Non-official translation from the German original text. The latter shall prevail.

JULIUS BAER PRECIOUS METALS

Umbrella fund under Swiss law
in the category “Other funds for traditional investments”
(“the Umbrella Fund”)

Prospectus with integrated Fund Agreement

October 2011

Fund Management Company
Swiss & Global Asset Management AG
Hardstrasse 201
CH-8037 Zurich

Custodian Bank
Bank Julius Baer & Co. Ltd.
Bahnhofstrasse 36
CH-8010 Zurich

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Part 1 – Prospectus

This Prospectus with integrated Fund Agreement, the Simplified Prospectus and the most recent annual or semi-annual report (if published after the latest annual report) serve as the basis for all subscriptions of sub-fund units.

Only the information contained in this Prospectus, the Simplified Prospectus, the Fund Agreement or in one of the documents listed in the Prospectus shall be binding.

The Umbrella Fund has been approved in Switzerland by the supervisory authority, the Swiss Financial Market Supervisory Authority FINMA, and may be distributed without reservation in Switzerland within the scope of the statutory provisions.

In some jurisdictions, the distribution of this Prospectus and the offer and sale of units in the sub-funds may be subject to restrictions. Any persons who come into possession of this Prospectus with integrated Fund Agreement and/or a subscription form for the Umbrella Fund must inform themselves about the relevant legal provisions (including tax legislation) in the jurisdictions in question, namely in their country of residence and/or home country.

The Fund Management Company may refuse to accept subscriptions, particularly if it believes that the persons submitting the subscriptions are in violation of the laws of a jurisdiction applicable to them.

1. Information about the Umbrella Fund

1.1 Main parties

Fund Management Company:	Swiss & Global Asset Management AG Hardstrasse 201 PO Box CH-8037 Zurich Tel. +41 (0)58 426 60 00 Fax +41 (0)58 426 61 00
Custodian Bank and Paying Agent:	Bank Julius Baer & Co. Ltd. Bahnhofstrasse 36 PO Box CH-8010 Zurich Tel. +41 (0)58 888 11 11 Fax +41 (0)58 889 11 22
Auditor:	KPMG AG Badenerstrasse 172 PO Box CH-8026 Zurich

1.2 Overview of additional information

Sub-funds launched:	Julius Baer Physical Gold Fund Julius Baer Physical Silver Fund Julius Baer Physical Platinum Fund Julius Baer Physical Palladium Fund
Classes of units in these sub-funds:	Class "A": This class is denominated in the US dollar unit of account and is intended for all types of investors. Investors in this class are entitled to physical delivery of the precious metal in which the relevant sub-fund invests. Class "A (EUR)": This class is denominated in the euro (EUR) reference currency and is intended for all types of investors. Investors in this class are entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the "A (EUR)" class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the US dollar. Class "A (CHF)": This class is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. Investors in this class are entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the "A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the US dollar. "A (GBP)" class: This class is denominated in the pound sterling (GPB) unit of account and is intended for all types of investors. Investors in this class are entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the "A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the US dollar.

Class “AX”: This class is denominated in the US dollar unit of account and is intended for all types of investors. Investors in this class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests.

Class “AX (EUR)”: This class is denominated in the euro (EUR) reference currency and is intended for all types of investors. Investors in this class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the US dollar.

Class “AX (CHF)”: This class is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. Investors in this class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (CHF)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the US dollar.

Class “AX (GBP)”: This class is denominated in the pound sterling (GPB) unit of account and is intended for all types of investors. Investors in this class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the US dollar.

All unit classes currently issued are distributing classes.

Listing: The units of classes “A”, “A (EUR)”, “A (CHF)”, “A (GPB)” “AX”, “AX (EUR)”, “AX (CHF)” and “AX (GPB)” will be listed on the SIX Swiss Exchange in the collective investments segment.

Minimum investment: 1 unit (all unit classes)

Subscriptions:	As a general rule, units may be subscribed on any bank working day in the city of Zurich ("order date"). In order to be processed on this date, subscriptions must be received in the case of the Julius Baer Physical Gold Fund prior to 3:00 p.m. (Zurich time), by the Julius Baer Physical Silver Fund before 11:00 a.m. (Zurich time) and by the Julius Baer Physical Platinum Fund and the Julius Baer Physical Palladium Fund before 2:00 p.m. (Zurich time) by the Custodian Bank. The valuation date shall be the bank working day in the city of Zurich following the order date (forward pricing).
Issue price:	For each order date, the issue price corresponds to the net asset value per unit calculated on the valuation date. The redemption commission indicated in Fig. 7.6 will be charged.
Units:	No certificates will be issued for the units. Instead they will be recorded in book-entry form. Investors shall not be entitled to request delivery of a unit certificate.
Term:	The sub-funds have been established for an indefinite period.
Financial year:	The financial year commences on 1 January and ends on 31 December.
Redemption:	As a general rule, units may be redeemed on any bank working day in the city of Zurich ("order date"). In order to be processed on this date, redemption requests must be received in the case of the Julius Baer Physical Gold Fund prior to 3:00 p.m. (Zurich time), by the Julius Baer Physical Silver Fund before 11:00 a.m. (Zurich time) and by the Julius Baer Physical Platinum Fund and the Julius Baer Physical Palladium Fund before 2:00 p.m. (Zurich time) by the Custodian Bank. The valuation date shall be the bank working day in the city of Zurich following the order date (forward pricing).
Redemption price:	For each order date, the redemption price corresponds to the net asset value per unit calculated on the valuation date. The redemption commission indicated in Fig. 7.6 will be charged.

Management fee:	*Julius Baer Physical Gold Fund:* a management fee of max. 0.50% p.a. will be charged on the units of all unit classes. *Julius Baer Physical Silver Fund:* a management fee of max. 0.60% p.a. will be charged on the units of all unit classes. *Julius Baer Physical Platinum Fund:* a management fee of max. 0.50% p.a. will be charged on the units of all unit classes. *Julius Baer Physical Palladium Fund:* a management fee of max. 0.50% p.a. will be charged on the units of all unit classes.
Official organs of publication:	Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) and the website of fundinfo AG at www.fundinfo.com. Publications may also be viewed online on the homepage of the Swiss Official Gazette of Commerce (https:// www.shab.ch).
Price publication:	Daily on the website of fundinfo AG at www. fundinfo.ch.
Further information:	Further information on the Umbrella Fund and its sub-funds may be obtained from the audited annual report and unaudited semi-annual report. The Prospectus with integrated Fund Agreement, the Simplified Prospectus and the most recent annual and semi-annual reports may be obtained free of charge at the registered office of the Fund Management Company, the Custodian Bank or any distribution agent.

Swiss securities number / ISIN number / ticker

	Swiss securities no.	**ISIN no.**	**Ticker**
Julius Baer Physical Gold Fund:			
Class “A”	4478114	CH0044781141	JBGOUA
Class “A (EUR)”	4478117	CH0044781174	JBGOEA
Class “A (CHF)”	4478123	CH0044781232	JBGOCA
Class “A (GBP)”	10344776	CH0103447766	JBGOGA
Class “AX”	4478125	CH0044781257	JBGOUX
Class “AX (EUR)”	4482169	CH0044821699	JBGOEX
Class “AX (CHF)”	4482173	CH0044821731	JBGOCK
Class “AX (GBP)”	10344779	CH0103447790	JBGOGK

Julius Baer Physical Silver Fund:			
Class “A”	10640584	CH0106405845	JBSIUA
Class “A (EUR)”	10640586	CH0106405860	JBSIEA
Class “A (CHF)”	10640589	CH0106405894	JBSICA
Class “A (GBP)”	10640592	CH0106405928	JBSIGA
Class “AX”	10640595	CH0106405951	JBSIUX
Class “AX (EUR)”	10640618	CH0106406181	JBSIEX
Class “AX (CHF)”	10640619	CH0106406199	JBSICX
Class “AX (GBP)”	10640620	CH0106406207	JBSIGX

Julius Baer Physical Platinum Fund:			
Class “A”	10640621	CH0106406215	JBPLUA
Class “A (EUR)”	10640623	CH0106406231	JBPLEA
Class “A (CHF)”	10640628	CH0106406280	JBPLCA
Class “A (GBP)”	10640704	CH0106407049	JBPLGA
Class “AX”	10640709	CH0106407098	JBPLUX
Class “AX (EUR)”	10640715	CH0106407155	JBPLEX
Class “AX (CHF)”	10640717	CH0106407171	JBPLCX
Class “AX (GBP)”	10640719	CH0106407197	JBPLGX

Julius Baer Physical Palladium Fund:			
Class “A”	10640720	CH0106407205	JBPAUA
Class “A (EUR)”	10640721	CH0106407213	JBPAEA
Class “A (CHF)”	10640723	CH0106407239	JBPACA
Class “A (GBP)”	10640725	CH0106407254	JBPAGA
Class “AX”	10640726	CH0106407262	JBPAUX
Class “AX (EUR)”	10640731	CH0106407312	JBPAEX
Class “AX (CHF)”	10640732	CH0106407320	JBPACX
Class “AX (GBP)”	10640735	CH0106407353	JBPAGX

1.3 General information about the Umbrella Fund

Julius Baer Precious Metals is a contractual Umbrella Fund under Swiss law in the category “Other funds for traditional investors” pursuant to Art. 25 et seqq. in conjunction with Art. 68 et seqq. and Art. 92 f. of the Swiss Federal Collective Capital Investment Act of 23 June 2006 (“KAG”).

The Fund Agreement was prepared by Swiss & Global Asset Management AG (formerly Julius Baer Investment Funds Services Ltd.) as Fund Management Company and, with the approval of Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, CH-8001 Zurich, as Custodian Bank of the Swiss Financial Market Supervisory Authority FINMA (formerly: the Swiss Federal Banking Commission), which first approved it on 13 October 2008.

The Umbrella Fund is divided into the following sub-funds:

- Julius Baer Physical Gold Fund
- Julius Baer Physical Silver Fund
- Julius Baer Physical Platinum Fund
- Julius Baer Physical Palladium Fund

The sub-funds are based on a collective capital investment agreement (Fund Agreement) in which the Fund Management Company undertakes to provide investors with a participation in the relevant sub-fund in proportion to the units acquired by them, and to manage this sub-fund independently and in its own name in accordance with the provisions of the law and the Fund Agreement. The Custodian Bank participates in the Fund Agreement by fulfilling the duties assigned to it by law and the Fund Agreement.

Investors are only entitled to an interest in the assets and income of the sub-fund in which they hold units. Only the individual sub-fund shall be liable for any obligations of that particular sub-fund of the Umbrella Fund.

Pursuant to the Fund Agreement, the Fund Management Company shall be entitled, with the consent of the Custodian Bank and approval from the supervisory authority, to acquire, cancel or merge various unit classes for each sub-fund at any time. Investors in all unit classes shall be entitled to share in the undistributed assets of the relevant sub-fund. This share may vary owing to unit class-specific costs or distributions or to unit class-specific income, and the net asset value per unit may thus vary from one unit class to another within the same sub-fund.

The issued sub-fund currently has the eight unit classes referred to in Fig. 1.2 above. Unless stated otherwise, the unit holders are entitled to physical delivery of the precious metal in which the sub-fund invests.

All unit classes currently issued are distributing classes, although based on the investments, no actual distribution is to be expected.

The unit classes do not represent segregated assets. Accordingly, it cannot be ruled out that one unit class will be liable for the liabilities of another unit class (in particular due to currency hedging transactions) even though any costs are on principle charged only to the specific unit class that receives a particular benefit.

The currency appearing in the names of six share classes is the currency in which the net asset value is expressed, but not necessarily the currency in which the investments of a sub-fund are held. Technically, precious metals do not have a currency of denomination, however, they are currently traded predominantly in US dollars.

1.4 Further information about the individual unit classes

The minimum investment for units of all classes is one unit. There is currently no minimum subscription amount for additional subscriptions.

Unit holders may at any time request that their units be exchanged for units of another unit class on the basis of the net asset values of the two unit classes in question, provided that the criteria for holding units of the unit class into which the exchange is to be made are met.

1.5 Listing the units on the SIX Swiss Exchange

The units of classes “A”, “A (CHF)”, “A (EUR)”, “A (GBP)”, “AX”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)” will be listed on the SIX Swiss Exchange in the collective capital investment segment.

The SIX Swiss Exchange Admission Board approved the request for a listing of the units of the Julius Baer Physical Gold Fund in the classes “A”, “A (CHF)”, “A (EUR)”, “AX”, “AX (EUR)” and “AX (CHF)” on 20 October 2008. Trading in units of these classes on the SIX Swiss Exchange commenced on 31 October 2008 and is conducted in the respective reference currencies.

The SIX Swiss Exchange Admission Board approved the request for a listing of the units of the classes “A (GBP)” and “AX (GBP)” on 9 July 2009. Trading in units of these classes on the SIX Swiss Exchange commenced on 31 July 2009 and is conducted in the reference currency.

The SIX Swiss Exchange Admission Board approved the request for a listing of the units of the Julius Baer Physical Silver Fund in the classes “A”, “A (CHF)”, “A (EUR)”, “A (GBP)”, “AX”, “AX (CHF)”, “AX (EUR)” and “AX (GBP)”, the units of the Julius Baer Physical Platinum Fund in the classes “A”, “A (CHF)”, “A (EUR)”, “A (GBP)”, “AX”, “AX (CHF)”, “AX (EUR)” and “AX (GBP)” as well as the units of the Julius Baer Physical Palladium Fund in the classes “A”, “A (CHF)”, “A (EUR)”, “A (GBP)”, “AX”, “AX (CHF)”, “AX (EUR)” and “AX (GBP)” on 1 December 2009. . Trading in units of these classes on the SIX Swiss Exchange commenced on 8 January 2010 and is conducted in the reference currency.

The purpose of listing the units of these unit classes on the SIX Swiss Exchange is to allow investors, in addition to the option of subscribing for or redeeming units directly through the Fund Management Company or its distribution agents, to buy and sell units in a liquid and regulated secondary market, i.e. on the stock exchange. Details on the purchase of units on the primary or secondary market are given in Chapters 7.3 and 7.4.

The Fund Management Company has appointed Bank Julius Baer & Co. Ltd., Zurich, as market maker for trading the units on the SIX Swiss Exchange. Further information on Bank Julius Baer & Co. Ltd is found below in Fig. 2.4 below.

The Fund Management Company may appoint other market makers. These are to be set out in the sales prospectus and the Swiss Financial Market Supervisory Authority FINMA is to be notified of them. The responsibility of a market maker is to maintain a market for the fund units traded and to place bid and ask prices in the SIX Swiss Exchange trading system.

The Swiss Financial Market Supervisory Authority FINMA has required the Fund Management Company to ensure that the spread between the relevant net asset value per unit, calculated on the basis of the net asset value per unit adjusted to any price changes of the precious metal held by the sub-fund (intraday net asset value), and the price at which investors in the SIX may buy and sell units, be maintained at a reasonable level. Under a cooperation agreement between the Fund Management Company and the market maker, the latter is required to maintain a market in units of the fund on the SIX within a certain range under normal market conditions and in this connection, to enter bid and ask prices for units of the funds in the SIX trading system. In this regard, the SIX prescribes a maximum spread between buy and sell prices of 2% and a minimum amount equivalent to EUR 50,000.00 if the underlying corresponding precious metal can also be traded at the same time as the ETFs. In all other cases, the spread is 3%. Since the corresponding precious metals are normally traded around the clock, the maximum spread is for the most part 2%. The spread of 2% is apportioned to the purchase in the amount of +1% and the sale in the amount of -1%.

Trades are cleared through SIX SIS AG, Zurich.

2. Information about the Fund Management Company

2.1 Fund Management Company

Swiss & Global Asset Management AG, with registered office in Zurich, is responsible for management of the fund. Since its foundation as a public limited company in 1990, the Fund Management Company has been active in the international fund business, since 15 June 1995, inter alia as Fund Management Company of the Julius Baer investment funds.

As at 31 December 2010, the paid-in share capital of the Fund Management Company totalled CHF 1.2 million, divided into 120,000 registered shares with a par value of CHF 10.00 each.

The Fund Management Company is a fully-owned subsidiary of Swiss & Global Asset Management Holding AG, with registered office in Zurich, which in turn is a wholly-owned subsidiary of GAM Holding Ltd.

As at 31 December 2010, the Fund Management Company managed a total of 109 investment funds in Switzerland, with assets under management totalling CHF 38.6 billion.

2.2 Delegation of other duties

The Fund Management Company has delegated some of the fund accounting to a special fund administration group of RBC Dexia Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch. The RBC Dexia Group, to which RBC Dexia Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, belongs, has had many years of experience in the administration of funds in various international fund locations.

An agreement concluded between the Fund Management Company and RBC Dexia Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, governs the details of execution of the mandate.

2.3 Exercise of creditor rights

The Fund Management Company shall exercise the creditor rights in relation to any investments of the sub-funds managed in an independent manner and solely in the interest of the investors. Upon request, investors may obtain information from the Fund Management Company with respect to any exercise of creditor rights.

The Fund Management Company shall be free to exercise creditor rights itself or to delegate their exercise to the Custodian Bank or third parties.

In exercising creditor rights, the Fund Management Company may rely on information received from the Custodian Bank, the Investment Manager or third parties, or learned from the media.

The Fund Management Company shall be free to dispense with the exercising of any creditor rights.

2.4 Information about the Custodian Bank

Bank Julius Baer & Co. Ltd., with registered office in Zurich, will act as the Custodian Bank.

The Custodian Bank is a wholly-owned subsidiary of Julius Baer Group Ltd. The beginnings of the Group date back to the year 1890. The bank operates today as a public limited company (*Aktiengesellschaft*) with registered office in Zurich. As at 31 December 2010, its capital resources (after profit appropriation) amounted to approximately CHF 4.4 billion.

The Custodian Bank is primarily active in asset management and investment consultancy, and is specialised in securities, currency and precious metal trading.

The Custodian Bank may charge third-party and collective Custodian Banks in Switzerland with safekeeping the assets of the sub-funds. In this regard, it shall be responsible for exercising due care in their selection and the instructions given to them, as well as for monitoring continuing compliance with the selection criteria. Any precious metal holdings will be held individually in safekeeping. The Fund Management Company thus remains the sole owner of the precious metals.

2.5 Information about third parties

The Paying Agent shall be the Custodian Bank, Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, P.O. Box, CH-8010 Zurich.

KPMG AG, Zurich shall serve as the auditors.

3. Information about the investments

3.1 Investment objectives and investments

3.1.1 Investment objective and investments of the sub-funds

The Umbrella Fund may consist of sub-funds with different objectives. The investment objective is therefore defined at the level of the individual sub-funds below and in the Special Section of the Fund Agreement.

3.1.2 Investment objective and investments of the Julius Baer Physical Gold Fund

The investment objective of the Julius Baer Physical Gold Fund consists primarily in reflecting the long-term performance of gold, after deduction of the commission fees and costs charged to the sub-fund. An investment in units of the sub-fund is intended to be an efficient alternative to a direct investment in physical gold.

To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical gold. The gold is thus held in bars of standard units of approximately 12.5 kg with a fineness of 995/1,000 or greater. These standard bars correspond to the London Bullion Market Association's Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will therefore command a higher market price than bullion with a purity of 995/1,000. The effective fineness of the bar will be imputed to the sub-fund.

Standard bars pursuant to the London Bullion Market Association (LBMA):

The London Bullion Market Association (LBMA) compiles specific requirements for trading in gold and silver (e.g. regarding the minimum quality of the precious metals) with which its members undertake to comply. Members trade directly with one another, without there being a central platform. The LBMA is therefore the equivalent of the London Platinum and Palladium Market for platinum and palladium, i.e. not a stock-exchange in the conventional sense, but an over-the-counter market where partners enter into agreements with one another directly. Members include, inter alia, international banks, refiners, fabricators and major investors, for more information visit http://www.lbma.org.uk/pages/index.cfm). Pursuant to the LBMA specifications, only precious-metal bars of refineries and mints which fulfil certain quality requirements are permitted for trade. The 'Good Delivery' label provides assurance regarding specific bar properties, such as fineness and weight. Said bars are accepted and traded by members worldwide.

In addition, up to 10% of the assets of the sub-fund may be invested directly in:

a) debt securities and debt book-entry securities (bonds, notes, warrant-linked bonds, convertible bonds), insofar as these are issued or guaranteed by a state, are denominated in a freely-convertible currency and have an original or residual maturity of not more than 12 months. Only the following issuers and guarantors are approved:

   USA, Canada, Great Britain, France, Germany, the Netherlands, Sweden, Japan, Switzerland;

b) money market instruments of issuers from a state named in lit. a above, which are denominated in a freely-convertible currency. Money market instruments are debt instruments whose maturity or residual maturity does not exceed 365 days as well as money market book-entry claims. Money market instruments must be liquid and appraisable, and must be traded on a stock exchange or on another regulated market which is open to the public. Money market instruments which are not traded on a stock exchange or on another regulated market which is open to the public may only be acquired if the preconditions set out under Art. 74 Para. 2 KKV are fulfilled. When determining the maturity, instruments with variable interest rates shall be assessed on the day on which the interest rate is adjusted;

c) sight or time deposits (maximum 12 months) made at banks in Switzerland as investments which are denominated in a freely convertible currency.

3.1.3 Investment objective and investments of the Julius Baer Physical Silver Fund

The investment objective of the Julius Baer Physical Silver Fund consists primarily in reflecting the long-term performance of silver, after deduction of the commission fees and costs charged to the sub-fund. An investment in units of the sub-fund is intended to be an efficient alternative to a direct investment in physical silver.

To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical silver. The silver is thus held in bars of standard units of approximately 30 kg with a fineness of 999/1,000 or greater. These standard bars correspond to the London Bullion Market Association’s Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will therefore command a higher market price than bullion with a purity of 999/1,000. The effective fineness of the bar will be imputed to the sub-fund.

Standard bars pursuant to the London Bullion Market Association (LBMA):

The London Bullion Market Association (LBMA) compiles specific requirements for trading in gold and silver (e.g. regarding the minimum quality of the precious metals) with which its members undertake to comply. Members trade directly with one another, without a central platform. The LBMA is therefore the equivalent of the London Platinum and Palladium Market for platinum and palladium, i.e. not a stock-exchange in the conventional sense, but an over-the-counter market where partners enter into agreements with one another directly. Members include, inter alia, international banks, refiners, fabricators and major investors, for more information visit http://www.lbma.org.uk/pages/index.cfm). Pursuant to the LBMA specifications, only precious-metal bars of refineries and mints which fulfil certain quality requirements are permitted for trade. The ‘Good Delivery’ label provides assurance regarding specific bar properties, such as fineness and weight. Said bars are accepted and traded by members worldwide.

In addition, up to 10% of the assets of the sub-fund may be invested directly in:

a) debt securities and debt book-entry securities (bonds, notes, warrant-linked bonds, convertible bonds), insofar as these are issued or guaranteed by a state, are denominated in a freely-convertible currency and have an original or residual maturity of not more than 12 months. Only the following issuers and guarantors are approved:

   USA, Canada, Great Britain, France, Germany, the Netherlands, Sweden, Japan, Switzerland;

b) money market instruments of issuers from a state named in lit. a above, which are denominated in a freely-convertible currency. Money market instruments are debt instruments whose maturity or residual maturity does not exceed 365 days as well as money market book-entry claims. Money market instruments must be liquid and appraisable, and must be traded on a stock exchange or on another regulated market which is open to the public. Money market instruments which are not traded on a stock exchange or on another regulated market which is open to the public may only be acquired if the preconditions set out under Art. 74 Para. 2 KKV are fulfilled. When determining the maturity, instruments with variable interest rates shall be assessed on the day on which the interest rate is adjusted;

c) sight or time deposits (maximum 12 months) made at banks in Switzerland as investments which are denominated in a freely convertible currency.

3.1.4 Investment objective and investments of the Julius Baer Physical Platinum Fund

The investment objective of the Julius Baer Physical Platinum Fund consists primarily in reflecting the long-term performance of platinum, after deduction of the commission fees and costs. An investment in units of the sub-fund is intended to be an efficient alternative to a direct investment in physical platinum.

To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical platinum. The platinum is thus held in bars of standard units of approximately 5 kg with a fineness of 999.5/1,000 or greater. These standard bars correspond to the London Platinum and Palladium Market's Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will therefore command a higher market price than bullion with a purity of 999.5/1,000. The effective fineness of the bar will be imputed to the sub-fund.

Standard bars pursuant to the London Platinum and Palladium Market (LPPM):

The London Platinum and Palladium Market Association (LBMA) compiles specific requirements for trading in platinum and palladium (e.g. regarding the minimum quality of the precious metals) with which its members undertake to comply. Members trade directly with one another, without a central platform. The LPPM is therefore the equivalent of the London Bullion Market for gold and silver, i.e. not a stock-exchange in the conventional sense, but an over-the-counter market where partners enter into agreements with one another directly. Members include, inter alia, international banks, refiners, fabricators and major investors, for more information visit http://www.lppm.org.uk/Index.cfm). Pursuant to the LPPM specifications, only precious-metal bars of refineries and mints which fulfil certain quality requirements are permitted for trade. The 'Good Delivery' label provides assurance regarding specific bar properties, such as fineness and weight. Said bars are accepted and traded by members worldwide.

In addition, up to 10% of the assets of the sub-fund may be invested directly in:

a) debt securities and debt book-entry securities (bonds, notes, warrant-linked bonds, convertible bonds), insofar as these are issued or guaranteed by a state, are denominated in a freely-convertible currency and have an original or residual maturity of not more than 12 months. Only the following issuers and guarantors are approved:

   USA, Canada, Great Britain, France, Germany, the Netherlands, Sweden, Japan, Switzerland;

b) money market instruments of issuers from a state named in lit. a above, which are denominated in a freely-convertible currency. Money market instruments are debt instruments whose maturity or residual maturity does not exceed 365 days as well as money market book-entry claims. Money market instruments must be liquid and appraisable, and must be traded on a stock exchange or on another regulated market which is open to the public. Money market instruments which are not traded on a stock exchange or on another regulated market which is open to the public may only be acquired if the preconditions set out under Art. 74 Para. 2 KKV are fulfilled. When determining the maturity, instruments with variable interest rates shall be assessed on the day on which the interest rate is adjusted;

c) sight or time deposits (maximum 12 months) made at banks in Switzerland as investments which are denominated in a freely convertible currency.

3.1.5 Investment objective and investments of the Julius Baer Physical Palladium Fund

The investment objective of the Julius Baer Physical Palladium Fund consists primarily in reflecting the long-term performance of palladium, after deduction of the commission fees and costs charged to the sub-fund. An investment in units of the sub-fund is intended to be an efficient alternative to a direct investment in physical palladium.

To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical palladium. The palladium is thus held in bars of standard units of approximately 3 kg with a fineness of 999.5/1,000 or greater. These standard bars correspond to the London Platinum and Palladium Market’s Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will therefore command a higher market price than bullion with a purity of 999.5/1,000. The effective fineness of the bar will be imputed to the sub-fund.

Standard bars pursuant to the London Platinum and Palladium Market (LPPM):

The London Platinum and Palladium Market Association (LBMA) compiles specific requirements for trading in platinum and palladium (e.g. regarding the minimum quality of the precious metals) with which its members undertake to comply. Members trade directly with one another, without a central platform. The LPPM is therefore the equivalent of the London Bullion Market for gold and silver, i.e. not a stock-exchange in the conventional sense, but an over-the-counter market where partners enter into agreements with one another directly. Members include, inter alia, international banks, refiners, fabricators and major investors, for more information visit http://www.lppm.org.uk/Index.cfm). Pursuant to the LPPM specifications, only precious-metal bars of refineries and mints which fulfil certain quality requirements are permitted for trade. The ‘Good Delivery’ label provides assurance regarding specific bar properties, such as fineness and weight. Said bars are accepted and traded by members worldwide.

In addition, up to 10% of the assets of the sub-fund may be invested directly in:

a) debt securities and debt book-entry securities (bonds, notes, warrant-linked bonds, convertible bonds), insofar as these are issued or guaranteed by a state, are denominated in a freely-convertible currency and have an original or residual maturity of not more than 12 months. Only the following issuers and guarantors are approved:

USA, Canada, Great Britain, France, Germany, the Netherlands, Sweden, Japan, Switzerland;

b) money market instruments of issuers from a state named in lit. a above, which are denominated in a freely-convertible currency. Money market instruments are debt instruments whose maturity or residual maturity does not exceed 365 days as well as money market book-entry claims. Money market instruments must be liquid and appraisable, and must be traded on a stock exchange or on another regulated market which is open to the public. Money market instruments which are not traded on a stock exchange or on another regulated market which is open to the public may only be acquired if the preconditions set out under Art. 74 Para. 2 KKV are fulfilled. When determining the maturity, instruments with variable interest rates shall be assessed on the day on which the interest rate is adjusted;

c) sight or time deposits (maximum 12 months) made at banks in Switzerland as investments which are denominated in a freely convertible currency.

3.2 Profile of typical investors in the sub-funds

The sub-funds of the Umbrella Fund lend themselves to capital growth for investors who wish to share in the performance of the relevant precious metal in order to pursue their individual investment objectives. This requires experience with volatile investments, solid knowledge of the relevant precious metal markets and their implications on the capital markets. The sub-funds are suited for investors with a medium- to long-term investment horizon with a risk tolerance allowing them to invest a portion of their investments, for diversification purposes, in the precious metal of the relevant sub-fund, in order to achieve value retention, protection against inflation and long-term capital gains. Investors must be prepared to accept fluctuations in value that may temporarily and periodically lead to high losses of value, even over the long term. Investments in the sub-funds may be used to diversify the overall portfolio.

4. Investment policy

4.1 Investment policy of the sub-funds

The sub-funds of the Umbrella Fund are not actively managed. No investment activity is carried out to increase the value of the sub-fund units or to balance out any losses that occur due to changes in the value of the investments of the sub-funds. This shall not apply to any currency hedging pursuant to the paragraph below, or to the opportunity to invest up to 10% of the assets of the sub-fund in the investments referred to in the Fund Agreement for the purpose of holding liquidity.

The sub-funds do not engage in short sales; they invest in derivatives only for the purpose of the aforementioned currency hedging and solely for the purpose of hedging the reference currency against the US dollar. The US dollar is the investment currency for precious metals (as the main trading currency). The use of derivatives for currency hedging purposes has no leverage effect, in economic terms, on the sub-funds. The use of currency hedging guarantees that investors participate as accurately as possible in the price development of the deposited precious metal. The assets of the sub-funds are not leveraged by taking out loans for the purpose of investments.

For the classes “A (EUR)”, “A (CHF)”, “A (GBP)”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)” the value of the investments in precious metals (expressed in US dollars) and any credit balances and receivables that are not denominated in the relevant reference currency (euro, Swiss franc or pound sterling), are hedged against the US dollar. The aim is to be fully hedged. On a temporary basis, there may be a hedge that is too high or too low. The hedge can absorb the consequences of a drop in the value of the US dollar in relation to the euro, the Swiss franc or the pound sterling; however, it is usually associated with ongoing costs.

4.2 Cash or cash equivalents

In order to ensure a reasonable level of liquidity, the Fund Management Company may hold cash or cash equivalents in US dollars, Swiss francs, euros and pound sterling. Cash or cash equivalents include bank sight or time deposits with maturities not exceeding twelve months.

In addition, precious-metal accounts may be used. The accounts are used for precious-metal transactions. They are transitory items or book balances in connection with the physical delivery of precious metals or their settlement and the conversion of standard bars into other standard units.

The Fund Management Company shall not be permitted to grant loans for the account of the sub-funds.

The sub-funds are, in principle, fully invested. Cash or cash equivalents will only be held to the extent that they are required for any anticipated expenses and redemptions, and to cover the ongoing commitments of the sub-funds. The issue of value-added tax is explained in Fig. 4.4

4.3 Derivatives and collateral security

The Fund Management Company uses derivatives solely for the purpose of hedging currency risks for currency-hedged classes. It may use only basic forms of derivatives, i.e. call or put options, swaps, and futures and forwards as described in more detail in the Fund Agreement (cf. § 13). The derivatives may be traded on a stock exchange or any other regulated market open to the public, or concluded OTC (over-the-counter). In addition to exchange rate risk, derivatives are also subject to counterparty risk, i.e. the risk that the contracting party may be unable to satisfy its commitments, thereby causing a financial loss. The use of these instruments must not, even under exceptional market conditions, act as leverage on the fund assets or represent short selling.

The Fund Management Company may not pledge, at the expense of the sub-funds, or assign as security any more than 25% of the net assets of a sub-fund exclusively for the purpose of hedging liabilities under the above-mentioned derivatives and in the case of sub-funds, which investments in precious metals are subject to a value added tax at delivery (cf. Fig. 4.4) for the purpose of hedging loans. Encumbering the assets of the sub-funds with sureties, or for any other purposes than those indicated above, is not permitted.

4.4 Taking out and granting loans, neutralisation of accrued value-added tax

The Fund Management Company shall temporarily take out loans of no more than 10% of the net assets of the sub-funds. Any outstanding claims for a refund of value-added tax from an input tax credit will result in a set-off. The cost of borrowing shall be borne by the Fund Management. This shall be deducted from the management fee.

No value-added tax is currently charged on gold purchases. Value added tax is currently imposed on the purchase of silver, platinum and palladium.

The Fund Management Company shall be entitled to claim a refund on any value-added tax charged on the purchase of the relevant precious metal for the respective sub-fund (cf. Fig. 7.3). Between the date of payment of the value-added tax amount on the purchase price and the date of receipt of the tax refund, this amount will be compensated for through borrowing in order to maintain the investment level.

4.5 Safekeeping in Switzerland

Investments of the individual sub-funds in the corresponding physical precious metal shall be held for safekeeping exclusively with the Custodian Bank or its designated subordinated safekeeping locations in Switzerland.

Cash or cash equivalents shall be held by banks in Switzerland only.

5. The precious metal industry and markets of the individual sub-funds

5.1 The gold market – market participants and current developments

5.1.1 Gold market participants

Gold, with its aureate hues, has exerted a particular fascination on people for thousands of years. It was one of the first metals that people processed. A high value was attached to gold very early on as it is a very rare yet perennial commodity. Gold does not corrode and is easy to process mechanically. It has also been used as a currency for thousands of years, however in terms of gold coverage, one gold unit always corresponded to a specific quantity of gold. In recent history, i.e. since the turn of the millennium, the structure of the gold market has noticeably changed. Previously, gold producers, mines and refinery companies mainly served jewellery makers, mints and other industrial gold processors. Recently, however, an ever-increasing demand for gold as an investment vehicle and crisis currency has emerged.

5.1.2 The supply and demand trend for gold

According to information from the World Gold Council, 2,659 tons of gold were mined in 2010. Due to the high prices, the supply of price-sensitive old gold amounted to 1,653 tons. If the 116 tons of gold bought back by gold supporters to reduce their hedge positions and central-bank purchases amounting to 57 tons are taken into account, the net supply was around 4,139 tons.

5.1.3 The highest demand for physical gold

The highest demand for gold continues to come from the jewellery industry. In 2010, 2,060 tons, or around 50% of the supply, was processed to create jewellery. Industrial demand, including demand from the dental industry, was 701 tons. Some 482 tons were processed to create coins and bars. The demand from investment funds (exchange traded funds, ETFs) continues to be high. Including investments by private investors, demand from ETFs was 865 tons, bringing the total demand to 4,108 tons.

5.1.4 Factors influencing gold prices

The price of gold has risen continuously since the beginning of the millennium. From a low of USD 253.65 per fine ounce in August 1999, it rose to over USD 1,000.00 in March 2008, before falling again slightly. In November 2010, an ounce of gold cost more than USD 1,400 for the first time in history.

There are a number of reasons for the strong price increases: since gold is traded in US dollars, its price tends to rise when the dollar loses value in relation to other currencies. Inflation or inflation expectations also have a strong influence on the price of the precious metal. This strong price increase is attributable primarily to commodity prices that have increased significantly due to strong demand from the emerging markets, China in particular. Since gold, like other commodities, represents a tangible asset, rising inflation usually has a positive effect on the price.

Another reason for the rise in the price of gold is increased demand from investors. In the last few years, many investors have either participated in the gold market directly or through ETFs and, due to the turbulence in the financial markets, have sought shelter in precious metals.

In the past, gold sales by central banks had a dampening effect on prices. Within the framework of the Central Bank Gold Agreement, the European central banks have united to coordinate the sale of gold from their reserves. The Agreement currently allows the central banks to sell up to 500 tons of gold each year. To date, this maximum volume has never been fully utilised even though central banks have divested themselves of significant amounts of gold. In future, however, it is expected that central banks will make more gold purchases, especially from emerging countries, to diversify their foreign-exchange reserves.

The downside of the high gold prices is a reduced demand for jewellery. While 3,204 tons of gold were processed into jewellery in 2000, only 2,060 tons were processed in 2010, a drop of almost 36%. In the same period, the price of gold rose from an average of USD 280 to USD 1,1227 or some 382%. There was a similar development in the supply of old gold: In 2010, it rose by 166% in comparison with 2000.

5.2 The silver market – market participants and current developments

5.2.1 Silver market participants

Silver is a precious metal with a pale metallic lustre, and has been used as a means of payment since ancient times. It belongs to the copper group, along with gold, and is also known as coin metal on account of its function as a means of payment. Demand today is determined by industrial use. The ease with which it can be processed and its excellent electrical and thermal conductivity are attractive characteristics. In addition to the field of electronics, silver is used above all in photography, to produce mirrors and coatings, as a filter and in catalytic converters. Lastly, its use in photovoltaic applications has enabled it to gain market shares. The most important market participants are silver mining companies in Mexico, the USA or Peru, commodity traders and industrial customers within the electronics industry. There is also steady demand from the jewellery industry, and it continued to be used to produce coins. Investors hold silver both in physical form, as well as through futures contracts.

5.2.2 The supply and demand trend for silver

In 2009, approximately 27,652 tons were produced around the world, whereby approximately 19% of this represented recycled silver. The market has grown consistently in recent years. Silver is either washed directly from silver ores, or is a by-product of lead, copper and gold production. Mexico, the USA and Peru are the dominant producer countries. On the demand side, growing consumption within the electronics industry has exceeded sinking demand from the photographic field. Electronics and jewellery together account for about three quarters of global demand.

5.2.3 Factors influencing silver prices

Historically, the price of silver has been relatively volatile. In the nineties, the price of one fine ounce of silver fell to around USD 5, then rose sharply over the past seven years. At the start of 2011, it reached its highest level in over 30 years, i.e. over USD 30. In the meantime, the price had fallen to below USD 8 per ounce as a result of the financial crisis and global recession.

There are a number of reasons for this volatility. Silver has a hybrid function, as it is perceived as both an industrial and a precious metal.As a result, its prices depend on economic trends, and receive support in unstable times, as silver is also known as 'the poor man's gold'. In recent years, demand has been driven by economic growth and rising sales of electronic products. In addition, inventories have tended to fluctuate in line with price and consumption levels, further accentuating this volatility. When prices rise, production is not merely boosted, silver is also increasingly sold off from investment holdings.

As with every other metal, the annual volume of silver mined is influenced by production fluctuations caused by political instability, industrial action as well as natural forces, and are consequently subject to substantial volatility. Mining in general is subject to strong industrial policy interests and obeyed solely the laws of the market.

5.3 The platinum market – market participants and current developments

5.3.1 Platinum market participants

Platinum is a pale-grey precious metal of the platinum group which is very rare and extremely corrosion-resistant and heat-resistant. On the one hand, typically for precious metals, it is chemically inert. On the other hand, it is also highly reactive. At high temperatures platinum exhibits a stable behaviour which is advantageous in particular for industrial applications such as catalytic processes. These benefits are currently used above all for applications in catalytic converters and energy storage media such as fuel cells. After the use of catalytic converters became a legal requirement, the automobile industry has developed into one of the main players on the market for platinum and palladium. In second place is demand for platinum from the jewellery industry. South Africa dominates the supply side, accounting for approx. 75% of global production. Investors hold platinum both in physical form, as well as through futures contracts.

5.3.2 The supply and demand for platinum

In 2010, approximately 6 million fine ounces were produced around the world, whereby almost one fifth constituted recycled platinum. The market has grown consistently in recent years before the major recession led to a significant downturn in supply and demand. The metal is either washed directly from platinum ores, or is a by-product, in particular of nickel production. South Africa is the largest producer, followed by Canada and Russia. Furthermore, the majority of the platinum demand comes from the automotive industry. The jewellery industry has also gained in importance recently, and investors have increasingly invested in platinum.

5.3.3 Factors influencing platinum prices

Historically, the price of platinum has been relatively volatile. In the nineties, the price of platinum eased below the USD 500 mark per fine ounce. In recent years, however, the value of the metal has risen sharply, peaking at over USD 2,200 per ounce in early 2008. During the major recession, prices fell to below USD 1,000 per ounce recovering to USD 1,800 per ounce over the past two years.

These price fluctuations can be explained by the platinum's cyclical components. Automobile industry sales are heavily dependent upon economic growth. Demand from the jewellery industry normally responds relatively sensitively to price rises, and positively to price falls. However, platinum also possesses precious metal characteristics, implying a rising value in uncertain times. The dominance of South Africa on the supply side represents an additional risk component. Regional problems such as strikes, mine accidents or interrupted electricity supplies have occurred frequently in recent years, and had a direct impact on the price of platinum. The value of the South African rand also affect production costs, and consequently the price of platinum. In addition, stocks fluctuate in line with prices and consumption levels, further accentuating the volatility.

5.4 The palladium market – market participants and current developments

5.4.1 Palladium market participants

Palladium is a pale-grey precious metal of the platinum group which is rare and extremely corrosion-resistant and heat-resistant. It is more reactive than the related platinum, and is also used along with platinum in catalytic converters and energy storage media such as fuel cells. Palladium has the highest absorbent capacity of any element, in particular when it comes to hydrogenation and dehydrogenation (adding and eliminating hydrogen), as well as cracking hydrocarbons. After the use of catalytic converters became a legal requirement, there has been a steady increase in demand for palladium and platinum. Due to price differentials, the substitution of platinum by palladium has been increasingly apparent in recent years, although this also requires corresponding technological know-how. A further important market for palladium is the electronics industry. Moreover, there has also recently been growing demand for palladium from the jewellery industry and investors. On the supply side, the principal producers are Russia and South Africa. Investors hold palladium both in physical form, as well as through futures contracts.

5.4.2 The supply and demand of palladium

In the year 2010 approximately 7.1 million fine ounces were produced. The metal is mainly obtained as a by-product of nickel and copper production. Russia accounts for some 45% of production, followed by South Africa with approximately 30%. The recycling of palladium is playing an increasingly important role. Apart from the downturn in 2009 as a result of the recession, demand has constantly increased in recent years. However, the level of consumption attained in the late nineties has not been reached since. Recently, investors' demand for palladium has gained increasing importance.

5.4.3 Factors influencing palladium prices

Historically, the price of palladium has been relatively volatile. At the beginning of 2001, the price of palladium peaked at just over USD 1,100 per fine ounce, after Russia made supplies scarce. With a resumption of deliveries and a fall in demand from the automotive sector, the price fell temporarily below USD 200 per ounce. Prices grew strongly from 2005 to 2008, before coming under substantial pressure during the major recession. The price currently stands at over USD 700 per ounce.

These price fluctuations can be explained by the unique supply and demand situation for palladium. On the one hand, automobile industry sales are dependent upon economic growth, resulting in markedly cyclical demand. On the other hand, supply is strongly influenced by sales of state-owned Russian palladium reserves. In recent years, comparatively stable components have developed in the form of demand from the jewellery industry and physical demand from investors. In addition are special mining risks, strikes, mining accidents or other operating interruptions, all of which have a direct impact on the price of palladium. Furthermore, inventories fluctuate in accordance with prices and consumption levels, thus tending to accentuate the volatility.

6. General risks associated with the sub-funds

The following sets out the major risks associated with investments in the sub-funds. This list is not exhaustive. It cannot be excluded that other risk factors might have a positive or negative impact on any investments in the sub-funds.

a) **Concentration of investments:** Due to their investment policy, the individual sub-funds invest generally in the relevant physical precious metal. Consequently, the value of the units of the sub-fund essentially depends on the value of the corresponding precious metal in which the sub-fund invests. The price of the particular precious metal is subject to fluctuation and its performance is difficult to predict. This entails a risk of loss regardless of whether the investments in the sub-fund are short, medium or long-term. **Due to concentration of investments, the sub-funds are suited only for investing a limited portion of an investor's assets.**

b) **Political risks in producer countries:** The individual precious metals of the sub-funds are produced mainly in emerging market countries. The political, legal and economic situation of such countries is generally less stable than that of developed countries and may be subject to rapid and unforeseen changes. Various developments, such as export restrictions, import restrictions, unrest, international sanctions, etc., may negatively impact the value of the precious metal of a sub-fund.

c) **Passive management:** The sub-funds are managed passively, with the value of the units of the individual sub-funds depending directly on the performance of the relevant precious metal. Losses in value that could be avoided through active management (sale of the relevant precious metal and increasing liquidity when prices are expected to tumble) are therefore not avoided.

d) **Reduction value:** The amount of physical precious metal held by the sub-fund for each unit will continually decrease over time. The corresponding precious metal does not generate any income that could be used to cover commission fees and costs.

e) **Change in the general conditions:** Changes in laws and financial conditions may negatively impact investments in the sub-funds and may adversely affect any purchase or sale of the relevant precious metal.

f) **Currency risks, currency hedging:** The sub-fund's unit of account is the US dollar. Precious metals have no par values; however, the international precious metal markets quote predominantly in US dollars. To this extent, there is a currency risk for investors where there are unit classes that do not have the US dollar as the unit of account. This risk is hedged against the US dollar for unit classes currently issued whose reference currency is the euro, the Swiss franc or the pound sterling. This hedging can absorb the consequences of a drop of the US dollar in relation to the euro, the Swiss franc or the pound sterling. **However, hedging entails ongoing costs. Moreover, investors who invest directly in physical precious metal often assume the risk of the main trading currency with no hedge protection. Investors are therefore encouraged to examine thoroughly the opportunity of selecting a currency-hedged class.**

g) **Monetary policy measures:** In the past, the ability to freely trade and transfer the relevant precious metal of the sub-fund was often restricted, even in developed countries. However, due to the reduced importance in terms of monetary policy of the precious metals in which the individual sub-funds invest, there appears to be little likelihood of such measures today.

h) **Counterparty risk:** In the scope of the precious-metal account balance, there is a counterparty risk vis-à-vis the bank holding the account.

The value of investments may rise or fall; investors may even recoup less than their initial stake.

The sub-funds are structured so as to be suitable for medium to long-term investments and are recommended only for investors who are willing and able to cope with potential losses. The sub-funds are not suited for investors who wish to have short-term access to the invested capital or expect steady income. The sub-funds do not represent money market investments and thus cannot be considered as an alternative for same.

The Fund Management Company recommends that investors in the sub-funds view such investments as a long-term commitment and that they do not finance any such investments through borrowing.

7. Additional information

7.1 Tax provisions relevant to the sub-funds

Neither the Umbrella Fund nor the sub-funds have any legal personality in Switzerland, nor are they subject to income or capital tax. Distributions of income by the fund are, however, subject to Swiss federal withholding tax (35% tax at source on income from movable capital assets). Any capital gains realised by the sub-funds on the sale of assets will be exempt from withholding tax provided that they are paid through a separate coupon.

The Swiss federal withholding tax deducted from income of the sub-fund earned in Switzerland may be reclaimed in full by the Fund Management Company. Foreign income and capital gains may be subject to the respective withholding tax in the country of investment. As far as possible, these taxes will be reclaimed by the Fund Management Company on the basis of double taxation treaties or corresponding agreements for investors domiciled in Switzerland.

Investors domiciled in Switzerland are entitled to reclaim any withholding tax included in the deduction by making the relevant declaration in their tax return or by making a separate withholding tax application.

Investors domiciled outside Switzerland may reclaim the withholding tax in accordance with the double taxation treaty between their country of residence and Switzerland, where applicable. If no such double taxation treaty is in force, withholding tax may not be reclaimed.

Any income flowing into the sub-fund will originate entirely from sources in Switzerland. This means the Umbrella Fund or the sub-fund respectively do not qualify for the domicile declaration procedure (affidavit procedure).

Since the sub-funds invest in precious metals that do not generate any income, the issue of withholding tax only arises in connection with income from cash which is only held with banks in Switzerland, and which could only become a large amount in the liquidation phase of a sub-fund.

The Agreement between the Swiss Confederation and the European Union of 26 October 2004 regarding regulations that are equivalent to the regulations contained in the EU Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (“the Agreement”) came into effect on 1 July 2005. The Agreement introduces a system in favour of EU member states that is intended to ensure taxation of interest payments to individuals resident in these states.

Pursuant to the Agreement, Swiss paying agents, in particular Swiss banks, must withhold tax on interest income of individuals who are domiciled in an EU member state. The Agreement provides the option, upon request, for an affected investor to make a report instead of having tax withheld. Pursuant to the Agreement, Swiss investment funds or sub-funds which, like the sub-funds in question, do not meet the criteria for exemption from withholding tax in return for a domicile declaration (affidavit) and are thus subject to Swiss federal withholding tax, do not fall within the scope of application of the Agreement, which is why Swiss paying agents do not withhold tax for interest taxation. However, as mentioned above, Swiss federal withholding tax may apply to any distribution of income.

Otherwise, the directives and the Agreement provide that if any direct and indirect interest realised by an investment fund or sub-fund does not exceed certain limits, subordination to EU savings taxation will be waived (*de minimis* rules). The details are set out in Article 6 of the Directive and Article 7 of the Agreement. According to the *de minimis* rules, the Agreement does not apply to investment funds and sub-funds that invest less than 15% of their assets in claims whose income is subject to EU interest taxation. Their income distributions and any income realised on the sale, repayment or redemption of fund units will not be subject to EU interest taxation. As the sub-funds invest in precious metals, they ought to fall under the 15% *de minimis* rule. However, higher levels of interest can be expected during the limited liquidation period.

The explanations set out above on EU interest taxation are only applicable if a Swiss paying agent is involved. If a paying agent is located in another country that is included in the system to ensure EU interest taxation, different rules may apply.

Reference is made to the statements in Fig. 7.5 in relation to added-value tax in connection with the purchase and the redemption in kind of the particular precious metal of the individual sub-fund.

The tax information provided is based on the current legal situation and practice and is expressly subject to any amendments to legislation, established case law, or the ordinances and standard practices of the tax authorities.

Taxation and other tax implications for investors who hold, buy or sell fund units or units of sub-funds will depend on the relevant tax laws and regulations to which the investors are subject in their country of domicile. It is not possible to give a complete overview within the framework of this document. It is incumbent upon investors or any persons interested in acquiring units to obtain information from a qualified advisor on the tax implications for them. Under no circumstances can the Fund Management Company and/or Custodian Bank accept any responsibility for individual tax consequences affecting investors.

7.2 Expenses and income

Investments in the particular precious metal in which individual sub-funds invest do not generate any income. Only the cash portion of the sub-fund assets generates income which, except for any liquidation phase, will not reach a significant level. The ongoing income will not cover payments and other expenses (cf. §§ 19 and 20 of the Fund Agreement). This applies particularly to the costs of currency hedging for the currency-hedged classes. As a result, the sub-funds will never regularly show positive net income. The overall performance for investors will depend on whether any realised and unrealised net capital gains from investments in the corresponding precious metal exceed expenses.

7.3 Conditions for the issue and redemption of units of the sub-funds on the primary market

Units of the sub-funds will be issued or redeemed on any day that is a bank working day in the city of Zurich (Monday to Friday, “bank working day”).

No units of a sub-fund shall be issued or redeemed:

a) on days on which holidays in the markets in London render it impossible to value a significant portion of the sub-fund’s investments; or

b) when there are any extraordinary circumstances as defined in §18 Fig. 4 of the Fund Agreement.

Issue and redemption requests that are received by the Julius Baer Physical Gold Fund by no later than 3:00 p.m. (Zurich time) on a bank working day (order date), by Julius Baer Physical Silver Fund no later than 11:00 a.m. (Zurich time) and by Julius Baer Physical Platinum Fund and the Julius Baer Physical Palladium Fund no later than 2:00 p.m. (Zurich time) will be processed on the next bank working day (valuation date) on the basis of the net asset value calculated on that day. The applicable net asset value is therefore not yet known at the time the issue or redemption order is placed (forward pricing). It will be calculated on the valuation date based on the closing prices on the order date. Any orders received by the Custodian Bank after the specified times (3:00 p.m. or 11:00 a.m. or 2:00 p.m.) will be handled on the following order date.

The value date shall be two bank working days from the valuation date.

The net asset value of any unit in a class of a sub-fund shall be based on the share in the market value of the sub-fund’s assets attributable to the class in question, less any liabilities accruing to that class and divided by the number of units of that class in circulation. It is rounded off to 1/100 of the unit of account of the said sub-fund.

The issue price of units of a class corresponds to the net asset value of this class on the valuation date plus any issuing commission pursuant to Fig. 7.6. 7.6.

The redemption price of units of a class corresponds to the net asset value of this class on the valuation date less any redemption commission pursuant to Fig. 7.6. 7.6.

No certificates will be issued for the units. Instead they will be recorded in book-entry form. Investors may not request delivery of unit certificates. If unit certificates have been issued, these must be returned upon submission of a redemption request.

Investors in classes “A”, “A (EUR)”, “A (CHF)” and “A (GBP)” have the right to request to be paid, in lieu of cash, by way of a transfer of investments of the respective sub-fund (redemption in kind) (cf. Fig. 7.5 below).

If, after executing a redemption request, the minimum investment requirement applying to a particular unit class is no longer met, the Fund Management Company may, in cooperation with the Custodian Bank, compulsorily redeem any units pertaining to that asset class for which partial redemption has been requested.

Units may be subscribed for through the Fund Management Company, the Custodian Bank, the distribution agent or the Paying Agent. The units will be allocated immediately by the Custodian Bank following receipt by the Custodian Bank of the issue price.

Investors shall be responsible for any taxes and charges imposed on the issue, redemption or exchange of fund units in certain countries. The issue and redemption of fund units for payment is not subject to any issue tax or stamp duty under the current law in Switzerland.

Any ancillary costs for the sale and purchase of investments (standard brokerage fees, commissions, taxes, duties, etc.) incurred by a sub-fund when investing the sum paid in by investors or when selling the portion of the investments corresponding to the unit(s) submitted for redemption are charged to the assets of the corresponding sub-fund.

Currently, no value-added tax is charged on the purchase of gold. The receipt of gold by an investor within the framework of a redemption in kind is currently not subject to value-added tax (cf. Fig. 7.5 below). The value-added tax situation may be subject to change.

Value added tax is charged to the sub-fund on the purchase of silver, platinum and palladium at the current rate of 8%. However, value added tax is fully reimbursed to the Fund Management in respect of the sub-fund within the framework of an input tax reimbursement. The period between the charge and the reimbursement is neutralised by taking out loans (cf. Fig. 4.4 above). The drawing of silver, platinum and palladium by an investor within the framework of a payout in kind is subject to value added tax (cf. Fig. 7.5 below). The value-added tax situation may be subject to change.

7.4 Conditions for the purchase and sale of units

In contrast to issues and redemptions on the primary market, no issue and redemption commission described in Figs. 7.3, 7.5 and 7.6 is charged on the purchase or sale of units through the stock exchange as planned for the units of this class. Investors are only required to pay the applicable stock exchange fees and stamp tax for such transactions. In addition, they pay a brokerage fee to the bank instructed to execute the transaction.

Any such transactions in fund units are largely similar to the purchase or sale of shares on the SIX Swiss Exchange. Units are bought and sold at current stock market prices. As a result, investors enjoy much higher flexibility in terms of pricing than when units are issued or redeemed through the Fund Management Company or its distribution agents.

Whenever the SIX Swiss Exchange is closed as a stock exchange on which units of the specified classes are listed, no market trading in these units will take place.

7.5 Redemptions in kind of units in classes “A”, “A (EUR)”, “A (CHF)” and “A (GBP)”

In the event that their investments are terminated, holders of units in classes “A”, “A (EUR)”, “A (CHF)” and “A (GBP)” have the right to request to be paid, in lieu of a payout in cash for the units redeemed, by way of a payout in the precious metal (redemption in kind). The right to a payout in kind is limited to the corresponding precious metal portfolios held by the respective sub-fund. This right shall be subject to any monetary policy or other official measures that prohibit any such delivery of the particular physical precious metal of the relevant sub-fund, or complicate it to such an extent that the Custodian Bank cannot reasonably be expected to provide redemption in kind. Holders of units in classes “AX”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)” are not entitled to redemption in kind.

The right to redemption in kind for the relevant unit classes is generally restricted to the following standard units:

Gold:	bars of approx. 12.5 kg with the standard fineness of 995/1,000
Silver:	bars of approx. 30 kg with the standard fineness of 999/1,000
Platinum:	bars of approx. 5 kg with the standard fineness of 999.5/1,000
Palladium:	bars of approx. 3 kg with the standard fineness of 999.5/1,000

The above principle of restricting to the standard units held by the relevant subfund may be deviated from, on request and in consideration of the interests of the remaining investors.

Other standard units will only be furnished upon request and when available, with standard delivery periods, and any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.) being charged to the investor. Furthermore, precious-metal accounts may be used for settling physical precious-metal transactions. These accounts are used for precious-metal transactions. They are transitory items or book balances in connection with the physical delivery of precious metals or their settlement and the conversion of standard bars into other standard units.

The Custodian Bank shall not be under any duty to comply with a request for redemption in kind. If there are differences in the fineness of gold bars causing a small price differential, the Custodian Bank shall make a decision regarding allocation. Any fractions will be paid out in cash. The difference will be calculated by multiplying weight by fineness. Any amounts that are deducted from the net payout amount to cover taxes, costs and commission fees will be treated as a cash payment.

Any request for redemption in kind is to be made by investors so entitled to the Custodian Bank together with notice of termination. Delivery for the above-noted standard unit shall take place within a maximum deadline of 10 bank working days, currently at the registered office of the Custodian Bank in Zurich.

In this case, the transfer of ownership shall take place at the time of delivery at the registered office by the persons charged with the delivery. The fee specified in Fig. 7.6 will be charged prior to delivery of the respective physical precious metal. The deadlines for delivery of other customarily traded units shall be agreed on a case-by-case basis. They make take up to 30 bank working days.

If investors in a class so entitled wish to have delivery of the particular precious metal effected at another location in Switzerland, they must notify the Custodian Bank and provide the notice of termination. The Custodian Bank shall not be under any duty to comply with such a request. Any costs associated with such a delivery (transport, transport insurance, etc.) and any related taxes and duties shall be charged to the investor in addition to the fees pursuant to Fig. 7.6 below. In this case, the transfer of ownership shall take place at the time of delivery of the particular precious metal to the forwarding company by the persons charged with the delivery. In the case of an emergency such as a war or warlike events, transfer restrictions, force majeure or similar reasons, the Custodian Bank reserves the right to deliver the precious metal, at the cost and risk of the client, to the location and in the manner that it deems possible and expedient.

Currently, no value-added tax is charged on the delivery of gold. **In the case of deliveries of silver, platinum and palladium, investors shall be charged value added tax at the current rate of 8% on the market value of the respective silver, platinum or palladium; the cost of delivery in Switzerland is also subject to value added tax.** No deliveries shall be made outside Switzerland.

Entitlement to redemption in kind for any unit classes having this right shall also apply in the event of a liquidation of the sub-funds or the Umbrella Fund. The right shall be limited to the precious metal holdings held by the sub-fund. In the event of a liquidation, if all of the investors of a sub-fund entitled to delivery request redemption in kind that exceeds the holdings of the particular precious metal, there will be a pro rata reduction of the redemptions in kind combined with a partial cash payout. In the event of a liquidation, any request for a redemption in kind must be received by the Custodian Bank within 15 days following publication of the decision to liquidate.

7.6 Fees and ancillary costs for any currently issued sub-funds

<u>Fees and ancillary costs charged to investors</u>

- Issuing commission payable to the Fund Management Company, Custodian Bank, and/or distribution agents in Switzerland and abroad: a maximum of 5% of the net asset value of units of classes of each sub-fund “A”, “A (EUR)”, “A (CHF)”, “A (GBP)”, “AX”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)”.

- Redemption commission payable to the Fund Management Company, Custodian Bank, and/or distribution agents in Switzerland and abroad: not exceeding 3% for all unit classes of each sub-fund.

- Commission payable for payout of the liquidation amount upon dissolution of a sub-fund or class: a maximum of 0.50% of the gross distribution.

- Commission for delivery of physical precious metal in standard units of units of classes “A”, “A (EUR)”, “A (CHF)” and “A (GBP)” where there is a redemption in kind for deliveries in Switzerland is as follows:

  Gold in standard units:

  > a maximum of 0.20% of the counter value of standard bars of approx. 12.5 kg with a standard fineness of 995/1,000, not including value-added tax.

  Silver in standard units:

  > a maximum of 0.20% of the counter value of the standard unit of bars of approx. 30 kg with the standard fineness of 999/1,000, plus value added tax for deliveries in Switzerland. In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn silver and on the delivery costs.

  Platinum in standard units:

  > a maximum of 0.20% of the counter value of the standard unit of bars of approx. 5 kg with the standard fineness of 999.5/1,000, plus value added tax for deliveries in Switzerland. In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn platinum and on the delivery costs.

  Palladium in standard units:

  > a maximum of 0.20% of the counter value of the standard unit of bars of approx. 3 kg with the standard fineness of 999.5/1,000, plus value added tax for deliveries in Switzerland. In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn palladium and on the delivery costs.

Commission for delivery of physical precious metal in standard units other than the aforementioned ‘standard units’ of units of classes “A”, “A (EUR)”, “A (CHF)” and “A (GBP)” where there is a redemption in kind for deliveries in Switzerland is currently 2% plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.).

Fees and ancillary costs charged to the assets of the sub-funds

Management fee charged by the Fund Management Company as compensation for administration and management, as well as distribution of the sub-funds and as compensation to the Custodian Bank for safekeeping of the assets of the sub-funds, the provision of payment transaction services and the other duties of the Custodian Bank set out in § 4 of the Fund Agreement.

Julius Baer Physical Gold Fund:	a maximum of 0.50% p.a. on units of all classes
Julius Baer Physical Silver Fund:	a maximum of 0.60% p.a. on units of all classes
Julius Baer Physical Platinum Fund:	a maximum of 0.50% p.a. on units of all classes
Julius Baer Physical Palladium Fund:	a maximum of 0.50% p.a. on units of all classes

In addition, the fees and ancillary costs indicated in § 20 of the Fund Agreement may be charged to the sub-funds.

The Fund Management Company may make reimbursements to the following institutional investors which, from a financial point of view, hold the fund units for third parties:

- life insurance companies
- pension funds and other occupational benefit institutions
- investment foundations
- Swiss fund management companies
- foreign fund management companies
- investment companies

The Fund Management Company may also pay commission for client unit holdings to the following defined distribution agents and partners:

- authorised distribution agents
- fund management companies, banks, securities traders, Swiss Post and insurance companies
- distribution partners that place fund units exclusively with institutional investors with professional treasury operations
- asset Managers who place units based exclusively on a written portfolio management agreement for a consideration.

Fee sharing agreements and soft commissions:

The Fund Management Company has not entered into any fee sharing agreements.

The Fund Management Company has not entered into any agreements with respect to retrocessions in the form of soft commissions.

Total expense ratio and portfolio turnover rate:

The coefficient of all the ongoing costs charged to the assets of the respective sub-funds (total expense ratio, TER) amounted to:

Julius Baer Physical Gold Fund:
2010:
“A”: 0.41%
“A (EUR)”: 0.41%
“A (CHF)”: 0.41%
“A (GBP)”: 0.40%
“AX”: 0.41%
“AX (EUR)” : 0.41%
“AX (CHF)” : 0.41%
“AX (GBP)” : 0.41%

Julius Baer Physical Silver Fund:
2010:
“A”: 0.81%
“A (EUR)”: 0.79%
“A (CHF)”: 0.80%
“A (GBP)” 0.81%
“AX”: 0.80%
“AX (EUR)” : 0.83%
“AX (CHF)” : 0.80%
“AX (GBP)” : 0.84%

Julius Baer Physical Platinum Fund:
2010:
“A”: 0.70%
“A (EUR)”: 0.72%
“A (CHF)”: 0.70%
“A (GBP)”: 0.76%
“AX”: 0.75%
“AX (EUR)” : 0.83%
“AX (CHF)” : 0.83%
“AX (GBP)” : 0.70%

Julius Baer Physical Palladium Fund:
2010:
“A”: 0.93%
“A (EUR)”: 0.86%
“A (CHF)”: 0.89%
“A (GBP)”: 0.82%
“AX”: 0.95%
“AX (EUR)” : 0.90%
“AX (CHF)” : 0.87%
“AX (GBP)” : 0.83%

The Portfolio Turnover Rate of the portfolio amounted to:
As there has been no active trading in precious metals and changes in the holdings essentially reflect the net expenditure or redemptions, no PTR has been calculated due to a lack of valid

information.

8.1 Publications of the Umbrella Fund and the sub-funds

More information on the fund and its sub-funds may be found in the latest annual and semi-annual reports. In respect of the listing regulations, the most recent annual and semi-annual reports shall be declared to be integral parts of this Prospectus.

The Prospectus with the integrated Fund Agreement, the Simplified Prospectus and the annual/semi-annual report may be obtained free of charge from the Fund Management Company, Custodian Bank or any distributor.

Notice of changes to the Fund Agreement, a change in Fund Management Company or Custodian Bank, as well as the liquidation of sub-funds shall be published by the Fund Management Company in the Swiss Official Gazette of Commerce (SOGC) and on the website of fundinfo AG under www.fundinfo.com.

The prices for all unit classes of each sub-fund are published daily on the website of fundinfo AG at www.fundinfo.com.

Only the German wording of this Prospectus, the Fund Agreement and any other documents and publications shall be binding.

8.2 Sales restrictions

If units of the sub-funds of this Umbrella Fund are issued and redeemed abroad, the regulations valid in the country in question shall apply. The units of the sub-funds were not registered under the United States Securities Act of 1933, and except in connection with a transaction that does not violate this Act, fund units may not be offered in the United States either directly or indirectly to citizens of, or persons resident in the United States, incorporated companies or any other legal entities that were created or managed in accordance with the laws of the United States, nor may they be sold, resold or delivered to them. Within the meaning of this document, the "United States" is defined as the United States of America, all its contiguous states, territories and possessions as well as all districts under US legal sovereignty. Citizens of the United States who reside outside the United States are entitled to become beneficial owners of the fund units pursuant to the currently valid applicable legal provisions. They are requested to clarify which provisions currently apply to them and seek advice, where necessary.

8.3 Detailed provisions

Further detailed information on the Umbrella Fund or on the sub-funds, such as the valuation of the assets of the sub-funds, specification of all commissions and ancillary costs charged to the sub-fund, as well as the appropriation of profits can be found in the Fund Agreement.

8.4 Responsibility for the Prospectus

The Fund Management Company, Swiss & Global Asset Management AG, Zurich, and the Custodian Bank, Julius Baer & Co. Ltd., Zurich, assume responsibility for the contents of this Prospectus pursuant to Diagram A, Fig. 4 of the Listing Rules of the SIX Swiss Exchange. To the knowledge of the Fund Management Company and the Custodian Bank, the information is accurate and no material circumstances have been omitted.

Part II – Fund Agreement

I. Basis

§ 1 Name of the fund; name and registered office of the Fund Management Company and the Custodian Bank

1. Julius Baer Precious Metals is a contractual Umbrella Fund under Swiss law of the category “Other funds for traditional investors” (the “Umbrella Fund”) pursuant to Art. 25 in conjunction with Art. 68 et seqq. and Art. 92 f. of the Swiss Federal Collective Capital Investment Act of 23 June 2006 (“KAG”), divided into the following sub-funds:

   - Julius Baer Physical Gold Fund
   - Julius Baer Physical Silver Fund
   - Julius Baer Physical Platinum Fund
   - Julius Baer Physical Palladium Fund

2. The Fund Management Company is Swiss & Global Asset Management AG, with registered office in Zurich.

3. The Custodian Bank is Bank Julius Baer & Co. Ltd. with registered office in Zurich.

II. Rights and duties of the Parties

§ 2 The Fund Agreement

The legal relationships between the investors on the one hand and the Fund Management Company and Custodian Bank on the other shall be governed by this Fund Agreement and the applicable provisions of the collective investment scheme legislation.

§ 3 The Fund Management Company

1. The Fund Management Company shall manage the sub-funds independently and in its own name for the account of the investors. In particular, it shall make decisions regarding the issue of units, investments and the valuation of investments. It shall calculate the net asset value, set issue and redemption prices, and declare distributions of profits. It shall enforce all rights accruing to the Umbrella Fund and its sub-funds.

2. The Fund Management Company and its agents shall act in good faith and be under a duty to exercise care and to provide information. The Fund Management Company and its agents shall act independently and exclusively in the interest of the investors. They shall take any organisational measures required for sound business management. They shall ensure that the accounting is transparent and provide appropriate information about this Umbrella Fund and its sub-funds.

3. The Fund Management Company may delegate investment decisions and other specific tasks in respect of one or all of the sub-funds, provided that this is in the interest of efficient management. It shall only engage persons who are properly qualified to carry out the tasks and shall provide instructions and monitor and control the execution of the mandate.

4. The Fund Management Company shall be liable for the actions of its agents as if they were its own actions.
5. With the consent of the Custodian Bank, the Fund Management Company may submit any amendments to the Fund Agreement to the supervisory authority for approval (cf. § 28) and may launch additional sub-funds with approval from the supervisory authority.

6. The Fund Management Company may merge individual sub-funds with other sub-funds or with other investment funds in accordance with the provisions of § 26, or liquidate same in accordance with § 27.

7. The Fund Management Company shall be entitled to receive the remuneration provided for in §§ 19 and 20, to be released from the liabilities assumed in the proper execution of its duties, and to be reimbursed for any expenses incurred in meeting these liabilities.

§ 4 The Custodian Bank

1. The Custodian Bank shall be responsible for the safekeeping of the assets of the sub-funds. It shall be responsible for the issue and redemption of Fund units as well as for execution of payment transactions on behalf of the sub-funds.

2. The Custodian Bank and its agents shall act in good faith and are obligated to exercise care and provide information. The Fund Management Company and its agents shall act independently and exclusively in the interest of the investors. They shall take any organisational measures required for sound business management. They shall ensure that the accounting is transparent and provide appropriate information about this Umbrella Fund and its sub-funds.

3. The Custodian Bank may charge third-party and collective custodian banks in Switzerland with safekeeping of the assets, in particular the precious metals of the sub-funds. It shall be responsible for exercising due diligence in selecting and instructing third parties and monitoring such third parties to ensure that they continue to meet the selection criteria. The Prospectus contains further information on the specific risks involved.

4. The Custodian Bank shall ensure that the Fund Management Company complies with the law and the Fund Agreement. It shall be responsible for verifying that the calculation of the net asset values and issue and redemption prices of the units and the investment decisions are in line with the law and the Fund Agreement, and that the profits are appropriated in accordance with the Fund Agreement. The Custodian Bank shall not be responsible for selecting the individual investments made by the Fund Management Company within the scope of the investment guidelines.

5. The Custodian Bank shall be entitled to receive the remuneration provided for in §§ 19 and 20, to be released from any liabilities assumed in the proper execution of its duties, and to be reimbursed for expenses incurred in meeting these liabilities.

§ 5 The investors

1. Upon conclusion of a contract and payment in cash, investors shall acquire a claim against the Fund Management Company for a share in the assets and income of a sub-fund of the Umbrella Fund. Such a claim shall be held in the form of units.

2. Investors are only entitled to a share in the assets and income of that class of the sub-fund in which the investor holds units. Only the individual sub-fund shall be liable for the obligations of that particular sub-fund of the Umbrella Fund.

   Investors are only obliged to pay into the sub-fund the value of the fund units subscribed for. Any personal liability on the part of investors in respect of the obligations of the Umbrella Fund or its sub-funds is hereby excluded.

3. The Fund Management Company shall provide investors at any time with information as to the basis for the calculation of the net asset value of each fund unit. The Fund Management Company shall also provide details of specific business conducted by the Fund, such as the exercise of any creditor rights, to any investors demonstrating a legitimate interest in such information at any time. Investors may make application to the courts at the place of head office of the Fund Management Company to have the auditors or any other expert person investigate any circumstances requiring clarification and provide a report on same.

4. Investors may terminate the Fund Agreement at any time by requesting that their units in the relevant sub-fund be paid out in cash.

   In lieu of a cash payout, investors of units in those classes which provide for this in the Special Section may request a payout in the form of the physical precious metal in which the relevant sub-fund is invested ("redemption in kind"). Additional information in this regard is found in § 18, Fig. 7 below. This right shall be subject to any monetary policy or other official measures that prohibit such delivery of the particular physical precious metal of the relevant sub-fund, or complicate it to such an extent that the Custodian Bank cannot reasonably be expected to provide redemption in kind.

   Any application for redemption in kind is to be made by investors so entitled to the Custodian Bank together with notice of termination. The location of the delivery of any physical precious metal of the individual sub-funds is specified in the Prospectus.

5. Investors shall be under a duty to demonstrate to the Fund Management Company, the Custodian Bank and its agents, upon request, that they satisfy, or continue to satisfy, the legal or contractual fund requirements for holding an interest in a sub-fund or a unit class. Furthermore, they shall be under a duty to immediately notify the Fund Management Company, the Custodian Bank and its agents as soon as they no longer satisfy these requirements.

6. The units will be allocated immediately following receipt by the Custodian Bank of the subscription price.

7. Units owned by investors shall be redeemed by the Fund Management Company in cooperation with the Custodian Bank at the applicable redemption price if:

   a) this is required to protect the reputation of the financial centre, namely to fight against money-laundering;

   b) investors no longer satisfy the legal or contractual requirements for holding an interest in a sub-fund.

8. In addition, units owned by investors shall be redeemed by the Fund Management Company in cooperation with the Custodian Bank at the applicable redemption price if:

   a) the holding by an investor of an interest in a sub-fund is capable of adversely affecting the economic interests of the other investors, in particular if the holding can cause negative tax consequences for the Umbrella-Fund or one of its sub-funds in Switzerland or abroad;

   b) investors acquired or hold their units in breach of the provisions of one of the laws of Switzerland or abroad that apply to them, or this Fund Agreement or the Prospectus;

   c) the economic interests of the investors are prejudiced, in particular where individual investors attempt, by systematically subscribing for units and immediately redeeming them, to gain financial advantages by exploiting the time differences between the establishment of closing prices and the valuation of the assets of the sub-fund (market timing).

§ 6 Units and unit classes

1. Each sub-fund has the unit classes set out in the Special Section of the Fund Agreement.

2. With the consent of the Custodian Bank and approval from the supervisory authority, the Fund Management Company may at any time create, cancel or merge different unit classes of each sub-fund. All unit classes of units of a sub-fund entitle their holders to a share of the undivided assets of the corresponding sub-fund, which is in turn not divided into sub-funds. This share may vary owing to unit class-specific costs or distributions or to unit class-specific income, and the net asset value per unit may thus vary from one unit class to another within the same sub-fund. The assets of the sub-fund as a whole shall be liable for any class-specific costs incurred.

3. The creation, cancellation or merger of any unit classes shall be published in the official publications. Only a merger will be deemed to be an amendment to the Fund Agreement within the meaning of § 28.

4. The various unit classes of the sub-fund may differ in terms of cost structure, reference currency, currency hedging, distribution or reinvestment of income, minimum investment and investor base.

Fees and expenses will only be charged to a sub-fund that receives a particular benefit. Any costs that cannot be clearly attributed to a unit class will be charged to the individual unit classes on a pro rata basis in proportion to their weighting in the overall sub-fund assets.

5. No certificates will be issued for the units. Instead they will be recorded in book-entry form. Investors shall not be entitled to request delivery of a unit certificate.

6. The Fund Management Company shall be under a duty to instruct investors who no longer meet the criteria for holding units of a certain class to return their units within 30 calendar days pursuant to § 18, to transfer them to a person who meets the said criteria, or to exchange their units for units of another class of the same sub-fund whose criteria they meet. If an investor fails to comply with this instruction, the Fund Management Company may, in cooperation with the Custodian Bank, either compulsorily exchange the units for units of another class of the same sub-fund or, if this is not possible, may compulsorily redeem the units in question in accordance with § 5, Fig. 7f.

III. Investment policy guidelines

A. Investment principles

§ 7 Compliance with investment guidelines

The Fund Management Company shall invest the assets of each sub-fund in accordance with the investment goals and investment guidelines described below.

§ 8 Investment policy

1. The investment goal and investment policy for each sub-fund are set out in the Special Section of the Fund Agreement.

2. Under the specific investment policy of each sub-fund pursuant to the Special Section, the investment objective of each sub-fund is to reflect the long-term performance of the relevant precious metal of the sub-fund, after deduction of the fees and expenses charged to the sub-fund.

3. To this end, the Fund Management Company invests the assets, in accordance with the specific investment policy of each sub-fund, at least 90% in a marketable form of the physical precious metal of the particular sub-fund.

4. In addition, up to 10% of the assets of the sub-fund may be invested directly in:

   a) debt securities and debt book-entry securities (bonds, notes, warrant-linked bonds, convertible bonds), insofar as these are issued or guaranteed by a state, are denominated in a freely-convertible currency and have an original or residual maturity of not more than 12 months. Only the following issuers and guarantors are approved:

      USA, Canada, Great Britain, France, Germany, the Netherlands, Sweden, Japan, Switzerland;

b) money market instruments of issuers from a state named in lit. a above, which are denominated in a freely-convertible currency. money market instruments are debt instruments whose maturity or residual maturity does not exceed 365 days as well as money market book-entry claims. Money market instruments must be liquid and appraisable, and must be traded on a stock exchange or on another regulated market which is open to the public. Money market instruments which are not traded on a stock exchange or on another regulated market which is open to the public may only be acquired if the preconditions set out under Art. 74 Para. 2 KKV are fulfilled. When determining the maturity, instruments with variable interest rates shall be assessed on the day on which the interest rate is adjusted;

c) sight or time deposits (maximum 12 months) made at banks in Switzerland as investments which are denominated in a freely convertible currency.

The Prospectus as well as the special section contain further related information.

5. The sub-funds of the Umbrella Fund are not actively managed. From an investment standpoint, no activity is conducted to increase the value of the units of the individual sub-funds or to balance out any losses that occur due to changes of the value of the investments of the sub-fund.

§ 9 Cash or cash equivalents

In order to ensure a reasonable level of liquidity, the Fund Management Company may also hold cash or cash equivalents in US dollars, Swiss francs, euros and pound sterling. Cash or cash equivalents shall include bank sight or time deposits with maturities not exceeding twelve months.

In addition, precious-metal accounts may be used. These accounts are used for precious-metal transactions. They are transitory items or book balances in connection with the physical delivery of precious metals or their settlement and the conversion of standard bars into other standard units.

The sub-funds of the Umbrella Fund are usually fully invested. Cash or cash equivalents are only held to the extent that they are required for any anticipated expenditures and redemptions, and to cover the ongoing commitments of the individual sub-funds. In the event of any liquidation of the Umbrella Fund or a sub-fund, the cash or cash equivalents could increase substantially.

The cash assets will be held with Swiss banks.

B. Investment techniques and instruments

§ 10 Short selling and leveraging

1. The sub-funds shall not engage in any short sales. The assets of the sub-funds shall not be leveraged through borrowing for investment purposes (cf. § 14 below).

2. Any hedging of currency risks for the currency-hedged unit classes shall constitute an exception.

§ 11 Precious metal lending

The Fund Management Company shall not engage in any lending transactions using the particular precious metal in which the individual sub-fund invests.

§ 12 Repurchase agreements

The Fund Management Company shall not enter into any securities repurchase agreements.

§ 13 Derivatives

1. The Fund Management Company may use derivatives solely for the purpose of hedging currency risks for currency-hedged classes. The US dollar (as main trading currency) is the investment currency for precious metals. The economic impact of using derivatives must not result in any deviation from the investment objectives outlined in this Fund Agreement, the Prospectus and the Simplified Prospectus, even where the market is affected by exceptional circumstances, i.e. it must not result in any change to the investment character of the sub-fund.

   The legislation on collective investment schemes provides for three risk measurement processes for the use of derivatives: The Commitment Approach I and II for “simple investment funds” and the Model Approach combined with stress tests for “complex investment funds”.

   The Commitment Approach I is a simplified process characterised by the fact that the use of derivatives does not have a leveraging effect on the fund assets nor does it correspond to a short sale. The Commitment Approach II is a more expansive process. Leveraging and short sales are permitted. The overall exposure of an investment fund may be up to 200% of its net fund assets (by including borrowing of 10% even up to 210%). In the Model Approach, the risk is measured daily as Value-at-Risk (VaR) with a confidence interval of 99% and a holding period of 20 trading days; it must not exceed the double of the VaR of a comparable portfolio with no derivatives. In addition, periodic stress tests are to be carried out.

2. Due to the planned use of derivatives, these sub-funds qualify as "simple investment funds". The Commitment Approach I is used to measure risk. The use of derivatives thus does not exert any leverage effect on sub-fund assets, nor is it a short sale.

   The Fund Management Company must at all times be in a position to meet all delivery and payment commitments associated with derivatives in accordance with the legislation on collective investment schemes from the Fund assets.

   These requirements are applicable to the individual sub-funds affected.

3. Only the basic forms of derivatives may be used. These include:

a) call or put options, whose value on expiry is linearly dependent on the positive or negative difference between the market value of the underlying instrument and the strike price and becomes zero if the difference has the opposite algebraic sign;

b) swaps, whose payments depend in a linear and non-path-dependent manner on the value of the underlying or an absolute amount;

c) futures and forwards whose value depends in a linear manner on the underlying.

4. The use of derivatives is similar in its economic impact to either a sale (exposure-reducing) or buy (exposure-increasing) of an underlying instrument. For the sub-funds, derivatives may only be used in an exposure-reducing manner to hedge the reference currency of currency-hedged unit classes against the unit of account of the sub-fund. Pursuant to Fig. 1 above, the investment currency for precious metals shall be the US dollar. Any commitments entered into must at all times be covered by the instrument underlying the derivative.

5. The Fund Management Company may use both standardised and non-standardised derivatives. It may enter into transactions involving derivatives on a stock exchange or other regulated market open to the public or OTC (over the counter).

6. a) The Fund Management Company may effect OTC transactions only with regulated financial intermediaries that are specialised in these types of transactions and can ensure correct execution of such transactions. If the counterparty is not the Custodian Bank, the counterparty or the guarantor must have the minimum rating prescribed by collective investment scheme legislation pursuant to Art. 33, KAV FINMA.

b) Any OTC derivative must be capable of being valued in a reliable and verifiable manner on a daily basis, and be capable, at any time, of being disposed of, sold off or closed out through an offsetting transaction at market value.

c) If no market price is available for an OTC-traded derivative, such price shall be capable of being determined at any time based on the market price of the underlying instrument by using appropriate valuation models that are widely accepted in practice. In addition, before a transaction is concluded, serious offers must be obtained from at least two potential counterparties and the most favourable, in terms of credit rating, risk diversification and the range of services offered by the counterparty, shall be accepted. The transaction and price calculation shall be clearly documented.

7. In order to comply with any legal and contractual restrictions (maximum and minimum limits), derivatives are to be taken into account in accordance with the legislation on collective investment schemes.

8. The Prospectus contains additional information on the use of derivatives exclusively for the purpose of currency hedging and on the counterparty risks of derivatives.

§ 14 Borrowing and lending

1. The Fund Management Company shall not be permitted to grant any loans for the account of the sub-funds.

2. The Fund Management Company may temporarily borrow funds for each sub-fund not exceeding 10% of the net assets of the sub-fund. This shall be used to offset outstanding claims for the reimbursement of of value added tax arising out of input tax deductions in conjunction

with investments in silver, platinum and palladium. The cost of borrowing shall be borne by the Fund Management. This shall be deducted from the management fee.

§ 15 Encumbrances on the assets of the sub-funds

1. The Fund Management Company may not pledge, at the expense of the sub-funds, or assign as security any more than 25% of the net assets of each sub-fund for the purpose of hedging liablities under derivatives used as a currency hedge pursuant to § 13 above and in the case of sub-funds, which investments in precious metals are at delivery charged by a value added tax pursuant to § 14 Ziff. 2, for the purpose of hedging loans.

2. Any encumbrances on the assets of the sub-fund through guarantees or any other purposes than those set out in Fig. 1 are not permitted.

C. Investment restrictions

§ 16 Risk diversification

1. The Fund Management Company may invest, including derivatives, a maximum of 10% of the assets of a sub-fund in securities and money market instruments of the same issuer.

2. The Fund Management Company may invest no more than 20% of the assets of a sub-fund in credit balances on sight and term deposits as well as precious-metal accounts at the same bank. These limits include both cash and cash equivalents pursuant to § 9 and investments in bank deposits pursuant to § 8.

3. The Fund Management Company may invest no more than 5% of the assets of a sub-fund in OTC transactions with the same counterparty. This limit shall be raised to 10% of the assets of the relevant sub-fund where the counterparty is a bank that has its registered office in Switzerland or a member state of the EU or another state where the bank is subject to regulation equivalent to that in Switzerland.

4. Investments, credit balances and receivables pursuant to 1 to 3 above from the same issuer and debtor may not exceed a total of 20% of the assets of a sub-fund.

IV. Calculation of net asset values and the issue and redemption of units

§ 17 Calculation of net asset values

1. The net asset value of each sub-fund and the share of the individual classes (quotas) is calculated based on the market value at the end of the financial year as well as for each day on which the units can be issued or redeemed, in the unit of account of the relevant sub-fund. On days on which the stock exchanges or markets in the main countries where the particular sub-fund is invested are closed (e.g. bank or stock market holidays), no valuation of the assets of the particular sub-fund will be carried out.

2. The value of precious metals is calculated on the basis of the closing prices of the precious metals in London.

3. Any bank deposits held in cash or cash equivalents will be valued on the basis of the cash amount concerned plus accrued interest. In cases where there are significant changes in market conditions or creditworthiness, the valuation basis for bank sight deposits will be adapted in line with the new market return.

4. The net asset value of any unit in a class of a sub-fund shall be based on the share in the market value of the Fund's assets attributable to the class in question, less any liabilities accruing to that class and divided by the number of units of that class in circulation. It shall be rounded up to two decimal places.

5. The share of the total market value of a sub-fund's net assets (assets of the sub-fund minus liabilities) attributable to the respective unit categories shall be determined on the basis of the amounts flowing into the sub-fund for each unit category at the time multiple categories are first issued (if launched simultaneously) or at the time an additional category is first issued. The percentage shall thereafter be recalculated upon the occurrence of any of the following events:

   a) the issue and redemption of units;

   b) on the date set for distributions, where (i) such distributions apply only to certain unit classes (distributing classes), or (ii) the distributions calculated as a percentage of their respective net asset values differ from class to class, or (iii) different commissions or costs are payable on distributions for the different unit classes calculated as a percentage of the distribution;

   c) if, when calculating net asset value for the purpose of allocating liabilities (including any charges or commission due or accruing) to the various unit classes, the liabilities assigned to the various unit classes differ as percentages of their respective net asset values, and in particular if (i) different rates of commission apply to different unit classes, or (ii) there are costs specific to a particular class.

d) if, when calculating the net asset value for the purpose of assigning income or capital gains to the various classes, the income or capital gains result from transactions which were effected only in the interests of one class or some classes but which were not made in proportion to the share of the sub-fund's total assets accounted for by that class or those classes.

§ 18 Issue and redemption of units

1. Applications for the issue or redemption of units will be accepted on the order date up to the deadline specified in the Prospectus. The price applicable for the issue and redemption of the units will be calculated at the earliest on the bank working day (valuation date) following the order date (forward pricing). The Prospectus outlines the relevant details.

2. The issue and redemption price of the units is based on the net asset value of each share on the valuation date based on the closing prices of the previous day in accordance with § 17. The issue and redemption of units may be subject to an issuing commission in accordance with § 19 below or a redemption commission in accordance with § 19 below, to be deducted from the net asset value.

   Any ancillary costs for the sale and purchase of investments (standard brokerage fees, commissions, duties, etc.) incurred when investing the sum paid in by an investor or when selling that portion of the investments corresponding to the unit(s) submitted for redemption are debited to the assets of the corresponding sub-fund.

3. The Fund Management Company may at any time cease to issue units or may reject applications for subscriptions for, or the exchange of, units.

4. The Fund Management Company may postpone the redemption of units of a sub-fund temporarily and by way of exception in the interests of investors as a whole if:

   a) trading of the particular precious metal in London, which is the basis for valuation of a major portion of the particular sub-fund, is closed or if trading in the relevant precious metal in London is limited or suspended;

   b) there is a political, economic, military, monetary or other emergency;

   c) the sub-fund is unable to carry out transactions due to foreign exchange restrictions, or restrictions on other transfers of assets; or

   d) notice of termination of numerous units of the sub-fund is given that may substantially restrict the interests of the other investors in this sub-fund.

5. The Fund Management Company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify investors of such suspension using an appropriate means.

6. As long as redemption of the units of a sub-fund is suspended for any of the reasons set out in sub-paras. 4 a) to c), no units of this sub-fund shall be issued.

7. a) In lieu of a cash payout, investors of units in those classes which provide for this in the Special Section may request a payout in the counter value of their units in the form of the physical precious metal in which the relevant sub-fund is invested ("redemption in kind").

The right to any redemption in kind shall generally be restricted to the standard units of the relevant precious metal of the sub-fund and the corresponding precious metal holdings. Other standard units may be furnished upon request and in consideration of the interests of the remaining investors – ,plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.). The corresponding standard units are specified in the relevant Prospectus. Any fractions will be paid out in cash. Any amounts that are deducted from the net payout amount to cover taxes, costs and commission fees will be treated as a cash payment.

b) Applications for redemption in kind are to be made by the investors concerned to the Custodian Bank together with notice of termination. The fee set out in § 19, Fig. 2 will be charged on delivery of the physical precious metal of the individual sub-fund.

c) The location of the delivery of the relevant physical precious metal is specified in the Prospectus. The place must be in Switzerland. If any investor wishes delivery at another location, they must request this when notice of termination is made to the Custodian Bank. The Custodian Bank shall not be under any duty to comply with such a request. In the event of such a delivery at a location other than that specified in the Prospectus, the investor shall be charged any additional related charges (transport, transport insurance, etc.) and any associated taxes, in addition to the fee set out in § 19, Fig. 2. No deliveries will be made outside Switzerland.

d) In the event that redemptions in kind are made, the Fund Management Company shall produce a report itemising the investments transferred, the price of such investments on the transfer date, the number of units redeemed in consideration thereof, and any rounding-off payments in cash.

e) The Custodian Bank shall verify in respect of any redemption in kind that the Fund Management Company has discharged its fiduciary duty and that the investments transferred, or the units redeemed, have been properly valued with reference to the applicable reference date. The Custodian Bank shall promptly notify the auditors of any objections or complaints.

f) Transactions involving redemptions in kind are to be set out individually in the annual report.

8. Reference is made to § 27, Fig. 6 with respect to any entitlement by investors of the relevant unit classes for a redemption in kind in the event of liquidation.

V. Fees and ancillary costs

§ 19 Fees and ancillary costs charged to investors

1. For the issue of units, investors may be charged an issuing commission to be paid to the Fund Management Company, Custodian Bank and/or distribution agent in Switzerland and abroad, and for any redemption, may be charged a general redemption commission to be paid to the Fund Management Company, the Custodian Bank or the distribution agent, or to a sub-fund. The issue and redemption commission for each sub-fund is set out in the Special Section.

2. In the event that a sub-fund is dissolved, the Custodian Bank will charge investors a commission of no more than 0.50% on the redemption price of their shares for paying out the proceeds of liquidation.

   A commission will be charged for those classes that provide for a payout of physical precious metal (redemption in kind), and this commission is set out for each sub-fund in the Special Section. In the case of deliveries of silver, platinum and palladium, investors shall be charged value added tax on the market value of the respective silver, platinum or palladium; the cost of deliveries of silver, platinum and palladium in Switzerland is also subject to value added tax.

3. The maximum commission amounts for the commission or applicable maximum rate specified in this §19 are set out in the currently valid version of the Prospectus and Simplified Prospectus.

§ 20 Fees and ancillary costs charged to the assets of the sub-funds

1. For the management, asset management and distribution of the sub-fund as well as for remuneration to the Custodian Bank for the duties set out in § 4 of the Fund Agreement (in particular its function as safekeeping and calculation agent, as well as provider of payment transaction services), the Fund Management Company shall charge the sub-fund in question an administration fee on the net asset value of the assets of the particular sub-fund, the maximum amount of which is set out for each sub-fund in the Special Section or in the Prospectus. The management/administration fee is calculated on the basis of the net asset value and paid monthly to the Fund Management Company.

   In the Prospectus, the Fund Management Company shall disclose whenever it grants retrocessions to investors and/or distribution fees.

2. For payment of the annual income to the unit holders, the Custodian Bank shall charge the Umbrella Fund a commission not exceeding 0.25% of the gross amount distributed.

3. The Fund Management Company and the Custodian Bank shall also be entitled to reimbursement of the following expenses incurred in performing the Fund Agreement:

   a) the annual fees payable to the supervisory authority of the Umbrella Fund or its sub-funds in Switzerland;

   b) the costs of printing and translating annual and semi-annual reports into French and Italian;

   c) the costs of publishing prices in the press and the cost of transmitting them to electronic media and price transmission systems (including TIF/SIX).

d) the costs of publishing announcements to investors in the official publications of the Umbrella Fund and its sub-funds;

e) auditors' fees for the regular audits;

f) the costs of any exceptional arrangements which may become necessary, including the costs for legal advice, incurred in the interests of the investors;

g) all taxes and duties levied on the assets of the sub-funds, their income, and on any expenses charged to the assets of the sub-funds;

h) standard bank charges incurred in connection with the safekeeping of assets by third parties.

4. In addition, the sub-funds shall bear all incidental expenses arising in connection with the management of the fund’s assets, such as the purchase and sale of investments (brokerage at prevailing market rates, commission fees and taxes, etc.). These expenses are deducted directly from the purchase or sale price of the investments concerned.

5. Any costs allocated directly to a sub-fund or a unit class will be charged directly to this sub-fund or unit class. Any costs that cannot be allocated clearly to an individual sub-fund or individual unit class will be charged to all sub-funds or unit classes in proportion to their individual assets.

VI. Financial statements and auditing

§ 21 Financial statements

1. The fiscal year of the individual sub-funds commences on 1 January and closes on 31 December. The unit of account and the first closing of accounts are set out for each sub-fund in the Special Section.

2. The Fund Management Company shall publish an audited annual report for the Umbrella Fund and the sub-funds within four months of the close of the fiscal year.

3. Within two months following the close of the first half of the fiscal year, the Fund Management Company shall publish a semi-annual report for the Umbrella Fund and the sub-funds.

4. Investors shall be reserved the right to obtain information pursuant to § 5, Fig. 3.

§ 22 Audits

The auditors shall verify whether the Fund Management Company and the Custodian Bank have complied with the provisions of the Fund Agreement, the KAG and the rules of conduct of the Swiss Investment Fund Association (“SFA”). The annual report shall contain a short report by the auditors on the published annual financial statements.

VII. Appropriation of income

§ 23

1. Distributing classes

   a) The net income of the sub-funds shall be distributed to the investors annually for each unit class by the end of April in the corresponding unit of account.

      The Fund Management Company may also make interim distributions from the income.

   b) Up to 30% of the net income of a unit class may be carried forward to the new account. The Fund Management Company may decide to forego a distribution from a unit class if the available aggregate income per unit is less than one unit of the unit of account of the particular unit class.

   c) Any capital gains realised on the sale of assets and rights may be distributed by the Fund Management Company or retained for reinvestment purposes.

2. Accumulating classes

   a) The net income of the sub-fund is added annually for each unit class to the assets of the corresponding sub-fund for reinvestment, subject to any taxes and duties charged on the reinvestment.

   b) Any capital gains realised on the sale of assets and rights may be retained by the Fund Management Company for the purpose of reinvestment.

VIII. Locations at which the Prospectus with Fund Agreement, the Simplified Prospectus and the annual and semi-annual reports are available for inspection and may be obtained

§ 24

The Prospectus with integrated Fund Agreement, the Simplified Prospectus and the current annual and semi-annual reports may be inspected and obtained free of charge from the Fund Management Company, at the registered office of the Custodian Bank and its branches in Switzerland, as well as from all distribution and Paying Agents of the Umbrella Fund.

IX. Official publications of the Umbrella Fund and the sub-funds

§ 25

1. The official publications for the Umbrella Fund and its sub-funds are the print media and electronic media set out in the Prospectus. Any change of official publications must be announced in the official publications.

2. The Fund Management Company shall publish in the official publications, in particular, summaries of any major amendments to the Fund Agreement with a reference to the offices where the wording of the amendments may be obtained free of charge, any change of Fund Management Company and/or Custodian Bank, and any creation, cancellation or merging of unit classes. Any changes which are required by law and which do not affect the rights of investors or which are of a purely formal nature may, with the consent of the supervisory authority, be exempt from the publication requirement.

3. The Fund Management Company will publish the issue and redemption prices or the net asset value with the note “exclusive of commission fees” for all unit classes on every issue and redemption of units in the electronic media indicated in the Prospectus. The prices may also be announced by the Fund Management Company to certain media. The prices shall be published daily.

X. Restructuring and dissolution

§ 26 Merger

1. With approval from the Custodian Bank, the Fund Management Company may merge individual sub-funds with other sub-funds or with other investment funds by transferring the assets and liabilities of the old sub-fund(s) or investment fund to be transferred to the transferee sub-fund or investment fund at the time of the fund merger. Investors in the transferring sub-fund or investment fund shall be given the corresponding number of units in the transferee sub-fund or investment fund. At the time of the merger, the transferring sub-fund or investment fund shall be dissolved without being liquidated, and the Fund Agreement of the transferee sub-fund or investment fund shall also apply to the transferring sub-fund or investment fund.

2. Sub-funds or investment funds may only be merged if:

   a) the relevant Fund Agreements provide for this;

   b) they are managed by the same Fund Management Company;

   c) the relevant Fund Agreements follow the same procedures in respect of the following:

      - the investment policy, risk diversification as well as the risks associated with the investments;
      - any appropriation of the net income and capital gains;
      - the type, the amount and the calculation of all remuneration, the issue and redemption commission as well as ancillary costs for the purchase and sale of investments (brokerage fees, other fees, taxes) that may be charged to the fund assets or assets of the sub-fund or the investors;
      - the redemption terms;
      - the term of the contract and requirements for dissolution.

d) the assets of the investment funds or sub-funds concerned are valued, the conversion ratio calculated and the assets and liabilities transferred on the same day.

e) no costs are incurred for the investment fund or sub-fund or the investors as a result.

3. If it is anticipated that the merger may take more than one day, the supervisory authority may authorise a temporary postponement of redemption of the units of the investment fund or sub-fund concerned.

4. At least one month prior to the planned publication, the Fund Management Company shall submit the intended amendments to the Fund Agreement and the intended merger, together with the merger plan, to the supervisory authority for review. The merger plan shall contain detailed information on the reasons for the merger, the investment policy of the investment funds or sub-funds concerned and any differences between the transferring and transferee investment funds or sub-funds, the calculation of the conversion ratio, any differences in remuneration, any tax implications for the sub-fund or investment fund as well as the opinion of the funds' statutory auditors pursuant to KAG.

5. The Fund Management Company shall publish any planned amendments to the Fund Agreement and any intended merger and its timing together with the merger plan at least two months prior to the date fixed for the merger in the official publications of the investment fund or sub-fund concerned. In this notice, the Fund Management Company shall point out that investors have a period of 30 days from the last publication within which to raise any objections to the planned amendments to the Fund Agreement or to demand redemption of their units.

6. The auditors shall promptly verify that any merger has been carried out in an orderly manner and confirm so in a report to the Fund Management Company and the supervisory authority.

7. The Fund Management Company shall promptly report to the supervisory authority and publish in the publication media of the sub-fund or investment fund concerned the completion of the merger, the auditors' confirmation that the merger was carried out in an orderly manner as well as the conversion ratio.

8. The Fund Management Company shall mention the merger in the next annual report of the transferee sub-fund or investment fund and in any semi-annual report to be published before that. An audited final report shall be drawn up for the transferring sub-fund or investment fund if the merger takes place at a date other than the ordinary accounting year-end.

§ 27 Lifetime of the sub-fund and dissolution

1. The sub-funds have been established for an indefinite period.

2. The Fund Management Company or Custodian Bank may bring about the dissolution of individual sub-funds through termination of the Fund Agreement without notice.

3. Individual sub-funds may be dissolved by decision of the supervisory authority in particular, if a sub-fund does not hold net assets of 5 million Swiss francs (or counter value in the unit of account) by one year at the latest following the end of the subscription period (launch) or any other deadline extended by the supervisory authority at the request of the Custodian Bank and the Fund Management Company.

4. The Fund Management Company shall advise the supervisory authority forthwith of the dissolution and shall announce it in the official publications.

5. Upon termination of the Fund Agreement, the Fund Management Company may immediately liquidate the assets of the sub-fund concerned. If the supervisory authority has directed that a sub-fund be dissolved, it must be liquidated without delay. The Custodian Bank shall be responsible for paying out the proceeds of the liquidation to investors. If the process of liquidation is protracted, the proceeds may be paid out in instalments. The Fund Management Company must obtain approval from the supervisory authority before making any final payment.

6. The provisions on redemptions in kind contained in § 18, Fig. 7 shall apply *mutatis mutandis* in the event of any liquidation. Investors of those unit classes that wish redemption in kind of their liquidation proceeds in the relevant physical precious metal of the sub-fund must submit a request to the Custodian Bank. This request must be received by the Custodian Bank within 15 bank working days in Zurich following the date of publication of the dissolution. In the event of liquidation of the sub-fund or the Umbrella Fund, the right of investors to redemption in kind shall be restricted to the previous metal holding of the pertinent sub-fund or Umbrella Fund. In the case of a liquidation, if all of the investors of a sub-fund entitled to delivery request redemption in kind , that exceeds the holding of the particular precious metal, there will be a pro rata reduction of the redemptions in kind and a partial cash payout.

XI. Amendments to the Fund Agreement

§ 28

If amendments are made to this Fund Agreement, or if there is any intention to merge unit classes or to change the Fund Management Company or the Custodian Bank, investors may lodge objections with the supervisory authority within 30 days from the last relevant notice published. In addition, where there is an amendment to the Fund Agreement (including a merger of unit classes), the investors may request to have their units paid out in cash, subject to the contractual limitation period. The foregoing shall be without prejudice to the provisions of § 25, Fig. 2 which, with the consent of the supervisory authority, will be exempt from any publication requirement.

XII. Applicable law and place of jurisdiction

§ 29

1. The Umbrella Fund shall be governed by Swiss law, in particular by the Swiss Federal Collective Capital Investment Act of 23 June 2006 ("KAG"), the Collective Capital Investment Ordinance of 22 November 2006 ("KAV") as well as the FINMA Collective Capital Investment Ordinance of 21 December 2006 ("KAV-FINMA").

   The place of jurisdiction shall be the registered office of the Fund Management Company.

2. The German version shall be authoritative for the interpretation of the Fund Agreement.

3. This Fund Agreement shall enter into force on 22 July 2011 and replaces the Fund Agreement of 28 April 2010. It consists of the General Section and the Special Section.

The Fund Agreement was originally approved on 13 October 2008 by the Swiss Financial Market Supervisory Authority – FINMA (formerly the Federal Banking Commission).

The Fund Management Company:

Swiss & Global Asset Management AG, Zurich

The Custodian Bank:

Bank Julius Baer & Co. Ltd., Zurich

XIII. Special Section A – Julius Baer Physical Gold Fund

§30A Sub-fund

A sub-fund with the name “Julius Baer Physical Gold Fund” (the “sub-fund”) has been launched as part of the Umbrella Fund, Julius Baer Precious Metals.

§31A Unit classes

The sub-fund currently has the following eight unit classes. Unless stated otherwise below, the unit holders are entitled to physical delivery of the precious metal in which the sub-fund invests:

Class “A”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. In the “A (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

“A (GBP)” class: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The investors in the “AX” class are not entitled to physical delivery of the relevant precious metal in which the sub-fund invests. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. The investors in the “AX (EUR)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. The investors in the “AX (CHF)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (CHF)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (GBP)”: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. The investors in the “AX (GBP)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

The minimum investment amount for each class is specified in the Prospectus.

In accordance with the provisions set out in § 6, Fig. 2 of the General Section, the Fund Management Company reserves the right to create additional classes of units.

§32A Investment objective and policy, risk disclaimer

1. The investment objective of the Julius Baer Physical Gold Fund consists primarily in reflecting the long-term performance of gold, after deduction of the commission fees and costs charged to the sub-fund. To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical gold. The gold is thus held in bars of standard units of approximately 12.5 kg with a fineness of 995/1,000 or greater. These standard bars correspond to the London Bullion Market Association’s Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will command a higher market price than bullion with a purity of 995/1,000. An investment in units of the sub-fund is intended to provide an efficient alternative to a direct investment in physical gold.

   Further information on standard bars in accordance with the London Bullion Market Association (LBMA) can be found in the Prospectus.

   The sub-fund will not be actively managed. From an investment standpoint, no activity will be conducted to increase the value of the units of the sub-fund or to balance out any losses that occur due to changes in the value of the investments of the sub-fund. This shall not apply to any currency hedging pursuant to Fig. 2 below, or to the opportunity to invest up to 10% of the assets of the sub-fund in securities pursuant to § 8, Fig. 4 of the General Section for the purpose of holding liquidity.

2. For the classes “A (EUR)”, “A (CHF)”, “A (GBP)”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)”, the value of the investments in precious metal (expressed in US dollars) and any credit balances and receivables that are not in the relevant reference currency are hedged against the reference currency. The aim is to be fully hedged. On a temporary basis, there may be a hedge that is too high or too low. The hedge can absorb the consequences of a drop in the value of the US dollar in relation to the euro, the Swiss franc or the pound sterling; however, it is usually associated with ongoing costs.

3. The sub-fund shall not engage in short sales and shall only invest in derivatives for the purpose of currency hedging in accordance with Fig. 2 above. The use of derivatives for currency hedging purposes has no leverage effect, in economic terms, on the sub-funds. The use of currency hedging guarantees that investors participate as accurately as possible in the price development of the deposited precious metal. The assets of the sub-fund shall not be leveraged through borrowing for investment purposes.

4. The special features and risks involved in relation to the sub-fund are set out in the Prospectus.

§33A Unit of account

The unit of account of the sub-funds shall be the US dollar.

§34A Issue and redemption dates, price publication

Any bank working day in Zurich shall be an issue and redemption date. There shall not be any notice period. The prices shall be published daily.

§35A Issue and redemption commission, commission for redemption in kind

1. Issuing commission payable to the Fund Management Company, Custodian Bank or by distribution agents in Switzerland and abroad:

   - "A", "A (EUR)", "A (CHF)" and "A (GBP)" classes: maximum 5%;
   - "AX", "AX (EUR)", "AX (CHF)" and "AX (GBP)" classes: maximum 5%;

2. Redemption commission: maximum 3% for all unit classes payable to the Fund Management Company, Custodian Bank, or by distribution agents in Switzerland and abroad.

3. Commission for delivery of physical gold in Switzerland where there are redemptions in kind to investors: a maximum of 0.20% of the counter value of the standard units of approximately 12.5 kg with a standard fineness of 995/1,000, plus any value-added tax. No value-added tax is currently charged on gold.

   Commission for delivery of physical gold in standard units other than the aforementioned 'standard units' of units of classes "A", "A (EUR)", "A (CHF)" and "A (GBP)" where there is a redemption in kind in Switzerland is currently 2% plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.).

§36A Management commission

Pursuant to § 20, Fig. 1 of the General Section, the management commission charged by the Fund Management Company shall be a maximum of 0.50% p.a. for the classes "A", "A (EUR)", "A (CHF)", "A (GBP)", "AX", "AX(EUR)", "AX (CHF)", and "AX (GBP)".

The rates applied within the schedule of this maximum commission shall be set out in the annual and semi-annual reports.

§37A Closing of accounts

The closing of the accounts of the sub-fund shall be 31 December.

§38A Distributions

Distributions from the sub-fund shall be made prior to the end of April each year. Based on the investments of the sub-fund, it does not appear likely that there will be any actual distributions.

§39A Approval

The present Special Section A is an integral part of the Fund Agreement approved by the Swiss Financial Market Supervisory Authority FINMA, which Contract comprises a General Section and a Special Section.

XIII. Special Section B – Julius Baer Physical Silver Fund

§30B Sub-fund

A sub-fund with the name “Julius Baer Physical Silver Fund” (the “sub-fund”) has been launched as part of the Umbrella Fund, Julius Baer Precious Metals.

§31B Unit classes

The sub-fund currently has the following eight unit classes. Unless stated otherwise below, the unit holders are entitled to physical delivery of the precious metal in which the sub-fund invests:

Class “A”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. In the “A (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

“A (GBP)” class: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The investors in the “AX” class are not entitled to physical delivery of the relevant precious metal in which the sub-fund invests. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. The investors in the “AX (EUR)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. The investors in the “AX (CHF)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (CHF)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (GBP)”: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. The investors in the “AX (GBP)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

The minimum investment amount for each class is specified in the Prospectus.

In accordance with the provisions set out in § 6, Fig. 2 of the General Section, the Fund Management Company reserves the right to create additional classes of units.

§32B Investment objective and policy, risk disclaimer

1. The investment goal of the Julius Baer Physical Silver Fund consists primarily in reflecting the long-term performance of silver, after deduction of the commission and costs charged to the sub-fund. To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical silver. The silver is thus held in bars of standard units of approximately 30 kg with a fineness of 999/1,000 or greater. These standard bars correspond to the London Bullion Market Association’s Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will command a higher market price than bullion with a purity of 999/1,000. An investment in units of the sub-fund is intended to provide an efficient alternative to a direct investment in physical silver.

   Further information on standard bars in accordance with the London Bullion Market Association (LBMA) can be found in the Prospectus.

   The sub-fund will not be actively managed. From an investment standpoint, no activity will be conducted to increase the value of the units of the sub-fund or to balance out any losses that occur due to changes in the value of the investments of the sub-fund. This shall not apply to any currency hedging pursuant to Fig. 2 below, or to the opportunity to invest up to 10% of the assets of the sub-fund in securities pursuant to § 8 Fig. 4 of the General Section for the purpose of holding liquidity.

2. For the classes “A (EUR)”, “A (CHF)”, “A (GBP)”, “AX (EUR)”, “AX (CHF)” and “AX (GBP)”, the value of the investments in precious metal (expressed in US dollars) and any credit balances and receivables that are not in the relevant reference currency are hedged against the reference currency. The aim is to be fully hedged. On a temporary basis, there may be a hedge that is too high or too low. The hedge can absorb the consequences of a drop in the value of the US dollar in relation to the euro, the Swiss franc or the pound sterling; however, it is usually associated with ongoing costs.

3. The sub-fund shall not engage in short sales and shall only invest in derivatives for the purpose of currency hedging in accordance with Fig. 2 above. The use of derivatives for currency hedging purposes has no leverage effect, in economic terms, on the sub-funds. The use of currency hedging guarantees that investors participate as accurately as possible in the price development of the deposited precious metal. The assets of the sub-fund shall not be leveraged through borrowing for investment purposes.

4. The special features and risks involved in relation to the sub-fund are set out in the Prospectus.

§33B Unit of account

The unit of account of the sub-funds shall be the US dollar.

§34B Issue and redemption dates, price publication

Any bank working day in Zurich shall be an issue and redemption date. There shall not be any notice period. The prices shall be published daily.

§35B Issue and redemption commission, commission for redemption in kind

1. Issuing commission payable to the Fund Management Company, Custodian Bank or by distribution agents in Switzerland and abroad:

   - "A", "A (EUR)", "A (CHF)" and "A (GBP)" classes: maximum 5%;
   - "AX", "AX (EUR)", "AX (CHF)" and "AX (GBP)" classes: maximum 5%;

2. Redemption commission: maximum 3% for all unit classes payable to the Fund Management Company, Custodian Bank, or by distribution agents in Switzerland and abroad.

3. Commission for delivery of physical silver in Switzerland where there are redemptions in kind to investors: a maximum of 0.20% of the counter value of the standard units of approximately 30 kg with a standard fineness of 999/1,000, plus value added tax for deliveries in Switzerland.

   Commission for delivery of physical silver in standard units other than the aforementioned 'standard units' of units of classes "A", "A (EUR)", "A (CHF)" and "A (GBP)" where there is a redemption in kind in Switzerland is currently 2% plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.).

   In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn silver and on the delivery costs.

§36B Management commission

Pursuant to § 20, Fig. 1 of the General Section, the management commission charged by the Fund Management Company shall be a maximum of 0.60% p.a. for the classes "A", "A (EUR)", "A (CHF)", "A (GBP)", "AX", "AX(EUR)", "AX (CHF)", and "AX (GBP)".

The rates applied within the schedule of this maximum commission shall be set out in the annual and semi-annual reports.

§37B Closing of accounts

The closing of the accounts of the sub-fund shall be 31 December.

§38B Distributions

Distributions from the sub-fund shall be made prior to the end of April each year, with the first such distribution being made in 2011. Based on the investments of the sub-fund, it does not appear likely that there will be any actual distributions.

§39B Approval

The present Special Section B is an integral part of the Fund Agreement approved by the Swiss Financial Market Supervisory Authority FINMA, which Contract comprises a General Section and a Special Section.

XIII. Special Section C – Julius Baer Physical Platinum Fund

§30C Sub-fund

A sub-fund with the name “Julius Baer Physical Platinum Fund” (the “sub-fund”) has been launched as part of the Umbrella Fund, Julius Baer Precious Metals.

§ 31C Unit classes

The sub-fund currently has the following eight unit classes. Unless stated otherwise below, the unit holders are entitled to physical delivery of the precious metal in which the sub-fund invests:

Class “A”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. In the “A (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

“A (GBP)” class: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The investors in the “AX” class are not entitled to physical delivery of the relevant precious metal in which the sub-fund invests. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. The investors in the “AX (EUR)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. The investors in the “AX (CHF)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (CHF)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

Class "AX (GBP)": Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. The investors in the "AX (GBP)" class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the "A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

The minimum investment amount for each class is specified in the Prospectus.

In accordance with the provisions set out in § 6, Fig. 2 of the General Section, the Fund Management Company reserves the right to create additional classes of units.

§ 32C Investment objective and policy, risk disclaimer

1. The investment goal of the Julius Baer Physical Platinum Fund consists primarily in reflecting the long-term performance of platinum, after deduction of the commission and costs charged to the sub-fund. To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical platinum. The platinum is thus held in bars of standard units of approximately 5 kg with a fineness of 999.5/1,000 or greater. These standard bars correspond to the London Platinum and Palladium Market's Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will command a higher market price than bullion with a purity of 999.5/1,000. An investment in units of the sub-fund is intended to provide an efficient alternative to a direct investment in physical platinum.

   Further information on standard bars in accordance with the London Platinum and Palladium Market (LPPM) can be found in the Prospectus.

   The sub-fund will not be actively managed. From an investment standpoint, no activity will be conducted to increase the value of the units of the sub-fund or to balance out any losses that occur due to changes in the value of the investments of the sub-fund. This shall not apply to any currency hedging pursuant to Fig. 2 below, or to the opportunity to invest up to 10% of the assets of the sub-fund in securities pursuant to § 8, Fig. 4 of the General Section for the purpose of holding liquidity.

2. For the classes "A (EUR)", "A (CHF)", "A (GBP)", "AX (EUR)", "AX (CHF)" and "AX (GBP)", the value of the investments in precious metal (expressed in US dollars) and any credit balances and receivables that are not in the relevant reference currency are hedged against the reference currency. The aim is to be fully hedged. On a temporary basis, there may be a hedge that is too high or too low. The hedge can absorb the consequences of a drop in the value of the US dollar in relation to the euro, the Swiss franc or the pound sterling; however, it is usually associated with ongoing costs.

3. The sub-fund shall not engage in short sales and shall only invest in derivatives for the purpose of currency hedging in accordance with Fig. 2 above. The use of derivatives for currency hedging purposes has no leverage effect, in economic terms, on the sub-funds. The use of currency hedging guarantees that investors participate as accurately as possible in the price development of the deposited precious metal. The assets of the sub-fund shall not be leveraged through borrowing for investment purposes.

4. The special features and risks involved in relation to the sub-fund are set out in the Prospectus.

§ 33C Unit of account

The unit of account of the sub-funds shall be the US dollar.

§ 34C Issue and redemption dates, price publication

Any bank working day in Zurich shall be an issue and redemption date. There shall not be any notice period. The prices shall be published daily.

§ 35C Issue and redemption commission, commission for redemption in kind

1. Issuing commission payable to the Fund Management Company, Custodian Bank or by distribution agents in Switzerland and abroad:

   - "A", "A (EUR)", "A (CHF)" and "A (GBP)" classes: maximum 5%;
   - "AX", "AX (EUR)", "AX (CHF)" and "AX (GBP)" classes: maximum 5%;

2. Redemption commission: maximum 3% for all unit classes payable to the Fund Management Company, Custodian Bank, or by distribution agents in Switzerland and abroad.

3. Commission for delivery of physical platinum in Switzerland where there are redemptions in kind to investors: a maximum of 0.20% of the counter value of the standard units of approximately 5 kg with a standard fineness of 999.5/1,000, plus value added tax for deliveries in Switzerland.

   Commission for delivery of physical platinum in standard units other than the aforementioned 'standard units' of units of classes "A", "A (EUR)", "A (CHF)" and "A (GBP)" where there is a redemption in kind in Switzerland is currently 2% plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.).

   In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn platinum and on the delivery costs.

§ 36C Management commission

Pursuant to § 20, Fig. 1 of the General Section, the management commission charged by the Fund Management Company shall be a maximum of 0.50% p.a. for the classes "A", "A (EUR)", "A (CHF)", "A (GBP)", "AX", "AX(EUR)", "AX (CHF)", and "AX (GBP)".

The rates applied within the schedule of this maximum commission shall be set out in the annual and semi-annual reports.

§ 37C Closing of accounts

The closing of the accounts of the sub-fund shall be 31 December.

§ 38C Distributions

Distributions from the sub-fund shall be made prior to the end of April each year, with the first such distribution being made in 2011. Based on the investments of the sub-fund, it does not appear likely that there will be any actual distributions.

§ 39C Approval

The present Special Section C is an integral part of the Fund Agreement approved by the Swiss Financial Market Supervisory Authority FINMA, which Contract comprises a General Section and a Special Section.

XIII. Special Section D – Julius Baer Physical Palladium Fund

§30D Sub-fund

A sub-fund with the name “Julius Baer Physical Palladium Fund” (the “sub-fund”) has been launched as part of the Umbrella Fund, Julius Baer Precious Metals.

§ 31D Unit classes

The sub-fund currently has the following eight unit classes. Unless stated otherwise below, the unit holders are entitled to physical delivery of the precious metal in which the sub-fund invests:

Class “A”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. In the “A (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “A (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

“A (GBP)” class: Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. In the “A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX”: This class is denominated in the US dollar unit of account and is intended for all types of investors. The investors in the “AX” class are not entitled to physical delivery of the relevant precious metal in which the sub-fund invests. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (EUR)”: Distribution class that is denominated in the euro (EUR) reference currency and is intended for all types of investors. The investors in the “AX (EUR)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (EUR)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in euros will be hedged against the euro. The units will be listed on a stock exchange specified in the Prospectus.

Class “AX (CHF)”: Distribution class that is denominated in the Swiss franc (CHF) reference currency and is intended for all types of investors. The investors in the “AX (CHF)” class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the “AX (CHF)” class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in Swiss francs will be hedged against the Swiss franc. The units will be listed on a stock exchange specified in the Prospectus.

Class "AX (GBP)": Distribution class that is denominated in the pound sterling (GBP) unit of account and is intended for all types of investors. The investors in the "AX (GBP)" class are not entitled to physical delivery of the precious metal in which the relevant sub-fund invests. In the "A (CHF) class, investments in precious metal (expressed in US dollars) and any credit balances and receivables not denominated in pound sterling will be hedged against the pound sterling. The units will be listed on a stock exchange specified in the Prospectus.

The minimum investment amount for each class is specified in the Prospectus.

In accordance with the provisions set out in § 6, Fig. 2 of the General Section, the Fund Management Company reserves the right to create additional classes of units.

§ 32D Investment objective and policy, risk disclaimer

1. The investment goal of the Julius Baer Physical Palladium Fund consists primarily in reflecting the long-term performance of palladium, after deduction of the commission and costs charged to the sub-fund. To this end, the sub-fund invests at least 90% of the assets of the sub-fund in a marketable form of physical palladium. The palladium is thus held in bars of standard units of approximately 3 kg with a fineness of 999.5/1,000 or greater. These standard bars correspond to the London Platinum and Palladium Market's Good Delivery requirements. The market price depends on the fineness and weight of the bullion. Bullion with a higher purity will command a higher market price than bullion with a purity of 999.5/1,000. An investment in units of the sub-fund is intended to provide an efficient alternative to a direct investment in physical palladium.

   Further information on standard bars in accordance with the London Platinum and Palladium Market (LPPM) can be found in the Prospectus.

   The sub-fund will not be actively managed. From an investment standpoint, no activity will be conducted to increase the value of the units of the sub-fund or to balance out any losses that occur due to changes in the value of the investments of the sub-fund. This shall not apply to any currency hedging pursuant to Fig. 2 below, or to the opportunity to invest up to 10% of the assets of the sub-fund in securities pursuant to § 8 Fig. 4 of the General Section for the purpose of holding liquidity.

2. For the classes "A (EUR)", "A (CHF)", "A (GBP)", "AX (EUR)", "AX (CHF)" and "AX (GBP)", the value of the investments in precious metal (expressed in US dollars) and any credit balances and receivables that are not in the relevant reference currency are hedged against the reference currency. The aim is to be fully hedged. On a temporary basis, there may be a hedge that is too high or too low. The hedge can absorb the consequences of a drop in the value of the US dollar in relation to the euro, the Swiss franc or the pound sterling; however, it is usually associated with ongoing costs.

3. The sub-fund shall not engage in short sales and shall only invest in derivatives for the purpose of currency hedging in accordance with Fig. 2 above. The use of derivatives for currency hedging purposes has no leverage effect, in economic terms, on the sub-funds. The use of currency hedging guarantees that investors participate as accurately as possible in the price development of the deposited precious metal. The assets of the sub-fund shall not be leveraged through borrowing for investment purposes.

4. The special features and risks involved in relation to the sub-fund are set out in the Prospectus.

§ 33D Unit of account

The unit of account of the sub-funds shall be the US dollar.

§ 34D Issue and redemption dates, price publication

Any bank working day in Zurich shall be an issue and redemption date. There shall not be any notice period. The prices shall be published daily.

§ 35D Issue and redemption commission, commission for redemption in kind

1. Issuing commission payable to the Fund Management Company, Custodian Bank or by distribution agents in Switzerland and abroad:

   - "A", "A (EUR)", "A (CHF)" and "A (GBP)" classes: maximum 5%;
   - "AX", "AX (EUR)", "AX (CHF)" and "AX (GBP)" classes: maximum 5%;

2. Redemption commission: maximum 3% for all unit classes payable to the Fund Management Company, Custodian Bank, or by distribution agents in Switzerland and abroad.

3. Commission for delivery of physical palladium in Switzerland where there are redemptions in kind to investors: a maximum of 0.20% of the counter value of the standard units of approximately 3 kg with a standard fineness of 999.5/1,000, plus value added tax for deliveries in Switzerland.

   Commission for delivery of physical palladium in standard units other than the aforementioned 'standard units' of units of classes "A", "A (EUR)", "A (CHF)" and "A (GBP)" where there is a redemption in kind in Switzerland is currently 2% plus any production and other costs applicable at the time of delivery (taxes, costs of stamping, delivery, transport insurance and deduction for difference in fineness, etc.).

   In the case of delivery, investors shall also be charged value added tax at the current rate of 8% on the market value of the drawn palladium and on the delivery costs.

§ 36D Management commission

Pursuant to § 20, Fig. 1 of the General Section, the management commission charged by the Fund Management Company shall be a maximum of 0.50% p.a. for the classes "A", "A (EUR)", "A (CHF)", "A (GBP)", "AX", "AX(EUR)", "AX (CHF)", and "AX (GBP)".

The rates applied within the schedule of this maximum commission shall be set out in the annual and semi-annual reports.

§ 37D Closing of accounts

The closing of the accounts of the sub-fund shall be 31 December.

§ 38D Distributions

Distributions from the sub-fund shall be made prior to the end of April each year, with the first such distribution being made in 2011. Based on the investments of the sub-fund, it does not appear likely that there will be any actual distributions.

§ 39D Approval

The present Special Section D is an integral part of the Fund Agreement approved by the Swiss Financial Market Supervisory Authority FINMA, which Contract comprises a General Section and a Special Section.

Important legal information

The information in this document constitutes neither an offer nor investment advice. It is given for information purposes only. No liability is assumed for the accuracy and completeness of the information. Opinions and assessments contained in this document may change and reflect the point of view of Swiss & Global Asset Management in the current economic environment.

Investments should only be made after a thorough reading of the current prospectus and/or the fund regulations, the current simplified prospectus (or the Key Investor Information Document, as soon as it is available) , the articles of association, and the current annual and semi-annual reports, as well as after consulting an independent finance and tax specialist. The mentioned documents can be obtained in hard copy and free of charge by calling [+41 58 426 60 00] or from the addresses indicated below. Swiss & Global Asset Management is not a member of the Julius Baer Group.

The value of the units and the return they generate can go down as well as up. They both are affected by market volatility and by fluctuations in exchange rates. Swiss & Global Asset Management does not assume any liability for possible losses. The performance of past values and returns is no indicator of their current or future development. The performance of values and returns does not include the fees and costs which may be charged when buying, selling and/or switching units. The breakdown into sectors, countries and currencies and their respective positions as well as possibly indicated benchmarks are subject to change at any time in line with the investment policy determined in the prospectus.

Swiss domiciled funds:
The Julius Baer Funds domiciled in Switzerland described herein are contractual funds according to the Swiss Federal Act on Collective Investment Schemes (Collective Investment Schemes Act, CISA) of 23 June 2006.

The funds Julius Baer Institutional Fund, Julius Baer Institutional Funds II, Julius Baer Inst BVG – LPP Flexible Fund and the Julius Bär Inst BVG/LPP are, as they are funds for qualified investors, exclusively addressing qualified investors according to the CISA and the relevant fund contract.

Other Julius Baer investment funds domiciled in Switzerland mentioned herein are admitted for public distribution and offering exclusively in Switzerland. Fund Management: Swiss & Global Asset Management Ltd., Zurich. Custodian Bank: Bank Julius Baer & Co. Ltd., Bahnhofstrasse 36, P.O. Box, CH-8010 Zurich or RBC Dexia Investor Services Bank S.A., Esch-sur Alzette, Zurich Branch, Badenerstrasse 567, CH-8048 Zurich.

Luxembourg domiciled funds:

Non-UCITS Funds (non-EU harmonized):

The funds Julius Baer Multiselect I, Julius Baer Multiopportunities and Julius Baer SICAV II are Part II (non-EU harmonized) SICAVs (“Société d’investissement à capitale variable”) domiciled in Luxembourg. The fund Julius Baer SICAV II is admitted for public distribution and offering exclusively in Switzerland.

The fund Julius Baer Multiflex is an undertaking for collective investment under Luxembourg law subject to the law of February 13, 2007 on Specialised Investment Funds (“SIF”) with the legal structure of a SICAV (“Société d’investissement à capitale variable”). Units of Julius Baer Multiflex are offered for sale solely in the context of “Private Placement” and may be purchased only by certain qualified investors. The relevant prerequisites and categories are described in the full prospectus of the fund.

UCITS Funds (EU harmonized):

The funds Julius Baer Strategy Fund and the fund Hyposwiss (Lux) Fund are Part I (EU harmonized) FCPs (“Fonds commun de placement “) domiciled in Luxembourg.

The funds Julius Baer Multibond, Julius Baer Multistock, Julius Baer Multicash, Julius Baer Multipartner, Julius Baer Multilabel, Julius Baer Multirange, Julius Baer Multiinvest, Julius Baer Special Funds are Part I (EU harmonized) SICAVs (“Société d’investissement à capitale variable”) domiciled in Luxembourg.

UCITS (Undertakings for Collective Investment in Transferable Securities) Funds are, as a general rule, registered for public offering in Luxembourg, Switzerland, Germany and Austria. However, due to the different registration proceedings, no guarantee can be given that each fund, sub-fund or share category is or will be registered in every jurisdiction and at the same time. Namely the funds of funds are registered exclusively in some of the countries. You find an up-to-date registration list, on www.jbfundnet.com . Please also refer to some local particularities indicated below. Please note that in any jurisdiction where a fund, sub-fund or share category is not registered for public offering, they may, subject to the applicable local regulation, only be sold in the course of private placement or institutional investments. Particularly, the Julius Baer funds are not registered and, therefore, may not be offered for sale or be sold in the United States of America and their dependencies.

SWITZERLAND: As far as EU-harmonized Julius Baer investment funds domiciled in Luxembourg are admitted for public offering and distribution in Switzerland: Representative: Swiss & Global Asset Management Ltd., Hardstrasse 201, Postfach, CH-8037 Zurich. Paying Agent: Bank Julius Baer & Co. AG, Bahnhofstrasse 36, Postfach, CH-8010 Zurich.

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