
Actively Managed Certificate (“AMC”) on Nectar Smart Credit Strategy Portfolio

End of subscription 16 November 2018
Open End | USD Denominated | Private Placement | Qualified Investors Only
ISIN CH0421235729

Actively Managed Certificates do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore neither governed by the CISA nor subject to the supervision by the Swiss Financial Market Supervisory Authority ("FINMA"). Accordingly, holders of this product do not have the benefit of the specific investor protection provided under the CISA. Holders of this product bear the issuer risk.

PARTIES

Issuer/Calculation Agent	NDH Issuer Limited, Guernsey
Strategy-Manager	Nectar Digital Wealth AG, Altendorf
Custodian	To be announced

PRODUCT INFORMATION

Description

This product is an Actively Managed Certificate ("**AMC**" or the "**Product**"). The Product allows for participation in the performance of the underlying investment policy (the "**Strategy**"). The Strategy reflects a notional actively managed basket of assets and cash, maintained by the manager (the "**Strategy-Manager**"). The basket is selected and maintained in accordance with the Strategy, this term sheet, the Investment Guidelines, Investment Restrictions as well as the Investment Universe as outlined in Annex 1 of this term sheet.

The Strategy aims to synthetically replicate and track (i) the performance of a notional actively managed basket of assets (the "**Constituents**"), and (ii) from time to time, a cash position (the "**Cash Position**", which together with the Constituents shall be referred to as the "**Strategy-Components**" as defined in Annex 1), less fees, expenses, hedging costs, and taxes (if any).

The Strategy-Level is the sum of all Strategy-Components taking into consideration their respective weightings, less fees, expenses, hedging costs, and taxes (if any). The performance of the Strategy is tracked via the calculation of the Strategy-Level.

	<p>The holders of the Product have exposure to the same performance a real portfolio would have, if it was actually managed according to the Strategy. However, the holders of the Product will not be entitled to real assets in a real portfolio and have only a claim versus the Issuer on the payment of the Redemption Amount based on the Strategy-Level at the Redemption Date.</p>
Information on the Strategy-Components	See Annex 1
Underlying	The underlying of the Product is the Strategy-Level as per Annex 1
Source of the Prices of the Strategy-Components	Source of the prices of the Strategy-Components used as a basis for the calculation of the price of the Product are the market prices on the exchange of the primary listing of a specific Strategy Component (if listed). Should the specific Strategy Component not be listed, then pricing sources like Bloomberg, Reuters, Telekurs, Fund Administrators, Fund Manager Estimates etc. might apply
Price	The prices of units of this Product are based on the Strategy-Level which depends primarily on the prices of the Strategy-Constituents calculated as described above and secondarily on the value of the Cash Position (if any), less fees, expenses, hedging costs, and taxes (if any).
Investment Strategy	The AMC on Nectar Smart Credit Strategy Portfolio is an actively managed notional portfolio, managed with a systematic approach, consisting of mainly hedge funds, mutual funds, exchange traded funds and cash, which is based on investment advice and recommendation of Nectar Digital Wealth AG. The investment process balances the use of artificial intelligence, big data, and human driven investment expertise.
Investment Universe	See Annex 1
Strategy-Guidelines and Investment Restrictions	See Annex 1
Strategy-Components	See Annex 1
Target Initial Weighting of the Strategy-Level	See Annex 1 (The Strategy-Manager starts to implement the Strategy at the Initial Fixing Date (as described below) until the portfolio is within the defined Target Weighting Ranges as per Annex 3.

Strategy-Manager	Nectar Digital Wealth AG, Bahnhofstrasse 1, 8852 Altendorf, Switzerland Member of VQF (Centre of Competence for Compliance Services) which is a self-regulatory organisation subject to the Swiss Financial Market Supervisory Authority FINMA. Member number 100443.
Strategy-Level	Sum of all Strategy-Components taking into consideration their respective weightings, less fees, expenses, hedging costs, and taxes (if any), whereby each Strategy-Component is valued based on prices of the Constituents. The calculation also takes into account the effect of all fees and costs associated with the Strategy.
Selection / Adjustments / Rebalancing of the Strategy-Components	Adjustments of the Strategy-Components are actively made by the Strategy-Manager. See Annex 1.
Issue Price	USD 1'000
Issuance Surcharge	Up to 1.00% of the Issue Price
Administration Fee	Administration fee 0.20% p.a., accrued monthly, paid quarterly
Management Fee	Management fee 0.75% p.a., accrued monthly, paid quarterly
Custody Fee	Custody fee 0.12% p.a., accrued monthly, paid quarterly
Performance Fee	<ul style="list-style-type: none"> • 10% above Hurdle Rate with High Watermark • The Hurdle Rate for the first Performance Fee calculation is the 12-month US Dollar LIBOR Interest Rate on the Initial Fixing Date divided by 12. For subsequent periods, the Hurdle Rate is the 12-month US Dollar LIBOR Interest Rate fixing on the first business day of each month (modified following), divided by 12. In case of a short/long first period, the Actual/365 convention will be applied.

High Watermark: Applicable. For the first Performance Fee Observation Date, the High Watermark is equal to USD 1'000.00. Thereafter, if the Certificate Price on the Performance Fee Observation Date is higher than the previous High Watermark, the High Watermark is set to that level after deduction of the performance fee.

Performance Fee Entitlement: A performance fee is paid to the Strategy Manager if the performance of the Strategy with respect to the High Watermark on the relevant Performance Fee Observation Date (t) exceeds the Hurdle Rate, ie

$$\left(\frac{Strategy\ Value(t)}{HighWatermark} - 1 \right) > Hurdle\ Rate$$

Performance Fee Calculation: the Performance Fee amount is equal to

$$\text{HighWaterMark} \times \left(\left(\frac{\text{Strategy Value}(t)}{\text{HighWatermark}} - 1 \right) - \text{Hurdle Rate} \right) \times \text{PerformanceFee}$$

where

- Strategy Value(t) is the value of the Certificate on the Performance Fee Observation Date (t), before deduction of the Performance Fee
- High Watermark is the highest level of the Certificate observed on any of the previous Performance Fee Observation Dates (i<t).

The Performance Fee cannot be a negative number.

Performance Fee Observation Dates: on the last business day of each month (modified following), from and including the Initial Fixing Date to and including the Termination Date. Inter-periodic flows are not considered.

Performance Fee Payment Dates: 5 business days after the NAV relative to the end of quarter has been published for all the underlying's.

Source of price for Hurdle Rate

<https://www.global-rates.com/interest-rates/libor/american-dollar/usd-libor-interest-rate-12-months.aspx>

Reinvestment of Returns

Any amounts reflecting net dividends and/or interest rates in a real portfolio consisting of the Strategy-Components will be added to the Cash Position of the Strategy-Level. Any withholding taxes or similar taxes that might be charged on any of the Strategy-Components by tax authorities will not be reclaimed and will not be added to the Cash Position of the Strategy-Level

Termination Event

The Issuer and the Strategy Manager have the right to terminate the Product any day without a specific reason, by notifying the holders of the Certificate on the earliest possible day ("the Termination Date").

Consequences of a Termination Event	Following a Termination Event, the Certificates will be early redeemed. Investors should be aware that the Early Redemption Amount may be, due to unfavorable market conditions, considerably lower than the Issue Price or the last valuation of the product before the Termination Event
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GENERAL TERMS

Product Type	Dynamic Tracker-Certificate (SSPA Code 1300) of the Swiss Derivative Map, as amended from time to time by the Swiss Structured Products Association (www.svsp-verband.ch)
Product Category	Participation
Risk Category	Complex Product
Target Clients	Qualified Investors only
Settlement	Products to be represented by intermediated securities (Bucheffekten)
Total Amount	USD 50'000'000 (with the possibility of increase)
Issue Size	Up to 50'000 Certificates (with reopening clause)
Currency	USD
Ratio	1 Certificate = USD 1'000
Minimum Trading Size	10 Certificates and multiples of 1 Certificate(s) thereafter
Issue Date / Payment Date	23 November 2018, being the date on which the Product is issued and the Issue Price is paid.
Initial Fixing Date	3 December 2018, being the date on which the Strategy-Manager starts to implement the strategy
Early Redemption Amount	<p>If a Termination Event occurs, each holder of the Product has the right to receive a cash amount in the currency of the Product according to the Strategy-Level of the Product, which has been calculated by the Calculation Agent based on the performance of the Strategy (i.e. the average net value of the assets that are reflected by the Strategy- Components, including Cash Position, less fees, hedging costs and taxes, if any, at the Termination Date).</p> <p>The Issuer has the right to reduce the Early Redemption Amount considerably (down to zero) for important reasons (e.g. illiquidity of the underlying, underlying related event, etc)</p>
Early Redemption Date	The Early Redemption Amount shall be due 10 business days after all cash proceeds have been received by the Issuer.

Exchange Rate

Applicable exchange rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Strategy-Level or the Redemption amount, are calculated based on the pricing sources like Bloomberg, Reuters, Telekurs etc. The rate at the time of the determination of the Strategy-Level or the redemption amount shall be relevant.

CH Security Number

42123572

ISIN

CH0421235729

Listing

Not listed

Secondary Market

Investors can give buy orders (respectively sell orders) to the Paying Agent provided that new purchases (respectively sales) have not been suspended or postponed by the Paying Agent.

In normal conditions:

- Buy orders: monthly. The order should be given by written notice before 10:00am on a date (the 'Order date') which is 7 business days prior to the last business day of the month, for the order to be executed that same month, otherwise the order will be executed the following month. The order will be deemed to be executed on the day which falls 7 business days before the end of the month (the 'Execution date'). Settlement will occur 2 business days after the Execution Date ('the Settlement Date').
- Sell orders: monthly. The order should be given by written notice before 9:00am on a date (the 'Order date') which is 5 business days prior to the last business day of the month (the 'End of Month Order date'), for the order to be executed within the three-month period following the End of Month Order Date, otherwise the order will be added to the orderbook for a potential execution the month after. The order will be deemed to be executed on the last business day of the relevant month ('the Execution Date'). Settlement will occur 2 business days after the Execution Date ('the Settlement Date').

Investors should note that due to the nature of the underlying, there is a risk that redemption requests can't be met in due time, and as such the Issuer and the Strategy Manager reserve the right to execute the order at an earlier or at a later date, as they deem appropriate.

A spread of 0.5% (Bid / Ask) under normal market conditions will be applied.

Sale notices are binding and cannot be withdrawn upon receipt by the Calculation Agent. On Secondary Market transactions additional fees (e.g. ticket fees) may apply and are charged to the NAV of the Strategy.

Clearance Institution / Clearing Code

SIX SIS AG / ISP 116441

MISCELLANEOUS

Selling Restrictions

United States of America, US Persons

Furthermore, the sale of the Product to non-qualified investors within the meaning of the CISA is prohibited. The Product shall be distributed only by way of private placement. The maximum number of investors is limited to 50

This Product is not registered with the local regulator and is not publicly distributable outside of Switzerland.

The Product may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further prospectus relating to the Product in that jurisdiction.

Potential purchasers of the Products should seek specific advice before purchasing or selling-on a Product

Applicable Law / Place of Jurisdiction

Swiss law under exclusion of the Swiss Private International Law Act and of the United Nations Convention on Contracts for the International Sale of Goods (“**CISG**”)

Risk

The holders of the Product are subject to various risks related to the Products, inter alia, the market and liquidity risk with respect to the Components of the Strategy-Level, the counterparty risk with respect to the Issuer, the currency risk with respect to Strategy-Level Components which are not denominated in USD and the risk of sub-optimal adjustments of the Strategy-Level by the Strategy Manager.

See Annex 3 for risk disclosures.

Limitation of Transferability

The Certificate can only be sold back to the Issuer.

Settlement Type

Cash Settlement

A redemption in kind shall be possible when the product is rolled into a mutual fund.

Tax Treatment in Switzerland

For individuals holding the Product for private investment purposes with tax domicile in Switzerland the portion of income realised on the underlying Strategy-Level attributable to their respective portion in the underlying Strategy-Level will be subject to Swiss income taxes on an annual basis (by financial year end) or upon redemption. Gains and losses realised on the Strategy-Level as well as gains and losses derived from

the sale of the Product should be considered as income tax-free private capital gains and non-tax deductible private capital losses respectively.

The Product is not subject to the Swiss withholding tax. The Product is not subject to Swiss securities transfer tax.

No stamp duty upon issuance. Secondary market transactions are subject to Swiss stamp duty of up to 0.15%. There is no securities transfer tax upon redemption of the Product. For Swiss paying agents, payments under the Product are not subject to the EU savings tax.

The Issuer informs the Swiss Federal Tax Administration about the capital gains/losses and the earnings on the assets on an annual basis.

The aforementioned tax description is based on the relevant tax laws and regulations of the tax authorities valid at the time of launch of this issue. These laws and regulations may change at any time, possibly with retroactive effect. Furthermore, the tax treatment may depend on the personal situation of the investor and may be subject to change in the future. This information is not purported to be a complete description of all potential tax effects. Potential investors are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of the Product.

Transactions and payments related to this product may be subject to additional (foreign) transaction taxes and or withholding taxes such as US withholding taxes pursuant to FATCA (Foreign Account Tax Compliance Act) or the Section 871(m) of the US Internal Revenue Code. Any amounts due, shall be paid net of such taxes. The issuer is not obliged to pay additional amounts with regard to amounts so withheld.

Common Depositary

SIX SIS AG

Issuer

NDH Issuer Limited, Guernsey

NDH Issuer Limited is not licensed or registered in Guernsey by the Guernsey Financial Services Commission (the “GFSC”) or registered or authorized by the GFSC as a collective investment scheme, and the GFSC has not and will not approve the content or dissemination of term sheet or any other document relating to or in connection with this product. NDH Issuer Limited, Guernsey was incorporated on 13 July 2018 as a non-cellular company limited by shares under the laws of Guernsey under registration number 65274. The registered address of NDH Issuer Limited is Suite 6, Provident House, Havilland Street, St Peter Port, Guernsey, GY1 2QE

Paying Agent

ISP Securities AG, Zürich

ANNEX 1 - Underlying

Underlying Description

The Underlying is a basket representing an actively managed notional portfolio, managed with a systematic approach, mainly consisting of hedge funds and mutual funds (see also below the definition of Investment Universe). The notional composition and weighting are discretionary managed over the course of the term of the Product by the Strategy-Manager.

There is no obligation on the Issuer, or the Strategy-Manager or any other party to purchase, hold, manage and/or sell any Strategy-Components contained in the Underlying and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Underlying is merely notionally comprised of Strategy-Components, the performance of which is used as a reference point for the purpose of calculating the value of the Underlying.

References to any changes in the composition of the Underlying should not be construed as imposing an obligation on the Issuer, the Advisor or any person to actually acquire or dispose of any securities, depositary receipts, futures, other investments, assets or other property but are references to the change in, and relate solely to the calculation of, the value of the notional Underlying which is relevant for the determination of amounts payable in respect of the Products.

Investment Strategy

The AMC on Nectar Smart Credit Strategy Portfolio is an actively managed notional portfolio, managed with a systematic approach, consisting of mainly credit related hedge funds, mutual funds and exchange traded funds and cash, which is based on investment advice and recommendation of Nectar Digital Wealth AG.

The investment process balances the use of artificial intelligence, big data, and human driven investment expertise.

The AMC on Nectar Smart Credit Strategy Portfolio offers professional investors access to the Credit and Private Debt asset class and at the same time meets the demand of credit-seeking companies or individuals for funding. The strategy is globally diversified and features attractive risk/reward opportunities and thus represents a genuine alternative to investments in traditional fixed-income markets (bond substitute)

Investment Guidelines

Only investments in investment products contained in the Investment Universe (as defined below) are permitted. Notional direct short selling, leverage through credit raising and short selling of derivatives are not permitted.

The Strategy-Manager is permitted to change the notional composition of the Underlying on a daily basis.

The Strategy-Manager has the possibility, but not the obligation to hedge the foreign currencies (see Foreign Exchange (if FX hedged)).

There is no automatic rebalancing; rebalancing is at the sole discretion of the Strategy-Manager.

The Investment Guidelines and the Investment Universe must be respected on the initial fixing of the Underlying and upon any change in the composition of the Underlying. The Advisor is free to correct infringements of the Investment Guidelines which might possibly occur thereafter. No liabilities are assumed by the Strategy-Manager or the Issuer due to such infringements.

Diversification Rules

The following Investment Diversification Rules are applicable for the Strategy-Manager:

- Minimum number of Strategy-Constituents in the portfolio: 8
- Maximum number of Strategy-Constituents in the portfolio: 40

The limits below are in percent of the total notional portfolio's value:

- Each Strategy-Constituents (excluding cash position): maximum 15%
- Combined weight of Strategy-Constituents that are tradable at least monthly: minimum 50%
- Combined weight of Strategy-Constituents that are tradable quarterly or less: maximum 50%

Investment Universe

Investment Universe

The Underlying can include hedge funds, mutual funds, listed ETFs, together "Funds", and structured products.

- Each Fund must have AUM of at least 30 million USD equivalent on a Master Fund Level.
- At least 70% of the portfolio, excluding cash, must be allocated to Funds with AUM of at least 100 million USD on a Master Fund Level.
- There is no minimum AUM level for structured products
- 100% of the Underlying may be allocated to Funds and/or Structured Products that are for Qualified

Investors only and that may not be approved by the local regulators.

The liquidity of potential security rights must be sufficient with respect to the issued volume of the Products.

Besides the aforementioned assets, the Underlying may contain a cash component in the Product's currency. This cash component may reach temporarily up to 100%. No interest may be paid on this cash component. A negative interest rate may be applied due to market conditions.

Information about the Investment Strategy

Further information about the investment strategy is available free of charge from the Issuer upon request.

Composition of the underlying

Information about the current composition of the Underlying is available from the Issuer upon request.

ANNEX 2 – Important Additional Information

Conflicts of Interest

Companies affiliated to the Issuer may become counterparties in hedging transactions. Accordingly, conflicts of interest may therefore arise with regard to obligations relating to the ascertainment of the values of the Products and other related determinations both among affiliated companies of the Issuer and between these companies and the investors. In addition, the Issuer and affiliated companies may exercise a different function, if applicable, in relation to the products, for example as calculation agent, paying agent or administrative office.

Distribution Compensation / Distribution Allowances from and to Third Parties

In connection with the Products, the Issuer and/or its affiliates may pay to third parties or to each other, or receive from third parties one-time or recurring remunerations (e.g. placement or holding fees). Such remunerations, if any, are included in the Issue Price. By receiving payments in connection with the Products, the interest of the Issuer or such affiliate may be adverse to the interest of the investor in the Products.

Amendments to the Product Conditions

Information regarding unforeseen changes to the conditions of the Product which may arise during the lifetime of the Products are not subject to this document but may be obtained from your client advisor upon request and will be published on the Issuers website. This document will not be amended throughout the term of the Products.

ANNEX 3 – Significant Risks for Investors

Product Risk

An investment in this Product entails certain risks which may vary depending on the relevant Underlings.

An investment in this Product requires a thorough understanding of the nature of this Product. Potential investors should be experienced with respect to an investment in complex financial instruments and be aware of the related risks.

A potential investor should determine the suitability of such an investment in light of such investor's particular circumstances.

In particular, a potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Product, the merits and risks of investing in the Product and the information contained in the applicable Terms and Conditions;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of such investor's particular financial situation, an investment in this product and the impact the Product will have on such investor's overall investment portfolio;
- have sufficient financial resources to bear all the risks of an investment in this product. The trading market for securities, including this product, may be volatile and may be adversely impacted by many events.

This Product is a complex financial instruments. Investors generally purchase complex financial instruments as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall investment portfolios. A potential investor should not invest in this Product unless such investor has the expertise (either alone or with the help of a financial adviser) to evaluate how the relevant Products will perform under changing conditions, the resulting effects on the market value of the relevant Products and the impact such an investment will have on such investor's overall investment portfolio.

Risk of Total Loss

This Product involves a high degree of risk, and prospective investors in the Product should recognize that, under certain circumstances, the Product may have a redemption value of zero. Prospective investors should therefore be prepared to sustain a partial or total loss of the amount of their investment therein.

Derivative Risk, not Protected Investment

This Product may contain embedded derivatives and involves a high degree of risk. It is not the same nor should it be treated as a substitute for traditional deposits. Hence it is not a protected investment.

Unpredictable Market Value for Products

During the term of the Product, the market value of, and the expected return on such Product may be influenced by many factors, some or all of which may be unpredictable. Many economic and market factors will influence the market value of the Product. The Issuer expects that, generally, the value and volatility of the Underlying(s) on any day will affect the market value of such Product more than any other single factor. However, a potential investor should not expect the market value of a Product in the secondary market to vary in proportion to changes in the value of the Underlying(s). The return on a Product (if any) may bear little relation to, and may be much less than, the return that the investor therein might have achieved if such investor had invested directly in the Underlying(s).

The market value of, and return (if any) on, a Product will be affected by a number of other factors, which may be unpredictable or beyond the Issuer's control, and which may offset or magnify each other, including, without limitation:

- the expected frequency and magnitude of changes in the market value of the Underlying(s) (volatility);
- economic, financial, political or regulatory events or judicial decisions that affect the Issuer, the Underlying(s) or the financial markets generally;
- interest and yield rates in the market generally;
- the time remaining until the Redemption Date;
- dividend payments on the Underlying(s), if any.

Some or all of these factors may influence the price of the Product. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors.

Credit and Private Debt Market

Market risk factors such as credit risks, default risks, interest rates, and inflation rates are often even more important with respect to credit and private debt investments than they are for other illiquid alternative investments.

These factors mean that the random impacts of financial market forces are often more meaningful for private debt investors, as the volatility created by market forces is less likely to be concealed by the performance of the underlying investment, and any negative impacts generated by market risks are less likely to be compensated for by outperformance in the underlying investment portfolio.

Private debt instruments are not listed on public exchanges and there is typically no liquid secondary market for private debt transactions why these instruments face additional risks such as valuation risks, illiquidity risks and other risks.

Exposure to the performance of the Underlyings

The Product will represent an investment linked to the performance of the Underlying(s) and potential investors should note that any amount(s) payable or other benefit to be received under the Products will generally depend upon the performance of the Underlying(s). The past performance of the Underlyings is not indicative of the future performance.

No obligation on any other party to purchase and/or hold interests in the Underlying or any components contained in the Underlying

Investors should be aware that there is no obligation on the Issuer or any other party to purchase and/or hold and/or manage and/or sell any interests in the Underlying or any components contained in the Underlying or to have any right, title, interest or benefit in relation to any of the foregoing and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest.

Exchange Rate Risk

The Underlying(s) may be denominated in a currency other than that of the Issue Currency or, if applicable, the Settlement Currency for such Product, or the Underlying(s) may be denominated in a currency other than, or the Issue Currency or, if applicable, the Settlement Currency may not be, the currency of the home jurisdiction of the investor in such Product. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are in particular influenced by macroeconomic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Therefore, fluctuations in exchange rates may adversely affect the market value of a Product or the value of the Underlying(s), regardless of the decision by the Advisor to execute any FX hedging

Hedge Funds specific risks

Hedge Funds are typically unregistered private investment partnerships, funds or pools that may invest and trade in many different market strategies and instruments (including securities, non-securities and derivatives) and that employ different investment, hedging, leverage and arbitrage methodologies. Hedge Funds are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in Hedge Funds. Persons interested in investing in Hedge Funds should carefully note the following:

Hedge funds are not appropriate for all investors. Hedge funds can be speculative and may involve a high degree of risk, above and beyond those associated with traditional asset

classes. An investor could lose all or a substantial amount of their investment. Investors should consider hedge funds as a supplement to an overall investment strategy.

Hedge funds may use leverage and other speculative investment practices that may increase the risk of investment loss. Hedge funds may have performance that is volatile.

The market in some of the investments made as part of a Hedge Fund's strategy may be relatively illiquid, giving rise to potential difficulties in valuing and disposing of such investments. Information for determining the value of investments held by a Hedge Fund may not be readily available which has corresponding implications for the overall valuation of a Fund. Accurate risk profiling of the Fund holdings may also not be readily available.

There may be restrictions on redeeming interests in the fund. A hedge fund manager may hold on to an amount when paying out a redemption request to account for any variations that may take place after a fund's audit is finalized (audit holdback).

Hedge Funds in general bear illiquidity risks and may apply redemption restrictions such as soft or hard lock on investors' money, gate or suspend redemptions, wind-down, issue side pockets, or apply other redemption restrictions.

Some Hedge Funds which are part of the strategy can be "niche" funds with limited AUMs: this increases the potential illiquidity risk and redemption restrictions.

The Strategy-Manager has total trading authority over the fund. The use of a single advisor applying generally similar trading programs could result in a lack of diversification and, consequentially, higher risk.

Gating

Due to the nature of the Product (i.e. Strategy-Components being mostly private debt investments and hedge funds), there is a risk redemption requests in the Product can't be met accordingly in due time.

Where redemption request(s) have been submitted to the Paying Agent that would adversely impact the portfolio composition the Issuer together with the Strategy-Manager has the right but not the obligation to reduce redemption requests pro rata amongst Investors who have submitted redemption requests for a specific month end redemption which, in aggregate, equals to not more than 15% of the Strategy Value per month.

Further product specific risks

This Product is a complex financial instrument, may therefore involve a high degree of risk and are intended for use only by sophisticated investors who are capable of understanding and assuming the risks involved. Before entering into any

transaction, an investor should determine if this Product is suitable with regards to the particular circumstances and should independently assess (together with the client advisor) the specific risks as described herein and any other legal, regulatory or credit consequences. The Issuer makes no representation as to the suitability or appropriateness of this Product for any particular investor. This document does not replace a personal discussion with your client advisor, which is tailored to your requirements, investment objectives, experience, knowledge and circumstances and which is recommended by the Issuer before the investment decision. Please ask your client advisor about supporting information regarding this Product.

The return on the Products depends on the performance of the Underlying. Since the notional basket of securities is actively managed by the Advisor, the performance of the Product depends on the quality of the investment decisions of the Strategy-Manager. As past performance is no guarantee of future development, the performance cannot be predicted at the time of the investment decision. Further, there is no assurance that all investment decisions intended by the Advisor will be realized and that its expectations regarding the performance of the Products will be met.

Investors should be aware that an investment in this Product generally results in a loss upon redemption if the value of the Underlying decreases. Consequently, the potential loss associated with an investment in such Products is linked to the negative performance of the Underlying. Investors in the Products should be prepared to sustain a partial or total loss of their investment.

Owning this Product is not the same as owning the Underlying or values covered by the Underlying or the securities referenced thereunder. The Issuer is not obligated to actually buy, hold or sell the Underlying or any securities referenced thereunder. Investors in this Product should be aware that the Underlying or any part thereof will not in any event be held by the Issuer for the benefit of the holders of the Product. Accordingly, changes in the market value of the Underlying or the values covered by the Underlying may not result in a comparable change in the market value of the Product.

Further Information

For further details on the Product related risks please consult the risk disclosure brochure "Special Risks in Complex Products Trading" (Edition 2008) which is available on the Swiss Bankers Association's website: <http://www.swissbanking.org> or may be obtained from your client advisor upon request.