

ADVANCE FINANCING POLICY

POLICY CONCERNING VALUATION OF COLLATERAL

1. Basic principles

In this securities pledge policy, InsingerGilissen applies the following basic principles:

- The InsingerGilissen General Credit Terms and Conditions apply to loans issued based on securities;
- 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;
- This securities pledge policy describes the standard securities pledge percentages as applied by InsingerGilissen from October 2017 for securities in an investment portfolio;
- InsingerGilissen may adjust the standard securities pledge percentages at any time for any product, e.g. based on Quintet Group's specific policy at fund level or when InsingerGilissen 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 liquidity 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%
- An additional haircut of 10% is applied when price volatility is high (beta > 1.5)

*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;
- 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 lower	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%;
- 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, NOK, DKK, SEK
- Multiplication by 80% applies to the following currencies: AED, CZK, PLN, TRY*, ZAR.
- No advance funding can be issued on other currencies.

**only for supranational/government bonds*

ADDITIONAL CONCENTRATION HAIRCUT*

Positions in portfolios with weights in excess of 20% will be subject to an additional haircut on the pledge portfolio value of 20% over the excess and any weights in excess of 50% will be subject to an additional haircut of 30% (an accumulated total of 50% over the excess).

**excluding Cling funds*