

Product Information

KAGplus

How to Enhance Performance and Ensure a Safe Investment

Investment trust companies seek to maximise their investors' return while strictly adhering to the investor protection principle. With securities lending you can increase the performance of underlying funds. However, the activities of investment trust companies are restricted in this field. The German Investment Act (InvG) limits the percentage of securities available for lending to one counterparty and defines strict requirements on collateralisation.

We offer KAGplus – enabling you, as a lender or borrower, to maximise lending activities while complying with respective regulation. At Clearstream Banking Frankfurt (CBF), we are certified as an organised system under Section 56 of InvG, and act as an agent mitigating your current lending limits. By pooling and allocating pledged collateral for each fund, we assure sufficient collateralisation for the KAG (Kapitalanlagegesellschaft). And with fewer collateral movements come lower overall costs.

KAGplus helps you, as an investment trust company, and your depot banks to guarantee maximum investor protection while reaping additional returns from securities lending. In addition, the solution offers operational relief, because we handle securities lending related transactions entirely, including matching, margining, collateralisation, as well as providing comprehensive and transparent reporting.

Key benefits

Simplify your lending

- By outsourcing your operational burden
- With an easy collateralisation process
- With mitigated limitations resulting from lending restrictions.

Enhance your profitability

- By gaining unlimited access to counterparties – leveraging full potential of each client relation
- With greater flexibility on collateral eligibility
- With trading higher volumes across more securities.

Increase your protection

- Through enhanced security with a solution from CBF – certified as an organised system under Section 56 of InvG.

Minimise your costs

- By fewer collateral movements.



Key features

CBF acts as transaction/collateral agent

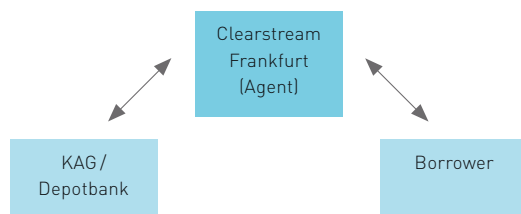
- Daily mark-to-market with top-up/mark-down of collateral
- Automatic processing of mandatory corporate events and income
- Standard or flexible haircuts as per your requirements
- Automatic notification of upcoming corporate actions
- Daily reporting in various formats.

KAGplus collateral criteria apply

- More possibilities for monitoring investment limits
- Collateral pooling.

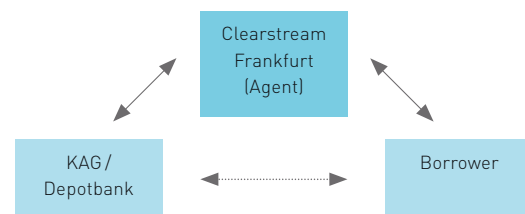
KAGplus: Choose from two Options

Operational outsourcing & trade matching



- Counterparties are pre-agreed
- Clearstream matches supply and demand.

Operational outsourcing



- Counterparties are pre-agreed
- Lender and borrower agree on loans and notify CBF about details.

Contact

If you are interested in further information about any of our Global Securities Financing solutions, please contact our dedicated GSF team

gsf@clearstream.com
www.clearstream.com

Global Securities Financing services

Clearstream Banking AG
Neue Börsenstraße 1
60487 Frankfurt / Main
Germany

Sales: +49-69-211 32394
+49-69-211 12747
Product Management: +49-69-211 14814