractive compared with other investments.

LU-02416-EN 1-1182 EN_LU_02 20251118

The risks associated with investing in bonds include:

- interest rate risk – the risk that bond prices will fall as interest rates rise. By buying a bond, the bondholder has committed to receiving a fixed rate of return for a fixed period. Should the market interest rate rise from the date of the bond's purchase, the bond's price will fall accordingly. The bond will then be trading at a discount to reflect the lower return that an investor will make on the bond. Market interest rates are a function of several factors such as the demand for, and supply of, money in the economy, the inflation rate, the stage that the business cycle is in, as well as the government's monetary and fiscal policies;

- call risk – the risk that a bond will be called by its issuer. Callable bonds have call provisions, which allow the bond issuer to purchase the bond back from the bondholders and retire the issue. This is usually done when interest rates have fallen substantially since the issue date. Call provisions allow

- the issuer to retire the old, high-rate bonds and sell low-rate bonds in a bid to lower debt costs; default risk – the risk that the bond's issuer will be unable to pay the contractual interest or principal on the bond in a timely manner, or at all. Credit ratings services such as Moody's, Standard & Poor's and Fitch give credit ratings to bond issues, which help to give investors an idea of how likely it is that a payment default will occur; and

- inflation risk – the risk that the rate of price increases in the economy deteriorates the returns associated with the bond. This has the greatest effect on fixed- rate bonds, which have a set interest rate from inception. For example, if an investor purchases a 5 % fixed bond and then inflation rises to 10 % a year, the bondholder will lose money on the investment because the purchasing power of the proceeds has been greatly diminished. The interest rates of floating-rate bonds are adjusted periodically to match inflation rates, limiting investors' exposure to inflation risk.

Bonds can be bought and sold in the market (like shares) and their price can vary from day to day.

A rise or fall in the market price of a bond does not affect what the client would get back if the client held the bond until it matures. The client will only get back the nominal value of the bond (plus any coupon payment to which the client has been entitled during its ownership of the bond), irrespective of what the client paid for it. Fixed rate transferable securities with longer maturities / lower coupons tend to be more sensitive to interest rate movements than those with shorter maturities / higher coupons (short-term debt securities are sometimes known as debentures rather than bonds). For some bonds there may be a restricted market and it may be more difficult to deal in them or obtain reliable information about their value (and it may therefore be difficult to establish a proper market in them for the purposes of making a subsequent sale). Some bonds generate a return that is linked to the performance of a real or notional pool of underlying assets. In such circumstances, the return the client receives will depend upon the performance of the underlying pool. Many structured products take the form of bonds (see below for further details of the risks associated with structured products).

The client could lose some or (in extreme cases) all of the money invested in the bonds.

3 CONVERTIBLE BONDS

Some bonds are convertible or exchangeable into a specific number of another form of security (usually the issuer's ordinary shares) at a specified price or ratio. A company may issue a convertible security that is subject to redemption after a specified date, and usually under certain circumstances. A holder of a convertible bond that is called for redemption would be required to tender it for redemption to the issuer, convert it to the underlying equities or sell it to a third party.

Convertible bonds typically pay a lower interest rate than non-convertible bonds of the same quality and maturity, because of the convertible feature. This structure allows the holder of the convertible bond to participate in share price movements in the com- pany's shares. The actual return on a convertible bond may exceed its stated yield if the company's shares appreciate in value and the option to convert to shares becomes more valuable.

Convertible bonds typically trade at prices above their conversion value, which is the current market value of the shares received upon conversion, because of their higher yield potential than the underlying shares. The difference between the conversion value and the price of a convertible bond will vary depending on the value of the underlying shares and interest rates. When the underlying value of the shares declines, the price of the issuer's convertible bonds will tend not to fall as much because the convertible bond's income potential will act as a price support. While the value of a convertible bond also tends to rise when the price of the underlying shares rises, it may not rise as much because their conversion value is more narrow. The value of convertible bonds is also affected by changes in interest rates. For example, when interest rates fall, the value of convertible bonds may rise because of their fixed income component.

4 WARRANTS

A warrant is a time-limited right to subscribe for shares or bonds at a particular price and is exercisable against the issuer of the warrants. The issuer of the warrants might be either the original issuer of the underlying securities or a third party issuer that has set aside a pool of the underlying securities to cover its obligations under the warrants (these are called covered warrants). Generally, the success of investing in warrants depends primarily on how the underlying asset performs during the life of the warrant.

The price of the warrants will therefore be affected by the risk factors that can affect the price of the underlying securities to which the warrant relates.

A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. The right to subscribe for underlying securities conferred by a warrant is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined timescale, then the investment becomes worthless.

The price of a warrant may reflect the value attributed to the life of the warrant. The client should not buy a warrant unless the client is prepared to sustain a total loss of the invested money plus any commission or other transaction charges. Transactions in offexchange warrants may involve greater risk than dealing in exchange-traded warrants because there is no exchange market through which the client's positions may be liquidated or the value of the warrant or the risk exposure can be assessed. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is. Each warrant is a contract between the warrant issuer and the holder. The client is therefore exposed to the risk that the issuer will not perform its obligations under the warrant. Issuers of warrants sometimes reserve the right to nominate an extraordinary event which may result in the early expiry of a warrant series. The types of events

LU-02416-EN 1-1182 EN_LU_02 20251118

that may be nominated as an extra- ordinary event are set out in the terms of issue of a warrant series. Examples of extraordinary events include suspension in trading of the underlying security, the de-listing of the underlying company and a takeover of the underlying company. As a consquence of an extraordinary event, the warrant's expiry date may be brought forward, or the warrant may lapse with any intrinsic payment provided to the holder.

5 DERIVATIVES

Whilst derivative instruments can be utilised for the management of investment risk, some investments are unsuitable for many investors. Different instruments involve different levels of exposure to risk and, in deciding whether to trade in such instruments, the client should be aware of the following points.

Certain strategies such as a "spread" position or a "straddle" may be as risky as a simple "long" or "short" position.

6 OPTIONS

An option gives the buyer of the option the right (but not the obligation) to acquire an underlying security or other asset at a future date and at a pre-agreed price.

6.1 Buying options

Buying involves less risk than selling options because, if the price of the underlying asset moves against the client, the client can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the client buys a call option on a futures contract and the client later exercises the option, the client will acquire the future. This will expose the client to the risks described under "futures" below.

6.2 Write options

If the client writes an option, the risk involved is considerably greater than buying options. The client may be liable for margin to maintain their position and a loss may be sustained well in excess of the premium received. By writing an option, the client accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the client, however far the market price has moved away from the exercise price. If the client already owns the underlying asset that the client has contracted to sell (these options are known as "covered call options") the risk is reduced. If the client does not own the underlying asset ("uncovered call options") the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

The performance of an option that the client has written depends primarily on how the underlying asset performs during the life of the option. The value of the option can therefore be affected by any risk factors that can affect the price of the underlying asset to which the option relates. A relatively small movement in the price of the underlying asset can result in a disproportionately large movement, unfavourable or favourable, in the value of the option. The prices of options can therefore be volatile.

If the client writes options, the client may sustain a total loss of any margin the client deposits with Julius Baer to establish or maintain a position. If the market moves against the client, the client may be called upon to pay substantial additional margin at short notice to maintain the position. If the client fails to do so within the time required, their position may be liquidated at a loss and the client will be responsible for the resulting deficit.

Even if a written option transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the client entered the contract.

6.3 Traditional options

Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a "traditional option". These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position.

It may be difficult to assess its value or for the seller of such an option to manage their exposure to risk. The firm's insolvency or default, or that of any other brokers involved with the client's option transaction, may lead to positions being liquidated or closed out without the client's consent. In certain circumstances, the client may not get back the actual assets that they lodged as collateral and may have to accept any available payments in cash. On many exchanges, the performance of a transaction by the relevant broker is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the client, and may not protect the client if the broker or another party defaults on its obligations to the client.

On request, we can explain the extent of any protection provided to the client under the clearing guarantee applicable to any on-exchange derivatives in which the client is dealing. There is no clearing house for traditional options, or normally for "over- the-counter" ("OTC") instruments. Options may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish a fair price.

7 FUTURES/FORWARDS

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The performance of a futures or forward contract depends primarily on how the underlying asset performs during the life of the contract.

The value of the future or forward can therefore be affected by any of the risk factors that can af- fect the price of the underlying asset to which the contract relates.

The "gearing" or "leverage" often obtainable in futures or forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against the client as well as for the client. Futures and forwards transactions have a contingent liability, which means that the client may

LU-02416-EN 1-1182 EN_LU_02 20251118

be liable for margin to maintain their position and a loss may be sustained well in excess of the premium received. By entering into a futures or forwards contract, the client accepts a legal obligation to purchase or sell the underlying asset, however far the market price has moved away from the agreed price.

The client may sustain a total loss of any margin deposited with Julius Baer to establish or maintain a position. If the market moves against the client, the client may be called upon to pay substantial additional margin at short notice to maintain the position. If the client fails to do so within the time required, their position may be liquidated at a loss and the client will be responsible for the resulting deficit.

Insolvency or default of any brokers involved with the client's futures or forwards transaction may lead to positions being liquidated or closed out without the client's consent. In certain circumstances, the client may not get back the actual assets that they have lodged as collateral and may have to accept any available payments in cash.

On many exchanges, the performance of a transaction by the relevant broker is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the client, and may not protect the client if the broker or another party defaults on its obligations to the client. On request, Julius Baer can explain the extent of any protection provided to the client under the clearing guarantee applicable to any on-exchange derivatives in which the client is dealing. There is no clearing house for futures or forwards executed on an OTC basis. Futures and forwards may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position.

It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish a fair price.

8 CONTRACTS FOR DIFFERENCES

Futures and options contracts that only contemplate cash settlement of the parties' obligations (rather than physical delivery of the underlying assets) are known as 'contracts for differences' or "CFDs". CFDs include options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps, spread bets and rolling spot foreign exchange contracts.

The "gearing" or "leverage" often obtainable in CFD trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against the client as well as for the client. CFD transactions have a contingent liability, which means that the client may be liable for margin to maintain the client's position and a loss may be sustained well in excess of the premium received.

The client may sustain a total loss of any margin the client deposits with Julius Baer to establish or maintain a position. If the market moves against the client, the client may be called upon to pay substantial additional margin at short notice to maintain the position. If the client fails to do so within the time required, their position may be liquidated at a loss and the client will be responsible for the resulting deficit.

Insolvency or default of any brokers involved with the client's CFD transaction may lead to positions being liquidated or closed out without the client's consent. In certain circumstances, the client may not get back the actual assets that they lodged as collateral and may have to accept any available payments in cash.

On many exchanges, the performance of a transaction by the relevant broker is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the client, and may not protect the client if the broker or another party defaults on its obligations to the client. On request, Julius Baer can explain the extent of any protection provided to the client under the clearing guarantee applicable to any on-exchange derivatives in which the client is dealing. There is no clearing house for most CFDs executed on an OTC basis.

CFD transactions may be executed on an investment exchange or on an OTC basis. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish a fair price.

9 UNDERTAKINGS FOR COLLECTIVE INVESTMENT ("UCI")

A UCI is a scheme that allows an investor to invest money on a pooled basis (along with a number of other investors). A UCI may take various forms, such as a SICAV or a FCP or equivalent, or other forms in relation to foreign UCIs. As an investor, the client buys shares / partnership interests / units in the UCI in the hope that the value rises over time as the prices of the underlying investments increase. The price of the shares / partnership interests / units depends on how the underlying investments perform.

Some UCIs are called "open-ended" permitting redemptions whereas in the case of "closed-ended" UCIs, investors are either unable to withdraw their investments or can only do so in very restrictive circumstances. Normally, there is no established secondary market in UCIs, which means that the client's investment in them cannot usually be sold to third parties. However (except for certain types of "closed-ended" funds), the constitutional documents of the UCI enable the client to redeem their investment in the UCI at its net asset value.

The frequency with which the client can redeem their investment will depend on the precise terms of those constitutional documents. The level of risk of an investment in a UCI will depend on the underlying investments in which it is invested and how well diversified the open-ended investment fund is.

For example, a fund that invests in only one industrial sector, such as technology, will invariably be more risky than funds that invest across the whole range of companies in a market. Any details provided of past performance are illustrative only, are not intended to indicate future performance and may not be audited. Julius Baer does not take responsibility for ensuring that the content of material supplied by UCI managers is correct. Luxembourg UCIs are regulated, which means that there are rules about (and limits on) the types of underlying investments and/or the minimum diversification. Foreign UCIs may be unregulated, which means that there are very few or no rules about the types of investments in which they can be invested or the minimum diversification.

LU-02416-EN 1-1182 EN_LU_02
20251118

10 EXCHANGE TRADED FUNDS

An Exchange Traded Fund (ETF) is an investment fund that allows investors to buy and sell units.

Broadly, ETFs fall into one of two distinct categories: physically replicated ETFs, which own at least some of the assets; and synthetic ETFs, where the fund earns a return through investing in derivatives.

Synthetic ETFs tend to be more complex with different risk characteristics. Less common and more complex types of ETFs include short or inverse ETFs where the fund offers a positive return if the assets fall in value, and leveraged ETFs which attempt to make an above-normal return but may also magnify any losses. As the available range of ETFs is very wide, the prospectus and other relevant documentation published by the ETF provider should be read prior to investing. An ETF's net asset value may go up or down as a result of market, economic, currency and political conditions. Where these conditions are less favourable, losses over short periods can result.

Where the market experiences an overall deterioration, this can cause sustained losses. ETFs are also subject to counterparty risk, represented by the possibility of settlement failures on the part of counterparties. Such a failure would be brought about by a decline in the financial situation of the party trading in the ETF, which would cause the party to fail to meet its payment and/or settlement obligations.

Synthetic ETFs are exposed to additional credit risk. The derivatives that such ETFs invest in represent unsecured, general, direct obligations of the issuer. Neither the firm nor the ETF hold legal or equitable interest in the securities underlying the derivatives, and investors in synthetic ETFs would therefore be exposed to the credit risk of the counterparties who issued the derivatives. ETFs possess risks related to the securities in the underlying indices. ETFs are subject to risks applicable to any portfolio of common stocks and bonds, including that generally of lower prices and the chance that they may underperform more concentrated or actively managed portfolios. By targeting performance in line with indices, in- vestors may also be foregoing the opportunity to outperform. ETFs are subject to "tracking error" risks.

Factors such as expenses, imperfect correlation between an ETF's stocks and those in the underlying index and regulatory policies may cause an ETF's return to deviate from its underlying index. ETFs are typically a conventional open-ended fund structure, however regulatory changes and innovation in structure can lead to different approaches under the general heading of Exchange Traded Products.

ETFs afford investors two forms of liquidity. The first is through trading the shares on a secondary on-exchange market. The second is on a primary basis via the unique "creation" process, whereby the AP purchases the underlying basket of securities in the market and deposits the basket "in kind" into the ETF, creating more shares in the ETF. The unique creation/redemption process means that the liquidity in the ETF is driven by the liquidity in the underlying securities. As such, similar indices can have different liquidity profiles based on their index methodology. An ETF is also subject to pricing risk, as the secondary market price of units will sometimes be above or below the fair price for buying and selling units (the net asset value), meaning investors may not be able to buy or sell at a price close to the fair price. Investors may sustain losses where the ETF is bought at a premium or sold when the market price is at a discount to the fair price. The divergence between the secondary market price and the fair price of the ETF will be increased where:

i there is a large imbalance between market supply and demand for units on the exchange where the units are listed;

ii there is a divergence between the prices offered by potential purchasers and the asking prices of potential sellers (the "bid/ask" spread) – market uncertainty and/or volatility will usually cause the bid/ask spread to increase; or

iii the index/market that the ETF tracks is subject to restricted access, causing the efficiency at which units are created or redeemed to keep the price of the ETF in line with its fair value to be.

In general, only financial institutions which have entered into arrangements with the receiving agent, the trustee and the manager of an ETF (i. e. "authorised participants" or "participating dealers") may place orders to create or redeem units in an ETF, and redemption orders may be limited, postponed, suspended or rejected in certain circumstances.

However, as the units of the ETFs are listed on a stock exchange, prospective investors may buy or sell the units at any time during a trading day on that exchange.

11 HEDGE FUNDS

Hedge funds typically use derivatives for directional investing and/or are allowed to have a short position and/or use significant leverage through borrowing. Additional characteristics of hedge funds are the free choice of assets (including illiquid and distressed securities), free choice of markets (including emerging markets) and the free choice of trading style, including a lack of asset diversification. Whilst returns may be higher than standard investments, investments in hedge funds involve a high degree of risk and are only suitable for investors who fully understand and are willing to assume the risks involved.

In particular such investors are exposed to potential loss which could involve the complete loss of the investment. Their use of leverage may mean that market movements could have a disproportionate effect on the net asset value of the fund. Hedge funds are often domiciled in offshore jurisdictions where the standards of regulation and in particular the standards of regulatory supervision do not meet the standards required in Luxembourg. Investments in hedge funds are typically subject to transfer and redemption restrictions. Transfers are usually subject to approval by the fund and redemption may be permitted only after an initial lock-in period and long notification periods. In most cases, there is no liquid market for investments in hedge funds. It may there- fore be difficult to obtain reliable information about their value or the extent of the risks to which the client is exposed. Another risk factor to be considered is the dependence upon key portfolio managers of the fund, whose experience levels may vary. Furthermore, where hedge fund portfolio managers are compensated on a performance incentive basis, it may cause them to make riskier and more speculative investment decisions than if such a fee was not paid.

12 PRIVATE EQUITY FUNDS

Private Equity Funds invest exclusively or almost entirely in companies that are not listed (or that take over publicly listed companies with a view to delisting them). Investment in Private Equity Funds is typically by way of commitment (i. e. whereby an investor agrees to commit to invest a certain amount in the fund and this amount is drawn down by the fund as and when it is needed to make private equity investments). Private Equity Funds tend to be closed-ended and to have a finite lifespan. During the life of the fund, it is usually not possible for the client to redeem their investment. Therefore, if the client invests in a Private Equity Fund, it may be several years before the client sees any sort of return on the investment. Whilst returns may be higher than standard investments, investments in Private Equity Funds involve a high degree of risk and are only suitable

LU-02416-EN 1-1182 EN_LU_02 20251118

for investors who fully understand and are willing to assume the risks involved. The returns are dependent on the performance of the companies in which the fund invests and, in turn therefore, largely dependent on the fund manager's ability to influence that performance. Investors in Private Equity Funds are exposed to potential loss which could involve the complete loss of the investment. Private Equity Funds are often domiciled in offshore juris- dictions where the standards of regulation and in particular the standards of regulatory supervision do not meet the standards required in Luxembourg.

13 REAL ESTATE FUNDS

Real Estate Funds invest exclusively or almost entirely in real estate, or in companies that invest in real estate. Most Real Estate Funds are structured and operate in a similar manner to Private Equity Funds. Investment in Real Estate Funds is typically by way of commitment (i. e. whereby an investor agrees to commit to invest a certain amount in the fund and this amount is drawn down by the fund as and when it is needed to make private equity investments).

Real Estate Funds tend to be closed-ended and to have a finite lifespan. During the life of the fund, it is usually not possible for the client to redeem their investment. Therefore, if the client invests in a real estate fund, it may be several years before the client sees any sort of return on the investment. Whilst returns may be higher than standard investments, investments in Real Estate Funds involve a high degree of risk and are only suitable for investors who fully understand and are willing to assume the risks involved.

Returns are dependent on the value of the properties or companies in which the fund invests (and therefore on the ability of the manager to pick investments that increase in value). Investors in such funds are exposed to the risk of a general downturn in the property market. Investors in Real Estate Funds are exposed to potential loss which could involve the complete loss of the investment.

14 FUNDS OF FUNDS

Funds of funds invest in other investment funds. Two common types are funds of hedge funds and Private Equity Funds of funds. A fund of hedge funds invests in other hedge funds. A Private Equity Fund of funds invests in other Private Equity Funds. Funds of funds offer an opportunity for investors to invest in a portfolio of hedge funds or Private Equity Funds (and thereby diversify their risk). The returns on a fund of funds will be lower than a series of direct investments in the underlying funds because the manager of the fund of funds takes a fee in addition to the fee charged by the managers of the underlying funds. Investments in a fund of hedge funds are typically subject to trans-fer and redemption restrictions. Transfers are usually subject to approval by the fund and redemption may be permitted only after an initial lock-in period and long notification periods. Investment in Private Equity Funds of funds is typically by way of commitment (i. e. whereby an investor agrees to commit to invest a certain amount in the fund and this amount is drawn down by the fund as and when it is needed to honour its commitments to the Private Equity Funds in which it has invested). Private Equity Funds of funds tend to be closed-ended and to have a finite lifespan.

During the life of the fund it is usually not possible for the client to redeem their investment. Therefore, if the client invests in a Private Equity Fund of funds, it may be several years before the client sees any sort of return on the investment.

15 STRUCTURED PRODUCTS

Structured products are products structured to fulfil a particular trading or market objective. A structured product may combine the features of two or more financial instruments (for example a bond and a derivative). Derivatives often constitute an integral part of a structured product. The product may involve an element of leverage and so a relatively small movement in the value of the relevant underlying asset or index may have a significant effect on the value of the structured product. Structured products are generally not traded on regulated markets and the client takes the risk on the counterparty issuing the structure. There is typically no recognised market for these investments and it may, therefore, be difficult for the client to deal in the investment or to obtain reliable information about its value or the ex- tent of the risks to which it is exposed.

Some structured products include an element of capital protection – however, the client should bear in mind that this is not a guarantee that the amount invested will be returned in all circumstances.

The capital protection offered is typically subject to the investment being held until maturity and to the creditworthiness of the issuer. The value of a basket of products may be affected by the number and quality of reference assets included in the basket. Generally, the value of a basket that includes reference assets from a number of issuers or indices will be less affected by changes in the value of any particular reference asset in the basket than a basket of fewer reference assets, or one that gives greater weight to some of the reference assets. If the reference assets included are concentrated in any particular industry the value of the basket will be more affected by the economic, financial and other factors affecting that industry than if the reference assets are in various industries that are affected by different economic, financial and other factors, or are affected by such factors in a different way.

The firm or an associate may be the issuer of (or may be involved in the design of) structured products that the client purchases. Structured products are often high-risk investments and the client could lose some or all of the money invested in them.

Further details of the specific risks associated with particular structured products may be made available to the client at the time that the client invests in them.

16 FOREIGN EXCHANGE TRADING

Engaging in Foreign Exchange Trading (buying one currency in exchange for another) exposes the client to the risk of adverse changes in exchange rates.

Exchange rates can be volatile and are driven by a variety of factors affecting the economies of the jurisdictions in whose currencies the client is trading. The "gearing" or "leverage" often obtainable in FX trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of the investment, and this can work against the client as well as for the client. Some FX transactions have a contingent liability, which means that the client may be liable for margin to maintain their position and a loss may be sustained well in excess of the premium received. The client may sustain a total loss of any margin deposited with Julius Baer to establish or maintain a position. If the market moves against the client, the client may be called upon to pay substantial additional margin at short notice to maintain the position. If the client fails to do so within the time required, their position may be liquidated at a loss and the client will be responsible for the resulting deficit.

Our insolvency or default, or that of any other dealers involved with the client's FX transaction, may lead to positions being liquidated or closed out without the client's consent. In certain circumstances, the client may not get back the actual assets that they lodged as collateral and may have to accept any available payments in cash.

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IMPORTANT LEGAL INFORMATION

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LU-02416-EN 1-1182 EN_LU_02
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