Investing in emerging markets
Introducing the EM Electoral Monitor

For emerging markets, 2018 is a year rich in leadership turnover. To help our clients navigate this heavy political calendar, we are introducing the Emerging Markets Electoral Monitor, where over the coming months we will keep tabs of developments in countries holding consequential elections and assess their potential implications.

Our goal is to discuss succinctly and present in a user-friendly format the election dynamics along four segments: the positions at stake, the economic and financial backdrops against which the elections are taking place, and the pulse of the electorate based on the latest polling and social media trends. Although we clearly lay out our base-case scenario for each election we cover, we also describe the economic and financial implications of alternative scenarios.

We present this inaugural edition of the Emerging Markets Electoral Monitor in this report and as a section of our upcoming monthly Investing in Emerging Markets flagship publication. Over the next several months, you can follow our updates within the pages of our flagship.

Yes, it’s the economy, but…
The importance of elections to financial markets can sometimes be overrated. This is because in many instances, new governments, once in power, exercise some self-restraint, softening their more radical positions during their campaign and converging to the center. Alternatively, newly elected governments can face congressional, institutional, or social constraints that limit the extent to which they can alter policy significantly. These are reasons for investors to keep politics on their radar screens, but not to overreact to them.

Politics can be noisy, at times even scary. But investors should keep in mind that what ultimately drives markets are expected changes in economic and corporate fundamentals. When positive fundamental trends are in place, they become a source of support for governments. It is therefore unusual for governments to adopt policies that undermine these fundamentals. Often, it is economic and corporate fundamentals that drive the ideology of the time, and not the reverse.

We’d like to thank Brennan Azevedo for his valuable contribution to this report.

This report has been prepared by UBS Financial Services Inc. (UBS FS) and UBS Switzerland AG and UBS AG and UBS Asesores Mexico, S.A. de C.V.. Please see important disclaimers and disclosures at the end of the document.
Take the last three years as an example. Positioning for the effects of a global economic recovery and central bank support has been a superior investment strategy to positioning for specific electoral outcomes – which, by the way, markets and analysts have shown a dismal track record of predicting correctly. It is strong fundamentals that have driven global equity markets higher despite the noise around Brexit, the German and French elections, and the surprising victory of Donald Trump in the US.

There are, of course, cases where persistently poor policymaking derailed the fundamentals – think Nicolas Maduro’s Venezuela, the Kirchners’ Argentina, or Jacob Zuma’s South Africa. Fortunately, these cases are becoming fewer and farther in between and, in many instances, have resulted in the ultimate departure of the politicians in charge.

For emerging markets, 2018 is a year rich in leadership turnover. We will witness important elections in Russia in March, Colombia in March and May, Hungary in April, Mexico in July, Malaysia in August, and Brazil in October, among others, which have the potential to move markets.

To help our clients navigate this heavy political calendar, we are introducing the Emerging Markets Electoral Monitor, where over the coming months we will keep tabs of developments in countries holding consequential elections and assess their potential implications. Our goal is to discuss succinctly, and present in a user-friendly format, the election dynamics along four segments: the positions at stake, the economic and financial backdrops against which the elections are taking place, and the pulse of the electorate based on the latest polling and social media trends. Although we clearly lay out our base-case scenario for each election we cover, we also describe the economic and financial implications of alternative scenarios, acknowledging that we are not expert political analysts and that our baseline scenarios are largely based on the state of the polls at that particular point in time.

We present this inaugural edition of Emerging Markets Electoral Monitor in this report and as a section of our monthly Investing in Emerging Markets flagship publication. Over the next several months, you can follow our updates within the pages of our flagship.

We hope you both enjoy this monitor and find it useful in your investment decisions.
Investing in emerging markets | What’s at stake?

**Russia**

**Congress’s current composition:**
- **Upper Chamber:** All members are independent
- **Lower Chamber:** +170

18 March – First round of nationwide federal vote to elect a new president.

8 April – Second round of nationwide federal presidential election if no candidate obtains 50% of the vote in the first round.

**Candidates & key trends**
- **Other candidates:** Several well-known candidates are challenging Putin’s re-election bid: celebrity Ksenia Sobchak, journalist Yekaterina Gordon, politician and economist Grigory Yavlinsky and businessman Boris Titov.
- **Alexei Navalny,** the opposition leader, was disqualified from running in late December 2017 due to a criminal conviction.

**Economic & policy backdrop**

- **GDP (y/y in %):**
  - '16: 1.9
  - '17: 1.7
  - '18E: 1.8
  - '19E: -0.2
- **Inflation (y/y in %):**
  - '16: 7.0
  - '17: 3.7
  - '18E: 3.3
  - '19E: 4.2
- **Current account (% of GDP):**
  - '16: 2.0
  - '17: 2.5
  - '18E: 2.8
  - '19E: 2.5
- **Budget balance (% of GDP):**
  - '16: -3.5
  - '17: -1.4
  - '18E: -0.5
  - '19E: 0.3

The Russian economy has recovered from a two-year recession, growing an estimated 1.4% last year. The recovery was driven by improving domestic demand and a pick-up in investment, supported by an inventory buildup. We expect GDP to continue to grow this year and next, with consumption and investment likely to remain key drivers. As a result, we expect further monetary easing this year. Meanwhile, government spending will likely remain constrained by a prudent fiscal policy and the government’s budget rule.

**Scenarios & implications**

- **Base case:** We think there is a large probability that President Putin will win the elections. He enjoys a popularity rating of around 80%; polls suggest he will receive more than 70% of the votes; and opposition leader Alexei Navalny is not allowed to run for president.
- **In our view,** the next cabinet will be key to defining the economic plan and the probability of structural reforms in the coming years. The next challenge for Russia will be to transform its positive cyclical story into a structural one. The country’s GDP growth potential remains low, at around 1.5%, given structural constraints such as low energy prices, an aging population, low economic efficiency and Western sanctions. Opposition to deep structural changes remains strong. As a result, the appointment of a reformist prime minister and cabinet could signal greater reform prospects.

**Alternative scenarios:**
- We find it unlikely that another candidate will win the race given that all the other candidates are polling at a combined 16% of the votes.

**Colombia**

**Congress’s current composition:**
- **Senate:** 21
  - 20
  - 18
  - 43
- **Lower Chamber:** 39
  - 39
  - 27
  - 61

11 March – Nationwide federal election for all 102 senators and all 166 deputies for a four-year term. Primary election will decide the composition of the Centro Democrático–Partido Conservador ticket.

27 May – First round of nationwide federal vote to elect a new president.

17 June – Second round of nationwide federal presidential election if no candidate obtains 50% of the vote in the first round.

**Candidates & key trends**
- **Sergio Fajardo (Verde):** Born in 1954. Center-left. A mathematician, former governor of Antioquia, and mayor of Medellin.
- **Gustavo Petro (Progresistas):** Born in 1960. Leftist. Former mayor of Bogota, senator and member of the Lower Chamber.
- **Ivan Duque (Centro Democrático):** Born in 1976. Center-right. Currently a senator. Received International Affairs degree at American University and Public Affairs degree at Georgetown University.
- **Other candidates:** Germán Vargas Lleras, current vice-president; Martha Lucía Ramírez, former congresswoman and minister of national defense under the Uribe administration.
- **Polling trends:**
  - Sergio Fajardo: 15%
  - Gustavo Petro: 14%
  - Ivan Duque: 13%

**Economic & policy backdrop**

- **GDP (y/y in %):**
  - '16: 2.0
  - '17: 1.6
  - '18E: 2.6
  - '19E: 3.0
- **Inflation (y/y in %):**
  - '16: 7.5
  - '17: 4.3
  - '18E: 3.8
  - '19E: 3.4
- **Current account (% of GDP):**
  - '16: -4.4
  - '17: -3.6
  - '18E: -3.4
  - '19E: -3.5
- **Budget balance (% of GDP):**
  - '16: -3.8
  - '17: -3.7
  - '18E: -3.2
  - '19E: -2.6

GDP growth should improve as the economy recovers from lower global energy prices. Changes should be modest given still lackluster domestic confidence levels. We expect inflation to normalize and meet the central bank’s target range. Colombia continues to face fiscal challenges. Additional tax measures will be needed for the country to comply with its fiscal rule. The twin fiscal and current account deficits leave the country vulnerable to changes in global liquidity conditions.

**Scenarios & implications**

- **Base case:** Fajardo looks likely to compete in a second round with a Centro Democrático–Partido Conservador ticket. The latter’s exact composition will be determined by the results of a March primary, where Ivan Duque and Martha Lucia Ramirez are likely to compete for the presidential and vice presidential candidate roles. This ticket will likely receive former President Alvaro Uribe’s backing. Colombia’s responsible macroeconomic framework should remain in place whether the Centro Democrático–Conservative ticket or Fajardo wins, which should have a neutral impact on Colombian assets.

**Alternative scenarios:** A victory by leftist candidate Petro would likely lead to market jitters.
Investing in emerging markets | What’s at stake?

8 April – Parliamentary elections for all 199 deputies in the National Assembly, consisting of 106 deputies in single constituencies, first-past-the-post, and 93 deputies by nationwide proportional representation.

Current distribution of parliamentary mandates:

<table>
<thead>
<tr>
<th>Hungary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidesz</td>
</tr>
<tr>
<td>117</td>
</tr>
</tbody>
</table>

1 July – Nationwide federal vote to elect a new president through single-round voting; all 128 seats in the senate; all 500 seats in the lower chamber; governors for 8 of 31 states; mayor of Mexico City.

22 April, 20 May, 12 June – governors for 8 of 31 states; mayor of Mexico City.

Congress’s current composition:

<table>
<thead>
<tr>
<th>Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate</td>
</tr>
<tr>
<td>56</td>
</tr>
<tr>
<td>Lower Chamber</td>
</tr>
<tr>
<td>205</td>
</tr>
</tbody>
</table>

We expect the economy to exhibit resilience to shocks. Our expectations for a fairly stable economy assume strong manufacturing exports to offset falling oil output and weaker construction activity dragged by ongoing budget cuts since 2015.

Economic & policy backdrop

<table>
<thead>
<tr>
<th>GDP (%y in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inflation (%y in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current account (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget balance (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
</tr>
</tbody>
</table>

The economy should remain supported by private consumption, as well as public and private investment activity. The tight labor market should lead to gradually rising inflationary pressure during the year, but the central bank will likely keep its dovish monetary policy stance. Hungary’s persistent current account surplus is expected to soften as import demand rises.

Candidates & key trends

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gábor Vona (Jobbik): Born in 1978, party chairman since 2006, member of parliament.</td>
</tr>
<tr>
<td>Gergely Karácsony (MSZP-Dialgoue-MLP): Born in 1979, leader of Dialogue, prime ministerial candidate of common list for MSZP, Dialogue, MLP.</td>
</tr>
</tbody>
</table>

Polling trends:

- Fidesz-KDNP: 52%
- MSZP: 17%
- Jobbik: 7%
- Other: 7%

The tight labor market should lead to gradually rising inflationary pressure during the year, but the central bank will likely keep its dovish monetary policy stance. Hungary’s persistent current account surplus is expected to soften as import demand rises.

The economy should remain supported by private consumption, as well as public and private investment activity. The tight labor market should lead to gradually rising inflationary pressure during the year, but the central bank will likely keep its dovish monetary policy stance. Hungary’s persistent current account surplus is expected to soften as import demand rises.

Base case: Given its lead in the polls, Prime Minister Viktor Orbán’s Fidesz Party, along with its partner KDNP, looks set to win the election. This outcome should cement the status quo, and we don’t expect major changes to the current government’s policies. This includes orthodox fiscal policy with low budget deficits and a further reduction of external vulnerabilities, but also likely continued differences with EU partners. As the outcome seems predictable, we don’t expect asset prices to be impacted significantly by the election.

Alternative scenarios:

While unlikely, in our view, a collaboration between the major opposition parties to form a government would be an alternative outcome for the election, should Fidesz/KDNP not secure the majority. Uncertainty around the formation of a government, its key players and policies may weigh on investor sentiment toward Hungarian assets.

Social media trends: AMLO has the greater “likes” and Twitter followers than rivals. We expect the millennial vote and social media to shape this election.

We expect the economy to exhibit resilience to shocks. Our expectations for a fairly stable economy assume strong manufacturing exports to offset falling oil output and weaker construction activity dragged by ongoing budget cuts since 2015.

Economic & policy backdrop

<table>
<thead>
<tr>
<th>GDP (%y in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inflation (%y in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current account (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget balance (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.8</td>
</tr>
</tbody>
</table>

Polling trends:

- Fidesz-KDNP: 52%
- MSZP: 17%
- Jobbik: 7%
- Other: 7%

Polls consistently show the ruling Fidesz/KDNP alliance in the lead by a wide margin, and a recent poll shows that a large majority of Hungarians expect Fidesz to win the election.

Base case: Although the election outcome is still wide open, based on current trends, a victory by Lopez Obrador looks likely.

AMLO’s policy program rests on the premise that Mexico’s current “neoliberal” economic framework has had devastating economic, social and environmental consequences. Though not against private sector initiative, AMLO advocates for a more significant role of the state in the economy. He vows to end the privatization of Femex and the electricity industry, and is against the exploitation of mining resources by private hands.

- AMLO’s policy program rests on the premise that Mexico’s current “neoliberal” economic framework has had devastating economic, social and environmental consequences. Though not against private sector initiative, AMLO advocates for a more significant role of the state in the economy. He vows to end the privatization of Femex and the electricity industry, and is against the exploitation of mining resources by private hands.

- An AMLO victory would bring changes to the status quo and unorthodox macro policies, and likely weigh on Mexican assets.

Alternative scenarios:

A victory by PRI or PAN would imply continuity of the macro policy mix and would therefore represent a smoother sailing for the Mexican economy and asset prices.

Alternative scenarios:

A victory by PRI or PAN would imply continuity of the macro policy mix and would therefore represent a smoother sailing for the Mexican economy and asset prices.

Source: Hungary - Hungarian Parliament, various pollsters (Turk, Szazadvagy, Medián, Iranytő, Nézőpont, Publicus, Zri, Republikon), UBS.

Scenarios & implications

Candidates & key trends

**Najib Razak (Barisan Nasional):** Born in 1953, the sixth and current prime minister of Malaysia.

**Mahathir Mohamad (Pakatan Harapan):** Born in 1925, former prime minister of Malaysia. If successful, he reportedly plans to pardon Anwar Ibrahim and hand the role down to him.

**Anwar Ibrahim (Pakatan Harapan):** Born in 1947, former deputy prime minister of Malaysia and de facto leader of PH. He is currently serving a prison sentence.

**Abdul Hadi Awang (PAS):** Born in 1947, current president of PAS. He is yet to confirm his candidacy for prime minister.

Polling trends:

We expect economic growth to remain strong, supported by still robust domestic demand. Spending will likely be front-loaded due to the upcoming election. On a full-year basis, pursuing fiscal consolidation remains key. Also, firm economic growth and still shaky financial conditions could prompt the central bank, Bank Negara Malaysia, to hike rates further this year (after 25 basis points in January).

The economy has decoupled from politics in the last 12 months. After a three-year recession, Brazil is experiencing a classic economic recovery. The recovery was triggered by the return of political confidence followed by tight monetary policy, which reined in inflation and allowed for a policy-easing cycle that saw interest rates slashed by half. As a result, economic activity rebounded and unemployment started to fall. The government also succeeded with meaningful reforms, including the spending cap and labor market laws. Still, the fiscal situation remains dire, in our view, that the next administration will have not choice but to address it.

**Luiz Inacio Lula da Silva (PT):** Born in 1945. Leftist. Brazil’s president from 2002–2009. Unlikely to be able to run, having been convicted of corruption and money laundering. Likely PT party substitutes are Fernando Haddad and Jacques Wagner.

**Jair Bolsonaro (PSL):** Born in 1955. Rightist. Federal deputy. A captain from the army, he became known for his nationalist and conservative views.

**Geraldo Alckmin (PSDB):** Born in 1953. Moderate. Member of the Lower House. A centrist, he is likely name is Geraldo Alckmin.

**Ciro Gomes (PDT):** Born in 1945. Center-left. Former senator and minister of the environment. Strong potential candidate after not being linked to the Lava Jato probe.

**Herníque Meirelles (PSD):** Born in 1955. Rightist. former minister of the environment. Likely candidate after being convicted of corruption and money laundering. Likely PT party substitutes are Fernando Haddad and Jacques Wagner.

Source: Malaysia – Malaysia Election Commission, CEIC, Merdeka Center, UBS. Brazil – Brazilian Senate and Chamber of Deputies, UBS.

## Appendix: Photo Attribution

### Page 1:

<table>
<thead>
<tr>
<th>Person/Party</th>
<th>Attribution</th>
<th>License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimir Putin</td>
<td>&quot;Встреча Президента России Владимира Путина с Президентом Франции Эммануэлем Макроном на полях саммита &quot;Группы двадцати&quot;&quot;</td>
<td>CC BY 4.0</td>
</tr>
<tr>
<td>Partido De La U</td>
<td>&quot;nuevo logo partido de la U&quot; by Partido de la U</td>
<td>CC BY-SA 4.0</td>
</tr>
<tr>
<td>Centro Democrático</td>
<td>&quot;Logo del partido político Centro Democrático de Colombia&quot; by Centro Democrático</td>
<td>Public Domain</td>
</tr>
<tr>
<td>Conservador Colombiano</td>
<td>&quot;Logo Partido Conservador Colombiano&quot; by Alejandro Bladón</td>
<td>CC BY 3.0</td>
</tr>
<tr>
<td>Partido Liberal Colombiano</td>
<td>&quot;bandera roja con una I blanca&quot; by Pipenavís</td>
<td>CC BY-SA 4.0</td>
</tr>
<tr>
<td>Sergio Fajardo</td>
<td>&quot;Faiardo asistió a la rueda de prensa...&quot; by Sergio Faiardo Valderrama</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Gustavo Petro</td>
<td>&quot;El alcalde Mayor de Bootóá (Colombia) Gustavo Petro (2012-2016)&quot; by Arturo de La Barrera</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Ivan Duque</td>
<td>&quot;Precandidato presidencial por el Centro Democrático Iván Duque en el Parque de Belén, Medellín. &quot; by Daniel.lopez.17</td>
<td>CC BY-SA 4.0</td>
</tr>
</tbody>
</table>

### Page 2:

<table>
<thead>
<tr>
<th>Party</th>
<th>Attribution</th>
<th>License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidesz</td>
<td>&quot;Fidesz’s newest logo&quot; by Fidesz</td>
<td>Public Domain</td>
</tr>
<tr>
<td>MSZP</td>
<td>&quot;Flag of the Hungarian Socialist Party&quot; by Magyar Szocialista Part</td>
<td>Public Domain</td>
</tr>
<tr>
<td>Viktor Orbán</td>
<td>&quot;Встреча Президента России Владимира Путина с Премьер-министром Венгрии Виктором Орбаном&quot; by Kremlin.ru</td>
<td>CC BY-SA 4.0</td>
</tr>
<tr>
<td>Gábor Vona</td>
<td>&quot;Gábor Vona, the president of Jobbik&quot; by Gérdert Gergő Jobbik Magyarországért Mozgalom</td>
<td>CC BY-SA 3.0</td>
</tr>
<tr>
<td>Gergely Karácsony</td>
<td>&quot;Karácsony Gergely 2013 októberében&quot; by Tibor Végh</td>
<td>CC BY 3.0</td>
</tr>
<tr>
<td>PRI</td>
<td>&quot;An acronym design for the PRI&quot; by PuebloUnited</td>
<td>Public Domain</td>
</tr>
<tr>
<td>PAN</td>
<td>&quot;Design to represent the National Action Party&quot; by PuebloUnited</td>
<td>Public Domain</td>
</tr>
<tr>
<td>PT</td>
<td>&quot;An acronym design for the PT&quot; by PuebloUnited</td>
<td>Public Domain</td>
</tr>
<tr>
<td>PRD</td>
<td>&quot;An acronym design for the PRD&quot; by PuebloUnited</td>
<td>Public Domain</td>
</tr>
<tr>
<td>Andrés Manuel López Obrador</td>
<td>&quot;Reunión con Andrés Manuel López Obrador&quot; by Presidencia El Salvador</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>José Antonio Meade</td>
<td>&quot;José Antonio Meade Kuribreña, Secretario de Relaciones Exteriores de México. Gobierno del presidente Enrique Peña Nieto&quot; by PresidenciaMX 2012-2018</td>
<td>CC BY-SA 3.0</td>
</tr>
<tr>
<td>Ricardo Anaya Cortés</td>
<td>&quot;Ricardo Anaya en Cámara de Diputados&quot; by Raulhernandezqro</td>
<td>CC BY-SA 4.0</td>
</tr>
</tbody>
</table>

### Page 3:

<table>
<thead>
<tr>
<th>Person/Party</th>
<th>Attribution</th>
<th>License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Najib Razak</td>
<td>&quot;Malaysian Prime Minister, Najib Tun Razak&quot; by Malaysian government</td>
<td>CC BY-SA 3.0</td>
</tr>
<tr>
<td>Mahathir Mohamad</td>
<td>&quot;50th Merdeka Malaysian National Day celebrations, depicting Mahathir Mohamad&quot; by amrnum - Sambutan Kemerdekaan ke 50</td>
<td>CC BY-SA 2.0</td>
</tr>
<tr>
<td>Anwar Ibrahim</td>
<td>&quot;Malaysian opposition leader Anwar Ibrahim speaks during a rally in Penang on 11 May 2013&quot; by Firdaus Latif</td>
<td>CC BY-SA 2.0</td>
</tr>
<tr>
<td>Abdul Hadi Awang</td>
<td>&quot;President of Malaysian Islamic Party (PAS), Abdul Hadi bin Awang.&quot; by Hussein</td>
<td>CC BY-SA 3.0</td>
</tr>
<tr>
<td>Luis Inacio Lula da Silva</td>
<td>&quot;Portrait of Luiz Inácio Lula da Silva&quot; by Agência Brasil (Secretaria de Imprensa e Divulgação),</td>
<td>CC BY 3.0</td>
</tr>
<tr>
<td>Jair Bolsonaro</td>
<td>&quot;Federal Deputy Jair Bolsonaro in a public hearing at the Ethics Council of the Brazilian Chamber of Deputies, &quot; by Agência Brasil Fotografias</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Geraldo Alckmin</td>
<td>&quot;O gobernador de São Paulo Geraldo Alckmin em dezembro de 2016, &quot; by Alexandre Carvalho</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Luciano Huck</td>
<td>&quot;Luciano Huck no Brazilian Day in Miami&quot; by Justo Ruiz</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Marina Silva</td>
<td>&quot;Marina Silva na caminhada pela Praça da Estação, em Juiz de Fora (MG)&quot; by msiivaonline</td>
<td>CC BY 2.0</td>
</tr>
<tr>
<td>Ciro Gomes</td>
<td>&quot;O ministro, ex-governador do Ceará e deputado federal eleito Ciro Gomes, &quot; by Roosewel Pinheiro/ABr - Agência Brasil</td>
<td>CC BY 3.0 br</td>
</tr>
<tr>
<td>Henrique Meirelles</td>
<td>&quot;RIO DE JANEIRO/BRAZIL, 28APR11 - Henrique Meireles, Adviser, Olympic Public Authority, Brazil &quot; by World Economic Forum from Cologny, Switzerland</td>
<td>CC BY-SA 2.0</td>
</tr>
</tbody>
</table>

Photo Attribution:

- "Kemerdekaan ke 50" by PresidenciaMX 2012-2018 is licensed under CC BY-SA 3.0
- "Встреча Президента России Владимира Путина с Президентом Франции Эммануэлем Макроном на полях саммита "Группы двадцати"" by Kremlin.ru is licensed under CC BY 4.0
- "Najib Tun Razak" by Malaysian government is licensed under CC BY-SA 3.0
- "50th Merdeka Malaysian National Day celebrations, depicting Mahathir Mohamad" by amrnum - Sambutan Kemerdekaan ke 50 is licensed under CC BY-SA 2.0
- "Malaysian opposition leader Anwar Ibrahim speaks during a rally in Penang on 11 May 2013" by Firdaus Latif is licensed under CC BY-SA 2.0
- "President of Malaysian Islamic Party (PAS), Abdul Hadi bin Awang." by Hussein is licensed under CC BY-SA 3.0
- "Portrait of Luiz Inácio Lula da Silva" by Agência Brasil (Secretaria de Imprensa e Divulgação) is licensed under CC BY 3.0
- "Federal Deputy Jair Bolsonaro in a public hearing at the Ethics Council of the Brazilian Chamber of Deputies, " by Agência Brasil Fotografias is licensed under CC BY 2.0
- "O gobernador de São Paulo Geraldo Alckmin em dezembro de 2016, " by Alexandre Carvalho is licensed under CC BY 2.0
- "Luciano Huck no Brazilian Day in Miami" by Justo Ruiz is licensed under CC BY 2.0
- "Marina Silva na caminhada pela Praça da Estação, em Juiz de Fora (MG)" by msiivaonline is licensed under CC BY 2.0
- "O ministro, ex-governador do Ceará e deputado federal eleito Ciro Gomes, " by Roosewel Pinheiro/ABr - Agência Brasil is licensed under CC BY 3.0 br
- "RIO DE JANEIRO/BRAZIL, 28APR11 - Henrique Meireles, Adviser, Olympic Public Authority, Brazil " by World Economic Forum from Cologny, Switzerland is licensed under CC BY-SA 2.0
Appendix

at Calle María de Molina 4, C.P. 28006, Madrid, entity supervised by Banco de España and the Bundesanstalt für Finanzdienstleistungsaufsicht. UBS Europe SE, Sucursal en España is a branch of UBS Europe SE, a credit institution constituted in the form of a Societas Europaea authorized and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht.

Sweden: This publication is not intended to constitute a public offer under Swedish law, but might be distributed by UBS Europe SE, Sweden Bankfilial with place of business at Regeringsgatan 38, 11153 Stockholm, Sweden, registered with the Swedish Companies Registration Office under the Reg. No 516406-1011. UBS Europe SE, Sweden Bankfilial is a branch of UBS Europe SE, a credit institution constituted under German Law in the form of a Societas Europaea, duly authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). UBS Europe SE, Sweden Bankfilial is subject to the joint supervision of the BaFin, the central bank of Germany (Deutsche Bundesbank) and the Swedish financial supervisory authority (Finansinspektionen), to which this document has not been submitted for approval.

Taiwan: This research report is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (UAE). The contents of this report have not been and will not be approved by any authority in the United Arab Emirates including the UAE Central Bank or Dubai Financial Authorities, the Emirates Securities and Commodities Authority, the Dubai Financial Market, the Abu Dhabi Securities market or any other UAE exchange. This material is intended for professional clients only. UBS AG Dubai Branch is regulated by the DFSA in the DIFC. UBS AG/UBS Switzerland AG is not licensed to provide banking services in the UAE by the Central Bank of the UAE nor is it licensed by the UAE Securities and Commodities Authority. The UBS AG Representative Office in Abu Dhabi is licensed by the Central Bank of the UAE to operate a representative office. Approved by UBS AG, authorised and regulated by the Financial Market Supervisory Authority in Switzerland. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. A member of the London Stock Exchange. This publication is distributed to private clients of UBS London in the UK. Where products or services are provided from outside the UK, they will not be covered by the UK regulatory regime or the Financial Services Compensation Scheme.