Julius Bär

THE JULIUS BAER SUSTAINABLE INVESTMENT FRAMEWORK

MARKETING MATERIAL

Publication date: May 27th 2024, 10:00 cet

Please find important legal information at the end of this document.

Source: Bank Julius Baer & Co. Ltd. (Julius Baer), unless explicitly stated otherwise

Preface

Invest in what matters to you

The growing desire to avoid investments linked to harmful activities through responsible investing is something we have observed over recent years. Investments certainly have the power to drive change, for better or worse, but what does that really mean, and how can investors get involved?
At Julius Baer, we are here to support our clients as their trusted partner on their responsible investment journey.

> "Our goal is to provide the transparent and reliable insights required to make informed investment choices."

What is responsible and sustainable investing?

Understanding responsible and sustainable investing – and how to use it in a portfolio – means getting to grips with the term ESG: Environmental, Social, and Governance. These have become the core building blocks to analyse the behaviour of corporations. ESG describes data that goes beyond the usual economic and financial perspectives, thereby shedding light on environmental, social, and governance aspects of businesses. This data provides an additional perspective that can sharpen the understanding of what investors are truly investing in. The most relevant aspects and perspectives of investments are considered to better recognise ESG related risks and opportunities, such as: how does a company affect the world physically – does it appropriately manage its waste, its effect on biodiversity, and its greenhouse gas emissions? How does a company handle the social side of its operations – does it consider its effect on communities throughout its entire supply chain, and put in place policies to ensure a fair workplace for employees? How does a company deal with ownership and oversight – is it committed to fair, transparent corporate ownership and governance structures?

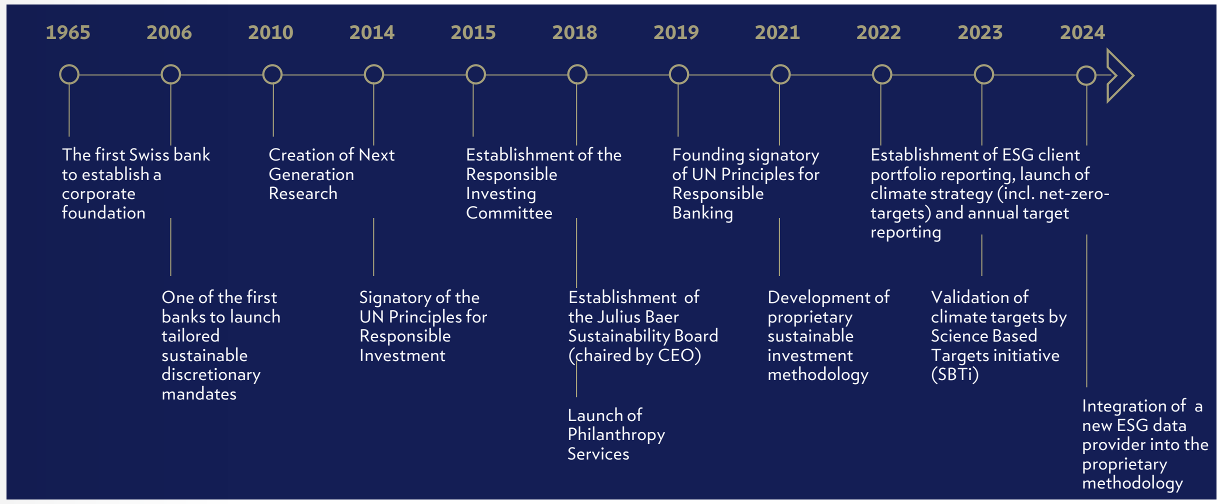
This document explains the Julius Baer sustainable investment framework, in particular Julius Baer's sustainable investment rating methodology and ESG preference categories. These elements support investors in articulating their values and ambitions, provide transparency on the financial and sustainability performance of the current portfolio, and offer future investment possi-

> "We aim to be your trusted partner on your responsible investment journey."

The Julius Baer sustainable investment framework

Our responsible wealth managment journey

A heritage you can rely upon



At Julius Baer, we take pride in having had a dedicated sustainability boutique since 2006 when the first sustainability discretionary mandate was created. Julius Baer was also the first Swiss bank to establish a corporate foundation, more than half a century ago, and to endorse the UN Principles for Responsible Banking, notably as one of the founding signatories[1].

Due to constraints on data available at the time, our journey began with simple exclusions of certain sectors. This allowed us to exclude financial instruments which significantly conflicted with our values. Over time, however, significant improvements in the comprehensiveness and availability of ESG data has enabled us to develop a more thematic approach.

The foundations

The foundations of our current sustainable investment framework have been in place for over a decade: The Responsible Investment Committee (RIC) was established in 2015 to guide responsible investment efforts and to comply with the duties of being a signatory of the UN Principles for Responsible Investment. The committee has great experience in, and a track record of, integrating ESG factors in our investment processes and cultivating a responsible mind-set by fostering engagement and collaboration with our in-house experts.

Julius Baer's Next Generation Research department has been screening companies through the lens of structural change since 2010, by focusing on the long-lasting structural shifts in the economy and society caused by megatrends. We have learned how investment themes can make investing both emotional and tangible, as such themes offer a wide range of solutions to match different views, beliefs, and opinions.

1) The United Nations Principles for Responsible Banking (UNPRB) aim to accelerate a positive global transition for people and the planet. The network includes over 300 signatory banks representing almost half of the global banking industry.

The Julius Baer sustainable investment framework

ESG preference categories and ESG product

The sustainable investment framework is built on two main pillars:

- The ESG preference categories
- The ESG product classifications

In line with regulatory developments, led by the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR), and with the aim of enabling our clients to integrate ESG factors into their investments, we have developed a set of ESG preferences and product classifications, which are based on our own proprietary sustainable investment rating methodology (thereafter "methodology").

Julius Baer offers clients the choice as to whether, and to what extent, they would like to integrate ESG factors into their investment activities by selecting from one of the ESG preference categories. The ESG preference categories reflect our ESG product classification metrics; the combination enables us to provide our clients suitable investment solutions taking into account ESG risks and opportunities.

The ESG preference categories

A client's ESG preferences are captured in the client investment profile[2] questionnaire and considered when defining the suitable investment universe and selecting suitable financial instruments. In this context, the selected ESG preference complements other suitability criteria, such as knowledge and experience, financial situation, investment horizon, and investment objective. To cater to clients' needs to the fullest extent possible and to allow for different degrees of ESG consideration, we offer a choice of three ESG preference categories:

- Traditional investments
- Responsible investments
- Sustainable investments

These categories are progressive in terms of the importance that is given to ESG factors. In other words, stricter ESG criteria are considered for sustainable investments than for responsible investments. The ESG preference category traditional investments gives access to all of Julius Baer's investment offering, including financial instruments that do not specifically consider ESG factors, other than the exclusion of what we deem as ESG risks. This preference category is assigned to clients that do not specifically voice an ESG preference, however, ESG preferences may be changed at any time.

[2] Clients serviced out of the European Economic Area (EEA) or clients serviced by Bank Julius Baer & Co. Ltd., Switzerland, residing in the EEA.

ESG-risk investments	These include instruments that do not pass our basic screening because they severely violate certain environmental, social, and governance (ESG) principles. Such investments are excluded from Julius Baer's investment universe.
Traditional investments	These are instruments whose purpose is purely to achieve a financial return and therefore do not meet the criteria for being sustainable or responsible, however, all ESG-risk investments are excluded.
Responsible investments	These instruments have certain positive ESG characteristics and meet the standards that are defined as 'not causing significant harm' but do not meet the criteria to be sustainable as they do not have a sustainable objective.
Sustainable investments	These instruments are characterised by the highest sustainability standards, and thus the highest Julius Baer ESG scores. Sustainable investments have a sustainable investment objective, including a positive ESG contribution, or show a clear transition towards these goals.
No data[3]	The available ESG data is not sufficient to categorise the instrument or the instrument is currently not covered by the Julius Baer sustainable investment rating methodology.

The ESG product classification

We apply the ESG classification by assigning one of the categories represented in the table above to the financial instruments offered to clients. Ultimately, the ESG preference category selected determines the available investment universe and, consequently, the financial instruments that are considered suitable for a client. However, a client may at any time select a financial instrument that does not correspond to the selected ESG preference.

Regulatory considerations

As opposed to traditional investments, both sustainable and responsible investments comply with requirements under the EU Sustainable Finance Disclosure Regulation (SFDR), as explained in the Appendix and shown in the table thereafter. Clients serviced out of the Eropean Economic Area (EEA) or clients serviced by Bank Julius Baer Switzerland residing in the EEA may also choose to receive information on the degree of EU Taxonomy alignment of financial products to the extent available. Given the limited amount and quality of data currently available, we do not incorporate EU Taxonomy alignment directly into our proprietary methodology. Instead, such local taxonomies will be used in parallel to our proprietary methodology[4].

[3]For the purpose of calculating the alignment/suitability of a portfolio of a client with his/her minimum proportion preferences for sustainable investments according to EU Taxonomy / SFDR the instrument will be dealt with as being not aligned to either the EU Taxonomy or SFDR, as is the case for all other asset classes where this data is not available. [4] Taxonomy-aligned revenues related to climate change mitigation and adaption are considered in the JB Climate Score.

The Julius Baer sustainable investment framework

Furthermore, in addition to the ESG preferences already selected in a client's investment profile, clients booked in Luxembourg and Germany can chose additional ESG preferences to these basic preferences. These are minimum sustainable investment allocations as defined by the SFDR and/or the EU taxonomy. Given the evolving nature of what constitutes sustainable investments according to the SFDR and EU taxonomy, Julius Baer has established three levels of minimum exposure[5] (Basic, Moderate, High) for each type of sustainable investment . As our definition of sustainable investments is aligned with the SFDR, an investment is considered "SFDR aligned" if it is classified as sustainable. The EU taxonomy serves as a classification system that defines criteria at the level of economic activities, with alignment expressed as the percentage of a company's economic activities that meet the taxonomy's criteria. Minimum alignment with the EU taxonomy is calculated using data provided by MSCI, which uses a mix of reported and estimated data.

Looking forward

There are several different factors that impact our ESG product classification and shape our sustainable investment framework. On the one hand, a dynamic regulatory environment, including industry standards, is continuously and increasingly defining and altering best practices in ESG disclosure and ESG classification. On the other hand, ESG-relevant information or company data, which serves as a basis for classification, is a new field in the area of corporate disclosure with a varying degree of regulatory maturity depending on the applicable jurisdiction. While we expect significant improvements in the near future thanks to the regulatory and public focus on sustainability in general, ESG data from external providers should still be considered with care and caution as the underlying data may turn out to be incomplete or outdated. ESG data providers derive information from various sources such as company questionnaires, corporate disclosures, company engagement and industry research, and do not have a common ESG approach (e.g. best-in-class). Instead, each provider uses its own proprietary technique to rate companies.

Our methodology currently sources data from MSCI and Sustainalytics, two of the most established data providers in the industry, in addition to data from internal research. Diversifying data sources minimises bias, mitigates tail risk and addresses issues arising from lack of market standards and rating divergence. In addition, we have developed our own proprietary methodology and process to validate and enhance our sustainable investment framework in response to evolving regulatory requirements, data availability or investor needs. One of the key responsibilities of our Responsible Investment Committee is to ensure our methodology is reviewed and adjusted on a regular basis.

[5]For information on minimum proportions of sustainable investments in accordance with the Disclosure Regulation / EU Taxonomy Regulation please consult the follwing document.

ESG preference category	Type of ESG integration	Regulatory considerations
Sustainable investments (SI) Available product types SI RI TI	• Have a sustainable investment objective, including a positive ESG contribution, or show a clear transition towards these goals • Do not show significant negative impact to ESG factors • Exclusion of ESG risk investments	• Contributes to an environmental or social objective • Considers Principal Adverse Impact (PAI) indicators • Follows good governance
Responsible investments (RI) Available product types SI RI TI	• Take into account ESG characteristics considered in our sustainable investment rating methodology • Do not show significant negative impact to ESG factors • Exclusion of ESG risk investments	• Considers Principal Adverse Impact (PAI) indicators • Follows good governance
Traditional investments (TI) Available product types SI RI TI	• ESG factors are not specifically taken into consideration for financial products • Exclusion of ESG risk investments	• No sustainability considerations in the investment process

The Responsible Investment Committee

A building block for accountability and collaboration

The Responsible Investment Committee (RIC) ensures that sustainability is embedded in Julius Baer's investment strategy, governance, and culture. It is structured in two panels: the Strategic Panel that decides on the investment and sustainable investment offering strategy, governance, and methodology defining the strategic guidelines. The Operational Panel operates according to these guidelines and is ultimately responsible for reviewing and validating outcomes of the methodology on an issuer or investment fund level.

The composition of the RIC Panels has been chosen according to their different missions: the Strategic Panel has oversight of the sustainable business strategy and is composed of senior management in the respective business, risk, and sustainability divisions. The Operational Panel consists of an extensive set of specialists from the Advisory and Investment management boutiques, the Research and Corporate Sustainability department and risk and controlling functions, to address the impact of the Julius Baer methodology in day-to-day business.Under the leadership of the RIC, Julius Baer has built an incredibly valuable track record of integrating ESG factors into the investment processes and in handling ESG data and information in a conscious and sensitive manner. As ESG data is not purely quantitative and includes a degree of subjectivity, valuations from external sources should not be accepted blindly. Our sustainable investment framework encourages our in-house specialists to constantly scrutinise ESG data and provides an adequate process to refine ESG data procured from third parties based on a careful assessment. Including our in-house analysts, portfolio managers, and investment specialists as an integral part of our framework further roots ESG into our investment analysis as well as our culture. Their participation ensures that the process is truly meritocratic and that core stakeholders feel accountable for what we promise and deliver to our clients.

Next Generation Research

Trends shaping the future
The Next Generation investment philosophy is a thematic investing approach with a focus on long-term structural growth, which stretches beyond the business cycle, both in terms of its dynamics and its duration. The aim is to seek investment opportunities by identifying industries undergoing long-term transformations, allowing them to harness the power of megatrends. This is achieved through seven investment themes, six of which are relevant in our sustainable investment framework (see right). Within the identified industries, particular attention is paid to companies that have a significant competitive advantage and can deliver long-term growth, the so called "Next Generation leaders". Key factors analysed are a company's positioning within the industry, its corporate culture, and its financial flexibility. Many of these themes and subthemes are key elements considered in our methodology and add a forward-looking perspective to our analysis.

- Clean energy: reduction of greenhouse gas emissions via renewable energy solutions (clean energy), clean transport solutions (future mobility) and emerging technologies

- Future cities: improving the world's resource use by turning a linear waste stream into a circular one (circular economy), helping cities to function more efficiently, and reducing their environmental footprint (infrastructure & buildings)

- Shifting lifestyles: improving access to technologically state-of-the art healthcare solutions (digital health), allowing people to live better and longer lives via improved access to healthcare (extended longevity), improving access to state-of-the-art medical treatment (genomics), enabling better and healthier lives in terms of physical and mental wellbeing (healthy living)

- Inequality: providing access to education via specialised providers and technological solutions, contributing to reduced inequality while raising prosperity and participation in society

- Digital disruption: improving financial inclusion via solutions developed and distributed by FinTech companies or related emerging technologies (future of finance)

- Feeding the world: enabling more sustainable food consumption and production, using solutions that reduce the impact of animal-based food, and technological solutions such as large-scale smart and precision farming (agricultural and food technology)

The Julius Baer sustainable investment framework

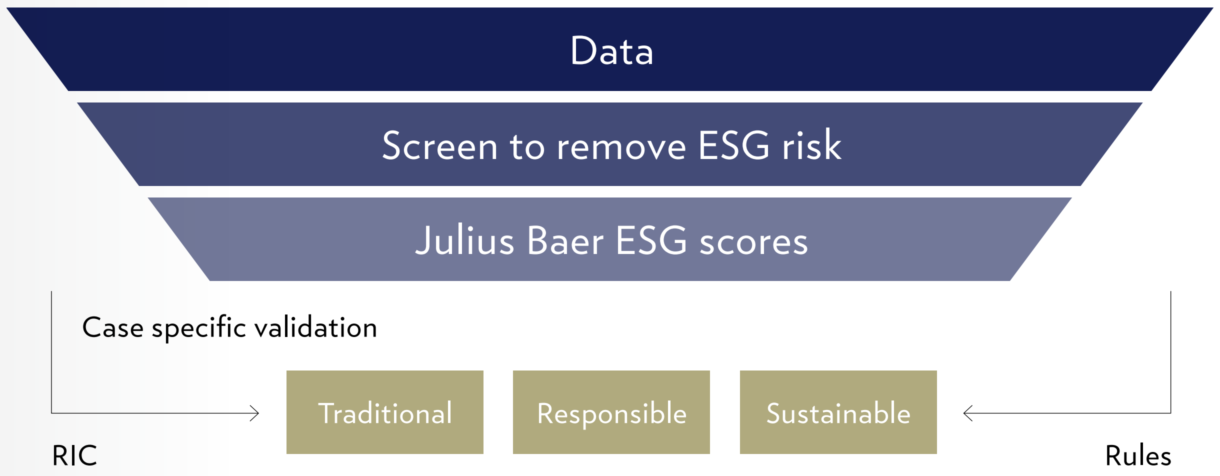
The Julius Baer sustainable investment rating methodology

The corporate methodology

Julius Baer has developed a proprietary methodology that serves as a basis for the ESG product classification.

While the ESG preferences aim to capture the clients' needs relating to sustainable or responsible investing, our methodology aims to provide clients with suitable investment solutions considering ESG risks and opportunities according to their ESG preferences. In its current state, the methodology covers corporates (applied to equity and bonds), investment funds, and sovereigns, structured products and unsecuritised dervatives. As we strive to enhance our services and products, we constantly amend our methodology as we consider sustainable or responsible investing an ever-evolving journey.

The starting point in our methodology is a risk-based screening to identify those issuers that are deemed ESG risk investments and are to be excluded from Julius Baer's investment universe. For this purpose, we apply activity-based exclusions with a focus on products, such as controversial weapons, or potential or alleged severe violations of minimum standards in the area of human rights or child labour. With this risk-based screening, we ensure that Julius Baer's investment universe, in principle, respects globally recognised minimum standards set out by the following bodies: the United Nations Global Compact principles; the United Nations Guiding Principles for Business and Human Rights; the Organisation for Economic Co-operation and Development guidelines for Multinational Enterprises; and the basic standards outlined by the International Labour Organisation Declaration on fundamental principles and rights at work.



Source: Julius Baer Investment & Wealth Management Solutions

The Julius Baer sustainable investment framework

The Julius Baer ESG scores

The Julius Baer ESG scores are based on themes that aim to capture the most relevant client interests. They enable clients to evaluate and summarise performance along certain ESG themes in an easy and understandable way, as well as to align financial instruments to ESG preferences. The Julius Baer ESG scores take into consideration assessments based on external data and internal research, as further explained below, as well as Principal Adverse Impact Indicators (PAIs) as set out in the EU Sustainable Finance Disclosure Regulation (see Appendix). PAIs should be understood as a set of mandatory indicators and metrics which aim to show how certain investments pose sustainability risks. PAIs cover a broad range of ESG matters from environment to social and employee, respect for human rights, anticorruption, and anti-bribery matters.The environmental scores assess both a company's impact on the environment and the risks it is exposed to. The social scores focus on a wide range of topics related to an issuer's social relationships, the broader effect of business operations on stakeholders, and value driven exclusions. The governance scores address a company's business behaviour and overall corporate governance practices such as management structure, remuneration policies, and tax compliance.The scoring process starts with a status quo score: by combining raw data from external data providers and internal research, an absolute score is obtained based on the company's performance and/or industry average. To reward companies that show significant improvement in an ESG area we determine a transition score. In this stage we leverage our Next Generation research by looking at Next Generation leaders for certain relevant themes such as clean energy or inequality. This is a key element of our methodology, as it adds an important forward-looking element based on our internal expertise. Lastly, the scores are validated and can be adjusted based on complementary assessments by the Responsible Investment Committee and thresholds are applied to derive an ESG rating. For example, green, social, sustainable and sustainability-linked bonds can be upgraded if certain requirements are met and verified by the Responsible Investment Committee.

Basic screening	• Global norms • Controversial weapons
Environmental scores	• Climate score • Natural capital score
Social scores	• Human capital score • Global norms score
Governance scores	• Governance score

The climate score

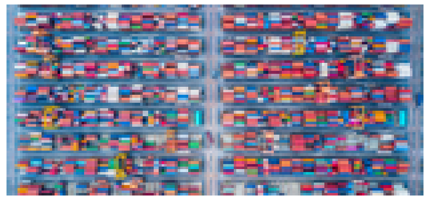
The climate score addresses greenhouse gas emissions and a company's exposure to the shift towards a net-zero-emissions world. The key element captured by the score is climate exposure, including both transition risks (e.g. stranded assets) and opportunities (e.g. potential new markets).

The basis of the climate score is the scope 1 and scope 2 carbon emission intensity (also a PAI indicator) representing carbon emissions scaled to the company's size. Scope 1 emissions are direct emissions from company-owned and controlled resources. Scope 2 emissions are indirect emissions mainly deriving from purchased electricity.

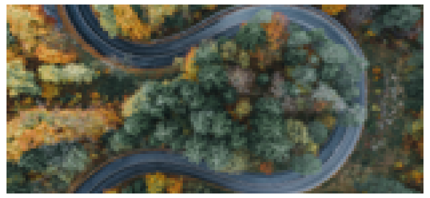
In addition, the climate score also takes into account the negative impact of companies that are active in the fossil fuel industry or have a high Scope 3 emissions intensity (indirect emissions not included in Scope 1 and Scope 2 that occur along the entire value chain), also known as PAI indicators. Companies that derive more than a certain percentage of their revenue from fossil fuel-related activities receive a low climate score to reflect the negative impact of fossil fuels on climate change.

At Julius Baer, we take a long-term view to focus not only on the needs of today's generation, but also on those of tomorrow's. Therefore, we believe it is important to reward issuers that are deemed as contributing to climate change mitigation, offering solutions to achieve net-zero, or are deemed leaders in the areas of clean energy, future mobility, or agricultural and food technology. This forward-looking dimension is integrated in our climate score by leveraging our Next Generation thematic research. Furthermore, we also consider whether an issuer has approved science-based emission reduction targets.

Examples



Oilfield service companies: While energy equipment providers themselves are not meaningful emissions producers, they are part of the emissions intense fossil fuel value chain. Therefore, we may downgrade their climate score to reflect emissions that occur at different parts of the value chain.



Environmental services: A leader in the industry might currently have a high carbon footprint, however, we try to consider forward-looking elements: whether the company has ambitious programs in place to reduce its emissions and whether it also enables customers to reduce their emissions and impact on the environment. Therefore, if certain requirements apply, we may upgrade their score.

Electric car producers: These companies are characterised by a relatively emissions-intensive production process. However, some of them actively contribute to the reduction of greenhouse gas emissions and may be aligned with our Next Generation themes of "Energy Transition" and "Future Cities". Therefore, we may upgrade their score to reflect their contribution to a net-zero-emissions world.

The natural capital score

The natural capital score focuses on biodiversity, water, waste and pollution (factors that are also PAIs), and seeks to identify both the exposure to, and the impact on, environmental issues beyond climate.

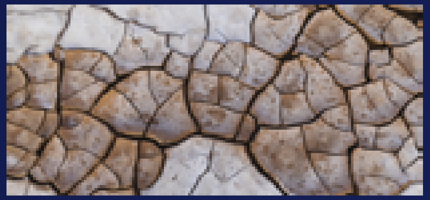
The basis of the natural capital score consists of different attributes associated with the general concept of natural capital, such as an issuer's natural resource stocks and usage. For this purpose, we consider different elements such as: the raw materials an issuer uses and how these are sourced; an issuer's waste management systems including its exposure to regulation; environmental impact and prevention policies; and water management practices including the water intensity and water stress in their operations.

It also includes a forward-looking dimension by leveraging our Next Generation thematic research. Leaders in the fields of clean energy, circular economy, agricultural and food technology are rewarded with an upgrade of the status quo score.

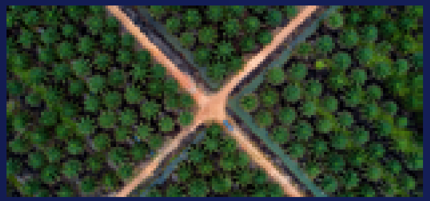
Furthermore, we penalise issuers that are deemed to be generating a significant part of revenues from economic activities considered to be harmful, including: they are, or are alleged to be, implicated in severe environmental controversies; they are active in or near sensitive biodiversity areas (such as UNESCO World Heritage sites); or they produce a certain amount of hazardous waste or release pollutants to surface waters.

Examples

Solar panel producers: The use of renewable energy sources will avoid air pollution coming from fossil fuel plants; however, this forward-looking element might not be reflected in the data collected. Therefore, we may upgrade the natural capital score of certain producers to reflect the emissions reduction in other parts of the value chain.



Chemical producers: The chemicals business, e.g. pesticide producers, is associated with regular air and soil pollution that is not sufficiently reflected in the data. Therefore, we may downgrade the natural capital score.



Tobacco: Tobacco plants require large amounts of chemicals and growth regulators, and production is water and carbon intensive. In addition, cigarette butts are among the most littered items on the planet. Therefore, we may downgrade the natural capital score.

The human capital score

The human capital score addresses the most common aspects of employee conditions and development, workplace policies, and the impact of a company's operations on stakeholders outside the firm.

We consider key attributes such as how a company manages its labour force, its health and safety guidelines, knowledge and skills development, and its supply chain oversight. Severe discrimination both inside and outside the firm is also considered.

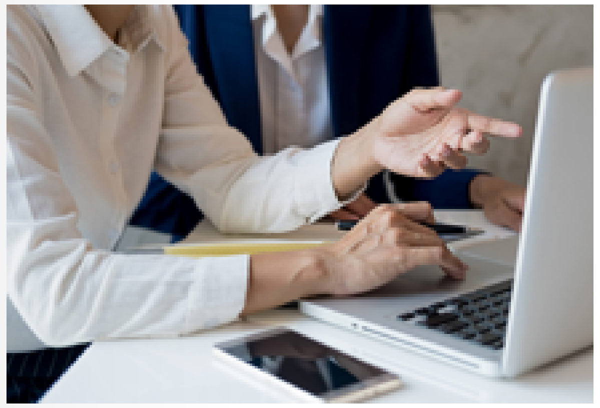
In addition, we consider an issuer's impact on a broader group of stakeholders, such as emissions and pollution produced by operations affecting neighbouring communities.

The global norms score

The global norms score focuses on corporate issuers' operations and their compliance with globally accepted norms of human rights, labour rights, and responsible business practice.

In addition, it considers compliance with the UN Global Compact, child labour, and the United Nations Guiding Principles for Business and Human Rights.

Moreover, the global norms score scrutinises the involvement of a corporate issuer in weapons, both conventional and controversial. Any involvement in controversial weapons leads to an ESG risk investment classification.



The governance score

The governance score focuses on the quality of the corporate governance practices in place, addressing a firm's ownership and control structures, including shareholder rights.

For this purpose, we consider an issuer's oversight and management of business ethics, exposure to fraud and corruption, introduction of a whistle-blower policy, and the transparency and reliability of accounting, including tax compliance. In addition, we consider the quality of the board structure and remuneration policies, such as a say on pay policy.

"Some people think that sustainable investing is still nascent, emotionally motivated, or intangible. I believe sustainable companies are often more innovative, they are the ones that have the products in place to address the challenges ahead."

Silvia Wegmann, Head of Sustainability Mandates

The funds methodology

The funds methodology is used for the classification of all funds in the Julius Baer investment universe. The methodology for third-party funds is currently based on the fund level. For funds managed by Julius Baer, the requirements are aligned with this methodology, but the approach is more granular as more data and insights on the underlying investments are available.

In the first step, a risk-based screening is applied to identify those investment funds that are deemed ESG risk investments and are therefore to be avoided within Julius Baer's investment universe. For this purpose, we apply activity-based exclusions with a focus on products such as controversial weapons and involvement such as in potential or alleged severe violations of elementary social minimum standards in the area of human rights or child labour. This preliminary screening serves as an accompanying measure to a classification simply based on self-declaration of the investment fund. Moreover, it ensures that Julius Baer's investment universe, in principle, respects globally recognised minimum standards as defined by the United Nations Global Compact Principles, the United Nations Guiding Principles for Business and Human Rights, the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises and the International Labour Organisation Declaration on fundamental principles and rights at work.

In the second step, we draw on the self-attested classification of the investment fund management companies according to the EU Sustainable Finance Disclosure Regulation (SFDR). This is detailed in the investment fund documentation (e.g. prospectus) and, depending on the jurisdiction, approved by regulators. In addition, this fund documentation is subject to due diligence by our fund research team. For sustainable funds, a detailed sustainability due diligence is conducted in addition to the standard fund due diligence. Much of the sustainability due diligence focuses on understanding: a) the definition and promotion of sustainable investment objectives, b) the incorporation of good governance, c) the assessment of "Do Not Significant Harm" (DNSH) through the consideration of Principle Adverse Impact Indicators (PAI). As a general rule: SFDR Art. 6 products are classified as traditional investments, SFDR Art. 8 products are considered responsible investments, SFDR Art. 9 products are considered sustainable investments. However, a lower category may apply if, based on the due diligence process, certain internal requirements or risk-based screening criteria are not met. As this information may not be available or reliable for investment funds that have not gone through our investment universe due diligence processes, we cannot classify investment funds that are outside of our recommended investment universe as sustainable or responsible investments and therefore are classified as traditional or ESG risk.

The last step requires the Responsible Investment Committee (RIC) to validate any exceptions to the automated fund classification: the validation may include both upgrades and downgrades.

Our place within the European SFDR[6]

SFDR-Article 6 Applies where a financial product does not integrate any kind of sustainability considertion into the investment process.	• Investment instruments categorised as an ESG risk are excluded from the offered universe in advisory mandates and all discretionary mandates and funds managed by Julius Baer.
SFDR-Article 8 Applies where a financial product promotes ESG considerations, among others.	• These are discretionary mandates or funds that promote environmental and social characteristics, follow good governance, "do not significantly harm" and exclude ESG risk investments. • A minimum percentage of the asset weighted portfolio or fund must be invested in responsible and/or sustainable financial instruments. The minimum percentage may vary depending on the product.
SFDR-Article 8 + Applies where a financial product promotes ESG considerations, among others, and partly makes sustainable investments.	• These are discretionary mandates or funds that promote environmental and social characteristics, have minimum proportion of sustainable investments, follow good governance, "do not significantly harm" and exclude ESG risk investments. • A minimum of the asset weighted portfolio or fund must be invested in responsible and/or sustainable financial instruments, with a minimum percentage invested in sustainable financial instruments. The percentage
SFDR-Article 9 Applies where a financial product has sustainable investing as its objective.	• These are discretionary mandates or funds that pursue one or more sustainable investment objectives and therefore have minimum proportion of sustainable investments. In addition these investments follow good governance, "do not significantly harm" and exclude ESG risk investments. • Currently there are no products managed by Julius Baer classified as SFDR Article 9.

[6] Please consult our dedicated website basd on your location fo https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/sustainability-related-information/

The structured products methodology

The methodology for structured products (including any further securitised derivatives) builds upon the corporate and fund methodology. This methodology considers the ESG classification of the issuer[7] (or guarantor or the group to which the issuer belongs), as well as the ESG classification of the underlying assets of the structured product.

Scope

The methodology assigns an ESG classification to structured products issued by an entity of the Julius Baer group (the "Group"), as well as structured products issued by selected third parties[8]. This methodology applies to structured products characterised by a long exposure (at inception) to underlying assets and will only be applied to the long exposure of the structured products[9]. Underlying assets in scope include equities, bonds, funds and indices. Structured products based on underlying assets such as currencies, interest rates or commodities are excluded due to the inherent difficulty or even infeasibility of assigning an ESG classification as these asset types are deemed neutral with no sustainability implications. Furthermore, in alignment with current regulatory goals and guidelines aimed at promoting transparency and redirecting capital toward more sustainable activities, we have excluded speculative products[10], as well as credit risk products.

ESG classifications

Under our structured products methodology, in line with our methodology for corporates and funds, structured products can be classified[11] as– traditional, responsible, or sustainable. If a product fails to meet our screening criteria, it will be labelled as an ESG risk investment and excluded from our offered universe. Products that lack sufficient data to make an assessment or that are beyond the scope of the methodology, such as those deemed neutral with no sustainability implications, will be flagged as no data[12].

Sustainable investment	These instruments have a sustainable investment objective, including a positive ESG contribution, or show a clear transition towards these goals.
Responsible investment	These instruments have certain positive ESG characteristics and meet the standards that are defined as 'not causing significant harm' but do not meet the criteria to be sustainable as they do not have a sustainable objective.
Traditional investment	These are instruments, whose purpose is purely to achieve a financial return and therefore do not meet the criteria for being sustainable or responsible. However, all ESG-risk investments are excluded.
ESG risk investment	These include instruments that do not pass our basic screening because they severely violate certain environmental, social, and governance (ESG) principles. Such investments are excluded from Julius Baer's investment universe.
No Data	The available ESG data is not sufficient to categorise the instrument, or it is currently not covered by our methodology, such as those instruments deemed neutral with no sustainability implications (lacking ESG metrics).

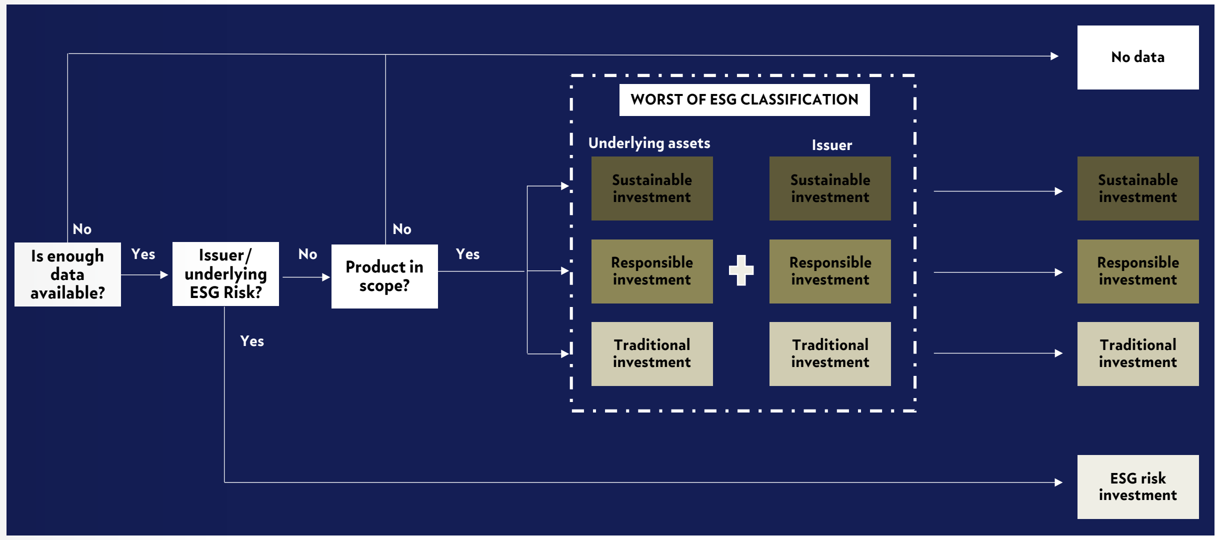
[7]We incorporate data inputs into our model at the most granular level of the corporate structure. However, in instances where entity-level data is unavailable, we will resort to utilising group-level data. [8]A list of approved third parties is updated by a dedicated team managing the relationships with third parties. on a quarterly basis. [9]As outlined by the SSPA Sustainability Transparency Guidelines. [10]Products with short and long delta. [11]The ESG classification will be assigned at issuance or initial distribution and might change over the lifetime of the product and investors may not be informed about the change of the ESG rating during the term of the product. [12]For the purpose of calculating the alignment/suitability of a portfolio of a client with his/her minimum proportion preferences for sustainable investments according to EU Taxonomy / SFDR the instrument will be dealt with as being not aligned to either the EU Taxonomy or SFDR, as is the case for all other asset classes where this data is not available.

Products in scope of sustainable structured products methodology
Capital Protection Note with Participation
Capital Protection Note with Barrier
Capital Protection Note with Coupon
Discount Certificate
Barrier Discount Certificate
Reverse Convertible
Barrier Reverse Convertible
Conditional Coupon Reverse Convertible
Conditional Coupon Barrier Reverse Convertible
Tracker Certificate
Outperformance Certificate
Bonus Certificate
Bonus Outperformance Certificate
Call Warrant
Long Mini Future

Products out of scope of sustainable structured products methodology
Capital Protection Note with Twin Win
Twin Win Certificate
Put Warrant
Spread Warrant
Warrant with Knock-Out
Short Mini Future
Credit Linked Note
Conditional Capital Protection Note with additional credit risk
Yield Enhancement Certificate with additional credit risk
Participation Certificate with additional credit risk

Classification based on SSPA Swiss Derivative Map.

The Julius Baer sustainable investment framework



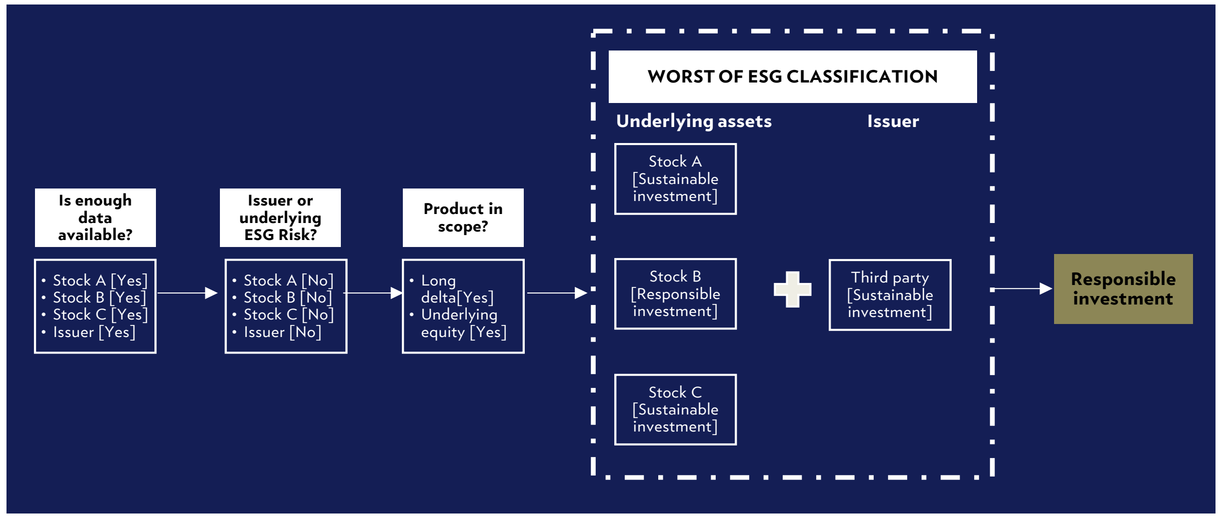
The methodology rules

First, we determine if there is enough data to apply our methodology. If there is not sufficient ESG data available on the issuer and/or underlying assets the product will be labelled as no data. Then our methodology begins with a risk-based screening of issuers (or guarantor or the group to which the issuer belongs), and un-derlying assets to identify ESG risk investments, which are then excluded from our offered investment universe. Next, we determine if the product is within the scope for an ESG classification (some products are deemed neutral with no sustainability implications). If it is not, the product will be labelled as no data.

To determine the ESG classification of structured products, we apply a "worst of" approach. This means that we use the lowest ESG classification between the underlying assets and the issuer (or the guarantor, or the group it belongs to). For instance, if an issuer is classified as sustainable while the underlying assets is/are classified as responsible, the overall ESG classification for the instrument would be responsible.The rationale for considering both the issuer and the underlying assets stems from the fact that structured products generally have a "general use of proceeds" structure. This means that the issuer of a structured product has full discretion over the allocation of funds raised through the issuance.

The deployment of the proceeds raised is key to define the ESG classification of the product. In fact, structured products are made of two components: 1) the bond component 2) the derivative component. Through the bond component the issuer uses a portion of the proceeds raised as part of its general business activities. Through the derivative component a portion of the funds raised will be used in hedging transactions conducted in relation to the issuer's risk position with respect to the underlying assets. Consequently, a portion of the funds raised exerts an influence on the demand of the underlying assets through trading in these derivatives.

As a result, the ESG attributes of both the issuer and the underlying assets need to be taken into consideration to derive the overall ESG classification of structured products.



To determine the ESG classification of issuers and underlying assets such as equities and bonds, we apply the corporate methodology. Meanwhile, the fund methodology is used to derive the ESG classification for funds.

In cases where a structured product has multiple underlying assets, the "worst of" approach is also applied, taking the lowest ESG classification among the underlying assets into consideration. In case the underlying asset is a market index, an ETF proxy is used to apply the fund methodology. For in-house indices the portfolio rules applied to discretionary mandates are applied.

Proprietary classification model

The ESG classification is currently based on a proprietary classification model due to the absence of a legal definition of a "sustainable structured product" and generally accepted metrics for assessing and determining the sustainability of structured products. The relevant legal and regulatory framework is evolving. We are monitoring these developments and will adapt our framework to the relevant legal and regulatory developments where appropriate and applicable.

Information on the issuer Julius Baer

According to the corporate ESG methodology, Julius Baer is classified as sustainable as of May 2024 (the classification is calculated on a periodic basis and might therefore be subject to change). Moreover, Julius Baer is a member of the SSPA Swiss Structured Products Association and adheres to the SSPA Sustainability Transparency Guidelines. For further sustainability related information please consult our entity website https://www.juliusbaer.com/en/legal/sustainability-related-disclosures/sustainability-related-information/.

The unsecuritised derivatives[13] methodology

The methodology for unsecuritised derivatives builds upon the corporate and fund methodology. The approach of the methodology depends on the type of derivatives, either exchange-traded derivatives (ETDs) or over-the-counter derivatives (OTC derivatives).

Scope

We limit the scope to ETDs and OTC derivatives that a) have a long delta and b) have indices, equities, or bonds as underlying assets: this includes index futures (ETDs), long index options (ETDs and OTC derivatives), and long equity/bond options (ETDs and OTC derivatives). Derivatives based on other underlying assets such as currencies, interest rates or commodities are excluded due to the inherent difficulty or even infeasibility of assigning an ESG classification as these asset types are deemed neutral with no sustainability implications.

ESG classifications

Under our unsecuritised derivatives methodology, in line with our methodology for corporates and funds, derivatives can be classified as traditional, responsible, or sustainable. If a product fails to meet our screening criteria it will be labelled as an ESG risk investment and excluded from our offered universe. Derivatives that lack sufficient data to make an assessment or that are beyond the scope of the methodology, such as those deemed neutral with no sustainability implications, will be flagged as no data[14].

Sustainable investment	These instruments have a sustainable investment objective, including a positive ESG contribution, or show a clear transition towards these goals.
Responsible investment	These instruments have certain positive ESG characteristics and meet the standards that are defined as 'not causing significant harm' but do not meet the criteria to be sustainable as they do not have a sustainable objective.
Traditional investment	These are instruments, whose purpose is purely to achieve a financial return and therefore do not meet the criteria for being sustainable or responsible. However, all ESG-risk investments are excluded.
ESG risk investment	These include instruments that do not pass our basic screening because they severely violate certain environmental, social, and governance (ESG) principles. Such investments are excluded from Julius Baer's investment universe.
No Data	The available ESG data is not sufficient to categorise the instrument, or it is currently not covered by our methodology, such as those instruments deemed neutral with no sustainability implications (lacking ESG metrics).

[13] For structured products, i.e. securitized derivatives, please refer to the previous section. [14] For the purpose of calculating the alignment/suitability of a portfolio of a client with his/her minimum proportion preferences for sustainable investments according to EU Taxonomy / SFDR the instrument will be dealt with as being not aligned to either the EU Taxonomy or SFDR, as is the case for all other asset classes where this data is not available.

The methodology rules

First, we determine if there is enough data to apply our methodology. If there is not sufficient ESG data available on the counterparty[15] (Julius Baer) and/or underlying asset[16] the product will be labelled as no data. Then our methodology begins with a risk-based screening of the counterparty (when relevant), and underlying asset to identify ESG risk investments, which are then excluded from our offered investment universe. Next, we determine if the product is within the scope for an ESG classification (e.g., some derivatives are deemed neutral with no sustainability implications). If it is not, the product will be labelled as no data.

OTC derivatives

Once we have determined that we have sufficient data to apply our methodology and we have screened for ESG risk investments we determine the ESG classification of OTC derivatives by applying a “worst of” approach. This means that we apply the lower ESG classification between the underlying asset and the counterparty ESG classification, which in the case of OTC derivatives would be Julius Baer or an entity belonging to Julius Baer. To determine the ESG classification of a counterparty and underlying assets such as equities and bonds, we apply the corporate ESG methodology. In case the underlying asset is a market index, an ETF proxy is used to apply the fund methodology.

Information on the issuer Julius Baer

The OTC derivatives in scope of our methodology have Julius Baer as a counterparty. According to the corporate ESG methodology Julius Baer is classified as sustainable as of May 2024 (the classification is calculated on a periodic basis and might therefore be subject to change).

ETDs

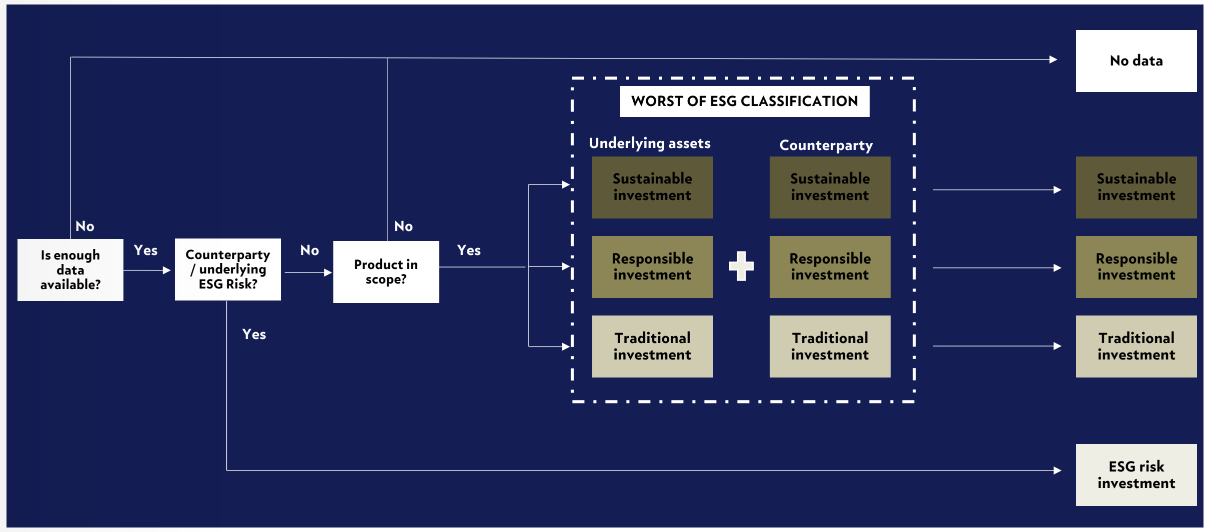
Once we have determined that we have sufficient data to apply our methodology and we have screened for ESG risk investments, we determine the ESG classification of the product. The methodology for ETDs does not take into consideration the ESG classification of the counterparty, but only that of the underlying asset. This is due to the inherent data limitations, which hinder a reliable ESG assessment of exchanges. To determine the ESG classification of underlying assets such as equities and bonds, we apply the corporate ESG methodology. In case the underlying asset is a market index, an ETF proxy is used to apply the fund methodology.

Proprietary Classification Model

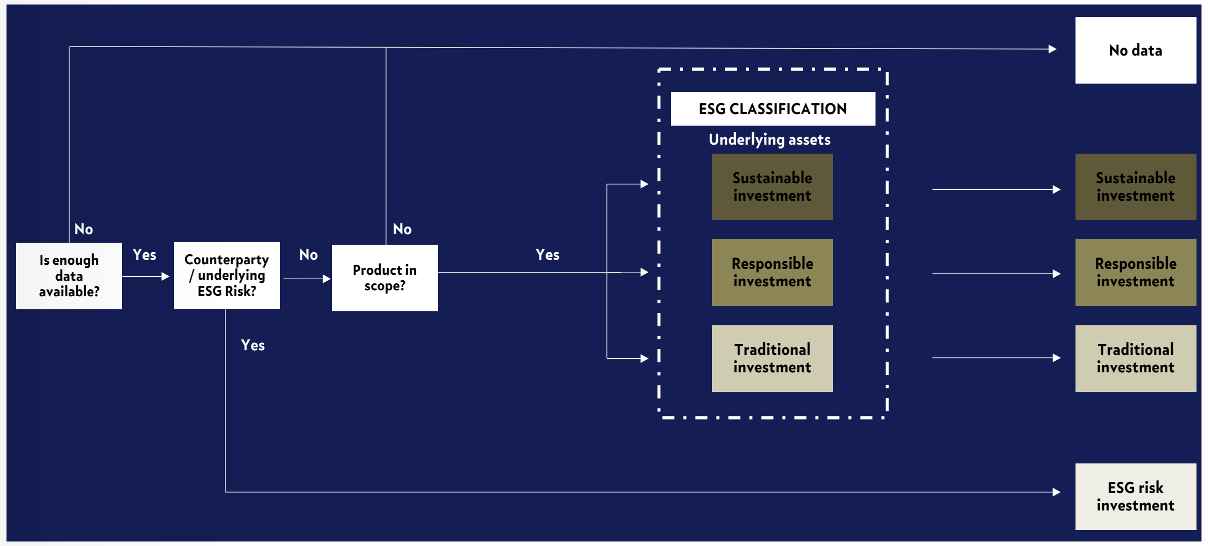
The ESG classification is currently based on a proprietary classification model due to the absence of generally accepted industry standards, e.g. generally accepted definition and metrics for assessing and determining the sustainability of exchange traded derivatives (ETDs) and over-the-counter derivatives (OTC derivatives). The relevant legal and regulatory framework is evolving. We are monitoring these developments and will adapt our framework to the relevant legal and regulatory developments where appropriate and applicable.

[15]Only relevant for OTC derivatives. [16]Relevant for OTC derivatives and ETDs.

Over the counter derivatives



Exchange traded derivatives



The sovereign methodology

The methodology for sovereigns seeks to classify all financial instruments issued by a country. At this stage, our methodology for sovereigns entails a risk and activity-based screening process only with the aim to identify those financial instruments issued by a sovereign that are deemed an ESG risk investment (all others are classified as traditional investments). For this purpose, we consider a sovereign's general management and exposure to ESG factors and risks. Sovereigns that are deemed to be laggards when compared to others or that are subject to relevant international, regional or natio-nal sanctions (mainly based on the trade sanction list of the United Nations Security Council) are deemed ESG risks investment and excluded from our investment universe. In the future we intend to expand our sovereign methodology beyond a screening process.

Conclusion

As each investment journey is personal, we help our clients invest in what matters to them. To support them in defining their journey as investors, we want to provide guidance on clearly articulating their ESG preferences and transparency on the ESG profile of their investments.

Appendix

The regulatory context

As our sustainableinvestment framework is to a large extent based on Swiss and European regulation, the below general overview of the EU regulatory framework aims to demonstrate the correlation to our ESG product classification.

The European Union pioneered efforts for sustainable development with the launch of the Green Deal. In 2019, all EU member states agreed on an overarching sustainability framework, with the goal of reaching net-zero greenhouse gas emissions by 2050. The Green Deal contains sub-elements and legislation that focuses on different industries. For the financial sector, these efforts are compiled in the European Commission's "Sustainable Finance Action Plan", which aims to:

- reorient capital flows towards sustainable investments
- manage the financial risks arising from climate change
- foster transparency and long-term thinking
  in financial activities

This plan, which is ever-evolving, has translated into different legislations: the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy Regulation, the Corporate Sustainability Reporting Directive (CSRD; previously NFRD) and an amendment to the Markets in Financial Instruments Directive (MIFID II). Similar programmes and regulations are either in discussion or already adopted in other parts of the world, such as the UK, Switzerland, Singapore, Hong Kong, and China.

The EU Sustainable Finance Disclosure Regulation (SFDR), applicable since March 2021, aims to enhance the transparency and comparability of the sustainability profile of financial instruments to enable clients to take informed sustainable or responsible investing decisions. The primary focus of SFDR lies in disclosures. There is a general belief that enabling investors to better understand the impact that their investments have on society and the environment through increased transparency will encourage the shift of capital towards activities that are less harmful and potentially even positive for the environment and for society.

The SFDR also requires disclosure on "Principal Adverse Impacts" (PAI). SFDR details mandatory PAI indicators (applicable to investments in investee companies), which are incorporated in our methodology for corporates e.g. by way of the ESG scores or our risk and activity-based screening criteria. The number of PAI indicators will be further increased once the regulatory specifications and data coverage will be enhanced. Both sustainable and responsible investment ESG product classifications consider PAIs.

Within the Julius Baer fund methodology SFDR article 8 investment funds are mapped to the responsible investment category. At this point in time there is no data available on whether an investment fund explicitly considers PAIs. Therefore, we ask the managers of our recommended funds whether PAIs are considered. For this reason, for all funds outside the recommended universe, the ESG categorisation is maximised at traditional. Additional data is expected to become available in the coming years and can be incorporated in future iterations of the methodology.

The EU's Taxonomy Regulation, which entered into force in July 2020, is primarily a classification system with definitions and rules, as well as predefined technical screening criteria. It seeks to provide companies, capital markets, and policymakers with clarity on which economic activities are environmentally sustainable.

Another important element of the Action Plan is the ESG enhancement of the MiFID II framework, introduced in August 2022. It integrates clients' sustainability preferences into the suitability assessment, which will then need to be considered in the advisory and portfolio management processes.

Finally, the Corporate Sustainability Reporting Directive (CSRD) also requires large companies to publish regular reports on their environmental and social impact activities (from January 2023). including how their activities align with the EU Taxonomy criteria. It helps investors, consumers, policymakers, and other stakeholders evaluate large companies' nonfinancial performance.

The Swiss Sustainable Structured Products Association (SPPA) introduced the Sustainability Transparency Guidelines in June 2023, which will apply from June 2024. These voluntary guidelines aim to create a baseline standard for structured products labelled as sustainable. The aim is to ensure transparency for investors and allow them to make informed choices based on their sustainability preferences.

Greenwashing is another issue that has been extensively regulated in different jurisdictions. Various initiatives are underway at the national and international level, and more and more regulatory measures are being introduced to improve sustainability transparency for investors and clients. The aim is to reduce the risk of investors and clients being misled - either consciously or unconsciously - about the sustainable characteristics of financial products and services ("greenwashing"). At Julius Baer, we have a dedicated oversight function that ensures that the Julius Baer Sustainable Investment Framework complies with regulatory requirements.

Important legal information

Imprint
This content constitutes marketing material and is not the result of independent financial/investment research. It has therefore not been prepared in accordance with the legal requirements regarding the independence of financial/investment research and is not subject to any prohibition on dealing ahead of the dissemination of financial/investment research. It has been produced by Bank Julius Baer & Co. Ltd., Zurich, which is authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA. This content is issued regularly. Information on financial instruments and issuers will be updated irregularly or in response to important events.

Authors
Monika Seppi, Sustainable investment specialist, monika.seppi@juliusbaer.com[1]
Isak Ahlbom, Head Sustainable investment methodology isak.ahlbom@juliusbaer.com[1]

1) This author is employed by Bank Julius Baer & Co. Ltd., Zurich, which is authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA.

Glossary
If you are unsure about the meaning of any term or abbreviation used in this content, please visit the 'Glossary' section of the Julius Baer website: www.juliusbaer.com/glossary

Important legal information
The information and opinions expressed were valid at the date of writing, may be based on numerous assumptions and, thus, are subject to change without notice. This content serves for information purposes only and is not intended as legal, accounting, or tax advice, or as an offer or invitation to buy or sell financial instruments. The opinions and comments of the authors reflect their current views but not necessarily those of other Julius Baer entities or any other third party. Other Julius Baer entities may have issued, and may in the future issue, other content that is inconsistent with, and may reach different conclusions than, the information presented. Julius Baer assumes no obligation to ensure that such other content be brought to the attention of any recipient of this content. Although the information provided in this content is trusted to be accurate and complete, and data has been obtained in good faith from sources believed to be reliable, no representation or warranty, expressed or implied, is made in this respect. In particular, Julius Baer provides no verbal or written assurances or guarantees with regard to the performance of an asset class or of a financial instrument and does not provide any capital guarantee or capital protection. Furthermore, information provided may not include all relevant information about the financial instruments or issuers referred to. To the extent permitted by applicable laws and/or regulations, Julius Baer accepts no liability whatsoever for any claims for loss or damages of any kind arising directly or indirectly from this content (including acts or omissions by third parties, such as auxiliary persons and/or agents of Julius Baer).
Suitability & sustainability
Suitability: Investments in the financial instruments and/or services mentioned may not be suitable for all recipients and may not be available in all countries. Clients of Julius Baer are kindly requested to get in touch with the local Julius Baer entity in order to be informed about the financial instruments and/or services available in their country (www.juliusbaer.com/locations). Before entering into any transaction, investors should consider the suitability of the transaction to their individual circumstances and objectives. Any investment, trading, or other decision should only be made by the client after a thorough reading of the relevant product term sheet, subscription agreement, information memorandum, prospectus, or other offering document relating to the issue of financial instruments. This content does not constitute a personal recommendation nor take into account specific personal circumstances (e.g. investment objectives, financial situation, or investment strategies). Julius Baer recommends that investors independently assess, with a professional advisor, the specific financial risks, as well as legal, regulatory, credit, tax, and accounting consequences. Where reference is made to a specific research report, this content should not be read in isolation without consulting the full research report, which may be provided upon request.
Sustainability: Depending on the recipient's domicile or place of incorporation, this content may not adhere to any locally applicable existing or proposed principles, laws, rules, or regulations related to the environmental, social, and governance (ESG) criteria. For further details on ESG data, sustainable investment methodology, and the existing legal/regulatory framework, as well as potential implications on financial return and eligible investments, please refer to the 'ESG Disclaimer': www.juliusbaer.com/en/esg-disclaimer

General risks
The price and value of, and income from investments in, any asset class mentioned may fall, as well as rise, and investors may not get back the amount invested. Risks involved in any asset class mentioned may include, but are not necessarily limited to, market risks, credit risks, political risks, and economic risks. The investor may be exposed to currency risk when a financial instrument or underlyings of a financial instrument are denominated in currencies other than that of the country in which the investor is resident. The investment, as well as its performance, would therefore be exposed to currency fluctuations and may increase or decrease in value. Investments in emerging markets are speculative and may be considerably more volatile than investments in established markets. This content may include figures relating to simulated past performance. Past performance, simulations, and performance forecasts are not reliable indicators of future results.

Third-party information
This content may contain information obtained from third parties, including ratings from rating agencies such as Standard & Poor's, Moody's, Fitch, and other similar rating agencies, and research from research providers such as MSCI ESG Research LLC or its affiliates, as well as from index providers such as Bloomberg (as defined below). Issuers mentioned or included in any MSCI ESG Research LLC materials may be a client of, or affiliated with a client of, MSCI Inc. (MSCI) or another MSCI subsidiary. 'Bloomberg' refers to Bloomberg® and Bloomberg indices which are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (BISL), as well as the administrator of the index. Bloomberg is not affiliated with Julius Baer. The reproduction and distribution of third-party content in any form is prohibited, except with the prior written permission of the related third party. Third-party content providers do not guarantee the accuracy, completeness, timeliness, or availability of any information, including ratings or research, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third-party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third-party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings or research. Third-party content providers do not approve, endorse, review, or recommend any financial instruments and/or services mentioned. In particular, credit and/or research ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold, or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes and should not be relied on as investment advice.

Important distribution information
This content and any market data contained therein shall not be redistributed to any third party unless Julius Baer or the source of the relevant market data gives their approval. This content is not directed to any person in any jurisdiction where (on the grounds of that person's nationality, residence, or otherwise) such content is prohibited. This content may be distributed by the entities listed under the country headings below, with reference to the paragraphs that apply to the entity from which it has been received.

External Asset Managers (EAM)/External Financial Advisors (EFA): In case this content is provided to EAM/EFA, Julius Baer expressly prohibits its redistribution or any other way of making it available to clients and/or third parties. The content is of a purely abstract and general nature and is not intended for, nor directed at, client portfolios in general or clients domiciled in the European Economic Area in particular. By receiving any information, the EAM/EFA confirms that they will make their own independent analysis and investment decisions, where applicable.

Brazil: The financial instruments mentioned may not be offered or sold to the public in Brazil. Accordingly, the financial instruments mentioned have not been and will not be registered with the Brazilian securities commission.

Chile: This content is for the intended recipient only.

Dubai International Financial Centre (DIFC): Julius Baer (Middle East) Ltd., licensed and regulated by the Dubai Financial Services Authority (DFSA), distributes this content to its clients. This content does not constitute or form part of any offer to issue or sell, or any solicitation to subscribe for or purchase, any financial instruments in the UAE (including the DIFC) and should not be construed as such. Furthermore, this content is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the UAE Securities and Commodities Authority, the DFSA or any other relevant licensing authority or governmental agency in the UAE. It may not be relied upon by or distributed to retail clients.

European Union: Julius Baer Group entities within the European Union provide advice that is not considered 'independent' within the meaning given to that term by EU Directive 2014/65/EU on markets in financial instruments (known as MiFID II).

Germany: Bank Julius Bär Deutschland AG, authorised and regulated by the German Federal Financial Supervisory Authority (BaFin), distributes this content to its clients. If you have any queries concerning this content, please contact your relationship manager.

Guernsey: Bank Julius Baer & Co. Ltd., Guernsey Branch, licensed in Guernsey to provide banking and investment services and regulated by the Guernsey Financial Services Commission, distributes this content to its clients.

Important legal information

Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong SAR): This content has been distributed in Hong Kong by and on behalf of, and is attributable to Bank Julius Baer & Co. Ltd., Hong Kong Branch, which holds a full banking licence issued by the Hong Kong Monetary Authority under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong SAR). Bank Julius Baer & Co. Ltd., Hong Kong Branch is also a registered institution under the Securities and Futures Ordinance (SFO) (Chapter 571 of the Laws of Hong Kong SAR) licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities with Central Entity number AUR302. This content must not be issued, circulated or distributed in Hong Kong other than to 'professional investors' as defined in the SFO. The contents have not been reviewed by the Securities and Futures Commission nor by any other regulatory authority. Any references to Hong Kong shall mean the Hong Kong SAR. If you have any queries concerning this content, please contact your Hong Kong relationship manager. Bank Julius Baer & Co. Ltd. is incorporated in Switzerland with limited liability.

India: This content has not been produced by Julius Baer Wealth Advisors (India) Private Limited (JBWA) or any of its Indian subsidiaries under the Securities and Exchange Board of India (SEBI) Research Analyst Regulations, 2014. This content has been produced by Bank Julius Baer & Co. Ltd. (Julius Baer), a company incorporated in Switzerland with limited liability that does not have a banking license in India. This content should not be construed in any manner as an offer, solicitation or recommendation by JBWA or any Julius Baer entity globally.

Israel: Julius Baer Financial Services (Israel) Ltd. (JBFS), li-censed by the Israel Securities Authority to provide investment marketing and portfolio management services, distributes this content to its clients. Pursuant to Israeli law, 'investment marketing' is the provision of advice to clients concerning the merit of an investment, holding, purchase or sale of financial instruments, when the provider of such advice has an affiliation to the financial instruments. Due to its affiliation to Bank Julius Baer & Co. Ltd., JBFS is considered to be affiliated to certain financial instruments that may be connected to the services JBFS provides, and therefore any use of the term 'investment advice' or any variation thereof in this content should be understood as investment marketing, as explained above.

Kingdom of Bahrain: Julius Baer (Bahrain) B.S.C.(c), an investment business firm which is licensed and regulated by the Central Bank of Bahrain (CBB), distributes this content to its expert and accredited investor clients. This content may not be relied upon by or distributed to retail clients. The CBB does not take any responsibility for the accuracy of the statements and information nor shall it have any liability to any person for any damage or loss resulting from reliance on any statement or information contained herein. Further-more, this content is being made available on the basis that the recipient acknowledges and understands that the investment funds mentioned have not been regis-tered by or filed with the CBB and therefore may not be available to the recipient unless the funds have been filed with the CBB.

Luxembourg: Bank Julius Baer Europe S.A., a bank incorporated and existing under the laws of the Grand Duchy of Luxembourg, with registered office at 25, rue Edward Steichen, L-2540 Lux-embourg and registered with the Luxembourg Register of Commerce and Companies (RCSL) under number B 8495, authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Lux-embourg, distributes this content to its clients. This content has not been authorised or reviewed by the CSSF and it is not intended to be filed with the CSSF.

Monaco: Bank Julius Baer (Monaco) S.A.M., a bank authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), 4 place de Buda-pest, 75436 Paris, France, and also regulated by the Commission de Contrôle des Activités Financières (CCAF), 4 rue des Iris, 98000 Monaco, for conduct of its financial activities, distributes this content to its clients. Bank Julius Baer (Monaco) S.A.M. is registered with the Monaco Register of Commerce and Industry (RCI) under number 96S03173.

Qatar: This content is distributed by Julius Baer (QFC) LLC. It may not be relied upon by or distributed to retail customers. Please note that Julius Baer (QFC) LLC offers investment advisory services (financial products or services) only to business customers who have adequate financial experience and understanding of financial markets, instruments and/or transactions and any associated risks. The financial instruments and/or ser-vices mentioned will be available only to business customers and eligible counterparties in line with the definition of the Qatar Financial Centre Regulatory Authority (QFCRA) Customer and Investor Protection Rules Module. Julius Baer (QFC) LLC is duly licensed in the Qatar Financial Centre (QFC) and regulated by the QFCRA with QFC No. 01606 with registered office at Office A&B, Floor 29, Tornado Tower, Building 17, Street 810, Zone 60, Doha, State of Qatar. This content may also include a collective investment scheme (the 'scheme') that is not registered in the QFC or regulated by the QFCRA. Any prospectus for the scheme, and any related documents, have not been reviewed or approved by the QFCRA. Investors in the scheme may not have the same access to information about the scheme that they would have to information about a collective investment scheme registered in the QFC. Recourse against the scheme, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside the QFC.

Republic of Ireland: Bank Julius Baer Europe S.A. Ireland Branch is a branch of Bank Julius Baer Europe S.A. with registered branch office in 2 Hume St, South-East Inner City, Dublin, D02 FT82, Ireland. It is registered with the Dublin commercial register under the registration num-ber 909020, authorised and regulated by the Commis-sion de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg, and is regulated for conduct of business rules by the Central Bank of Ireland (CBI), New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland. Bank Julius Baer Europe S.A. is a bank incorporated and existing under the laws of the Grand Duchy of Luxembourg, with registered office at 25, rue Edward Steichen, L-2540 Luxembourg, registered with the Luxembourg Register of Commerce and Companies (RCSL) under number B 8495. Bank Julius Baer Europe S.A. Ireland Branch distributes this content to its clients. Some of the services mentioned, which are available to clients of Bank Julius Baer Europe S.A. Ireland branch, may be provided by members of the Julius Baer Group based outside of the Grand Duchy of Luxembourg or the Republic of Ireland. In these cases, rules made by the CSSF and the CBI for the protection of retail clients do not apply to such services, and the CSSF and the Irish Financial Services and Pen-sions Ombudsman will not be able to resolve complaints in respect of such services.

Singapore: This content has not been reviewed by the Monetary Authority of Singapore. This content is distributed in Singapore by Bank Julius Baer & Co. Ltd., Singapore branch, and is available for accredited investors or institutional investors only. This content does not constitute an 'advertisement' as defined under Section 275 or 305 respectively of the Securities and Futures Act 2001 of Singapore (SFA). Any content relating to the offer or sale, or invitation for subscription or purchase, of securities or investment funds (i.e. collective investment schemes) may not be circulated or distributed, nor may such securities or investment funds be offered or sold, or be made the subject of an invita-tion for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 or 304 respec-tively of the SFA, (ii) to a relevant person (which includes an accredited investor), or any person pursuant to Section 275(1A) or 305(2) respectively, and in accordance with the conditions specified in Section 275 or 305 respectively of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In particular, for investment funds that are not authorised or recognised by the Monetary Authority of Singapore, units in such funds are not allowed to be offered to the retail public; any written material issued to persons as aforemen-tioned in connection with an offer is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and investors should consider carefully whether the investment is suitable for them. Please contact a representative of Bank Julius Baer & Co. Ltd., Singapore branch, with respect to any inquiries concern-ing this content. Bank Julius Baer & Co. Ltd. (UEN - T07FC7005G) is incorporated in Switzerland with limited liability.

South Africa: Julius Baer South Africa (Pty) Ltd., an authorised financial services provider (FSP No. 49273) approved by the Financial Sector Conduct Authority, distributes this content to its clients. Julius Baer is also licensed in South Africa as a representative office of a foreign bank.

Spain: Bank Julius Baer Europe S.A., Sucursal en España, is a branch of Bank Julius Baer Europe S.A. with registered branch office in Paseo de la Castellana 7, 2nd floor, E-28046 Madrid. It is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF), 283, route d'Arlon, L-1150 Luxembourg, and is regulated for conduct of business rules by the Bank of Spain (Banco de España), c/Alcalá, 48, E-28014 Madrid, under the registration number 1574. Bank Julius Baer Europe S.A., Sucursal en España is also authorised to provide investment services subject to the supervision of the Comisión Nacional del Mercado de Valores (CNMV), c/Edison, 4, E-28006 Madrid. Bank Julius Baer Europe S.A. is a bank incorporated and existing under the laws of the Grand Duchy of Luxembourg, with regstered office at 25, rue Edward Steichen, L-2540Luxembourg, registered with the Luxembourg Register of Commerce and Com-panies (RCSL) under number B 8495. Bank Julius Baer Europe S.A., Sucursal en España distributes this content to its clients.

Switzerland: Bank Julius Baer & Co. Ltd., Zurich, authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA, distributes this content to its clients.
United Arab Emirates (UAE): This content has not been approved or licensed by the UAE Central Bank, the UAE Securities and Commodities Authority or any other relevant authority in the UAE. It is strictly private and confidential and is being issued to a limited number

Important legal information

of sophisticated individual and institutional investors upon their request and must not be provided to or relied upon by any other person.

United Kingdom (UK): Julius Baer International Limited, authorised and regulated by the Financial Conduct Authority (FCA), distributes this content to its clients. Where the content is distributed into the UK by an offshore entity, it has been approved on the date shown on this content for distribution in the UK by Julius Baer International Limited, authorised and regulated by the FCA (FRN 139179), for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (FSMA) in connection with its distribution as a financial promotion in the UK. Services mentioned in this content may be provided by members of the Julius Baer Group outside the UK. Rules made under the FSMA for the protection of retail clients do not apply to services provided by members of the Julius Baer Group outside the UK, and the UK Financial Services Compensation Scheme will not apply. Julius Baer International Limited does not provide legal or tax advice. If information on a particular tax treatment is provided, this does not mean that it applies to the client's individual circumstances, and it may be subject to change in the future. Clients should obtain independent tax advice in relation to their individual circumstances from a tax advisor before deciding whether to invest. Julius Baer International Limited provides advice on a limited range of financial instruments (restricted advice).

Uruguay: In case this content is construed as an offer, recommendation or solicitation for the sale or purchase of financial instruments, the said offer, recommendation or solicitation is being placed relying on a private placement exemption (oferta privada) pursuant to Section 2 of Law No. 18,627 and is not and will not be registered with the Superintendency of Financial Services of the Central Bank of Uruguay to be publicly offered in Uruguay. In case of any closed-ended or private equity funds, the relevant securities are not investment funds regulated by Uruguayan Law No. 16,774 dated 27 September 1996, as amended. If you are located in Uruguay, you confirm that you fully understand the language in which this content and all contents referred to are written, and you have no need for any content whatsoever to be provided in Spanish or any other language.

UNITED STATES: NEITHER THIS CONTENT NOR ANY COPY THEREOF MAY BE SENT, TAKEN INTO OR DISTRIBUTED IN THE UNITED STATES OR TO ANY US PERSON.

ESG Disclaimer
Depending on the recipient's domicile or place of incorporation, this document may not adhere to any applicable existing or proposed principles, laws, rules, or regulations related to environmental, social, and governance (ESG) criteria. Furthermore, ESG data (including ratings) provided by external data providers and referenced for the present purpose is produced based on the data providers' proprietary methodologies. Even though Julius Baer has a sustainable investment methodology in place, it cannot represent that the methodology or ESG data (including ratings)provided by external data providers is accurate, complete, up-to-date, and/or continuously available. Such data quality issues may lead to an investment, product or offering being assigned to a higher ESG category than it effectively belongs to (e.g., 'sustainable' instead of 'ESG risk') or to a lower one (e.g., 'traditional' instead of 'sustainable'). ESG data and information provided, such as scores, charts, and other data including from external providers and companies covered, may not fully represent a given situation or company. In particular, JB scores represent Julius Baer's sustainable investment methodology and internal view only and should not be relied upon as the sole source of information. Information on ESG targets and pledges may not provide a basis for qualitative ESG statements or conclusions and no assurance for actual compliance.

It should be noted that no universally accepted framework (legal, regulatory, or otherwise) currently exists, nor is there a market consensus in terms of what constitutes a 'sustainable', 'responsible', 'traditional', or equivalent 'ESG' investment, product, or offering or an 'ESG risk'. Furthermore, no assurance can be given that such a universally accepted framework or consensus will develop over time. Although there have been regulatory efforts in certain jurisdictions and regions (in particular, in the European Economic Area) to define such concepts, the legal and regulatory framework governing sustainable finance is still under development. Accordingly, no assurance can be given to investors that an investment, product, or offering will meet any or all investor expectations regarding 'ESG', 'sustainable', 'responsible', or other equivalently labelled objectives or that no adverse environmental, social, and/or other impacts will occur.Moreover, it should be noted that an investment, product, or offering that pursues a sustainability-, responsibility-, or ESG-related investment strategy or uses any such expression in its name does not automatically guarantee a higher financial return than traditional investing, nor does it prevent the investor from bearing a financial loss. Depending on the specific ESG-related characteristics of that investment, product, or offering, the investor may even consent to a lower expected financial return and/or a significantly reduced range of potentially eligible investments.

JULIUS BAER GROUP

Head Office
Bahnhofstrasse 36
P.O. Box
8010 Zurich
Switzerland

Telephone +41 (0) 58 888 1111
Fax +41 (0) 58 888 1122
www.juliusbaer.com

The Julius Baer Group is present in more than 60 locations worldwide, including Zurich (Head Office), Dubai, Dublin, Frankfurt, Geneva, Hong Kong, London, Lugano, Luxembourg, Madrid, Mexico City, Monaco, Mumbai, Santiago de Chile, São Paulo, Shanghai, Singapore, and Tel Aviv.

05/2024