

**KNIGHT VINKE STATEMENT REGARDING UBS INVESTMENT**

Knight Vinke sold its position in UBS towards the end of 2015. Given the issues we have raised about the Swiss bank's strategy, it is important to be clear as to the reasons for our investment decision.

Our concerns about UBS's exposure to investment banking have not been assuaged. In 2008-10, following its near collapse and rescue by the Swiss Confederation, UBS committed to shrinking investment banking assets to an agreed level. However, UBS's third-quarter report revealed the group was increasing the unit's balance-sheet limit by around 20 percent, with no consultation process. We felt very uncomfortable about this. With the shares trading at around CHF20, and mindful of our duty to our investors, we decided to sell the position, realising a substantial gain. UBS's fourth-quarter results, and the recent market volatility, have further vindicated our decision.

The sale of our position does not mean we have relinquished our role in the debate about UBS's strategy. We are monitoring the situation and continue to believe that separating the investment bank from the rest of UBS would be good for customers, investors, employees and the Swiss public.

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