



# Nectar Smart Alternatives



## Actively Managed Certificate on Nectar Smart Alternatives Strategy Portfolio

### Performance Report

December 2018 - Estimate

#### Product Description

The Nectar Smart Alternatives - Actively Managed Certificate (AMC) provides access to digitally sourced alternative investment strategies using a revolutionary investment approach. Big data is the starting point and machine learning is used to find and assess unique investment pearls in a sea of data. Our digital process constantly evolves by adapting artificial intelligence (AI), latest academic research and decades of know how in the world of alternatives. Human oversight is built into the process with a thorough investment due diligence, outsourced operational due diligence and independent risk management.

The Nectar Smart Alternatives AMC is diversified with an array of return drivers with the objective to deliver true alpha and to enhance client's portfolio efficiency. The target volatility of this product is between 3% and 5% while expected returns are in the 6 to 12% range p.a.

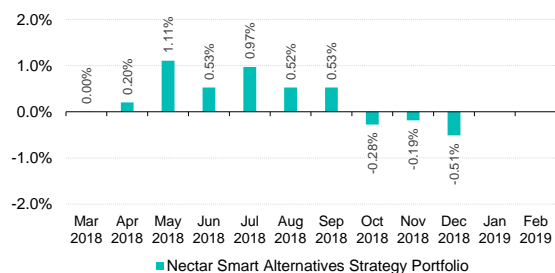
#### Key Facts

Issuer	Bank Julius Baer & Co. Ltd., Guernsey Branch (Rating: Moody's A2)
Lead manager	Bank Julius Baer & Co. Ltd., Zürich
Investment advisor	Nectar Digital Wealth AG, Zürich
Swiss security number (Valor)	39403804
ISIN	CH0394038043

#### Performance

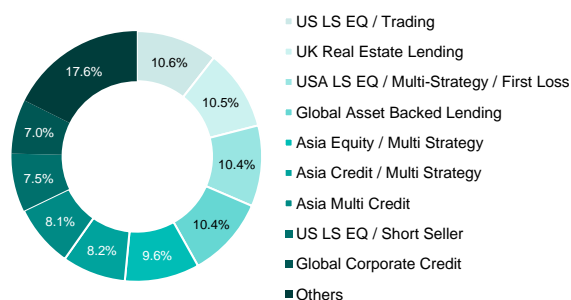
Price per certificate, estimate	USD	10'290
Month to date return		-0.51%
Cumulative return since inception		2.90%
Cumulative return year to date		2.90%
Total AUM, after flows	USD	13m

#### Monthly Performance



Note: Current month is an estimated performance, previous months are final performance numbers

#### Strategy Allocation



Note: Graphics scale to 100%, excluding cash allocation, after monthly rebalancing

#### Top-10 Holdings

	Weight	Performance Mtd	Attribution SI
USA LS EQ / Multi-Strategy / First Loss	10%	0.5%	0.7%
UK Real Estate Lending	10%	0.6%	0.7%
Global Asset Backed Lending	10%	0.6%	0.6%
Asia Equity / Multi Strategy	9%	-1.0%	-0.2%
Asia Credit / Multi Strategy	8%	0.3%	0.0%
Asia Multi Credit	8%	-0.2%	-0.1%
US LS EQ / Short Seller	7%	-2.9%	1.8%
US LS EQ / Trading	7%	-1.7%	0.4%
Global Corporate Credit	7%	0.1%	0.1%
EUR LS EQ / Systematic	5%	0.8%	-0.1%

#### Key Statistics Portfolio vs Indices <sup>(1)</sup>

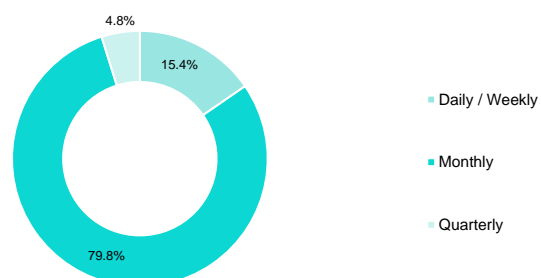
	Portfolio	US Dollar Indices		
		Global Equities	Global Bonds	Fund of Funds
Annualised return past 3 years	9.3%	7.3%	2.6%	0.1%
Annualised volatility past 3 years	3.9%	9.8%	2.5%	3.4%
Sharpe ratio 3 years	2.35	0.74	1.06	0.04

<sup>(1)</sup> Weighted 3 year returns and volatilities of current portfolio positions. Compared to global equities hedged into USD, global bonds hedged into USD, and a global fund of funds index

#### Differentiators

<b>Innovative</b>	Digital investment process based on big data and AI
<b>Optimised</b>	Unbiased and optimal composition of underlying strategies
<b>Democratic</b>	Technology enables access to institutional types of returns
<b>Human</b>	Human oversight of specialists with decades of experience

#### Liquidity Profile Sub-Funds



**Liquidity and Fees**

Liquidity subscription	Monthly 10 business days
Liquidity redemptions	Monthly 35 calendar days
Certificate management fee	0.5% p.a.
Certificate advisory fee	0.5% p.a.
Performance fee	10% (with high water mark)
Hurdle rate	1-year USD swap rate

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