I am proud of what we at the Swiss National Bank – backed by the public’s confidence – have achieved since I joined the Governing Board in 2003. I have derived great satisfaction from giving our country’s concerns an emphatic voice in the international arena – be it as Governor with the International Monetary Fund, as Member of the Board of Directors at the Bank for International Settlements, or as Vice-President of the Financial Stability Board.

Our country and the SNB have experienced turbulent and challenging times as a result of the global financial crisis, which has since evolved into a dramatic European sovereign debt crisis. In autumn 2008, the SNB had to act decisively, when UBS and the Swiss financial system needed to be stabilised. In addition, with its resolute monetary policy, the SNB has contributed significantly to ensuring price stability at all times and to reducing the impact of the global crisis on the Swiss economy.

I personally spoke out strongly – and early on – in favour of considerably higher capital requirements for the big banks. When it became necessary to revise the regulations in order to alleviate the ‘too big to fail’ issue, the SNB went to great lengths and also managed to find the support needed.

In the past few years, the SNB’s policies have been successful. They have contributed to the stability and prosperity of our country. At a time in which Europe is experiencing what is probably the most threatening economic and financial situation since the Second World War, we have, to date, succeeded in protecting and strengthening the stability and competitive ability of our country as a result of decisive and far-reaching decisions and measures.

The last three weeks have been a difficult period for my family and for me, but certainly also for the current President of the Swiss Confederation, Eveline Widmer-Schlumpf and her predecessor, Micheline Calmy-Rey. I would like to thank both of them for their decisive management of this extraordinarily difficult process. I also thank my colleagues in the SNB Governing Board, Thomas Jordan and Jean-Pierre Danthine, and all the staff for their magnificent work and excellent collaboration in the past few years. Finally, I want to thank all the numerous committed citizens and companies for the confidence they have shown in the SNB.

At the news conference last Thursday, I promised to fully disclose the private financial transactions conducted in August 2011 and, in this connection, to publish the relevant e-mails sent on the 15th and 16th of August 2011. I am now able to fulfil this promise. On the 5th and 6th of January 2012, I obtained knowledge of additional pieces of information (e-mail from the account manager dated 16 August 2011 and Bank Sarasin’s related report). All relevant e-mails and documents are enclosed with this statement.

In view of the continuing public debate centred on these financial transactions, and following detailed examination of all the documents and thorough reflection since the news conference, I have come to the conclusion that it is not possible to provide conclusive and final evidence that my wife did indeed initiate the foreign exchange transaction on the 15th August without my knowledge. The fact is: my word is my bond. I had no knowledge of my wife’s transaction on that day.
Unfortunately, mistakes were made in connection with these transactions. I detailed these on Thursday, and I apologise for them. I deeply regret these mistakes as well as the entire situation. At least these mistakes have made it possible for us to identify weaknesses in the SNB’s internal regulations, as well as its requirements in terms of transparency and code of conduct. The focus now should be on resolutely eliminating these weaknesses. This will allow the SNB to retain its credibility, which is its greatest asset. I am confident that the SNB will emerge stronger from what are admittedly exceptionally difficult circumstances.

As a result of this regrettable matter, I have concluded that I might not, for some time, be in a position to make the kinds of tough decisions and to implement them with the same rigour and success as in the past.

Conscious as I am of the challenges currently facing our country, and given my responsibility for my office and for the SNB as an institution, I have therefore decided to relinquish my post with immediate effect.

This is a step which saddens me greatly. I have always considered the office of Chairman of the SNB Governing Board to be an immense privilege, and I simply cannot imagine a more challenging activity. I depart on good terms and, above all, wiser and more experienced than a few weeks ago.

Philipp M. Hildebrand
Zurich, 15. 5. 11:

Please transfer 1/6 of each

1. Swiss Fr. 10,000 Nestle shs. ✓
2. Swiss Fr. 10,000 Weatherford shs. ✓
3. Cash (from my CHF-e/c) USD 20,000. - ✓

Buy Rodie, Nestle & Weatherford for CHF 25k ✓
for my own acc. / portfolio.

Signature:
Felix Schaefer
Executive Director
PBZU SCFF 9999

Verified?
Investment Policy
Sarasin GlobalSar - HFD (EUR) invests globally in a broadly diversified selection of equities and fixed-income paper with a focus on the leading markets and currencies. Making use of special investment techniques and instruments the fund manager aims to reduce price fluctuations of the fund and to optimise the return.
Sarasin GlobalSar - HFD (EUR) is intended as a core investment with euro as reference currency for private investors.

Fund Information
Investment company: Sarasin Investments SICAV, Luxembourg
Custodian bank: RBC Dexia Investor Services Bank S.A., Luxembourg
Portfolio Management: Sarasin & Partners LLP, London
Domicile of fund: Luxembourg
SIC Code: LU0058803917
Launch date: 6 July 1995
Accounting currency: EUR
Dividend payment date: Payable
Payment 2010: EUR 0.95
Sales fee: max. 5%
Management fee: 1.50% p.a. + performance fee
Customer fees: max. 0.1% p.a.
Benchmark (SIC): 3m EUR Libor +2.5%
*New since 14.08.2008; before customized; details see annual report

Current Fund Data
Offer price per share: 249.75
Fund size in millions: 97.00

Statistical Ratios
Volatility: 10.18%
Correlation: 0.70
Data: 0.74
Sharpe Ratio: 0.79

The statistical ratios are calculated on the basis of the previous months (36 months, basis EUR). Risk-free interest rate: 2.65%

Risk Profile
Effective:

This fund is part of the risk classes 3 (risk classes: 1: low; 2: moderate; 3: average; 4: above average; 5: high). Please find a detailed description of the risks as well as of the risk classes in our prospectus. Usually the following principle applies: the higher the risk (price volatility), the longer your investment horizon should be. However, higher risks can potentially be rewarded by higher returns.

Top Ten Holdings
3.750% Germany 04.01.15
2.74%
Sarasin Co Global Property Fund
2.92%
Gold Bullion perf.
2.09%
Citigroup FG 22-07-14 D&P DOD
1.99%
Investco EM DEBT
1.87%
Sarasin Asia Fund - B
1.58%
6.700% RSS 21.07.11
1.29%
Central Japan Railway
1.23%
5.025% Scot & Stk EN 10
1.09%
RWC Funds Global Fund - A
1.04%

Net Performance (in EUR) as of 28.02.2013

Performance Indicators
Annual performance in %

100
80
60
40
20
10
0
-10
-20
-30
-40
-50
-60
-70
-80
-90
-100

Past performance does not guarantee future returns. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units.

Asset Allocation

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<th>long</th>
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<tr>
<td>Bonds</td>
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<tr>
<td>Other</td>
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<td>Alternative Instruments</td>
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<tr>
<td>Total</td>
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Currency Allocation

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<td>0.00%</td>
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<tr>
<td>74.21%</td>
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<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Source
Sarasin Investments SICAV Ltd Data as of 28 February 2013

1/2
Client Contact Report

Contact Basics

Business Partner: Hildebrand, Philipp
Relationship Manager: Scheuber Felix
Contact place: 2730/265

Contact Date: 15.08.2011 14:51:33
Contact type: Visit Out
Attendee:

Title: Review – update

Contact Notes

- review of accounts / portfolio
- we discussed world financial markets in general and the equity/currency markets in particular; there is still no desire to implement a discretionary managed portfolio (signed PM mandate to be still kept on hold)
- instead, and in order to benefit from the current low prices, he wants me to
  a) buy the following equities: Roche, Nestle & Weatherford (for CHF25k each) for his main account and CHF10k each of Nestle and Weatherford for his daughter Natalia's new sub.acct.
  b) buy USD20k from his CHF acc. and transfer it to also to the new Natalia sub.acct.
- consider increasing his USD-exposure but he would leave it up to his wife Kashya to so decide.
  Later on I visited Kashya at her office and she was very keen to do this. We eventually agreed that she e-mails me her wish (see below)
- I brought to his attention
  a) the current attraction of subordinated insurance bonds and for which we are going to launch a new fund which is being managed by Twelve Capital AG, their CEO used to be head of ILS at Horizon21, the owner (Fl.M.Frey) of which he used to know very well. I left him with a research paper "Credit Focus" for his personal but he said that he has no time whatsoever to deal with this and asked me to speak to Kashya on this in more detail (which I then did & I left her some literature on it which she promised to read....., but did not seem to like the idea)
  -- I also left him fact sheet & flyer of one of our flagship fund Sarasin Global Sar-IllD A which is also available in CHF and which may well fit into the new "Natalia pension portfolio". Despite the recent market turbulence this fund has done reasonably well.
  -- Kashya mentioned that she may look at buying Put options on Gold soon, i.e. when the time is right.....
  -- I invited him to "Christie's Dinner" at the Dolder Grand on 24th November 2011 and asked him to save the date; proper invitation will follow in due course. Unfortunately, Kashya won't be around on that date as she will be in Dubai attending some art business of her own >>>> look up Lisa Schürmann's e-mail dd. 9.8.11

Thanks Felix that is great.
kind regards,

Kashya

On Aug 15, 2011, at 2:50 PM, Scheuber Felix wrote:
Thank you for this, Kashya.

Following my return to the office I actioned your wish and I am pleased to confirm that I sold CHF400k. vs. USD at a rate of 0.79298 bringing the overall USD exposure of the account to roughly 50%.
Whilst writing I also confirm that
a) we bought the following shares:
   - Floche at 128.90
   - Nestle at 49.14 (for both the Rmain? & Natalia? a/c)
   - Weatherford at 13.95 (for both the Rmain? & Natalia? a/c)
b) we will transfer a quarter of each of the current ZFS & SwissRe shareholdings into the new
   R?Natalia? sub a/c.

In order to comply with the 7VSB? rules I need to let Philipp sign the attached form 7A? which I
will physically forward to his office address for his signature, together with a return envelope.
Thank you and best regards,
Felix

From: Kashya Hildebrand [mailto:kashya@kashyahildebrand.org]
To: Scheuber Felix
Subject: dollar exposure.....

Dear Felix,
As discussed we would like to get out dollar FX exposure up to 50% in our account. As discussed
our current dollar exposure is 31%. We would like to increase our dollar exposure to 50%. Please
free to call me if you have questions.
kind regards,
Kashya

<table>
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<th>Relationship Manager</th>
<th>Approved</th>
<th>Client Services Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Date)</td>
<td>(Date)</td>
<td>(Date)</td>
</tr>
<tr>
<td>(Signature)</td>
<td>(Signature)</td>
<td>(Signature)</td>
</tr>
</tbody>
</table>

Status: Fzean / Inspeecd By User: Scheuber Felix
Dear Philipp,

I have taken due note of what you say below. Also I am and will be very observant of the current SNB trading rules, a copy of which you handed to me earlier this year.

As regards the actual dollar purchase order: Yes, Kashya yesterday gave me the verbal order, followed by the e-mail later on. I also remember you saying in our yesterday’s conversation that if Kashya wants to increase the USD exposure then it is fine with you.

Best regards,
Felix

PS to both of you: As regards the subordinated insurance bonds briefly discussed yesterday I truly believe you should give it a good think: The regulatory changes in the European insurance industry ("Solvency II") are creating unique investment opportunities and early repayments of same offer an excellent opportunity for capital gains, in addition to the currently attractive running yields.

---

Dear Felix, Dear Kashya

Thank you for the equity orders and the opening of Natalla’s sub account as well as the transfers into that account. However, I am surprised reference to a dollar transaction in your email. We never discussed any dollar purchases yesterday. Given Kashya’s email response and copy to me, I assume she gave you the order. Please confirm that. I will obviously speak to her as well today. Needless to say, Kashya has full authority on our account. Nonetheless, in the future, for compliance reasons, you are not authorized to execute any currency transactions unless the order comes from me or I confirm it. In other words, when it comes to currency transactions, I need to know and sign off on any trades that Kashya might instruct you on. Also, please note that any currency position in the account must be held for at least six months, in line with our internal SNB rules on personal investments.

Best,
Philipp

PS: Kashya: sorry about that but currencies really are a special case here.
PPS: Felix and Kashya: I am copying Hans Kuhn, our General Counsel on this email.

---

Thanks Felix that is great.

kind regards,
On Aug 15, 2011, at 2:50 PM, Scheuber Felix wrote:

Thank you for this, Kashya.

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   a) we bought the following shares:
      - Roche at 128.90
      - Nestle at 49.14 (for both the “main” & Natalia’s a/c)
      - Weatherford at 13.95 (for both the “main” & Natalia’s a/c)

   b) we will transfer a quarter of each of the current ZFS & SwissRe shareholdings into the new “Natalia” sub a/c.

In order to comply with the “VSB” rules I need to let Philipp sign the attached form “A” which I will physically forward to his office address for his signature, together with a return envelope.

Thank you and best regards,
Felix

Bank Sarasin & Co.Ltd.
Loewenstrasse 11
CH-8022 Zurich

Telephone 0041 44 213 95 99
Fax 0041 44 213 96 69
E-mail felix.scheuber@sarasin.ch
Tel. mobile 0041 79 212 5670

<image001.png>


Sustainable Swiss Private Banking since 1841

Please consider the environment before printing this e-mail.

From: Kashya Hildebrand [mailto:cashya@kashyahildebrand.org]
To: Scheuber Felix
Subject: dollar exposure.....

Dear Felix,

As discussed we would like to get out dollar FX exposure up to 50% in our account. As discussed our current dollar exposure is 31%. We would like to increase our dollar exposure to 50%. Feel free to call me if you have questions.

kind regards,

Kashya
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Mit Deinem besonderen Aufmerksamkeitsbedürfnis
sowie der Weisheit, mit der Du
mein Urteil
nachgeprüft
habtest,

sehe ich

Dein Urteil

mit Wertschätzung

an.
Nobel & Hug
Rechtsanwälte
Prof. Dr. Peter Nobel
Dufourstrasse 29
8032 Zürich

Zürich, 9. Januar 2012
Ihre Kontakt Person: Felix Scheuber / Tel: +41 (0)44 213 95 99

Klarstellung

Sehr geehrter Herr Nobel,

Ihrem Wunsch entsprechend, halte ich hiermit gerne schriftlich fest, dass mir der FX-Auftrag vom 15. August 2011 (d.h. die Erhöhung der USD-Exposure auf 50% der damaligen Währungsallokation) von Kashya Hildebrand in Ihrer Galerie aus eigener Initiative mündlich erteilt wurde.

Wir haben dann vereinbart, dass
A) ich das FX-Geschäft nach meiner Rückkehr in die Bank auslösen werde, was ich gleichentags gemacht habe, und
B) Kashya mir das Geschäft per E-Mail entsprechend bestätigt.
C) Dieses E-Mail ist dann auch am selben Tag um 13.20 Uhr mir eingetroffen.

Ich bestätige, dass obiger Sachverhalt der reinen Wahrheit entspricht.

Freundliche Grüsse
Bank Sarasin & Cie AG

Felix Scheuber
Stellvertretender Direktor

Bank Sarasin & Cie AG
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T: +41 (0)44 213 91 91 | F: +41 (0)44 221 04 64
www.sarasin.ch