

Nectar Digital Wealth

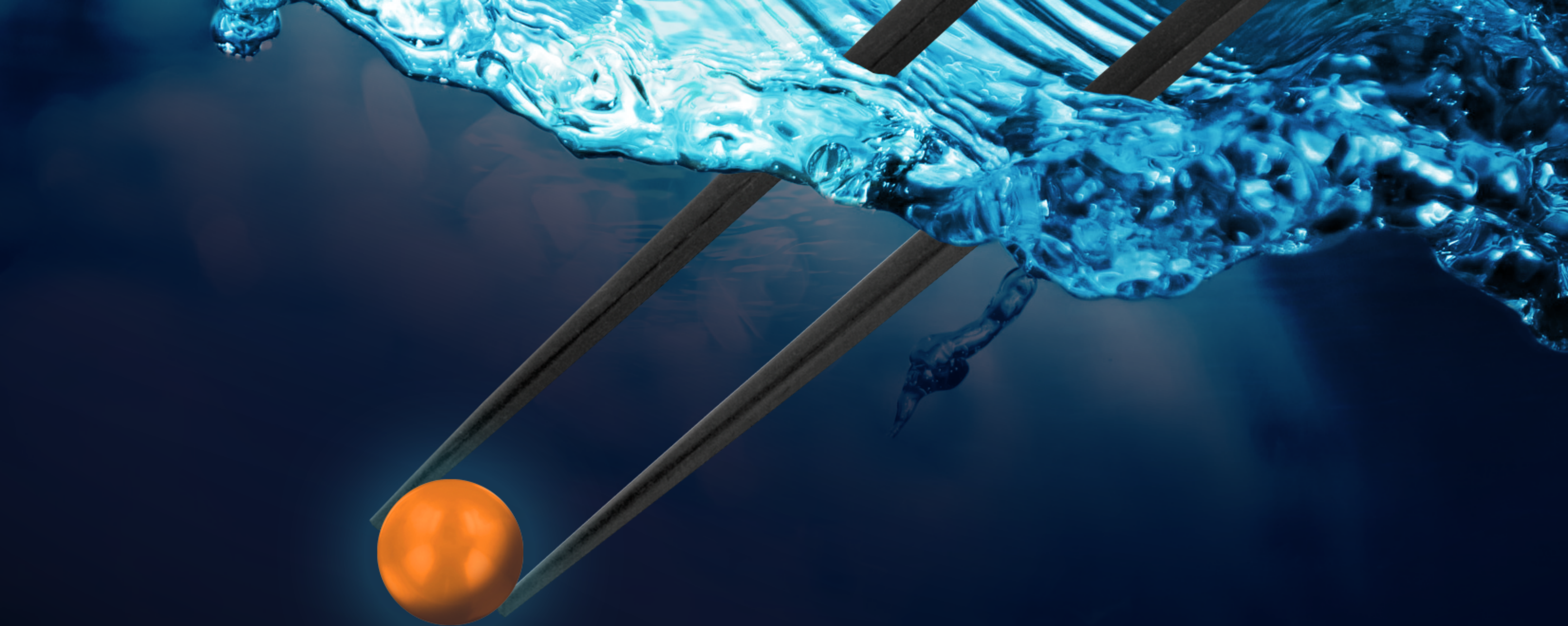
Investment Solution - Nectar Smart Private Debt

March 2019 | Private and Confidential

Introducing Nectar Smart Private Debt



- 1 Attractive and uncorrelated investment solution
- 2 Diversified portfolio in the private debt / credit space
- 3 Attractive and stable return expectations with low volatility



Investment Opportunity for Selected Partners.

Issued by Bank Julius Baer

Nectar Smart Private Debt AMC

The Smart Private Debt Portfolio - EUR

Optimal portfolio construction with a focus on credit and private debt

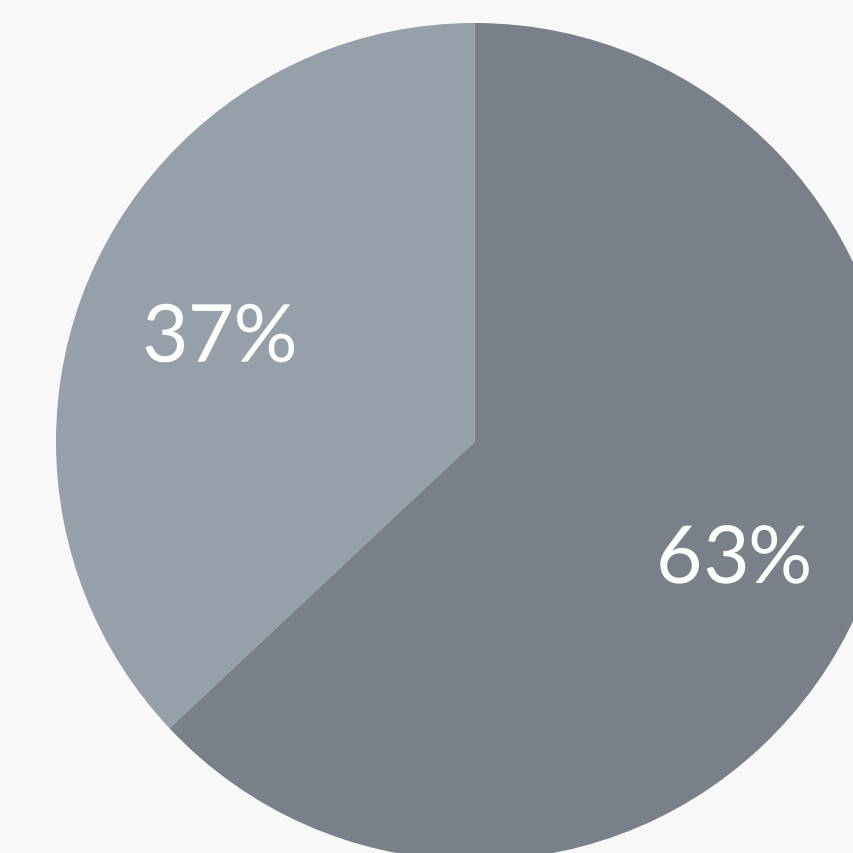
Portfolio Highlights

- 1 Credit and private debt strategies hedged in EUR
- 2 Optimally diversified portfolio consisting of 8-12 positions
- 3 Low to no correlation to equities, bonds and traditional hedge funds

Portfolio Holdings

Germany - Real Estate Lending
 United Kingdom - Real Estate Lending
 Global - Equity Leverage Financing
 Europe - Structured Credit / Collateralised Loans
 Global - Asset Backed Lending
 South Africa - Trade Finance
 Italy - Government Healthcare Receivables
 South Africa - Trade Finance

Portfolio Liquidity



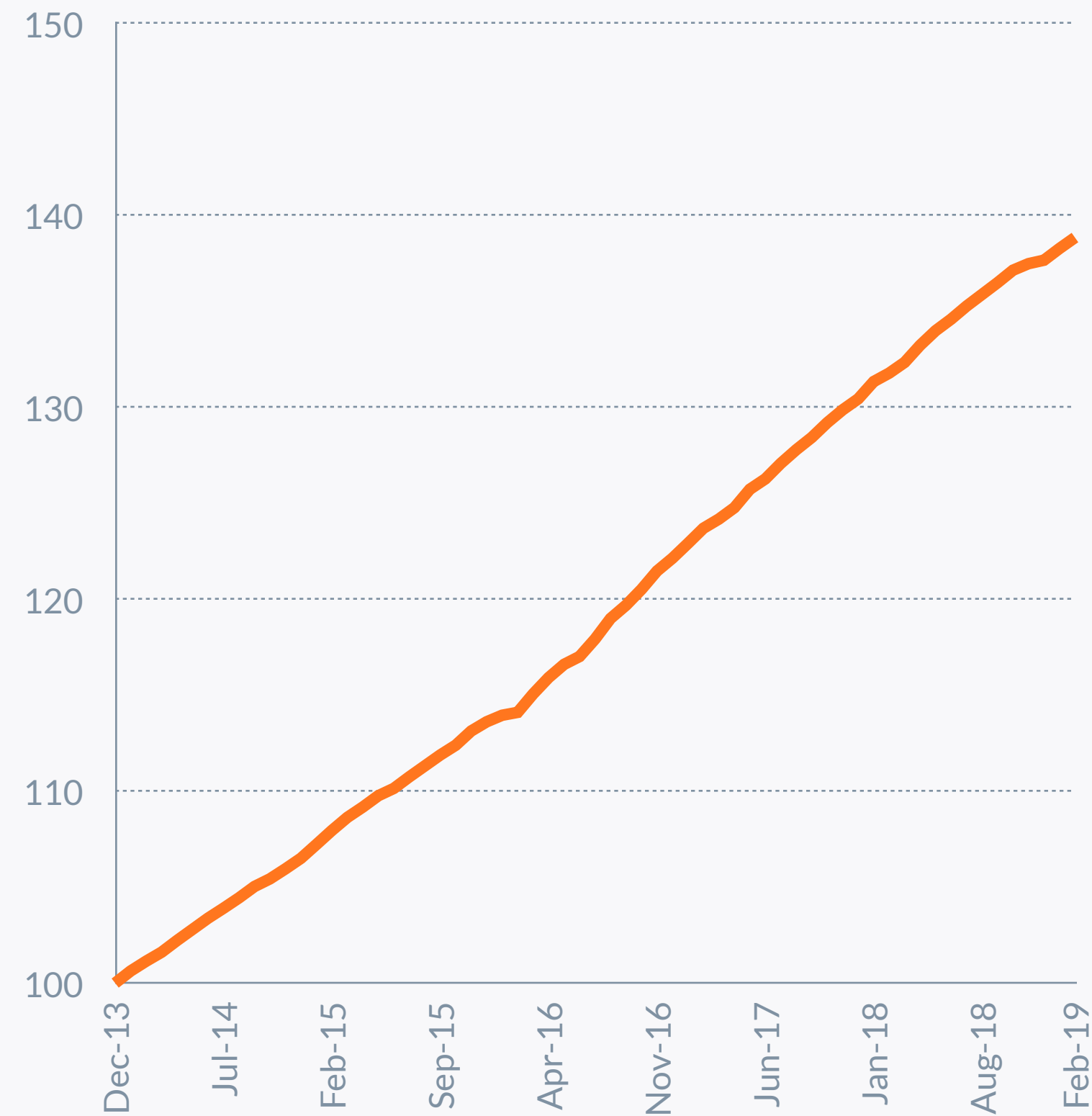
- Daily/Weekly 0%
- Monthly 63%
- Quarterly 37%

The Smart Private Debt Portfolio - EUR



Past performance of indicative portfolio

Monthly Performance



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	0.63%	0.50%	0.47%	0.60%	0.57%	0.56%	0.50%	0.52%	0.56%	0.39%	0.49%	0.52%	6.50%
2015	0.68%	0.67%	0.63%	0.49%	0.54%	0.34%	0.55%	0.51%	0.51%	0.45%	0.66%	0.42%	6.68%
2016	0.30%	0.14%	0.83%	0.74%	0.59%	0.36%	0.78%	0.90%	0.58%	0.69%	0.79%	0.55%	7.50%
2017	0.63%	0.64%	0.39%	0.47%	0.77%	0.43%	0.64%	0.56%	0.50%	0.60%	0.51%	0.44%	6.79%
2018	0.69%	0.33%	0.42%	0.67%	0.57%	0.45%	0.50%	0.45%	0.44%	0.48%	0.25%	0.14%	5.54%
2019	0.44%	0.42%	-	-	-	-	-	-	-	-	-	-	0.86%

Highlights

- Steady Returns
- No drawdowns
- No monthly loss

Key Statistics

Annual Returns **6.56%**
 Annual Volatility **0.52%**
 Sharpe¹ **12x**

The performance shown is simulated - net of fees. It is not indicative for future results.

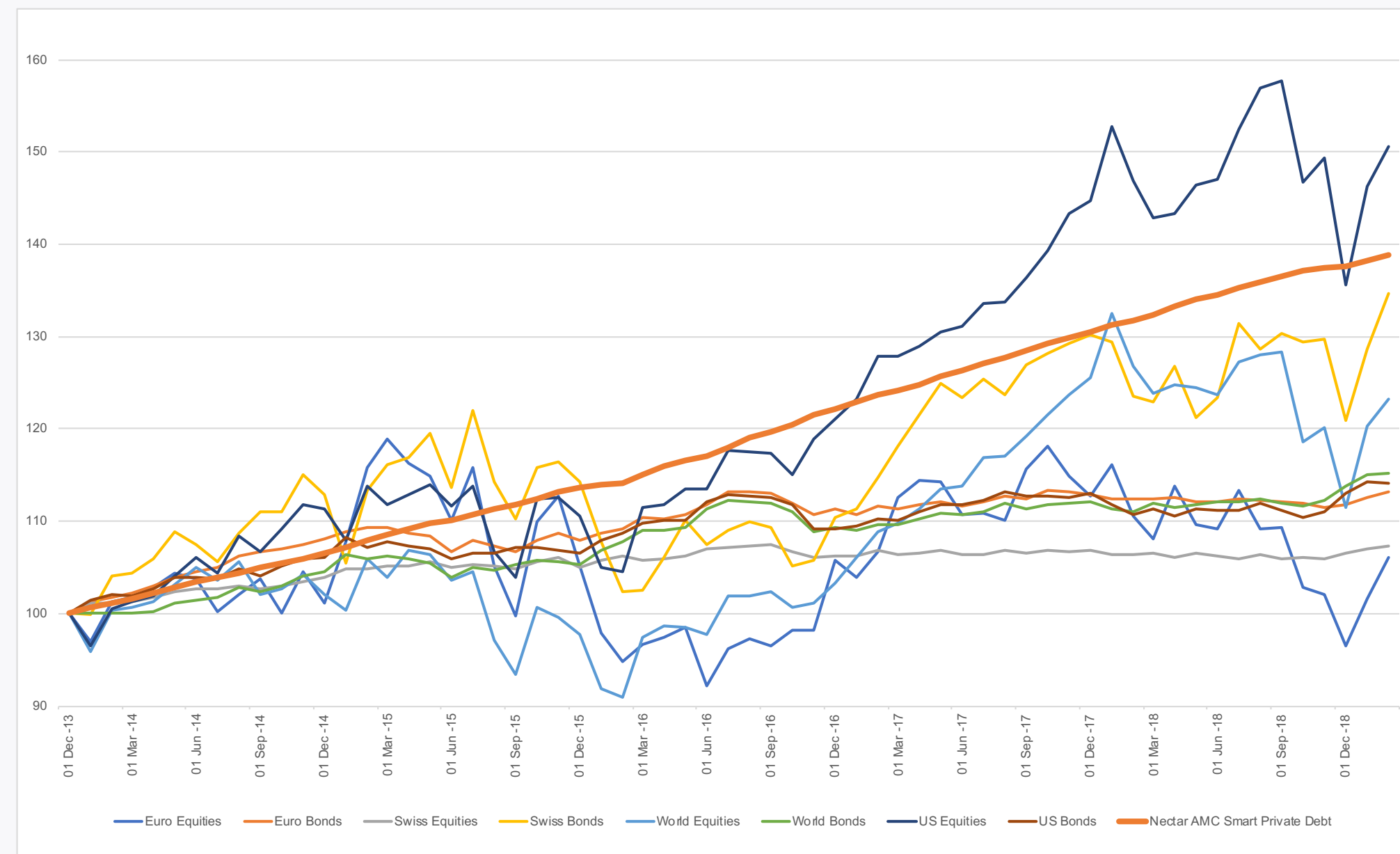
¹ Risk Free Rate 0%

The Smart Private Debt Portfolio - EUR



Comparison of multiple asset classes versus simulated portfolio

Historical Performance



Historical Correlation Asset Classes

	Euro Equities	Euro Bonds	Swiss Equities	Swiss Bonds	World Equities	World Bonds	US Equities	US Bonds	Smart Private Debt
Euro Equities	1.00								
Euro Bonds	0.36	1.00							
Swiss Equities	0.06	0.69	1.00						
Swiss Bonds	0.72	0.31	-0.02	1.00					
World Equities	0.69	0.26	-0.04	0.66	1.00				
World Bonds	0.04	0.70	0.65	-0.06	0.04	1.00			
US Equities	0.63	0.25	-0.02	0.67	0.95	0.00	1.00		
US Bonds	-0.07	0.60	0.68	-0.13	-0.03	0.90	-0.09	1.00	
Smart Private Debt	0.39	0.09	-0.06	0.31	0.34	-0.24	0.32	-0.19	1.00

Historical Correlation Portfolio Holdings

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7	Fund 8
Fund 1	1.00							
Fund 2	-0.22	1.00						
Fund 3	-0.29	0.20	1.00					
Fund 4	-0.33	-0.23	0.03	1.00				
Fund 5	0.00	-0.03	-0.15	0.01	1.00			
Fund 6	0.35	-0.44	-0.19	0.13	0.11	1.00		
Fund 7	0.30	-0.36	-0.29	0.03	-0.08	0.38	1.00	
Fund 8	-0.38	0.57	0.22	-0.04	0.09	-0.43	-0.64	1.00

simulated portfolio compared to different asset classes, in local currencies
period 31.12.2014 to 28.02.2019

Nectar Smart Private Debt – Key Terms



Actively Managed Certificate for Swiss domiciled qualified investors

Strategy Manager	Nectar Digital Wealth AG, Zurich
Issuer	Bank Julius Baer
ISIN	CH0467723588
Issuance Surcharge	Up to 0.5% during the initial subscription period, zero thereafter
Initial Certificate Value	EUR 1'000, minimum trading size 10 certificates and multiplier of 1 certificate thereafter
Management Fee	0.75% p.a., accrued monthly, paid quarterly
Admin und Custody Fee	0.50% p.a., accrued monthly, paid quarterly
Performance Fee	10% above hurdle rate. Hurdle rate: 4% above 3-month Euribor, with high water mark.
Secondary Markets - Buy Orders	Monthly with 7 business days notice
Secondary market - Sell Orders	Monthly with 65 calendar days notice
Bid-Ask Spread	Bid / Ask spread of 0.5% applied under normal market conditions
Reporting	Monthly factsheet

Key Risks



Through an investment into this Certificate you gain exposure to an actively managed portfolio consisting of globally diversified credit and private debt investments with a minimum investment of EUR 10'000. The following risks should be considered prior to an investment (please refer to the term sheet for a detailed risk declaration):

- Product risk:** A potential investor should determine the suitability and appropriateness of such an investment in light of such investor's particular circumstances.
- Credit and private debt market risk:** Most of the underlying investments are not publicly traded and may not have any liquid secondary market.
- Liquidity risk:** Given the illiquid nature of the underlying investments, redemptions are only possible on a monthly basis with a 95 calendar-days pre-notice period. The Certificate may apply a gating provision if redemptions per calendar month surpass 15%.
- Performance risk:** Prospective investors should be prepared to sustain a partial or total loss of the amount of their investment.
- Hedge fund specific risk:** Hedge funds are typically unregistered private investment partnerships, funds or pools. Hedge funds are not subject to the same regulatory requirements as mutual funds.

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