

Advance Financing Policy InsingerGilissen Services

POLICY CONCERNING VALUATION OF COLLATERAL

1. Basic principles

In its securities pledging policy, InsingerGilissen Services applies the following basic principles:

- The General Terms and Conditions for Lending of InsingerGilissen Services apply to loans issued based on securities (included in the booklet General terms and conditions for securities services via an Independent Investment Firm);
- It is prohibited to breach agreed limits or applicable collateral values;
- The applicable collateral value of a securities portfolio is determined by the securities pledge percentages set by InsingerGilissen Services;
- This securities pledging policy describes the standard securities pledge percentages as applied by InsingerGilissen Services from 1 October 2017 for securities in an investment portfolio;
- InsingerGilissen Services may adjust the standard securities pledge percentages at any time for any product, e.g. based on KBL Group's specific policy at fund level or when InsingerGilissen Services decides that circumstances warrant it.

2. Securities pledge percentages

The standard securities pledge percentages for each asset class are given below.

EQUITIES

Equities are only eligible for pledging if they are listed and can be traded daily.

- The basic percentage for equities depends on the liquidity¹ of the equities converted into euros:
 - liquidity > €2,500,000 70%
 - €500,000 < liquidity < €2,500,000 60%
 - €100,000 < liquidity < €500,000 50%
 - liquidity < €100,000 0%
- A haircut is applied based on high price volatility:
 - high price volatility (beta > 1.5): haircut of 10%

¹ liquidity = price * volume (based on 6-month median)

FIXED INCOME

- Fixed income or bond-like products (such as guarantee products, subordinated or perpetual bonds) are only eligible for pledging if they have been awarded a credit rating by the S&P or Moody's rating agencies. The S&P rating is leading here;
- The basic percentages for fixed income are given in the rating table below.

Rating table for fixed income

Rating	Percentage	Perpetual
AAA / Aaa	80%	55%

AA+ / Aa1	80%	55%
AA / Aa2	80%	55%
AA- / Aa3	80%	55%
A+ / A1	75%	45%
A / A2	75%	45%
A- / A3	75%	45%
BBB+ / Baa1	65%	0%
BBB / Baa2	65%	0%
BBB- / Baa3	65%	0%
BB+ / BA1 and below	0%	0%

INVESTMENT FUNDS AND TRACKERS

- Investment funds and/or trackers are only eligible for pledging if they are not hedge funds and/or closed-end funds;
- The maximum securities pledge on investment funds and/or trackers is 70% and applies if the criteria listed below are met:
 - they can be traded daily;
 - they are listed in euros;
 - the fund's assets are > €50 million;
 - in case of trackers: they may not have a synthetic character
- Additional haircuts are applied based on how often the funds can be traded and on the fund's assets:
 - weekly or monthly trading – additional haircut of 20%;
 - quarterly or longer trading – no pledge;
 - the fund's assets are < €50 million – additional haircut of 20%;
- As standard, trackers with a synthetic character are eligible for pledging for 35%.

ADDITIONAL CURRENCY HAIRCUT

- The above percentages are multiplied by 90% in those cases in which the collateral is expressed in a different currency from the loan for the following currencies: AUD, CAD, CHF, EUR, GBP, HKD, JPY, NZD, SGD, USD.
- Multiplication by 80% applies to the following currencies: AED, CZK, DKK, NOK, PLN, SEK, TRY*, ZAR.
- No advance funding can be issued on other currencies.

* only for supranational/government bonds. Other TRY denominated securities: no pledge.

ADDITIONAL CONCENTRATION HAIRCUT

Positions in portfolios with weights in excess of 20% will be subject to an additional haircut on the portfolio value of 20% over the excess and any weights in excess of 50% will be subject to an additional haircut of 50% (i.e. a total of 70% over the excess).