Actively Managed Certificate on Nectar Smart Alternatives Strategy Portfolio

Performance Report  January 2020 - 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

Total AUM, after flows: USD 17.2m

Performance

Price per certificate, estimate: USD 11'111

Month to date return: 0.63%

Cumulative return since inception: 11.11%

Cumulative return year to date: 0.63%

Annualized return since inception: 5.65%

Annualized volatility since inception: 1.74%

Monthly Performance

Top-10 Holdings

<table>
<thead>
<tr>
<th>Weight</th>
<th>Performance Mid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Backed Lending</td>
<td>11%</td>
</tr>
<tr>
<td>UK Real Estate Lending</td>
<td>10%</td>
</tr>
<tr>
<td>US LS EQ / Short Seller</td>
<td>10%</td>
</tr>
<tr>
<td>EU Real Estate Lending</td>
<td>9%</td>
</tr>
<tr>
<td>Asia Equity / Multi Strategy</td>
<td>8%</td>
</tr>
<tr>
<td>Event Driven</td>
<td>7%</td>
</tr>
<tr>
<td>Global Credit / Multi-strategy</td>
<td>7%</td>
</tr>
<tr>
<td>USA LS EQ / Multi-Strategy / First Loss</td>
<td>6%</td>
</tr>
<tr>
<td>Global Corporate Credit</td>
<td>6%</td>
</tr>
<tr>
<td>Multi Strategy / Leverage Financing</td>
<td>5%</td>
</tr>
</tbody>
</table>

Key Statistics Portfolio vs Indices

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Global Equities</th>
<th>Global Bonds</th>
<th>Fund of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised return past 3 years</td>
<td>10.9%</td>
<td>11.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Annualised volatility past 3 years</td>
<td>4.5%</td>
<td>10.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Sharpe ratio 3 years</td>
<td>2.44</td>
<td>1.07</td>
<td>1.84</td>
</tr>
</tbody>
</table>

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

- Global Asset Backed Lending
- UK Real Estate Lending
- US LS EQ / Short Seller
- EU Real Estate Lending
- Global Corporate Credit
- Asia Equity / Multi Strategy
- Event Driven
- Global Credit / Multi-strategy
- US Volatility Arbitrage
- Others

Liquidity Profile Sub-Funds

- Daily / Weekly
- Monthly
- Quarterly

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

Note: 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.
**Liquidity and Fees**

<table>
<thead>
<tr>
<th>Secondary Market Subscriptions</th>
<th>Monthly 10 business days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Market Redemptions</td>
<td>Monthly 35 calendar days</td>
</tr>
<tr>
<td>Advisory fee</td>
<td>0.50%</td>
</tr>
<tr>
<td>Administration fee</td>
<td>0.50%</td>
</tr>
<tr>
<td>Performance fee</td>
<td>10%</td>
</tr>
<tr>
<td>Hurdle rate</td>
<td>1-year USD swap rate</td>
</tr>
<tr>
<td>High Water Mark</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Contact Information**

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