

Exercising voting rights for single investor funds



Framework conditions

Since 2015, Swiss pension funds (subjects to FZG) are subject to include exercising voting rights at market-listed Swiss stock companies. The exercising of voting rights by UBS FMCH on the one hand fulfills legal specifications (based on Article 23 Para. 1 CISA) and on the other hand also fulfills the rules of conduct by the Swiss Funds & Asset Management Association (SFAMA). It therefore implements the high requirements imposed upon institutional and retail investors. For pension funds we therefore also fulfill the provisions of the Ordinance against Excessive compensation (VegüV), and they are included as key factors in our voting policy.

Our principles for exercising voting rights are reviewed on an annual basis and adjusted to market conditions, market practices and current legislation. Within the laws named above and the voting policy set by UBS FMCH, we have over many years created an **independent procedure in the area of voting rights**, which applies for all general assemblies.

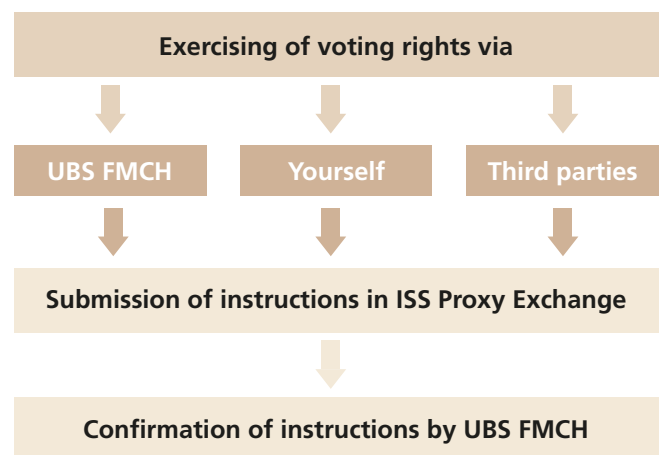
Voting policy

In order to guarantee the exercising of voting rights in accordance with your wishes, we consider it key that all agenda items are pursued critically, assessed independently and a vote is to be taken, including counter recommendation of the supervisory board where required.

Critical agenda items, which could affect you on an ongoing basis or for which there is particular public interest, are discussed in more detail and decided by a committee made up by managers (the Voting Committee). In order to obtain information, we rely on the opinions and information supplied by our analysts at UBS, the custodian bank and the media or third parties.

Access to voting portal

Together with our partner **Institutional Shareholder Services Inc. ISS**, we offer access to the market-leading application for electronic vote-casting "**ISS ProxyExchange**". This gives a convenient overview of the exercising of voting rights within collective capital investment and you can easily **fulfill any reporting needs** you may have.



Control of exercising the voting rights

Pursuant to CISA, UBS FMCH is obliged to act in the best interest of its investors. The final votes must be cast by UBS FMCH. For this reason, we monitor with discretion the quality for customers along the exercising process, and inform if any discrepancies found.



We take into account the following legal framework provisions in exercising the voting rights:

- Collective Investment Schemes Act (CISA)
- Swiss Funds & Asset Management Association (SFAMA) rules of conduct
- Stock Corporation Law (OR)
- Financial Markets Infrastructure Act (FMIA)
- Economiesuisse – Code of Best Practice
- Economiesuisse – Guidance for Institutional Investors for Exercising their right to participation for stock companies
- Ordinance against Excessive Compensation in-Listed Stock Corporations (OaEC)
- UBS FMCH's own principles for exercising voting rights



Benefits

Independent and legally compliant exercising of the voting rights:

- based on your voting policy or
- based on voting recommendations from third parties or
- based on the UBS FMCH voting policy



Straightforward reporting

The user-friendly portal from the leading application for exercising your voting right **will inform you promptly about all relevant general assemblies** and you can easily enter your voting right recommendations with just a click of the mouse if you wish. Alongside numerous additional functions such as email notifications or individual watch lists, the Voting Dashboard also offers a graphical overview, enabling you to process your voting right particularly easily and efficiently.

You can use ISS ProxyExchange to access information on your electronic vote-casting at any time in PDF, Excel or Word format, thereby fulfilling the requirements under OaEC.



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Contact us: UBS Fund Management Services

Hubert Zeller

Global Head Business Development

+41-61-288 18 90

hubert.zeller@ubs.com

Marc Reto Fischer

Business Development

+41-44-236 28 93

marc-r.fischer@ubs.com

Beat Blattner

Business Development

+41-44-288 67 55

beat.blattner@ubs.com

Raffael Genhart

Business Development

+41-61-288 10 48

raffael.genhart@ubs.com

ubs.com/fms

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UBS Europe SE, Luxembourg Branch, 33A avenue J.F. Kennedy, L-1855 Luxembourg, R.C.S. Luxembourg No. B209123
UBS Fund Management (Luxembourg) S.A., 33A avenue J.F. Kennedy, L-1855 Luxembourg, R.C.S. Luxembourg 154.210
UBS Fund Management (Switzerland) A.G., 6 Aeschenplatz, 4052 Basel
Lantern Structured Asset Management Limited, 1 College Park House - South Frederick Street, Dublin 2