

Investment Opportunity for Selected Partners.

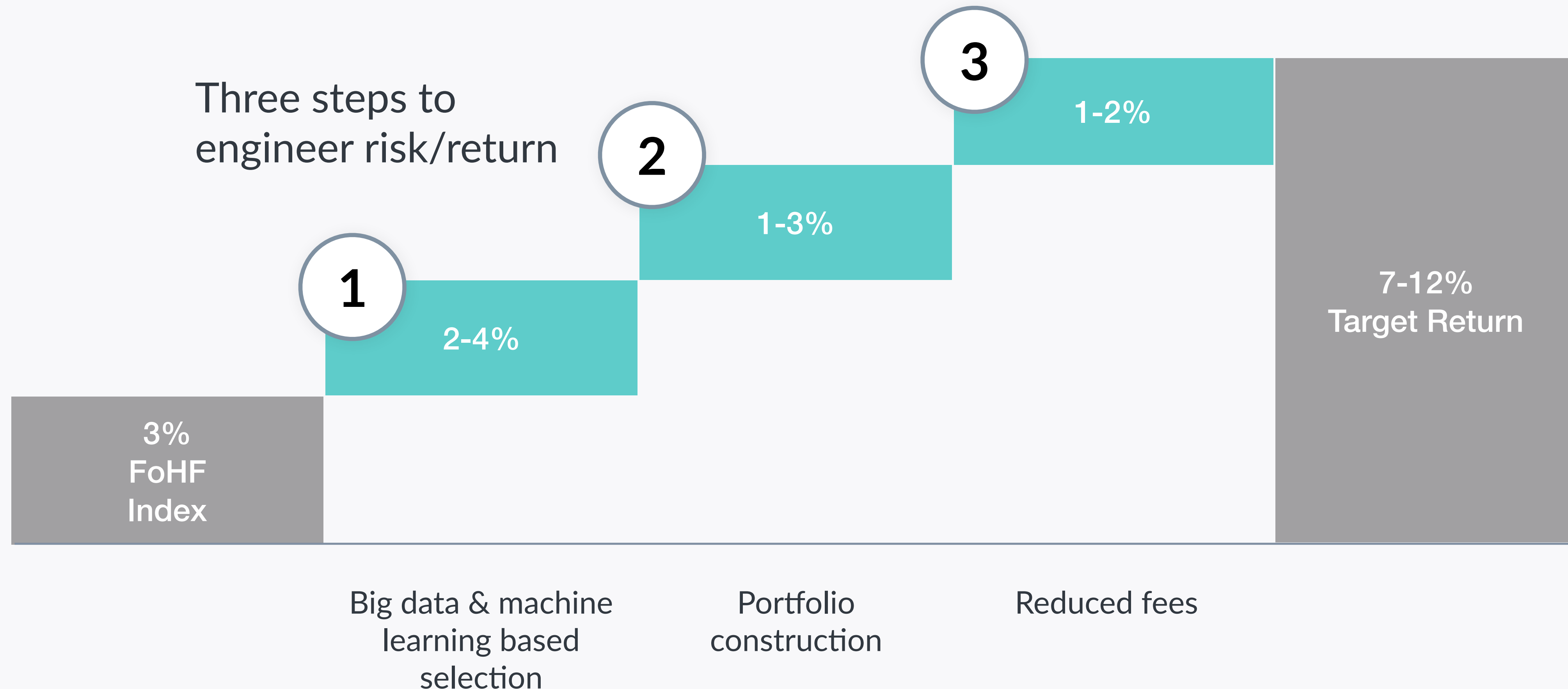
Sponsored by Nectar. Issued by Bank Julius Bär & Co Ltd.

# Nectar Smart Alternatives

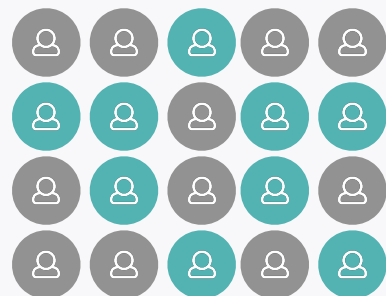
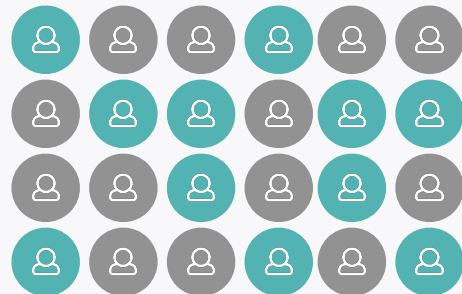
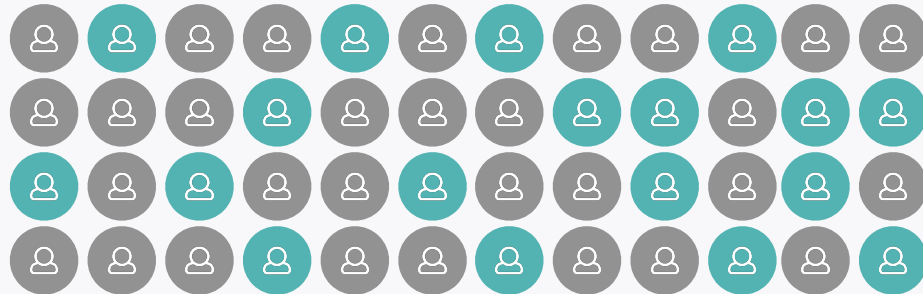
# Three steps to Optimise Risk/Return



Extensive data analysis has shown that superior risk/returns can be engineered supported by **AI based technology**



# Digital Investment Process



Digital instrument sourcing using crowd intelligence  
**>15'000 instruments**

Peer group assessment using artificial intelligence  
**100-200 instruments**

Automated single instrument assessment using multi-factor analysis  
**30-50 instruments**

Smart algorithmic portfolio construction  
**15-25 instruments**

Due diligence and human oversight  
**15-20 instruments**

# The Smart Alternatives Portfolio

Optimal portfolio construction and broad diversification without any bias

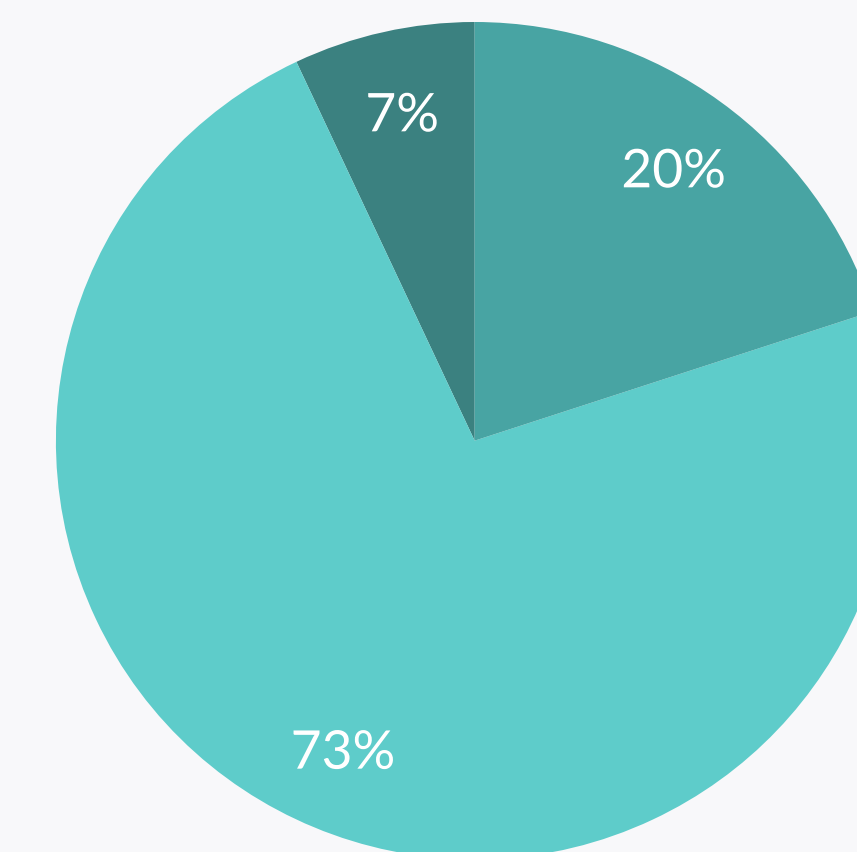
## Portfolio Holdings

|   |        |
|---|--------|
| Global Asset Backed Lending             | 11,0 % |
| UK Real Estate Lending                  | 10,5 % |
| US LS EQ / Short Seller                 | 9,7 %  |
| EU Real Estate Lending                  | 8,8 %  |
| Asia Equity / Multi Strategy            | 7,8 %  |
| Event Driven                            | 7,2 %  |
| Global Credit / Multi-strategy          | 7,0 %  |
| USA LS EQ / Multi-Strategy / First Loss | 5,9 %  |
| Global Corporate Credit                 | 5,6 %  |
| Multi Strategy / Leverage Financing     | 5,3 %  |
| EUR LS EQ / Systematic                  | 3,8 %  |
| US Volatility Arbitrage                 | 3,5 %  |
| US Volatility Arbitrage                 | 3,2 %  |
| Global Corporate Credit                 | 3,2 %  |
| UK LS EQ / Trading                      | 3,1 %  |
| Global Credit / Macro                   | 2,9 %  |
| Global / Macro                          | 1,6 %  |

## Portfolio Highlights

- 1
 A data-driven array of return drivers and alpha free of hidden biases.
  
- 2
 Optimally diversified and liquid, consisting of 15-20 positions.
  
- 3
 Low correlation to equities, bonds and traditional hedge funds.

## Portfolio Liquidity



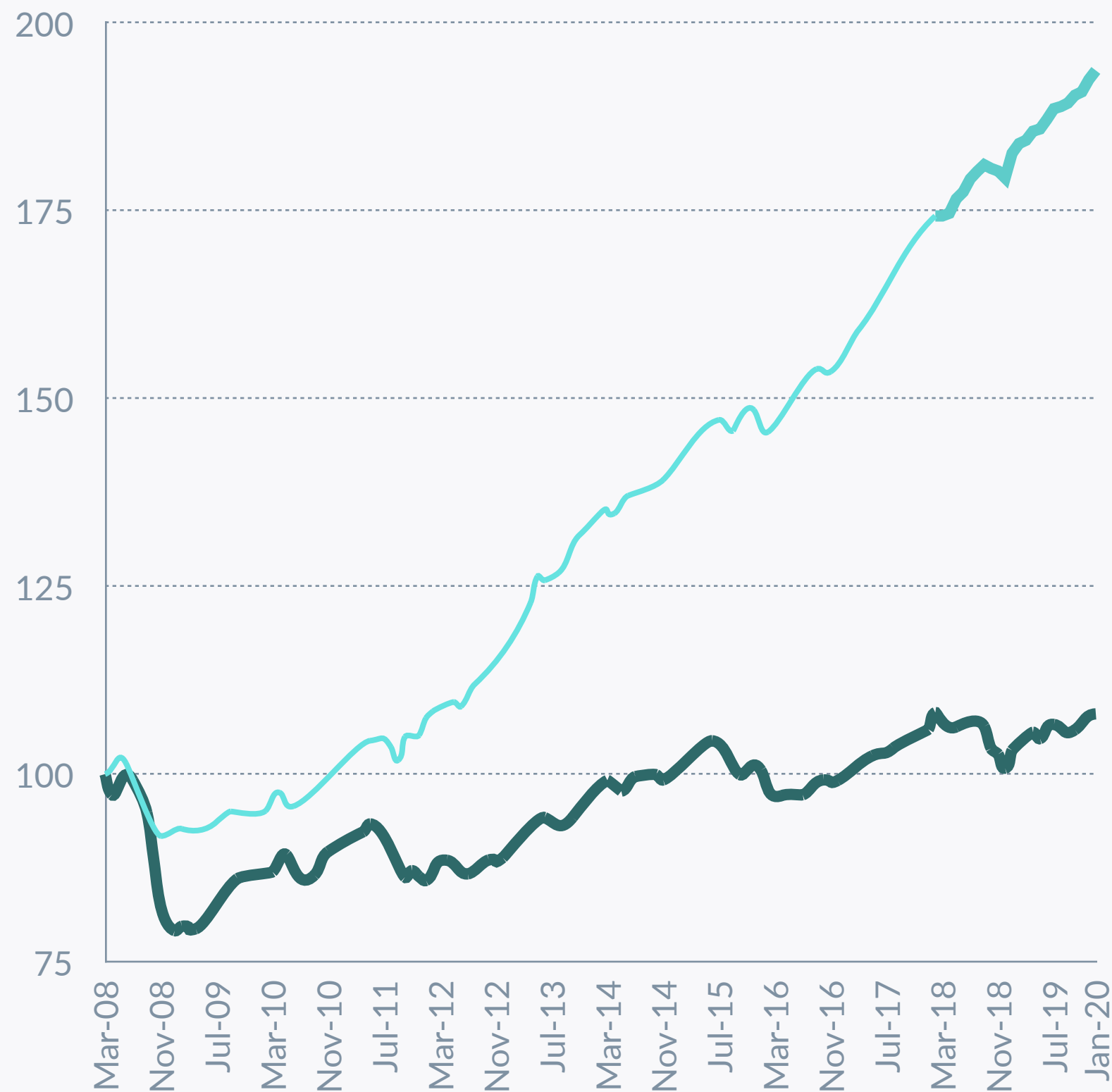
- Daily/Weekly 20%
- Monthly 73%
- Quarterly 7%

Certificate liquidity  
 monthly in - 10 b-day's notice  
 monthly out - 35 c-day's notice

# Result of the Implementation



Uncorrelated return sources, digital selection, human proof



## Walk-Forward Performance

- Out of sample walk forward test using digital investment process
- Systematic entry and exit signals
- Considering liquidity limitations on underlying funds

## Key Statistics

### Nectar Smart Alternatives

|                  |      |
|------------------|------|
| Annual Returns   | 5.7% |
| Annual Std. Dev. | 3.2% |
| Sharpe Ratio     | 1.8x |

### Barclay Fund of Fund Index

|                  |      |
|------------------|------|
| Annual Returns   | 0.7% |
| Annual Std. Dev. | 4.8% |
| Sharpe Ratio     | 0.1x |

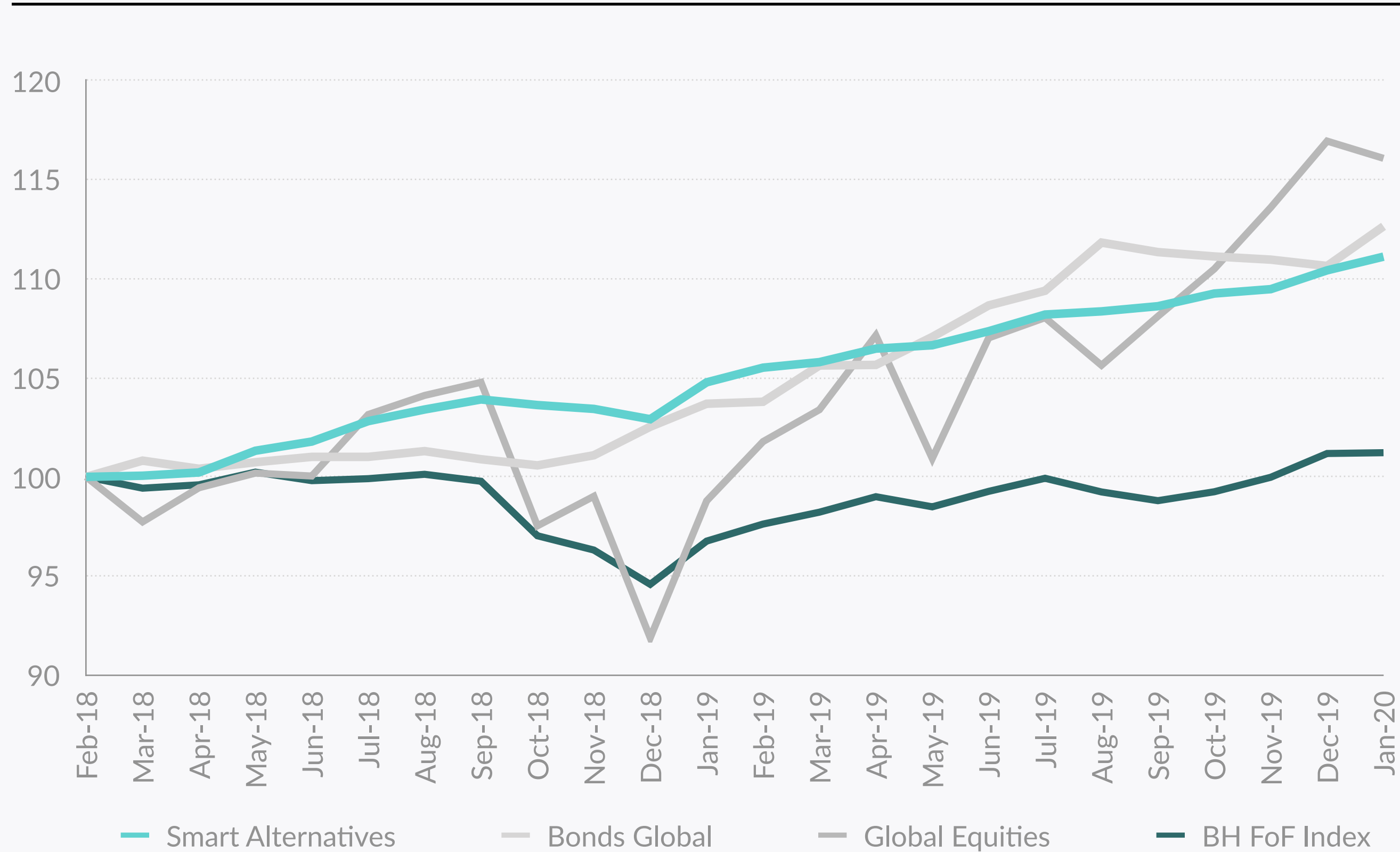
Returns shown are NET of fees (see terms and conditions). Performance for the period March 2008 until February 2018 are based on simulations and our automated walk forward analysis. The performance shown since March 2018 reflects the performance of the AMC Nectar Smart Alternatives Strategy Portfolio. The performance shown is not indicative for future results.

# Live Performance vs. Peers



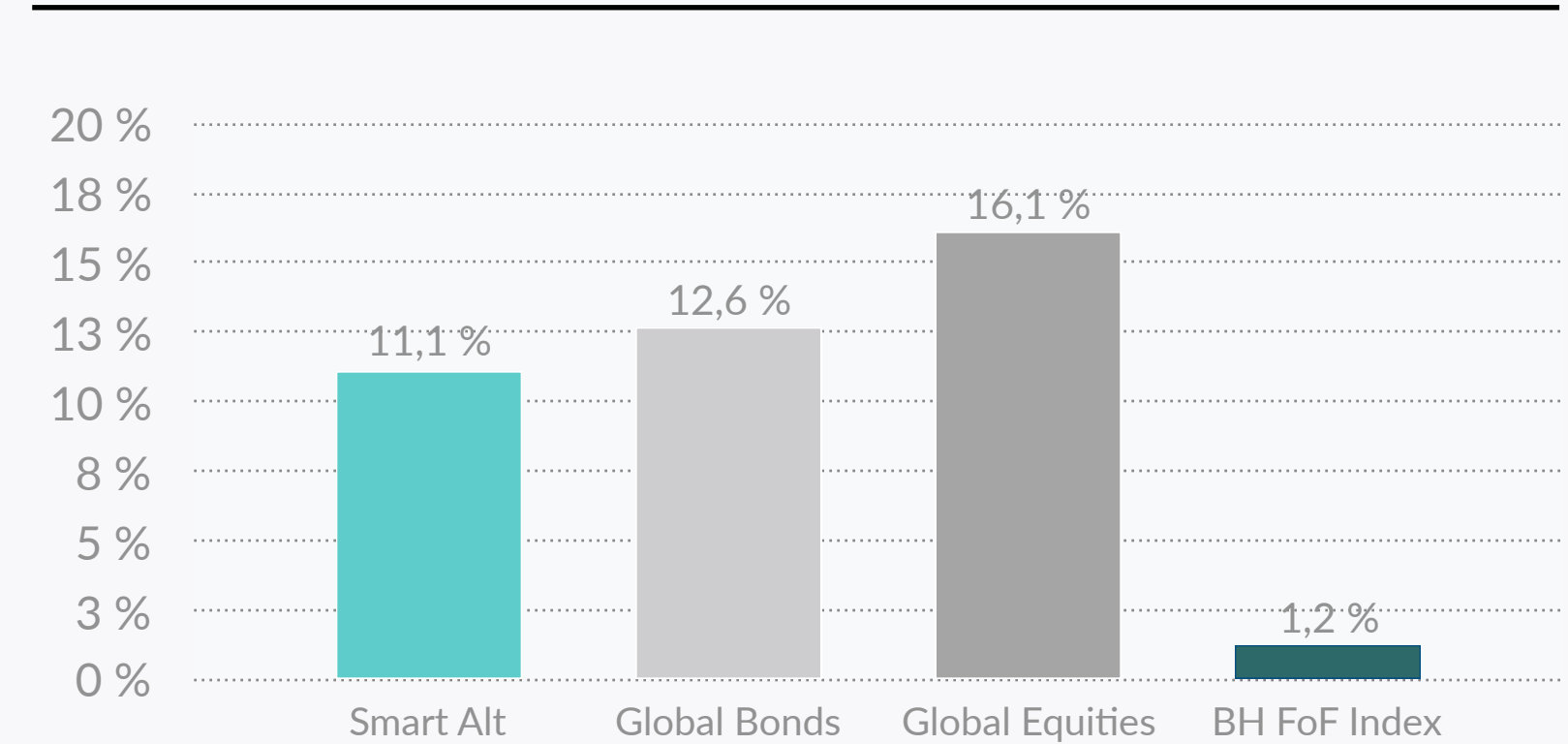
Attractive returns combined with low volatility

Performance Since Inception, rebased to 100, in USD

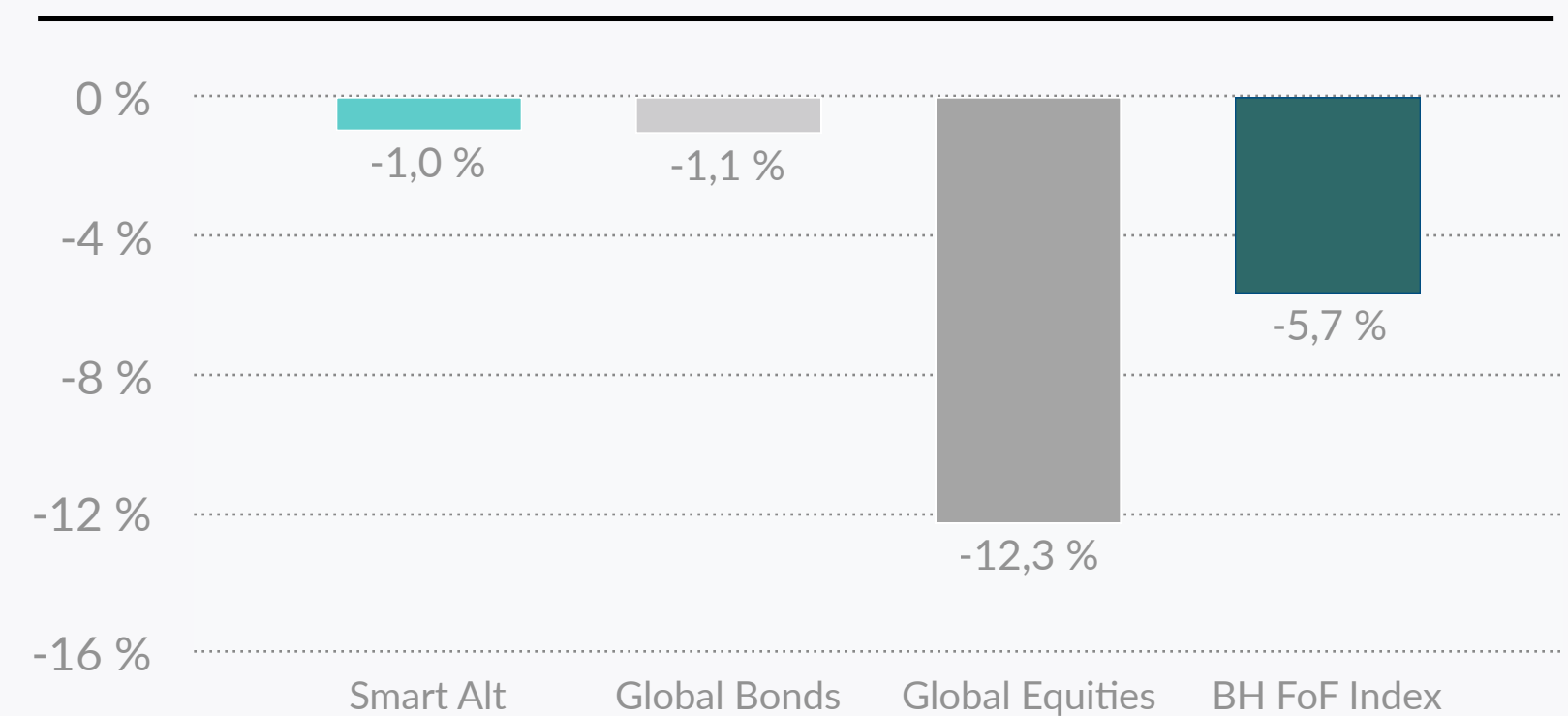


Source: Nectar Digital Wealth, Morningstar, BarclayHedge. Based on monthly data as per January 31, 2018

Return Since March 01, 2018



Maximum Drawdown



# Nectar Smart Alternatives – Indicative Key Terms



Actively Managed Certificate sponsored by Nectar and Issued by Bank Julius Baer & Co Ltd.

Actively Managed Certificate issued by  
Bank Julius Baer & Co Ltd. (BJB)  
Rating: Moody's A2

Launch date: February 28, 2018

Minimum investment: USD 10'000<sup>1</sup>

Valor: 39403804

ISIN: CH0394038043

Administration fee (BJB): 0.50% p.a.

Advisory fee (Nectar): 0.50% p.a.

Performance fee (Nectar): 10% above 1-year USD Swap

Reporting: monthly factsheet, bi-weekly estimates

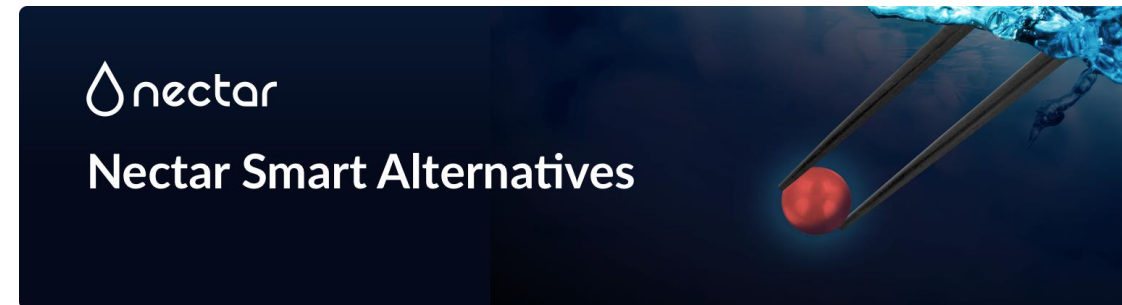
Certificate liquidity: monthly in, monthly out  
(35 day's notice)

<sup>1</sup> For Swiss domiciled investors only. For investors domiciled outside of Switzerland, other minimum investments may apply.

# Nectar Smart Alternatives – Reporting



## Monthly Factsheets and Mid-Month Estimates E-Mail



### Actively Managed Certificate on Nectar Smart Alternatives Strategy Portfolio

Performance Report January 2019 - Estimate

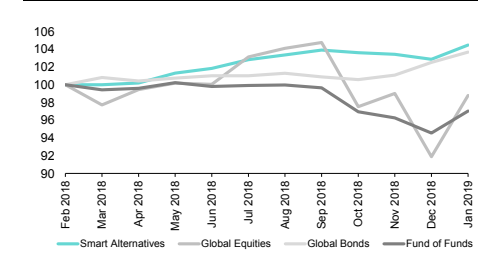
**Product Description**  
The Nectar Smart Alternatives - Actively Managed Certificate (AMC) provides access to digitally sourced alternative investment strategies using a revolutionary investment approach. Big data is the starting point and machine learning is used to find and assess unique investment 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   | Top-10 Holdings                         | Weight | Performance Mtd |
|---|---|--------|-----------------|
| Issuer: Bank Julius Baer & Co. Ltd., Guernsey Branch (Rating: Moody's A2) | UK Real Estate Lending                  | 10%    | 0.6%            |
| Lead manager: Bank Julius Baer & Co. Ltd., Zürich                         | USA LS EQ / Multi-Strategy / First Loss | 10%    | 0.6%            |
| Investment advisor: Nectar Digital Wealth AG, Zürich                      | Global Asset Backed Lending             | 10%    | 0.6%            |
| Swiss security number (Valor): 39403804                                   | Asia Equity / Multi Strategy            | 9%     | 0.9%            |
| ISIN: CH0394038043  | Asia Credit / Multi Strategy            | 8%     | 0.0%            |
| Total AUM, after flows: USD 13.2m   | Asia Multi Credit                       | 8%     | 2.2%            |
|   | US LS EQ / Short Seller                 | 7%     | 12.2%           |
|   | Global Corporate Credit                 | 7%     | 2.3%            |
|   | US LS EQ / Trading                      | 7%     | 1.6%            |
|   | EUR LS EQ / Systematic                  | 5%     | 0.7%            |

| Performance                           | Price per certificate, estimate | USD | 10'448 |
|---------------------------------------|---------------------------------|-----|--------|
| Month to date return                  |                                 |     | 1.56%  |
| Cumulative return since inception     |                                 |     | 4.48%  |
| Cumulative return year to date        |                                 |     | 1.56%  |
| Annualized return since inception     |                                 |     | 4.90%  |
| Annualized volatility since inception |                                 |     | 2.21%  |

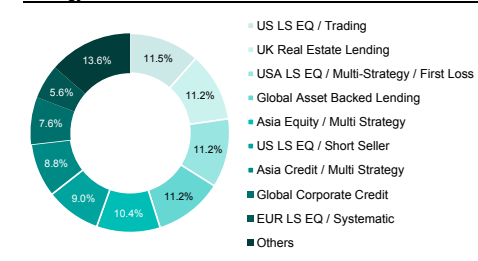
#### Monthly Performance



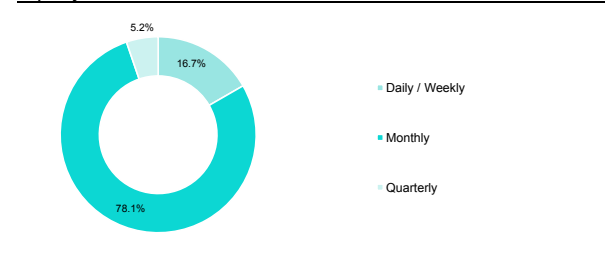
| Key Statistics Portfolio vs Indices <sup>1)</sup> | Portfolio | US Dollar Indices |              |               |
|---|-----------|-------------------|--------------|---------------|
|   |           | Global Equities   | Global Bonds | Fund of Funds |
| Annualised return past 3 years                    | 10.1%     | 11.6%             | 2.5%         | 1.9%          |
| Annualised volatility past 3 years                | 3.9%      | 9.9%              | 2.4%         | 3.4%          |
| Sharpe ratio 3 years                              | 2.58      | 1.17              | 1.04         | 0.55          |

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

#### Strategy Allocation



#### Liquidity Profile Sub-Funds



Nectar Smart Alternatives - January 2019 Estimate Performance Report - BJB

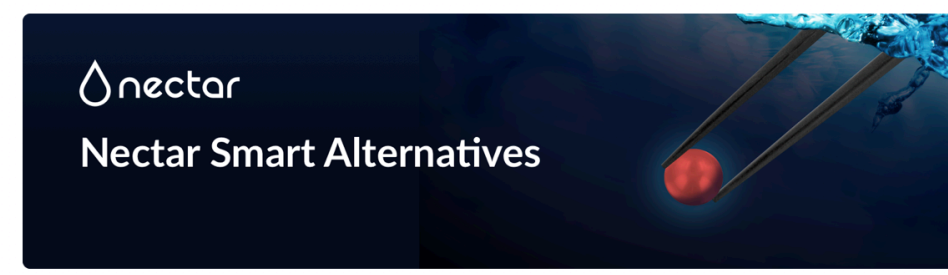
Nachricht

Nectar Smart Alternatives - January 2019 Estimate Performance Report

**Nectar Digital Wealth AG** <info@nectarfinancial.com>  
 Andreas Gilgen  
 Montag, 11. Februar 2019 um 10:10  
[Details anzeigen](#)

[Abonnement kündigen](#) [Add-Ins verwalten...](#)

[View this email in your browser](#)



Dear Andreas,

Please click on the following link to access the [Estimate January 2019 Performance Report](#).

|                           | Mtd   | S.I. * |
|---------------------------|-------|--------|
| Nectar Smart Alternatives | 1.56% | 4.48%  |
| Fund of Funds Index       | 2.63% | -2.96% |

\* Since inception on March 1, 2018

For additional information please do not hesitate to contact us.

Kind regards,  
 Your Nectar Team

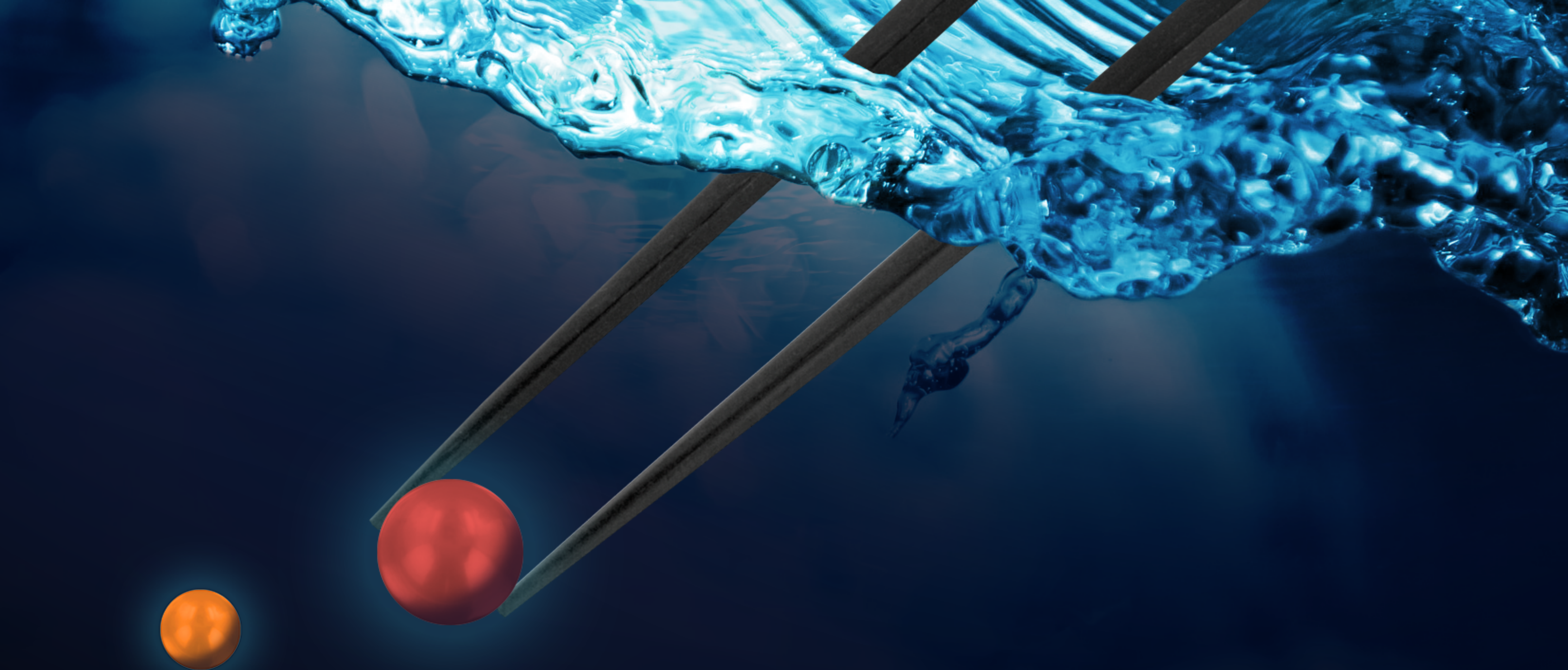
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Appendix

# Key Benefits and Risks



- ✔ Through an investment into these certificates you gain exposure to an actively managed portfolios consisting of mainly alternative investment strategies.
- ✔ These products are aimed at investors who expect a positive performance of the underlying. Investor benefits fully from an increase in the value of the underlying less disclosed fees.
- ✔ Efficient way to invest in a diversified portfolio of alternative investments with a small minimum investment amount.
- ❗ If the Issuer defaults or becomes insolvent, your investment may be at risk and you could lose some or all of the capital invested.
- ❗ Depending on the performance of the underlying portfolio, the repayment may be less than the invested capital. Alternative investments may employ speculative or leveraged strategies.
- ❗ Based on the underlying investments, the issuer cannot provide any assurances as to how the certificates will trade in the secondary market or whether such market will be liquid or illiquid.

Simplified prospectuses can be downloaded on [www.nectarfinancial.com/smartalternatives](http://www.nectarfinancial.com/smartalternatives) or may be obtained free of charge from Nectar Digital Wealth AG, Schützengasse 4, 8001 Zürich, Switzerland.

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