3K Investment Partners
Mutual Fund Management Co. S.A. DECEMBER 2014

CAPITAL ADEQUACY & RISK MANAGEMENT (PILLAR 3 DISCLOSURES – DECISION No. 9/459/27.12.2007)

Article 3 of Hellenic Capital Market Commission Decision No. 9/459/27.12.2007 requires a brief presentation of regulatory information relevant to ING Mutual Fund Management Co. S.A's capital adequacy and how it manages the risks that are undertaken.

Capital Adequacy

Using the tables for computing the Company's capital adequacy that are submitted every quarter to the Hellenic Capital Market Commission, the Capital Adequacy Ratio was 68,370% for 2014 Q4, whereas the minimum acceptable limit is 8%.

This figure was computed by taking into account the following data:

1) The assets not included the Company's trading book, once weighted for embedded risk, stand at € 1,359,401.00, 8% of which is € 108,752.08. Capital requirements were computed in accordance with Article 3(3)(i) of Hellenic Capital Market Commission Decision No. 1/459/27.12.2007.

2) Total fixed costs for 2013 stood at € 927,375.93, 25% of which is € 231,843.98. Fixe d costs for the previous year were computed in accordance with Article 3(3)(ii) of Hellenic Capital Market Commission decision No. 1/459/27.12.2007 and Annex I of that Decision.

3) Whichever of those two figures is highest (1 or 2) is multiplied by 12.5.

4) The Regulatory Equity is computed at € 1,981,382.00 on share capital of € 1,455,198.00 and net worth of € 2,168,814.93.

Capital adequacy is computed by dividing the regulatory capital by the results generated in step 3.

Since 3K INVESTMENT PARTNERS is a mutual fund management company which also offers a wider set of services since it also holds a license to provide the services listed in Article 4(1)(c) and (f) of Law 3606/2007, it falls within Article 2(b) of Decision No. 1/459/27.12.2007 and has opted to adopt alternative methods to compute capital requirements for operating risk on a permanent basis.

Since it does not have a trading book, it falls within Article 5(1) of Decision No. 1/459/27.12.2007 and has used the option to permanently exempt itself from the need to compute capital requirements for market risk.

However, it is necessary to stress in all events that a Capital Adequacy Ratio of 68% is 8 times higher than the ratio one would expect for the financial sector.

<u>Risk management</u>

The most probable risks which the Company has recognised as existing are shown in the table below:

RISK CATEGORY	OPERATING RISK	BUSINESS RISK	OTHER RISKS
TYPE OF RISK	- Destruction of facilities - Destruction of server / loss of data - Destruction of physical records	- Concentration risk (loss of main client / Destruction of main bank) - Market Risk	- Credit Risk (counterparty risk) - Liquidity Risk - Capital risk - Risk of fraud - Profitability risk - Corporate governance

Those risks have been recognised, evaluated and dealt with via procedures in the Company's bylaws or in other ways as explained below:

A) <u>Operating risks</u>

1) Destruction of facilities
A Business Continuity Plan (BCP) has been prepared to cover the case of facilities being destroyed, which includes plans on how the company will continue its activities. It includes a building evacuation, muster point and inspection procedure, and insurance for staff and premises to enable the business to continue its operations.

2) Destruction of server:
To deal with the server being destroyed there, throughout most of 2014, is a back-up server located abroad where the same data stored on the Company's primary server is also stored in real-time. There is also an alternative server in another building belonging to

the Group (located within the same prefecture) at which Company operations can be continued. All Company data is protected in the form of security backups held at a location abroad and at a different building owned located within the same prefecture.

3) Destruction of physical records
To deal with the Company's physical records being destroyed, the file is held for safekeeping at special premises by another Company specialised in those services, and it takes all the necessary safeguards and precautions and offers all the necessary assurances to ensure the file is kept safe. Moreover, part of the Company's records associated with its clientele is stored in electronic format after being scanned.

B) <u>Business risks</u>

1) Concentration risk:
Risk of the main bank being destroyed: To deal with this risk, the Company has assigned its investments to more than one banks. Analytically: one of Greece's largest banks, to a branch of a foreign bank in Greece and two banks abroad.

2) Market risk:
This risk is not applicable to the Company since the Company invests exclusively in time deposits and not in financial instruments (such as shares and bonds) that are affected by market fluctuations.

C) <u>Other risks</u>

1) Credit / Counterparty risk:
The Company is not affected by this type of risk since it has no borrowings, nor is it authorised to provide credit.

2) Liquidity risk:
The Company is not exposed to this type of risk since its cash assts were more than 2 times the Company's fixed costs during the previous year, and are also higher than its share capital.

3) Capital risk:
To deal with emergencies that could result in a major drop in the Company's net worth (such as litigation with clients, losses resulting from civil liability of the sales network, staff compensation in the event of accidents, losses affecting company assets, etc.) the Company has taken out all the necessary insurance contracts.

4) Risk of fraud:
   To deal with risk of fraud, within the Company or from third parties, the Company's bylaws require that all necessary measures be taken to foresee and prevent all possible cases of fraud, to safeguard the interests of clients and the Company itself. To that end, the Company implements Pre-Employment Screening (PES) procedures for employees, and uses the Four Eye Principle for all Company operations, and also takes due diligence measures to check and confirm the identity of customers (Customer Due Diligence / CDD).

5) Profitability risk:
   The Company is not exposed to this risk since the Company has a quite extensive customer base (16,675 active retail clients on 31.12.2014) but capital is not concentrated among specific major clients.

6) Corporate governance risk:
   To deal with corporate governance risk, the Company's bylaws require the existence of Regulatory Compliance and Internal Audit Departments, and that risk be managed and that conflicts of interest be identified and dealt with.

The information above is a summary of the information relevant to the Company's capital adequacy ratio and the methods the Company uses to identify and deal with risks that could arise.