

**ING INVESTMENT MANAGEMENT INTERNATIONAL
CONFLICTS OF INTEREST POLICY**

ING INVESTMENT MANAGEMENT

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CONTENTS

1. INTRODUCTION	3
2. PURPOSE	3
3. CONFLICTS OF INTEREST – WHAT ARE THEY?	3
4. POTENTIAL CONFLICTS OF INTEREST FOR ING IM INTERNATIONAL	3
5. CONFLICTS OF INTEREST – HOW WE MANAGE THEM	5
6. FURTHER INFORMATION	5

1. INTRODUCTION

This high level summary refers to the policies within our ING Investment Management International (ING IM International) offices addressing Conflicts of Interest (CoI). Some CoI may not be applicable to the ING IM International entity you are conducting business with.

2. PURPOSE

ING IM International conducts business in a way which is fair and professional in accordance with your best interests as our Customer. One of the ways we do this is to have policies in place to manage conflicts of interest that may arise through our business activities.

Under EU legislation - the Markets in Financial Instruments Directive 2004/39/EC - we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest. To help achieve this, our ING IM International offices have policies in place addressing Conflicts of Interest.

This high level summary provides you with the key information that you will need in order to understand the nature of the measures we are taking to safeguard your interests.

3. CONFLICTS OF INTEREST – WHAT ARE THEY?

A conflict of interest is a conflict that arises in any area of our business in the course of us providing you with a service which may benefit us (or another customer for whom we act) and may adversely affect you.

- The interests of ING IM International and the interests of a customer or group of customers;
- The interests of a customer or group of customers and the interests of another customer or group of customers; and
- The interests of ING IM International and/or its customers and the interests of an employee or group of employees.

Some of these conflicts may arise merely because ING Group is involved in a broad range of business activities with different customers. Others may arise because of the specific circumstances of particular business activities.

4. POTENTIAL CONFLICTS OF INTEREST FOR ING IM INTERNATIONAL

We have identified potential conflicts of interest that exist in our business in order to put in place measures to monitor, manage and control the realisation of those conflicts. Potential conflicts of interests may arise through the interaction of the different capacities in which we act. We have identified the following main interests/roles that potentially give rise to conflicts of interest :

ING IM International

- ING IM International's role as investment manager;
- ING IM International's role as investment advisor;
- ING IM International's role as trader;
- ING IM International's role as investor of proprietary assets;
- ING IM International's role as manager of mutual funds/discretionary mandates;
- ING IM International's role as distributor of mutual funds;
- ING IM International's role in advising on and executing corporate treasury transactions on behalf of ING Insurance;
- ING IM International's role in writing independent research;
- ING IM International's interest in obtaining new business;
- ING IM International's interest in maintaining satisfactory relations with existing customers.

Customer

- Customer's interest as recipient of investment management services;
- Customer's interest as recipient of investment advice;
- Customer's interest as investor in financial instruments (e.g. securities/mutual funds);
- Customer's interest as user of services/facilities provided by ING IM International.

Employee

- Employee's interest in performing his/her role;
- Employee's interest in generating business;
- Employee's interest in achieving objectives/targets;
- Employee's interest in status, remuneration and bonus;
- Employee's interest in personal investments;
- Employee's interest in external businesses/activities.

The following is a non-exhaustive list of examples of situations where conflicts may arise:

- Where ING IM International trades with its customers using positions in securities which it holds on its proprietary book;
- Where ING IM International trades its proprietary positions in a security when at the same time it has information about potential future customers orders in relation to that security;
- Where one of the employees of ING IM International engages in personal account dealing in respect of securities and ING IM International has a customer with an interest that potentially conflicts with such dealing;
- Where ING IM International has information in relation to distressed assets and ING IM International trades proprietary positions in those assets;
- Where substantial gifts (including non-monetary gifts) are received that may influence ING IM International's behavior in any way that conflicts with the interests of the customers of ING IM International.

5. CONFLICTS OF INTEREST – HOW WE MANAGE THEM

For each conflict that we have identified, we have put in place measures to manage, control and prevent its potential adverse impact upon our customers, appropriate to the type of conflict in question. For any particular conflict of interest one or more of the following measures may be adopted as required:

a) Order placing/allocation

ING IM International applies the general principle of placing or allocating orders proportionally to the size of customers' portfolios.

b) Best execution

ING IM International has adopted policies aimed at best execution of transactions given all specific circumstances.

c) Transactions between portfolios (cross trades)

ING IM International acknowledges that in some cases cross trades are to the customers' benefit. ING IM International adopted procedures containing detailed guidelines for executing cross trades.

d) Chinese Walls

To control access to material, non-public information, a series of "Chinese Walls" have been erected within ING IM International to prevent the potential or perceived misuse of such information.

e) Employees' personal investments

ING IM International adopted a procedure restricting and monitoring employees' personal investments.

f) Private benefits

ING IM International applies principles limiting the possibility for its employees to obtain private benefits from third parties (e.g. brokers). Conditions for obtaining benefits by ING IM International employees are laid down in our gift procedure.

g) Disclosure

Where potential conflicts of interest are identified we aim to inform customers that ING IM International may have conflicting interests (or that we are not acting exclusively for you). You may then decide whether or not to continue on this basis. This disclosure may be made verbally or in writing.

6. FURTHER INFORMATION

The Policies addressing various situations of Conflicts of Interest shall be reviewed at least annually and any material amendments will be notified to you via our webpage: www.ingim.com. Please contact your Relationship Manager should you require further information or an overview of the relevant policies.

In the event of any discrepancies between the English version of this document and a translated version, the English document is binding.

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