

Sub-Custodian Due Diligence Process

Entrust your securities with us

As a UBS custody client you have access to our worldwide network of prime custodians and our vast experience in custody services which allows that your securities are taken care in an efficient and highly professional manner.

We maintain your holdings segregated from our Company's assets and with carefully selected custodian banks in the relevant countries. Our international network of custodian banks and clearing organizations has been established with a particular focus on quality, which is constantly monitored by our Group Network Management specialists. We currently maintain holdings for our clients in over 60 markets.

Key Principles

Financial institutions only qualify to act as a sub-custodian of UBS if they have been authorized for this purpose by the competent regulator. The sub-custodians selected by UBS generally have the banking status and are governed by the local legal and regulatory bodies.

Selection Process

UBS' selection process is composed of following steps:

- Risk Assessment of the Market
- Custodians' market ratings
- Assessment of service range
- Efficiency and coverage of the service requirements via request for proposal (RfP), due diligence (DD) and on-site visits
- Asset safety
- Quality of service and pricing

Monitoring Process

All custodian relationships are continuously monitored by qualified and dedicated specialist staff (Network Manager) with respect to the following:

- security of UBS holdings;
- adherence to the legal guidelines and the contractual agreements in place with UBS;
- creditworthiness and rating;
- quality of custody services;
- market positioning in comparison with the competitors.

On a daily basis, we reconcile our clients' holdings with the external asset reports received from our sub-custodians. Furthermore, we have a daily automated reconciliation between our custodian bank and our administrator who takes care of NAV calculations.

In addition, the sub-custodians are subject to regular (minimum bi-yearly) on-site due diligence visits, mainly focusing on:

- assuring asset security
- covering market rules and legal aspects
- risk management
- confirmation on accurate account set-up (segregated or omnibus)
- appropriate denomination of accounts where required from the market respectively the local regulator.

Risk Management Framework

UBS risk based model is run once every six months on all custodians scheduled under the Group NWM Due Diligence plan.

Key risk parameters used are: country risk (quarterly), custodian risk (quarterly), quality (yearly), volumes (half-yearly), and time (yearly).

A variance occurs when a parameter (excluding time) worsens to cross a band since the last review (see process hereunder). Variances are identified and sent to Network Managers for review.

Network Managers are asked to review all variances arising from the model and any decisions to amend the plan are made.

This includes:

- bringing forward a due diligence review
- including a not-in-scope agent into the plan.

Our sub-custodian network

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|-------------------------|---|
| All bonds | Clearstream Banking S.A., Luxembourg |
| Australia | Citigroup Pty Limited, Sydney |
| Austria | UniCredit Bank Austria AG |
| Belgium | Citibank Europe Plc, Dublin |
| Bermuda | HSBC Bank Bermuda Ltd. via Citibank Europe plc, Luxembourg Branch |
| Brazil | Itaú Unibanco S.A. |
| Bulgaria | Citibank Europe Plc, Bulgaria Branch via Citibank Europe plc, Luxembourg Branch |
| Canada | CIBC Mellon |
| Chile | Banco de Chile via Citibank Europe plc, Luxembourg Branch |
| China – CIBM | HSBC Bank (China) Company Limited |
| China – B shares | Citibank N.A. Hong Kong Branch |
| China – A shares | UBS Securities Hong Kong Limited (for UBS Lux funds) and via UBS Switzerland AG (for 3rd party funds) |
| Colombia | Cititrust Columbia via Citibank Europe plc, Luxembourg Branch |
| Croatia | Privredna Banka Zagreb via Citibank Europe plc, Luxembourg Branch |
| Cyprus | Citibank Europe plc, Greece Branch via Citibank Europe plc, Luxembourg Branch |
| Czech Republic | UniCredit Bank Czech Republic and Slovakia, A.S. |
| Denmark | Skandinaviska Enskilda Banken, Denmark |
| Egypt | Citibank Cairo via Citibank Europe plc, Luxembourg Branch |
| Estonia | Swedbank AS via Citibank Europe plc, Luxembourg Branch |
| Finland | Skandinaviska Enskilda Banken, Finland |
| France | Citibank Europe Plc, Dublin |
| Germany | Clearstream Banking FFM |
| Greece | Citibank Europe Plc, Greece Branch |
| Hong Kong | UBS Securities Hong Kong Limited, account operator Citibank, N.A. Hong Kong Branch |
| Hungary | Citibank Europe plc, Hungarian Branch |
| India | Standard Chartered Bank, India Branch |
| Indonesia | Citibank, N.A., Jakarta Branch via Citibank Europe plc, Luxembourg Branch |
| Ireland | Euroclear via Citibank Europe plc, Luxembourg Branch |
| Israel | Citibank, N.A., Israel Branch via Citibank Europe plc, Luxembourg Branch |
| Italy | Citibank Europe Plc, Dublin |
| Japan | Citibank N.A., Tokyo Branch |
| Jordan | Standard Chartered Bank, Jordan Branch via Citibank Europe plc, Luxembourg Branch |
| Kenya | Standard Chartered Bank Kenya Limited via Citibank Europe plc, Luxembourg Branch |
| Kuwait | HSBC Bank Middle East Ltd, Kuwait Branch |
| Latvia | Swedbank AS via Citibank Europe plc, Luxembourg Branch |
| Lithuania | Swedbank AB via Citibank Europe plc, Luxembourg Branch |
| Luxembourg | Clearstream Banking S.A., Luxembourg Quintet Private Bank (Europe) S.A. (for precious metal) |
| Malaysia | Citibank Kuala Lumpur |
| Mexico | Banco Nacional de México S.A, Integrante del Grupo Financiero Banamex |
| Morocco | Citibank Maghreb via Citibank Europe plc, Luxembourg Branch |
| Netherlands | Citibank Europe Plc, Dublin |
| New Zealand | BNP Paribas Securities Services, Australia Branch |
| Nigeria | StanBic IBTC Bank |
| Norway | Skandinaviska Enskilda Banken, Norway |

Our sub-custodian network

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| Peru | Citibank del Peru via Citibank Europe plc, Luxembourg Branch |
| Philippines | Citibank, N.A., Manila Branch via Citibank Europe plc, Luxembourg Branch |
| Poland | Bank Polska Kasa Opieki S.A. |
| Portugal | Citibank Europe plc, Portugal via Citibank Europe plc, Dublin |
| Qatar | HSBC Bank Middle East Ltd |
| Romania | Citibank Europe plc, Dublin - Romania Branch via Citibank Europe plc, Luxembourg Branch |
| Russia | AO Citibank Moscow via Citibank Europe plc, Luxembourg Branch |
| Saudi Arabia | Deutsche Securities Saudi Arabia LLC. |
| Serbia | UniCredit Bank Serbia JSC Belgrade via UniCredit Bank Austria AG |
| Singapore | Citibank, N.A. Singapore Branch |
| Slovakia | Citibank Europe plc, Slovakia via Citibank Europe plc, Luxembourg Branch |
| Slovenia | UniCredit Banka Slovenija d.d. Ljubljana. via Citibank Europe plc, Luxembourg Branch |
| South Africa | FirstRand Bank Limited |
| South Korea | KEB HANA Bank |
| Spain | Citibank Europe Plc, Dublin |
| Sri Lanka | HSBC Colombo via UBS Switzerland AG |
| Sweden | Skandinaviska Enskilda Banken AB (SEB) |
| Switzerland | UBS Switzerland AG SIX SIS AG (for funds with PM from UBS CH) |
| Taiwan | Citibank Taiwan Limited, Taipei via UBS Switzerland AG |
| Thailand | Standard Chartered Bank (Thai) PCL |
| Turkey | Deutsche Bank A.S., Istanbul |
| United Arab Emirates – (NASDAQ) | Clearstream Banking S.A., Luxembourg via UBS Switzerland AG |
| United Arab Emirates – (ADX + DFM) | Standard Chartered Bank, UAE branch |
| United Kingdom | Citibank, N.A. London Branch |
| United States of America | Citibank N.A. New York Offices |

Transitory sub-custodian network

As from the migration of Credit Suisse (Luxembourg) S.A. ("Credit Suisse") into UBS Europe SE, with the CSL's business activities being continued by UBS Europe SE, Luxembourg Branch ("UBSL"), the below list of sub-custodian will be in use exclusively for former Credit Suisse clients and until the migration into the UBSL network has been completed.

| | |
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| Australia | HSBC Securities,Parramatta |
| Austria | UniCredit Bank Austria AG, Vienna |
| Belgium – bonds Delegates of sub-custodian | SIX SIS AG, Zurich (Bonds Only) Banque Nationale de Belgique, Brussels |
| Belgium – equities | BNP Paribas Securities Services, Pantin |
| Brazil | Citibank N.A., Sao Paulo |
| Canada | Royal Bank of Canada,Toronto |
| Chile | Banco de Chile, Santiago |
| China – Shanghai B-shares | Hongkong & Shanghai Banking Corp. Ltd, Shanghai |
| China – Shenzhen B-shares | Hongkong & Shanghai Banking Corp. Ltd. For HSBC Shenzhen Branch, Shanghai |
| Colombia | Cititrust Colombia S.A., Santa Fé de Bogotá |
| Croatia | Zagrebacka Banka DD, Zagreb |
| Czech Republic | Citibank Europe plc, Praha |
| Denmark | Citibank Europe plc, Dublin |
| Egypt | HSBC Bank Egypt SAE, Cairo Zamalek |
| Estonia Delegates of sub-custodian | UniCredit Bank Austria AG, Vienna AB SEB Bank Tornimäe 2, Tallinn |
| Euro Market | Euroclear, Brussels |
| Finland | Citibank Europe plc, Dublin |
| France | BNP Paribas Securities Services, Pantin |
| Germany | SIX SIS AG, Zurich |
| Greece | Citibank Europe plc, Athens |
| Hong Kong | Hong Kong & Shanghai Bkg Corp, Hong Kong |
| Hungary | Citibank Europe plc Hungarian Branch Office, Budapest |
| India | Hong Kong & Shanghai Bkg Corp. Mumbai |
| Indonesia | PT Bank HSBC Indonesia HSBC Securities Services, Jakarta Selatan |
| Ireland Delegates of sub-custodian | SIX SIS AG, Zurich BNP PARIBAS Secutities Services, London Euroclear Bank SA/NV, Brussels |
| Israel | Bank Leumi Le-Israel, Tel Aviv |
| Italy | BNP Paribas Securities Services, Milano |
| Japan | MUFG Bank Ltd., Tokyo |
| Kuwait | HSBC Bank Middle East Ltd, Kuwait City Safat |
| Malaysia | Hong Kong Bank Malaysia Berhad (HBMB), Kuala Lumpur |
| Mexico | Banco Nacional de Mexico S.A. Integante del Grupo Financiero Banamex (Citibanamex), Mexico |
| Morocco | Société Générale Marocaine de Banques, Casablanca |
| Netherlands | SIX SIS AG, Zurich |
| New Zealand | HSBC Securities Services, Auckland |
| Norway | Citibank Europe plc, Dublin |
| Oman | HSBC Bank Oman S.A.O.G Al Khuwair, Seeb |
| Philippines | HSBC Securities Services, Taguig City |
| Poland | Bank Handlowy w Warszawie, Warszawa |

Transitory sub-custodian network

The below list of sub-custodian will be in use exclusively for former Credit Suisse clients and until the migration into the UBS network has been completed.

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| Portugal | BNP Paribas Securities, Pantin |
| Qatar | HSBC Bank Middle East Limited, Doha |
| Romania | Citibank Europe plc. Dublin – Romania Branch, Bucharest |
| Russia | JSC Bank Credit Suisse (Moscow), Moscow |
| Saudi Arabia | HSBC Saudi Arabia, Riyadh |
| Singapore | Standard Chartered Bank (Singapore) Ltd, Singapore |
| Slovakia | Euroclear, Brussels |
| Slovenia Delegates of sub-custodian | UniCredit Bank Austria AG, Vienna UniCredit Banka Slovenija d.d, Ljubljana |
| South Africa | Citibank N.A. South Africa Branch, Sandton |
| South Korea | Standard Chartered Bank Korea Limited, Seoul |
| Spain | BNP Paribas Securities Services, Madrid |
| Sweden | Citibank Europe plc, Sweden branch, Stockholm |
| Switzerland | SIX SIS AG, Zurich |
| Taiwan | Standard Chartered Bank (Taiwan) Ltd., Taipei Branch, Taipei |
| Thailand | Hong Kong and Shanghai Banking Corporation Limited, Thailand Branch, Bangkok |
| Turkey | Citibank A.S., Istanbul |
| U.A.E. Abu Dhabi | HSBC Bank Middle East Ltd (DIFC) Branch, Dubai |
| U.A.E. Dubai | HSBC Bank Middle East Ltd (DIFC) Branch, Dubai |
| U.S.A. | Brown Brothers Harriman & Co, New York |
| United Kingdom/ Great Britain Delegates of sub-custodian | SIX SIS AG, Zurich BNP Paribas Securities Services, London |
| Mutual funds | FUNDESETTLE Euroclear Bank S.A. / N.V., Brussels |
| Mutual funds | Clearstream Banking S.A, Luxembourg |

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