

# Horizon Prospectus

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Public open-ended investment company under Belgian law with a variable number of units opting for investments complying with the conditions of Directive 2009/65/EC - UCITS

This prospectus consists of:

- Information concerning the Bevek
- Information concerning the sub-funds

The articles of association of the Bevek and the annual reports will be appended to the prospectus.

31/07/2020

In the event of discrepancies between the Dutch and the other language versions of the prospectus, the Dutch version will prevail.

# Information concerning the Bevek

## A. Introduction of the Bevek

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### Name

Horizon

### Legal form

Naamloze Vennootschap (limited liability company)

### Date of incorporation

22 February 1993

### Life

Unlimited

### Registered office

Havenlaan 2, B-1080 Brussels, Belgium

### Status

Public Bevek with various sub-funds that has opted for investments complying with the conditions of Directive 2009/65/EC and which, as far as its operations and investments are concerned, is governed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables.

In the relationship between the investors, each sub-fund will be viewed as a separate entity. Investors have a right only to the assets of and return from the sub-fund in which they have invested. The liabilities of each individual sub-fund are covered only by the assets of that sub-fund.

### List of sub-funds marketed by the Bevek

| Name                                 | Page |
|--------------------------------------|------|
| 2030                                 |      |
| 2035                                 |      |
| 2040                                 |      |
| Access Fund China                    |      |
| Access Fund CSOB Cesky Akciovy (PX®) |      |
| Access Fund Russia                   |      |
| Access Fund Vietnam                  |      |
| Access India Fund                    |      |
| Comfort Defensive                    |      |
| Comfort Dynamic                      |      |
| Comfort Dynamic High                 |      |
| Comfort Pro August 90                |      |
| Comfort Pro February 90              |      |
| Comfort Pro May 90                   |      |
| Comfort Pro November 90              |      |
| Comfort SRI Defensive                |      |
| Comfort SRI Dynamic                  |      |
| Comfort SRI Dynamic High             |      |
| CSOB Buyback Spolocnosti 1           |      |
| CSOB Europsky Rast 1                 |      |
| CSOB Financie 1                      |      |
| CSOB Globalny Rast EUR 1             |      |
| CSOB Globálny Rast 2                 |      |
| CSOB Komoditni Fond                  |      |
| CSOB Kratkodobych prilezitosti 2     |      |
| CSOB Smart Start 1                   |      |
| CSOB Stredny Vyber 1                 |      |
| CSOB Svet s Bonusom Rodina 1         |      |
| CSOB Svet s Bonusom Energie 1        |      |
| CSOB Svet s Nemeckym Bonusom 1       |      |

| Name                                       | Page |
|--|------|
| Dollar Obligatiedepot                      |      |
| Europees Obligatiedepot                    |      |
| Flexible Plan                              |      |
| Flexible Portfolio July                    |      |
| Flexible Portfolio SRI January             |      |
| Global Flexible Allocation                 |      |
| Global Flexible Allocation Wealth January  |      |
| Global Flexible Allocation Wealth July     |      |
| High Interest Obligatiedepot               |      |
| Internationaal Obligatiedepot              |      |
| Investicna Prilezitost                     |      |
| KBC ExpertEase Business Defensive Balanced |      |
| KBC ExpertEase Business Dynamic Balanced   |      |
| KBC ExpertEase Defensive Balanced          |      |
| KBC ExpertEase Defensive Tolerant          |      |
| KBC ExpertEase Dynamic                     |      |
| KBC ExpertEase Dynamic Balanced            |      |
| KBC ExpertEase Dynamic Tolerant            |      |
| KBC ExpertEase Highly Dynamic Tolerant     |      |
| KBC ExpertEase SRI Defensive Balanced      |      |
| KBC ExpertEase SRI Defensive Tolerant      |      |
| KBC ExpertEase SRI Dynamic                 |      |
| KBC ExpertEase SRI Dynamic Balanced        |      |
| KBC ExpertEase SRI Dynamic Tolerant        |      |
| KBC ExpertEase SRI Highly Dynamic Tolerant |      |
| Private Banking Active Stock Selection     |      |
| Privileged Portfolio Defensive             |      |
| Privileged Portfolio Dynamic               |      |
| Privileged Portfolio Dynamic High          |      |
| Privileged Portfolio Pro 85 August         |      |
| Privileged Portfolio Pro 85 February       |      |
| Privileged Portfolio Pro 85 May            |      |
| Privileged Portfolio Pro 85 November       |      |
| Privileged Portfolio Pro 90 August         |      |
| Privileged Portfolio Pro 90 February       |      |
| Privileged Portfolio Pro 90 May            |      |
| Privileged Portfolio Pro 90 November       |      |
| Privileged Portfolio Pro 95 August         |      |
| Privileged Portfolio Pro 95 February       |      |
| Privileged Portfolio Pro 95 May            |      |
| Privileged Portfolio Pro 95 November       |      |
| Strategisch Obligatiedepot                 |      |
| USD Low                                    |      |

## Board of Directors of the Bevek

| Name               | Title  | Mandate  |
|--------------------|--|--|
| Patrick Dallemagne | Financial Director CBC Banque SA,<br>Avenue Albert 1er 60, B-5000 Namur    | <i>Chairman</i>  |
| Luc Vanderhaegen   | /  | <i>Director</i>  |
| Filip Abraham      | /  | <i>Independent Director</i>  |
| Koen Inghelbrecht  | /  | <i>Independent Director</i>  |
| Kris Leyssens      | CFO KBC Asset Management NV,<br>Havenlaan 2, 1080 Brussels                 | <i>Natural person to whom the executive management of the Bevek has been entrusted</i> |
| Wilfried Kupers    | General Manager Group Legal KBC<br>Group NV, Havenlaan 2, 1080<br>Brussels | <i>Natural person to whom the executive management of the Bevek has been entrusted</i> |

## B. Service providers to the Bevek

### Management company

The Bevek has appointed a management company of undertakings for collective investments.  
The appointed management company is KBC Asset Management NV, Havenlaan 2, B-1080 Brussels.

### Delegation of the management of the investment portfolio

Regarding the delegation of the management of the investment portfolio, please see the information concerning the sub-funds.

### Date of incorporation of the management company

30 December 1999

### Life of the management company

Unlimited

### List of the funds and the Beveks for which the management company has been appointed

CBC Fonds, Celest, Fivest, Generation Plan, Horizon, IN.flanders Employment Fund, IN.focus, KBC Click, KBC Eco Fund, KBC EquiPlus, KBC Equisafe, KBC Equity Fund, KBC Exposure, KBC Index Fund, KBC Institutional Fund, KBC Master Fund, KBC Multi Interest, KBC Multi Track, KBC Participation, KBC Select Immo, Managed Portfolio, Optimum Fund, Perspective, Plato Institutional Index Fund, Pricos, Pricos Defensive, Pricos SRI, Sivek.

### Names and positions of the directors of the management company of the natural persons to whom the executive management of the management company has been entrusted

| Name                | Title                                       | Mandate   |
|---------------------|---|---|
| Johan Daemen        | <i>Non-Executive Director</i>               |   |
| Katrien Mattelaer   | <i>Non-Executive Director</i>               |   |
| Pierre Konings      | <i>Non-Executive Director</i>               |   |
| Stefan Van Riet     | <i>Non-Executive Director</i>               |   |
| Wouter Vanden Eynde | <i>Independent Director</i>                 |   |
| Luc Popelier        | <i>Chairman</i>                             |   |
| Johan Lema          | <i>President of the Executive Committee</i> | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Chris Sterckx       | <i>Managing Director</i>                    | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Frank Van de Vel    | <i>Managing Director</i>                    | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Klaus Vandewalle    | <i>Managing Director</i>                    | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Linda Demunter      | <i>Managing Director</i>                    | <i>Natural person to whom the executive management of the management company has been entrusted</i> |

The natural persons to whom the executive management of the management company has been entrusted may also be directors of various Beveks.

### Identity of the statutory auditor of the management company or name of the certified firm of auditors and identity of the certified auditor representing it

PriceWaterhouseCoopers België, Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, represented by Gregory Joos, company auditor and recognized auditor.

### Subscribed capital of the management company stating the paid-up element

The issued share capital amounts to 35.754.192 euros.  
The share capital is fully paid up.

## Remuneration policy

The remuneration policy of the management company's staff is based on the KBC Remuneration Policy, the general rules laid down regarding the remuneration policy for all staff of KBC group entities and specific guidelines laid down for staff who could have a material impact on the company's risk profile ('Key Identified Staff'). The KBC Remuneration Policy is updated annually.

### General rules

Each staff member's salary comprises two parts: a fixed component and a variable component. The fixed component is primarily determined by the staff member's position (such as the responsibility they bear and the complexity of their duties). The variable component is dependent on various factors such as the company's results, the results of the staff member's department and the staff member's individual targets. The remuneration policy is also affected by market practices, competitiveness, risk factors, the company's and its shareholders' long-term objectives and developments within the regulatory framework.

### 'Key Identified Staff'

Special rules apply to 'Key Identified Staff'. The variable salary component for this group of staff is allotted in a manner that promotes appropriate risk management and cannot give rise to the taking of extreme risks.

For the updated version of the following information (such as a description of the method for calculating the remuneration and the benefits, and the identity of the persons responsible for allocating the remuneration and the benefits, including the make-up of the remuneration committee, if such a remuneration committee has been established) please refer to the website [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) (Remuneration Policy). This information is also available free of charge at the counters of the institutions providing the financial services.

## Financial service providers

The financial services providers in Belgium are:

KBC Bank NV, Havenlaan 2, B-1080 Brussels

CBC Banque SA, Avenue Albert 1er 60, B-5000 Namur

### Principal activities of the institutions providing the financial services

The Bevek has concluded a contract with the financial services providers for making payments to shareholders, redemption or repayment of shares and distributing information concerning the Bevek.

## Distributor

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg

### Principal activities of the distributor:

The distributor is authorised to process the requests for subscription to and redemption of shares.

## Custodian

KBC Bank NV, Havenlaan 2, B-1080 Brussels

### Custodian's activities

The custodian:

- a) Ensures the safe-keeping of the assets of the Bevek and compliance with the standard obligations in this regard;
- b) Ensures that the sale, issue, purchase, redemption and withdrawal of shares in the Bevek occur in compliance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- c) Ensures that the net asset value of the shares in the Bevek is calculated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- d) Carries out the instructions of the management company or an investment company, provided that these do not contravene the applicable legal and regulatory provisions, the articles of association and/or the prospectus;
- e) Ensures that in transactions relating to the assets of the Bevek, the equivalent value is transferred to the Bevek within the usual terms;
- f) Ascertains that:
  - i. The assets in custody correspond with the assets stated in the accounts of the Bevek;
  - ii. The number of shares in circulation stated in the accounts corresponds with the number of shares in circulation as stated in the accounts of the Bevek;
  - iii. The investment restrictions specified in the applicable legal and regulatory provisions, the articles of association and the prospectus are respected;
  - iv. The rules regarding fees and costs specified in the applicable legal and regulatory provisions, the articles of association and the prospectus are respected;
  - v. The returns of the Bevek are appropriated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus.

The custodian ensures that the cash flows of the Bevek are correctly monitored and in particular that all payments by or on behalf of subscribers on subscription to shares in the Bevek, have been received and that all the cash of the Bevek has been booked to cash accounts that:

1. Have been opened in the name of the Bevek, in the name of the management company acting on its behalf, or in the name of the custodian acting on its behalf;
2. Have been opened at an entity as intended in Article 18(1a, b and c) of Directive 2006/73/EC; and
3. Are held in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

If the cash accounts have been opened in the name of the custodian acting in name of the Bevek, no cash from the entity intended in Article 18(1a, b and c) of Directive 2006/73/EC and none of the custodian's own cash may be booked to these accounts.

The assets of the Bevek are placed in custody with a custodian as follows:

- a) For financial instruments that may be held in custody:
  - i. The custodian will hold in custody all financial instruments that may be registered in a financial instrument account in the books of the custodian, as well as all financial instruments that can be physically delivered to the custodian;
  - ii. the custodian will ensure that all financial instruments that can be registered in a financial instrument account in the custodian's books, are registered in the custodian's books in separate accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC; these separate accounts have been opened in the name of the Bevek or in the name of the management company acting on its account, so that it can be clearly ascertained at all times that they belong to the Bevek, in accordance with the applicable law.
- b) For other assets:
  - i. The custodian will verify that the Bevek or the management company acting on its behalf is the owner of the assets by checking based on information or documents provided by the Bevek or the management company and, where appropriate, of available external proofs, whether the Bevek or the management company acting on its behalf has ownership;
  - ii. The custodian will maintain a register of the assets from which it is clear that the Bevek or the management company acting on its behalf is the owner thereof and will keep that register up-to-date.

The custodian's duty to return the financial instruments only applies to financial instruments that may be held in custody.

### **Custody tasks delegated by the custodian**

The custodian of the Bevek has delegated a number of custody tasks as of the publication date of this prospectus. The tasks delegated to this sub-custodian are:

- Holding the required accounts in financial instruments and cash;
- Carrying out the custodian's instructions regarding the financial instruments and cash;
- Where required, the timely delivery of the relevant financial instruments to other parties involved with holding them;
- The collection of every type of return from the financial instruments;
- The appropriate communication to the custodian of all information that the sub-custodian receives directly or indirectly from the issuers via the chain of depositaries and performing the required formalities with regard to the financial instruments, with the exception of exercising voting rights, unless otherwise agreed in writing;
- Maintaining and communicating to the custodian all required details regarding the financial instruments;
- Processing corporate events on financial instruments, whether or not after the holder of these instruments has made a choice;
- Providing the services that have been agreed between the custodian and the sub-custodian and are legally permitted, with the exception of investment advice and asset management and/or any other form of advice relating to transactions in or the simple holding of financial instruments;
- Maintaining and communicating to the custodian all required details regarding the financial instruments.

### **List of sub-custodians and sub-sub-custodians**

The updated list of entities to which the custodian has delegated custody duties and, where applicable, the entities to which the delegated custody duties have been sub-delegated, can be consulted at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents).

The custodian is liable for the loss of financial instruments held in custody in the sense of Article 55 of the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables.

Investors can approach the institutions providing the financial services for up-to-date information regarding the identity of the custodian and its principal duties, as well as the delegation of these duties, and the identity of the institutions to which these duties have been delegated or sub-delegated, and also regarding any conflicts of interest as specified below.

### **Conflicts of interest**

The custodian will take all reasonable measures to identify conflicts of interest that may arise in the execution of its

activities between

- The custodian and management company of the Bevek, or the management companies of other beveks or funds of which the custodian holds assets;
- The custodian and the Bevek whose assets the custodian holds, or other beveks or funds of which the custodian holds assets;
- The custodian and the investors in this Bevek whose assets the custodian holds, or other beveks or funds of which the custodian holds assets;
- These parties themselves.

The custodian of the Bevek will implement and maintain effective organisational and administrative procedures in order to take all reasonable measures to detect, prevent, manage and control conflicts of interest so that they do not prejudice the interests of the aforementioned parties.

If these procedures are not sufficient to be able to assume with reasonable certainty that the interests of the aforementioned parties have not been harmed, the investors will be notified of the general nature or causes of conflicts of interest according to the procedure described on the following website: [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) (About Us > Code of conduct for conflicts of interest). Investors who wish to be informed personally of such conflicts of interest can contact the financial services providers. If necessary, the open-ended investment company's custodian will adjust its processes.

## **Statutory auditor of the Bevek**

Deloitte Bedrijfsrevisoren CVBA, Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, represented by Maurice Vrolix, company auditor and recognized auditor.

### ***Principal activities of the statutory auditor***

The statutory auditor checks whether the financial statements of the Bevek are a true and fair presentation of the financial situation of the Bevek and whether the annual report is in line with the financial statements. To determine the right working methods, the statutory auditor takes account of the existing internal audit of the Bevek in terms of drafting the financial statements and ensuring that they are true and fair.

## **Promoter**

KBC Bank NV.

### ***Principal activities of the promoter:***

The promoter promotes the Bevek and its sub-funds in the market.

### **Person(s) bearing the costs (in the situations referred to in articles 115, §3, para. 3, 149, 152, para. 2, 156, §1, para. 1, 157, §1, para. 3, 165, 179, para. 3 and 180, para. 3 of the Royal Decree of 12 November 2012 on the undertakings for collective investment complying with the conditions of Regulation 2009/65/EC)**

KBC Asset Management N.V. and/or one or more companies that are members of the KBC Group and/or the person(s) referred to under "Financial service providers".

## C. Corporate information

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### Capital

The share capital of the Bevek is at all times equal to the net asset value. The share capital may not be less than 1 200 000 euros.

### Balance sheet date

31 December.

### Rules for the valuation of the assets

See article 9 of the articles of association of the Bevek.

### Rules concerning the allocation of the net income

See article 17 of the articles of association of the Bevek.

### Annual general meeting of shareholders

The annual general meeting is held on the second-last banking day of the month of March at 9.30 am at the registered office of the Bevek or at any other place in Belgium indicated in the convening notice.

### Voting rights of the shareholders

In accordance with the articles of association and the Companies Code, the shareholder has a vote at the General Meeting of shareholders in proportion to the size of their shares.

### Suspension of the redemption of shares

See article 9.4 of the articles of association of the Bevek.

### Liquidation of the Bevek or a sub-fund

See article 19 of the articles of association of the Bevek and the applicable provisions of the Royal Decree of 12 November 2012 on the undertakings for collective investment complying with the conditions of Regulation 2009/65/EC.

## D. Techniques for efficient portfolio management

### Securities Financing Transactions (SFTs)

The following applies except in the case of the Dollar Obligatiedepot, Flexible Portfolio SRI January, High Interest Obligatiedepot, Internationaal Obligatiedepot, KBC ExpertEase Defensive Tolerant, KBC ExpertEase Dynamic Tolerant, KBC ExpertEase Highly Dynamic Tolerant, KBC ExpertEase SRI Defensive Balanced, KBC ExpertEase SRI Defensive Tolerant, KBC ExpertEase SRI Dynamic, KBC ExpertEase SRI Dynamic Balanced, KBC ExpertEase SRI Dynamic Tolerant, KBC ExpertEase SRI Highly Dynamic Tolerant sub-fund:

#### General

**Each sub-fund may lend financial instruments within the limits set by law and regulations.**

Lending financial instruments is a transaction where one a sub-fund transfers financial instruments to a counterparty subject to an undertaking on the part of that counterparty to supply the sub-fund with comparable financial instruments at some future date or on the sub-fund's request.

This takes place within the framework of a securities lending system managed by either a 'principal' or an 'agent'. If it is managed by a principal, a sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to whom title to the loaned securities is transferred. If it is managed by an agent, a sub-fund has a relationship with the agent (as manager of the system) and with one or more counterparties to whom title to the loaned securities is transferred. The agent acts as intermediary between a sub-fund and the counterparty or counterparties.

The sub-funds use the lending of financial instruments to generate additional income. This might consist of a fee paid by the principal or, in the event that the fund performs the securities lending through an agent, by the counterparty, as well as income generated through reinvestments.

**The sub-funds are not permitted to agree forms of SFTs other than lending financial instruments.**

#### General information on the SFTs used

| Type of SFT                   | Types of asset that the SFT can involve          | Maximum percentage of the assets under management that can be involved in the SFT                           | Anticipated percentage of the assets under management that will be involved in the SFT  |
|-------------------------------|--|---|---|
| Lending financial instruments | Only <b>shares</b> and <b>bonds</b> will be lent | When lending financial instruments a <b>maximum of 30% of the assets under management</b> will be involved. | <b>Depending on market conditions 0–30% of the assets under management</b> will be involved in the lending of financial instruments |

### Criteria for the selection of counterparties

Lending financial instruments only occurs with high-quality counterparties. The management company selects which counterparties qualify for the lending of financial instruments.

The selected counterparties must meet the following minimum requirements to this end:

| Legal status   | Minimum rating  | Country of origin   |
|--|---|---|
| The counterparty must belong to one of the following categories:<br><br>a) A credit institution; or<br>b) An investment firm; or<br>c) A settlement or clearing institution; or<br>d) A central bank of a member state of the European Economic Area, the European Central Bank, the European Investment Bank or a public international financial institution in which one or more European Economic Area member states participate. | Only counterparties rated as investment grade may be considered.<br><br>An investment-grade rating means: a rating equal to or higher than BBB- or Baa3 according to one or more of the following accredited rating agencies:<br><br>- Moody's (Moody's Investors Service);<br>- S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en<br>- Fitch (Fitch Ratings).<br><br>If the counterparty does not have a rating, the rating of the counterparty's parent company may be taken into consideration. | All geographical regions may be considered when selecting counterparties. |

The relationship with the counterparty or counterparties is governed by standard international agreements.

### Description of acceptable financial collateral and its valuation

When a sub-fund lends financial instruments, it receives financial collateral in return. This financial collateral protects the sub-fund fund from default on the part of the counterparty to which the financial instruments have been lent.

Each sub-fund may accept the following forms of financial collateral:

- **Cash**; and/or
- **Bonds and other debt instruments**, issued or guaranteed by the central bank of a member state of the European Economic Area, the European Central Bank, the European Union or the European Investment Bank, a member state of the European Economic Area or the Organisation for Economic Cooperation and Development, or by a public international institution in which one or more member states of the European Economic Area participate, other than the counterparty or a person associated with it, and which are permitted to trade on a regulated market; and/or
- **Participation rights in a monetary undertaking for collective investment** that complies with Directive 2009/65/EC or which meets the conditions of Article 52(1:6) of the Royal Decree of 12 November 2012 on certain public institutions for collective investment which meet the conditions of Directive 2009/65/EC, and the net asset value of which is calculated and published daily.

Where the lending of securities is agreed within the framework of a securities lending system, the financial collateral can also take the form of bonds eligible for trading on a regulated market and which have been rated as at least investment grade as described under 'Criteria for the selection of counterparties'.

The valuation of the financial collateral occurs daily in accordance with the most applicable and accurate method: mark-to-market. A daily variation margin applies based on the daily valuation. Consequently, daily margin calls are possible.

There are no limits regarding the term of the financial collateral.

## Reuse of financial collateral

**If a sub-fund receives collateral in the form of cash, it can reinvest this cash in**

- **deposits with credit institutions** which can be withdrawn immediately and which mature within a period not exceeding twelve months, provided that the registered office of the credit institution is situated within a member state of the EEA, or if the registered office is established in a third country, provided that it is subject to prudential supervisory rules which the FSMA considers as being equivalent to the rules under European Law.
- **short term money market funds** as described in the ESMA Guidelines CESR/10-049 dated 19 May 2010 on the common definition of European money market funds.
- **government bonds** that are denominated in the same currency as the cash received and that meet the terms and conditions set out in the Royal Decree of 7 March 2006 on securities lending by certain undertakings for collective investment.

**Reinvesting in this way can eliminate the credit risk to which a sub-fund is exposed concerning the collateral in respect of the financial institution where the cash account is held, but there is still a credit risk in respect of the issuer or issuers of the debt instrument(s). The management company may delegate implementation of the reinvestment policy to a third party, including the agent managing the securities lending system.**

Reinvestment in deposits at the same credit institution may not exceed 10% of the sub-fund's total assets. Reinvestment in bonds issued by the same public authority may not exceed 20% of the sub-fund's total assets.

## Policy on the diversification of collateral and the correlation policy

**A sub-fund is not permitted to accept financial collateral issued by the party offering them.**

A sub-fund's exposure to financial collateral issued by the same issuer may not exceed 20% of the sub-fund's net assets.

## Holding of the financial collateral

The financial collateral will be held in the following manner:

- for cash: held in a cash account; and
- for financial collateral that is not cash: registration in a custody account.

The custodian of the financial collateral and/or the entity to which certain tasks relating to the custody of the financial collateral has been delegated is not necessarily the same entity as the custodian of the Beveke's assets, as stated under 'B. Service providers to the Beveke'.

## Influence of SFTs on a sub-fund's risk profile

**This lending does not affect a sub-fund's risk profile since:**

- The choice of principal, agent and every counterparty is subject to strict selection criteria.
- The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect management of a sub-fund's assets.
- The return of securities similar to the securities that have been lent is guaranteed by the principal or the agent, as applicable. A margin management system is used to ensure that a sub-fund is at all times the beneficiary of financial security (collateral) in the form of cash or other or other specific types of securities with a low risk, such as government bonds, in case the principal or the counterparty (if a sub-fund uses an agent) does not return similar securities. The actual value of the collateral in the form of specific types of securities with a low risk must at all times exceed the actual value of the loaned securities by 5%. Furthermore, when calculating the value of the specific types of securities with a low risk provided as collateral, a margin of 3% is applied, which should prevent a negative change in price resulting in their actual value no longer exceeding the actual value of the securities. The value of the collateral in the form of cash must at all times exceed the actual value of the loaned securities.
- The criteria met by the collateral are such as to limit the credit risk. A rating of at least investment grade is required in the case of collateral in the form of bonds and other debt instruments. In the case of collateral in the form of participation rights in monetary undertakings for collective investment, the inherent diversification of these undertakings limits the credit risk. In the case of cash that is reinvested, a rating of at least investment grade is required when reinvesting in either deposits or government bonds. In the case of reinvestment in short-term money-market funds, the inherent diversification of these funds limits the credit risk.
- The criteria met by these types of collateral are such as to limit the liquidity risk. It must be possible to value the financial collateral on a daily basis by market price or to withdraw it on demand (on reinvestment of cash in deposits).
- In the case of reinvestment of cash, there are additional criteria to limit the market risk associated with the initial values in cash. When reinvesting bonds, only bonds with a remaining term to maturity of no more than one year may be considered. The shortness of this remaining term results in a low sensitivity to interest rate movements. In the case of reinvestment in short-term money-market funds, the low duration of these funds limits the market risk with respect to the initial value in cash.

- The custody of financial collateral consisting of securities occurs by placing the securities in custody accounts which, in the event of the custodian's bankruptcy, are held outside its insolvent estate. The custody of financial collateral consisting of cash occurs by holding it in cash accounts, whether or not segregated. The extent to which the custody of financial collateral consisting of cash occurs in non-segregated accounts has no influence, however, on the sub-fund's risk profile.
- Operational risks are limited by operational controls, in the shape of daily control of the market values of loaned securities and collateral and reconciliation of internal and external data.

### **Distribution policy for returns on the utilised SFTs**

**By lending securities, a sub-fund can generate additional income, which might consist of a fee paid by the principal or the counterparty (if a sub-fund uses an agent) as well as income generated through reinvestments. After deducting the direct and indirect charges – set at a flat rate of 35% of the fee received and consisting of the charges for the clearing services provided by KBC Bank NV, the charges paid to the management company for setting up and monitoring the system for lending securities, the charges for margin management, the charges associated with cash and custody accounts and cash and securities transactions, the fee paid for any management of reinvestments and, if a sub-fund uses an agent, the fee paid to the agent. This income is paid to a sub-fund. It should be noted in this regard that KBC Bank NV is an entity affiliated with the management company.**

**More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the Bevek.**

### **General strategy for hedging the exchange rate risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, a sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, that is recognised and that is open to the public or, that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, a sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

## **E. Social, ethical and environmental aspects**

**The following shall apply in the case of structured sub-funds (CSOB Buyback Spolocnosti 1, CSOB Europsky Rast 1, CSOB Financie 1, CSOB Globalny Rast EUR 1, CSOB Globalny Rast 2, CSOB Kratkodobych prilezitosti 2, CSOB Smart Start 1, CSOB Stredny Vyber 1, CSOB Svet s Bonusom Rodina 1, CSOB Svet s Bonusom Energie 1, CSOB Svet s Nemeckym Bonusom 1, Investicna Prilezitost):**

For the investments described in the individual information regarding the sub-funds in 'Characteristics of bonds and other debt instruments' the following rules apply.

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

**The following shall apply in the case of non-structured sub-funds (2030, 2035, 2040, Access Fund China, Access Fund CSOB Cesky Akciovy (PX®), Access Fund Russia, Access Fund Vietnam, Access India Fund, Comfort Defensive, Comfort Dynamic, Comfort Dynamic High, Comfort Pro August 90, Comfort Pro February 90, Comfort Pro May 90, Comfort Pro November 90, Comfort SRI Defensive, Comfort SRI Dynamic, Comfort SRI Dynamic High, CSOB Komoditni Fond, Dollar Obligatiedepot, Europees Obligatiedepot, Flexible Plan, Flexible Portfolio July, Flexible Portfolio SRI January, Global Flexible Allocation, Global Flexible Allocation Wealth January, Global Flexible Allocation Wealth July, High Interest Obligatiedepot, Internationaal Obligatiedepot, KBC ExpertEase Business Defensive Balanced, KBC ExpertEase Business Dynamic Balanced, KBC ExpertEase Defensive Balanced, KBC ExpertEase Defensive Tolerant, KBC ExpertEase Dynamic, KBC ExpertEase Dynamic Balanced, KBC ExpertEase Dynamic Tolerant, KBC ExpertEase Highly Dynamic Tolerant, KBC ExpertEase SRI Defensive Balanced, KBC ExpertEase SRI Defensive Tolerant, KBC ExpertEase SRI Dynamic, KBC ExpertEase SRI Dynamic Balanced, KBC ExpertEase SRI Dynamic Tolerant, KBC ExpertEase SRI Highly Dynamic Tolerant, Private Banking Active Stock Selection, Privileged Portfolio Defensive, Privileged Portfolio Dynamic, Privileged Portfolio Dynamic High, Privileged Portfolio Pro 85 August, Privileged Portfolio Pro 85 February, Privileged Portfolio Pro 85 May, Privileged Portfolio Pro 85 November, Privileged Portfolio Pro 90 August, Privileged Portfolio Pro 90 February, Privileged Portfolio Pro 90 May, Privileged Portfolio Pro 90 November, Privileged Portfolio Pro 95 August, Privileged Portfolio Pro 95 February, Privileged Portfolio Pro 95 May, Privileged Portfolio Pro 95 November, Strategisch Obligatiedepot, USD Low) :**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering

among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## F. Information on the risk profile of the UCITS

**Investors should take note of the general information below, the individual risks of a sub-fund which are listed under the "Information regarding the sub-fund - 3. Risk profile", as well as the "Risk and reward profile" in the key investor information document.**

The value of a share can decrease or increase and the investor may not get back the amount invested.

The UCITS risk profile is based on a recommendation by the Belgian Asset Managers Association, which is available at [www.beama.be](http://www.beama.be).

### List of risks

**The information below is a general overview of the potential risks that the investor could incur. The assessment of the risks in each sub-fund can be accessed under the 'Information regarding the sub-fund - 3. Risk profile'. There, a list of risks for the relevant sub-fund may be consulted, with an indication of the risk assessment, and a brief justification for the risk assessment.**

#### Market risk

The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio. In an equity fund, for instance, this is the risk that the equity market in question will go down and, in a bond fund, the risk that the bond market in question will fall. The higher the volatility of the market in which the UCITS invests, the greater the risk. Such markets are subject to greater fluctuations in return.

#### Credit risk

The risk that an issuer or a counterparty will default and fail to meet its obligations towards a sub-fund. This risk exists to the extent that a sub-fund invests in debt instruments. Debtor quality also affects the credit risk (e.g., an investment in a debtor with a rating, such as 'investment grade', will pose a lower credit risk than an investment in a debtor with a low rating, such as 'speculative grade'). Changes in the quality of the debtor can have an impact on the credit risk.

#### Settlement risk

The risk that settlement via a payment system will not take place as expected because payment or delivery by a counterparty fails to take place or is not in accordance with the initial conditions. This risk exists to the extent that the UCITS invests in regions where the financial markets are not yet well developed. This risk is limited in regions where the financial markets are well developed.

#### Liquidity risk

The risk that a position cannot be liquidated in a timely manner at a reasonable price. This means that the UCITS can only liquidate its assets at a less favourable price or after a certain period. The risk exists if the UCITS invests in instruments for which there is no market or a market with only limited liquidity; for example, in the case of unlisted investments and direct real estate investments. OTC derivatives may also lack liquidity.

#### Exchange or currency risk

The risk that the value of an investment will be affected by changes in exchange rates. This risk exists only to the extent that the UCITS invests in assets that are denominated in a currency that develops differently from the reference currency of the sub-fund. For instance, a sub-fund denominated in USD will not be exposed to any exchange risk when investing in bonds or equities denominated in USD, but it will be exposed to an exchange risk when investing in bonds or equities denominated in EUR.

The assessment of the exchange risk does not take account of the volatility of all currencies in which the assets in portfolio are denominated vis-à-vis the reference currency of the UCITS.

### **Custody risk**

The risk of loss of assets held in custody as a result of insolvency, negligence or fraud on the part of the custodian or a sub-custodian.

### **Concentration risk**

The risk relating to a large concentration of investments in specific assets or in specific markets. This means that the performance of those assets or markets will have a substantial impact on the value of the UCITS portfolio. The greater the diversification of the UCITS portfolio, the smaller the concentration risk. This risk will, for example, also be higher in more specialised markets (e.g., a specific region, sector or theme) than in widely diversified markets (e.g., a worldwide allocation).

### **Performance risk**

The risk to return, including the fact that the risk may vary depending on the choices made by each undertaking for collective investment, as well as the existence or absence of, or restrictions upon, any third-party security. The risk depends in part on the market risk and on how active the management of the manager is.

### **Capital risk**

The risks to capital, including the potential risk of erosion due to the redemption of shares and the distribution of profit in excess of the investment return. This risk can be limited by loss-mitigation, capital-protection or capital-guarantee techniques.

### **Flexibility risk**

Inflexibility both within the product itself, including the risk of premature redemption, and constraints on switching to other providers. This risk can mean that the UCITS is unable to take the desired actions at certain times. It can be higher in the case of UCITS or investments subject to restrictive laws or regulations.

### **Inflation risk**

This risk is dependent on inflation. It applies, for example, to bonds with a long term to maturity and a fixed income.

### **Environmental factors**

Uncertainty concerning the changeability of environmental factors (such as the tax regime or amendments to laws or regulations) that could affect how the UCITS operates.

## **Synthetic risk and reward indicator**

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of a sub-fund's potential return and the risk involved, calculated in the currency in which a sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

## **G. Fees and charges regarding the Bevek**

A detailed overview of the fees and charges of each sub-fund can be accessed in the "Information regarding the sub-fund - 5. Types of shares and fees and charges".

### **Recurrent fees and charges**

| <b>Recurrent fees and charges paid by the Bevek</b>  |   |
|--|---|
| Fees paid to directors who are not responsible for the executive management of the Bevek, insofar as the General Meeting has approved said fees. | 250 EUR per meeting attended, linked to the director's actual attendance of/participation in the meetings of the Board of Directors. This fee is divided across all the sub-funds marketed. |

| Recurrent fees and charges paid by the sub-fund |  |
|---|--|
| Fee paid to the statutory auditor of the Beveik | Fee of the statutory auditor:<br>1844 EUR/year (excluding VAT) for non-structured sub-funds<br>1082 EUR/year (excluding VAT) for structured sub-funds<br>These amounts can be indexed on an annual basis in accordance with the decision of the General Meeting. |

## Ongoing charges

The key investor information sets out the ongoing charges, as calculated in accordance with the provisions of Commission Regulation (EC) No. 583/2010 of 1 July 2010.

The ongoing charges are the charges taken from the UCITS over a financial year. They are shown in a single figure that represents all annual charges and other payments taken from the assets over the defined period and for a sub-fund and that is based on the figures for the preceding year. This figure is expressed as a percentage of the average net assets per sub-fund or, where relevant, of the share class.

The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

## Portfolio turnover rate

An important indicator for estimating the transaction costs to be paid by a sub-fund is the portfolio turnover rate. This rate shows the frequency with which the composition of the assets changes during a year as a result of transactions not dependent on the subscription for or redemption of shares. Active asset management may result in high turnover rates. The portfolio turnover rate for the preceding year is given in the annual report.

## Existence of Commission Sharing Agreements

**For the following sub-funds exist Commission Sharing Agreements: Access Fund China, Access Fund Vietnam, Private Banking Active Stock Selection**

**For the following sub-funds don't exist Commission Sharing Agreements: 2030, 2035, 2040, Access Fund CSOB Cesky Akciovy (PX®), Access Fund Russia, Access India Fund, Comfort Defensive, Comfort Dynamic, Comfort Dynamic High, Comfort Pro August 90, Comfort Pro February 90, Comfort Pro May 90, Comfort Pro November 90, Comfort SRI Defensive, Comfort SRI Dynamic, Comfort SRI Dynamic High, CSOB Buyback Spolocnosti 1, CSOB Europsky Rast 1, CSOB Financie 1, CSOB Globálny Rast 2, CSOB Globalny Rast EUR 1, CSOB Komoditni Fond, CSOB Kratkodobych prilezitosti 2, CSOB Smart Start 1, CSOB Stredny Vyber 1, CSOB Svet s Bonusom Energie 1, CSOB Svet s Bonusom Rodina 1, CSOB Svet s Nemeckym Bonusom 1, Dollar Obligatiedepot, Europees Obligatiedepot, Flexible Plan, Flexible Portfolio July, Flexible Portfolio SRI January, Global Flexible Allocation, Global Flexible Allocation Wealth January, Global Flexible Allocation Wealth July, High Interest Obligatiedepot, Internationaal Obligatiedepot, Investicna Prilezitost, KBC ExpertEase Business Defensive Balanced, KBC ExpertEase Business Dynamic Balanced, KBC ExpertEase Defensive Balanced, KBC ExpertEase Defensive Tolerant, KBC ExpertEase Dynamic, KBC ExpertEase Dynamic Balanced, KBC ExpertEase Dynamic Tolerant, KBC ExpertEase Highly Dynamic Tolerant, KBC ExpertEase SRI Defensive Balanced, KBC ExpertEase SRI Defensive Tolerant, KBC ExpertEase SRI Dynamic, KBC ExpertEase SRI Dynamic Balanced, KBC ExpertEase SRI Dynamic Tolerant, KBC ExpertEase SRI Highly Dynamic Tolerant, Privileged Portfolio Defensive, Privileged Portfolio Dynamic, Privileged Portfolio Dynamic High, Privileged Portfolio Pro 85 August, Privileged Portfolio Pro 85 February, Privileged Portfolio Pro 85 May, Privileged Portfolio Pro 85 November, Privileged Portfolio Pro 90 August, Privileged Portfolio Pro 90 February, Privileged Portfolio Pro 90 May, Privileged Portfolio Pro 90 November, Privileged Portfolio Pro 95 August, Privileged Portfolio Pro 95 February, Privileged Portfolio Pro 95 May, Privileged Portfolio Pro 95 November, Strategisch Obligatiedepot, USD Low**

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

### What the Commission Sharing Agreement entails:

The Management Company, or where appropriate, the appointed manager can ask the broker to pay invoices on their behalf for a number of goods and services provided. The broker will then pay those invoices using the savings that have been built up to a certain percentage above the gross commission that it receives from the sub-funds for carrying out transactions.

### N.B.:

Only goods and services that assist the Management Company, or where applicable, the appointed manager in managing the sub-funds in the interest of this a sub-fund can be covered by a Commission Sharing Agreement.

### **Goods and services eligible for a Commission Sharing Agreement:**

- Research-related and advice-related services;
- Portfolio valuation and analysis;
- Market information and related services;
- Return analysis;
- Services related to market prices;
- Computer hardware linked to specialised computer software or research services;
- Dedicated telephone lines;
- Fees for seminars when the topic is relevant to investment services;
- Publications when the topic is relevant to investment services;
- All other goods and services that contribute directly or indirectly to achieving the investment objectives of the sub-funds.

The Management Company, or where appropriate, the appointed manager has laid down an internal policy as regards entering into Commission Sharing Agreements and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

More information on Commission Sharing Agreements is available in the annual report.

### **Existence of fee sharing agreements and rebates**

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 70%. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Groep NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by a sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the General Meeting.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's shares by using multiple distribution channels.

It is in the interests of the holders of shares of a sub-fund and of the distributor for the largest possible number of shares to be sold and for the assets of a sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## **H. Tax treatment**

### **Of the Bevek**

#### **Annual tax on undertakings for collective investment**

The following tax is due payable by the Bevek :

|  |   |   |
|--|---|---|
| Annual tax on undertakings for collective investment | 0.0925% (0.01% for institutional share classes) | of the net amounts outstanding in Belgium on 31 December of the preceding year. The amounts already included in the tax base of the underlying undertakings for collective investment are not included in the tax base. |
|--|---|---|

Furthermore tax withheld at the source on foreign income is recovered by the Bevek (in accordance with double taxation conventions).

#### **Feeders**

For the feeder subfunds, Dollar Obligatiedepot, High Interestobligatiedepot and Internationaal Obligatiedepot, applies that the investment by the feeder in the master has no tax consequences.

## Of the investor

The following tax-related information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring shares should seek the advice of their usual financial and tax advisers.

### Withholding tax

This tax is charged at 30% as of 1.1.2017.

#### For investors subject to personal income tax or tax on legal entities

##### Tax on dividends (distribution shares)

For investors subject to personal income tax or to tax on legal entities and who have received this income through the normal management of their assets, the withholding tax is automatically the final tax on this income.

##### Tax on debt claim returns (Article 19bis of the 1992 Income Tax Code)

If the percentage of debt claims is more than 25% (for shares acquired as of 1 January 2018, this percentage is lowered to 10%), both the capitalisation and distribution shares of the UCITS will, on redemption or in the event of the full or partial distribution of the equity capital or in the event of transfer for a consideration, fall within the scope of Article 19bis of the 1992 Income Tax Code. On the basis of that article, tax will be levied on the debt claim returns included in the redemption, transfer or repayment price according to the period in which the investor held the shares.

Article 19bis of the 1992 Income Tax Code applies only to shareholders who are subject to Belgian personal income tax and to common mutual funds.

#### For investors subject to corporation tax

The withholding tax is not the final tax on this income. The income (dividends and capital gains) will be subject to Belgian corporation tax.

### Stock market tax

For non-institutional share classes\*:

|                  | Subscription | Redemption   | Switching between sub-funds  |
|------------------|--------------|--|--|
| Stock market tax | -            | CAP (capitalisation shares):<br>At maturity and on the Early Exercise Date (if applicable):<br>0%<br>Else: 1.32% (max. 4 000 euros)<br><br>DIS (distribution shares): 0% | CAP -> CAP/DIS : 1.32%<br>(max. 4 000 EUR)<br><br>DIS-> CAP/DIS : 0% |

\* No stock market tax is applicable to institutional share classes.

### Obligatory automatic exchange of information for tax purposes

Under Belgian law, the Beveik is obliged to collect certain information on its investors and to automatically disclose information to the Belgian tax authorities regarding investors with tax obligations in the US or with place of residence for tax purposes outside Belgium. The Belgian tax authorities may only use the information received from the Beveik to pass them on to foreign competent authorities for tax purposes. The disclosed information will, in addition to the details identifying investors, such as their names, addresses and places and dates of birth, include financial details of the investment in the Beveik over a certain reference period.

## I. Additional information

### Information sources

The prospectus, the key investor information, the articles of association, the annual and half-yearly reports and, where relevant, full information on the other sub-funds may be obtained free of charge from the financial services providers before or after subscription to the shares.

The ongoing charges and the portfolio turnover rate for preceding periods can be obtained from the registered office of the Beveik at Havenlaan 2, B-1080 Brussels, Belgium.

The following documents and information are available at [www.kbc.be/investing](http://www.kbc.be/investing): key investor information, the prospectus, the most recently published annual and half-yearly reports.

The past performance of each sub-fund is provided in the annual report.

The Board of Directors of the Bevek is responsible for the content of the prospectus and the key investor information. To the best of the Board of Directors of the Bevek's knowledge, the information contained in the prospectus and the key investor information is true and correct and nothing has been omitted that would alter the import of either the prospectus or the key investor information.

In accordance with article 10.3 of the articles of association, and subject to legal requirements, the Board of Directors is empowered to set the investment policy for each sub-fund. The Board of Directors may change the investment policy set out in the prospectus and in the key investor information document.

### **Publication of the net asset value**

The net asset value is available from the branches of the institutions providing the financial services. Following calculation, it is published in the financial press (L'Echo and De Tijd) and/or on the website of Beama ([www.beama.be](http://www.beama.be)). It may also be published on the KBC Asset Management NV website ([www.kbc.be/investing](http://www.kbc.be/investing)) and/or on the websites of the institutions providing the financial services.

### **Contact point where additional information may be obtained if needed**

Product and Knowledge Management Department- APC  
KBC Asset Management NV  
Havenlaan 2  
1080 Brussels  
Belgium  
Tel. KBC Live 078 152 153 (N) – 078 152 154 (F)

## **J. Prohibition of offer or sale**

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**This UCITS and the sub-funds of the UCITS may not be publicly offered or sold in countries where they have not been registered with the local authorities.**

The UCITS and the sub-funds of the UCITS are not registered nor will they be registered based on the United States Securities Act of 1933, as amended from time to time. It is forbidden to offer, sell, transfer or deliver shares, directly or indirectly, in the United States of America or one of its territories or possessions or any area that is subject to its jurisdiction or to a US person, as defined in the aforementioned Securities Act. The UCITS and the sub-funds of the UCITS are not registered based on the United States Investment Company Act of 1940, as amended from time to time.

## **K. Competent authority**

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Financial Services and Markets Authority (FSMA)  
Congresstraat 12-14  
1000 Brussels

The key investor information and the prospectus will be published after approval by the FSMA. This approval does not involve any assessment of the opportuneness or quality of the offer or of the circumstances of the individual making it.

The official text of the articles of association has been filed with the registry of the Commercial Court.

## **L. Use of Benchmarks**

### **Benchmarks**

The information on certain sub-funds of the Bevek included in this prospectus may refer to the use of benchmarks. In keeping with the individual sub-fund's investment policy, a benchmark is understood to be an index or a combination of different indices that serves as a reference point for measuring the performance and composition of the sub-fund's portfolio.

Unless expressly stated otherwise in the investment policy, the sub-fund referring to a benchmark is actively managed, does not passively track the composition of the benchmark index and may invest in securities not included in that index. More information on how the benchmark is used for managing sub-funds can be found in the information relating to the Bevek's sub-funds included in this prospectus.

Investors should be aware that the performance of the sub-fund may differ from the performance of the benchmark. This difference is measured by means of a tracking error, which indicates the extent of volatility between those performances. The long-term expected tracking error is given in the table below. Investors should be aware that market conditions may cause the actual tracking error to differ from the long-term expected tracking error.

### **Inclusion in the European Securities and Markets Authority's register**

Pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council (the 'Benchmark Regulation'), the Bevek is required to disclose information on the inclusion of the benchmarks' administrator in the register of approved administrators and benchmarks as established by the European Markets and Securities

Authority (the 'ESMA Register').

The Bevek will monitor the inclusion in the ESMA Register of entities acting as administrator(s) of benchmarks used by sub-funds of the Bevek, and this by no later than the date on which the obligation for inclusion in this register takes effect for these entities. The Bevek will then amend the prospectus accordingly.

At present, reference is made to the following benchmarks:

| <b>Sub-fund</b>                      | <b>Benchmark</b>  | <b>Expected tracking error</b>  | <b>Administrator</b>            | <b>Included in ESMA-Register</b> |
|--------------------------------------|---|---|---------------------------------|----------------------------------|
| Access Fund China                    | MSCI CHINA A INTERNATIONAL Net Return Index                                   | Between 0% and 2%   | MSCI                            | Yes                              |
| Access Fund CSOB Cesky Akciovy (PX®) | PX Price Return Index (PX®)   | Between 0% and 2%   | Wiener Börse AG                 | Yes                              |
| Access Fund Russia                   | MSCI Russia Net Return Index  | Between 0% and 2%   | MSCI                            | Yes                              |
| Access Fund Vietnam                  | Ho Chi Minh Stock Net Return Index  | The sub-fund does not define an expected tracking error. More information can be found in the information regarding this sub-fund as included in this prospectus. | Ho Chi Minh City Stock Exchange | Yes                              |
| Access India Fund                    | MSCI India Net Return Index   | Between 0% and 2%   | MSCI                            | Yes                              |
| Comfort Defensive                    | iBoxx Euro Corporate bonds Total Return Index                                 | 1.5%  | MSCI                            | Yes                              |
|                                      | JP Morgan EMU Government Bonds Investment Grade 1-3 year Total Return Index   |   | J.P. Morgan Securities LLC      | Yes                              |
|                                      | MSCI AC Net Return Index  |   | Markit Indices Limited          | Yes                              |
| Comfort Dynamic                      | J.P. Morgan EMU Government Bonds Investment grade 1-5 year Total Return Index | 2%  | MSCI                            | Yes                              |
|                                      | iBoxx Euro Corporate bonds Total Return Index                                 |   | J.P. Morgan Securities LLC      | Yes                              |
|                                      | MSCI AC Net Return Index  |   | Markit Indices Limited          | Yes                              |
| Comfort Dynamic High                 | J.P. Morgan EMU Government  | 2.5%  | MSCI                            | Yes                              |

|                             |  |   |   |                                  |
|-----------------------------|--|---|---|----------------------------------|
|                             | <p>Bonds<br/>Investment grade<br/>1-5 year Total<br/>Return Index</p> <p>iBoxx Euro<br/>Corporate bonds<br/>Total Return<br/>Index</p> <p>MSCI AC Net<br/>Return Index</p>   |   | <p>J.P. Morgan<br/>Securities LLC</p> <p>Markit Indices<br/>Limited</p>             | Yes                              |
| Comfort SRI Defensive       | <p>iBoxx Euro<br/>Corporate bonds<br/>Total Return<br/>Index</p> <p>JP Morgan EMU<br/>Government<br/>Bonds<br/>Investment<br/>Grade 1-3 year<br/>Total Return<br/>Index</p> <p>MSCI AC Net<br/>Return Index</p>                  | 1.5%  | <p>MSCI</p> <p>J.P. Morgan<br/>Securities LLC</p> <p>Markit Indices<br/>Limited</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |
| Comfort SRI Dynamic         | <p>J.P. Morgan<br/>EMU<br/>Government<br/>Bonds<br/>Investment grade<br/>1-5 year Total<br/>Return Index</p> <p>iBoxx Euro<br/>Corporate bonds<br/>Total Return<br/>Index</p> <p>MSCI AC Net<br/>Return Index</p>                | 2%  | <p>MSCI</p> <p>J.P. Morgan<br/>Securities LLC</p> <p>Markit Indices<br/>Limited</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |
| Comfort SRI Dynamic<br>High | <p>MSCI All<br/>Countries Net<br/>Return Index</p> <p>J.P. Morgan<br/>EMU<br/>Government<br/>Bonds<br/>Investment grade<br/>1-5 year Total<br/>Return Index</p> <p>iBoxx Euro<br/>Corporate bonds<br/>Total Return<br/>Index</p> | 2.5%  | <p>MSCI</p> <p>J.P. Morgan<br/>Securities LLC</p> <p>Markit Indices<br/>Limited</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |
| CSOB Komoditni Fond         | <p>Bloomberg<br/>Commodity ex-<br/>Agriculture and<br/>Livestock<br/>Capped-index</p>  | The sub-fund does not define an expected tracking error. More information can be found in the information regarding this sub- | Bloomberg   | Yes                              |

|                               |   | fund as included in this prospectus. |  |                                      |
|-------------------------------|---|--------------------------------------|--|--------------------------------------|
| Dollar Obligatiedepot         | JP Morgan Government Bond Index (GBI) United States   | 1.25%                                | J.P. Morgan Securities LLC   | Yes                                  |
| Europees Obligatiedepot       | iBoxx Euro Corporate bonds Total Return Index<br><br>JP Morgan EMU Government Bonds Investment Grade 1-3 year Total Return Index  | 0.5%                                 | J.P. Morgan Securities LLC<br><br>Markit Indices Limited             | Yes<br><br>Yes                       |
| High Interest Obligatiedepot  | JPM GBI Global Unhedged EUR<br><br>JPM GBI Emerging Markets Global Diversified Composite Unhedged   | 1.5%                                 | J.P. Morgan Securities LLC   | Yes<br><br>Yes                       |
| Internationaal Obligatiedepot | JPM EMU IG<br><br>JPM GBI Japan<br><br>JPM GBI UK<br><br>JPM GBI US   | 0.75%                                | J.P. Morgan Securities LLC   | Yes<br><br>Yes<br><br>Yes<br><br>Yes |
| KBC ExpertEase Dynamic        | MSCI All Countries Net Return Index<br><br>J.P. Morgan EMU Government Bonds Investment grade 1-5 year Total Return Index<br><br>iBoxx Euro Corporate bonds Total Return Index | 2%                                   | MSCI<br><br>J.P. Morgan Securities LLC<br><br>Markit Indices Limited | Yes<br><br>Yes<br><br>Yes            |
| KBC ExpertEase SRI Dynamic    | J.P. Morgan EMU Government Bonds Investment grade 1-5 year Total Return Index<br><br>iBoxx Euro Corporate bonds Total Return Index<br><br>MSCI AC Net Return Index            | 2%                                   | MSCI<br><br>J.P. Morgan Securities LLC<br><br>Markit Indices Limited | Yes<br><br>Yes<br><br>Yes            |

|                                      |  |      |  |                           |
|--------------------------------------|--|------|--|---------------------------|
| Privileged Portfolio<br>Defensive    | iBoxx Euro<br>Corporate bonds<br>Total Return<br>Index<br><br>JP Morgan EMU<br>Government<br>Bonds<br>Investment<br>Grade 1-3 year<br>Total Return<br>Index<br><br>MSCI AC Net<br>Return Index   | 1.5% | MSCI<br><br>J.P. Morgan<br>Securities LLC<br><br>Markit Indices<br>Limited | Yes<br><br>Yes<br><br>Yes |
| Privileged Portfolio<br>Dynamic      | J.P. Morgan<br>EMU<br>Government<br>Bonds<br>Investment grade<br>1-5 year Total<br>Return Index<br><br>iBoxx Euro<br>Corporate bonds<br>Total Return<br>Index<br><br>MSCI AC Net<br>Return Index | 2%   | MSCI<br><br>J.P. Morgan<br>Securities LLC<br><br>Markit Indices<br>Limited | Yes<br><br>Yes<br><br>Yes |
| Privileged Portfolio<br>Dynamic High | J.P. Morgan<br>EMU<br>Government<br>Bonds<br>Investment grade<br>1-5 year Total<br>Return Index<br><br>iBoxx Euro<br>Corporate bonds<br>Total Return<br>Index<br><br>MSCI AC Net<br>Return Index | 2.5% | MSCI<br><br>J.P. Morgan<br>Securities LLC<br><br>Markit Indices<br>Limited | Yes<br><br>Yes<br><br>Yes |
| Strategisch<br>Obligatiedepot        | J.P. Morgan<br>EMU<br>Government<br>Bonds<br>Investment grade<br>1-5 year Total<br>Return Index<br><br>iBoxx Euro<br>Corporate bonds<br>Total Return<br>Index                                    | 1%   | J.P. Morgan<br>Securities LLC<br><br>Markit Indices<br>Limited             | Yes<br><br>Yes            |
| USD Low                              | J.P. Morgan<br>EMU<br>Government<br>Bonds<br>Investment grade<br>1-5 year Total<br>Return Index  | 1.5% | MSCI<br><br>J.P. Morgan<br>Securities LLC<br><br>Markit Indices            | Yes<br><br>Yes<br><br>Yes |

|  |  |  |         |  |
|--|--|--|---------|--|
|  | iBoxx corporate<br>USD Total<br>Return Index |  | Limited |  |
|  | MSCI USA - Net<br>Return Index               |  |         |  |

### Contingency plan

The Management Company of the Bevek has drafted a contingency plan on the actions to be taken in case a benchmark used by one or more of the UCI's sub-funds materially changes or ceases to be provided.

Examples of situations in which a benchmark materially changes are, but not limited to:

- The benchmark or its administrator is delisted from ESMA's register;
- The geographical, economical or sectorial scope of the benchmark significantly changes; and
- A new benchmark becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the fund's investors.

Examples of situations where a benchmark ceases to be provided are, but not limited to:

- The benchmark ceases to exist;
- The benchmark administrator withdraws the license to use the benchmark; and
- A new benchmark supersedes the existing benchmark.

In case a benchmark used by one or more sub-funds of the UCITS, materially changes or ceases to be provided, a suitable replacing benchmark will be sought after.

Consideration which will be taken into account in the course of selecting a replacement benchmark are, but not limited to:

- The geographical, economical or sectorial scope of the new benchmark is in line with the existing benchmark;;
- Preference will be given to benchmarks that are regarded as the market standard for investors in the particular market; and
- Preference will be given to administrators with an existing license with KBC AM, should this result in lower costs.

If no replacement benchmark can be found, an alternative solution can be used such as amending the sub-fund's investment policy or proposing the fund's liquidation.

The principles stated above and in the contingency plan are without prejudice to the provisions stipulated in the Information concerning the sub-funds.

# Information concerning the sub-fund 2030

## 1. Basic details

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### Name

2030

### Date of incorporation

28 September 2015

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. As a result of the application of this article, the sub-fund '2030' of the public mutual investment fund merged opting for investments that meet the conditions of Directive 2009/65/EC IN.focus ('IN.focus 2030') on 16 November 2018 by creating the sub-fund Horizon 2030.

Since this operation involves transferring all the rights and obligations of the founding sub-fund, IN.focus 2030, to the created sub-fund, Horizon 2030, it has no impact whatsoever on the continuity of the founding sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 16 November 2018 in this prospectus in its entirety. As a consequence, all data relating to Horizon 2030 and dating from the period prior to 16 November 2018 are data relating to the founding sub-fund, IN.focus 2030.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit-holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

Horizon 2030 aims to generate as high a return as possible by investing, either directly or indirectly (e.g., via other UCIs), in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments and cash.

A target allocation is applied to these assets, which changes over time. The weighting of the stock component is gradually reduced as the target date of 31 October 2030 approaches. This sub-fund is aimed at investors with an investment horizon corresponding to the target date.

The target allocation for the stock component is 25% plus (number of full years until target date) multiplied by 1.25% and, after the target date, always amounts to 25%. The target allocation for the bond component is 100% minus the target allocation for the stock component.

The target allocation of the asset classes can be substantially deviated from, including after the target date, based on changing market conditions. On the one hand, the manager can overweight the stock component by up to 25% above the target allocation. On the other, the manager may temporarily reduce the stock component to zero.

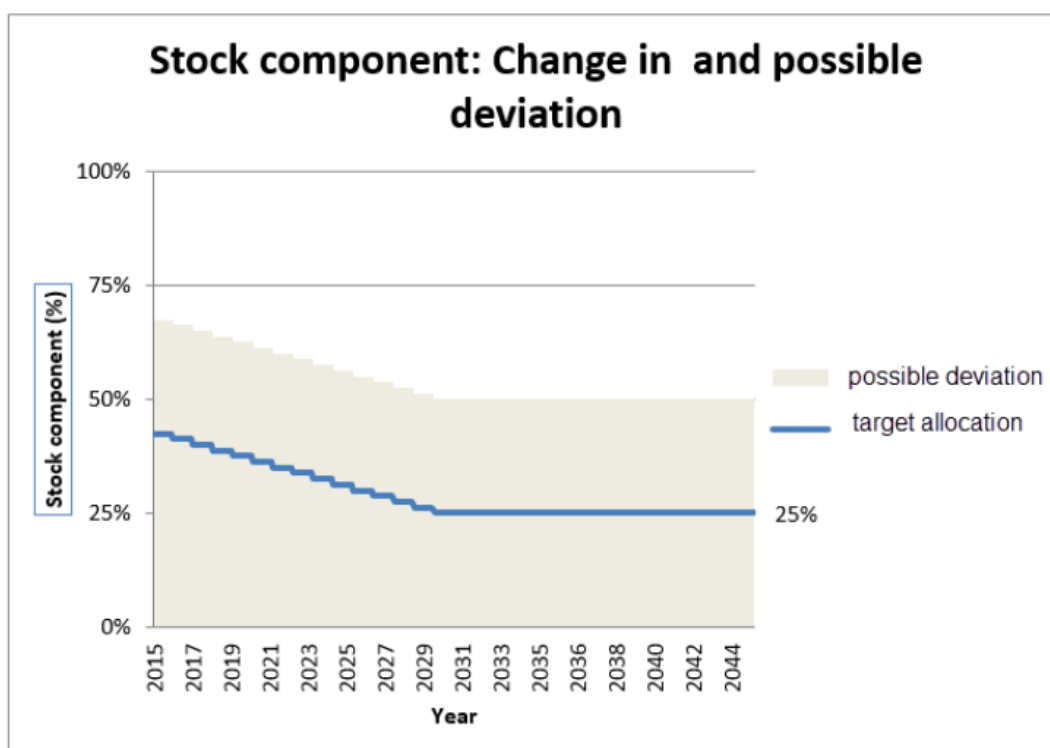
The manager will rearrange the weighting at least once a month:

- If the stock component has performed better than the bond component in the recent past, the share position will be increased.

- If the stock component has performed less well than the bond component in the recent past, the bond position will be increased.

The scale of this rearrangement will depend on the stability with which the difference in recent performance between the stock and bond components has come about.

The stock component invests directly or indirectly in shares in accordance with the investment strategy for shares drawn up by KBC Asset Management NV, for which all regions, sectors and themes can be taken into consideration. The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.



The stock component invests directly or indirectly in shares in accordance with the investment strategy for shares drawn up by KBC Asset Management NV, for which all regions, sectors and themes can be taken into consideration.

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The fund is actively managed without referring to any benchmark.

#### Characteristics of the bonds and debt instruments

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

#### Investments in assets other than securities or money market instruments

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# 2030

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6279064602     | 28 September 2015 through 2 November 2015 before 6 am CET<br><br>Settlement for value: 5 November 2015 | 3 November 2015  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | Max 1.54%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.54% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund 2035

## 1. Basic details

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### Name

2035

### Date of incorporation

28 September 2015

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the sub-fund “2035” of the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC IN.focus (hereinafter referred to as “IN.focus 2035”) merged on 8 February 2019 by the foundation of the sub-fund 2035 of the investment company Horizon (hereinafter referred to as “Horizon 2035”).

Since the operation leads to a transfer of all assets and liabilities of the dissolved fund, IN.focus 2035, to the newly established sub-fund, Horizon 2035, the operation has no influence on the continuity of the establishing sub-fund. In order to clearly reflect this, all information before 8 February 2019 has been retained in this prospectus, the result of which is that data concerning Horizon 2035 predating 8 February 2019 are to be considered as data concerning the dissolved fund, IN.focus 2035.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit-holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

Horizon 2035 aims to generate as high a return as possible by investing, either directly or indirectly (e.g., via other UCIs), in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments and cash.

A target allocation is applied to these assets, which changes over time. The weighting of the stock component is gradually reduced as the target date of 31 October 2035 approaches. This sub-fund is aimed at investors with an investment horizon corresponding to the target date.

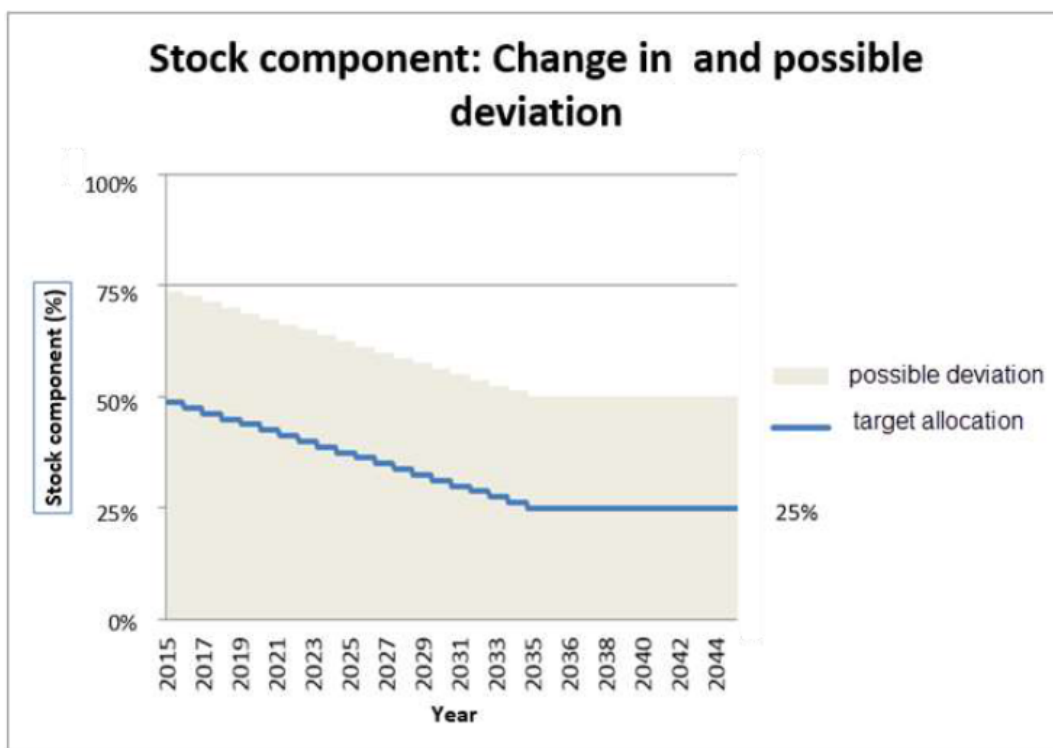
The target allocation for the stock component is 25% plus (number of full years until target date) multiplied by 1.25% and, after the target date, always amounts to 25%. The target allocation for the bond component is 100% minus the target allocation for the stock component.

The target allocation of the asset classes can be substantially deviated from, including after the target date, based on changing market conditions. On the one hand, the manager can overweight the stock component by up to 25% above the target allocation. On the other, the manager may temporarily reduce the stock component to zero.

The manager will rearrange the weighting at least once a month:

- If the stock component has performed better than the bond component in the recent past, the share position will be increased.
- If the stock component has performed less well than the bond component in the recent past, the bond position will be increased.

The scale of this rearrangement will depend on the stability with which the difference in recent performance between the stock and bond components has come about.



The stock component invests directly or indirectly in shares in accordance with the investment strategy for shares drawn up by KBC Asset Management NV, for which all regions, sectors and themes can be taken into consideration.

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# 2035

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6279062580     | 28 September 2015 through 2 November 2015 before 6 am CET<br><br>Settlement for value: 5 November 2015 | 3 November 2015  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | Max 1.54%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.54% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund 2040

## 1. Basic details

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### Name

2040

### Date of incorporation

28 September 2015

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the sub-fund “2040” of the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC IN.focus (hereinafter referred to as “IN.focus 2040”) merged on 8 February 2019 by the foundation of the sub-fund 2040 of the investment company Horizon (hereinafter referred to as “Horizon 2040”).

Since the operation leads to a transfer of all assets and liabilities of the dissolved fund, IN.focus 2040, to the newly established sub-fund, Horizon 2040, the operation has no influence on the continuity of the establishing sub-fund. In order to clearly reflect this, all information before 8 February 2019 has been retained in this prospectus, the result of which is that data concerning Horizon 2040 predating 8 February 2019 are to be considered as data concerning the dissolved fund, IN.focus 2040.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit-holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

Horizon 2040 aims to generate as high a return as possible by investing, either directly or indirectly (e.g., via other UCIs), in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments and cash.

A target allocation is applied to these assets, which changes over time. The weighting of the stock component is gradually reduced as the target date of 31 October 2040 approaches. This sub-fund is aimed at investors with an investment horizon corresponding to the target date.

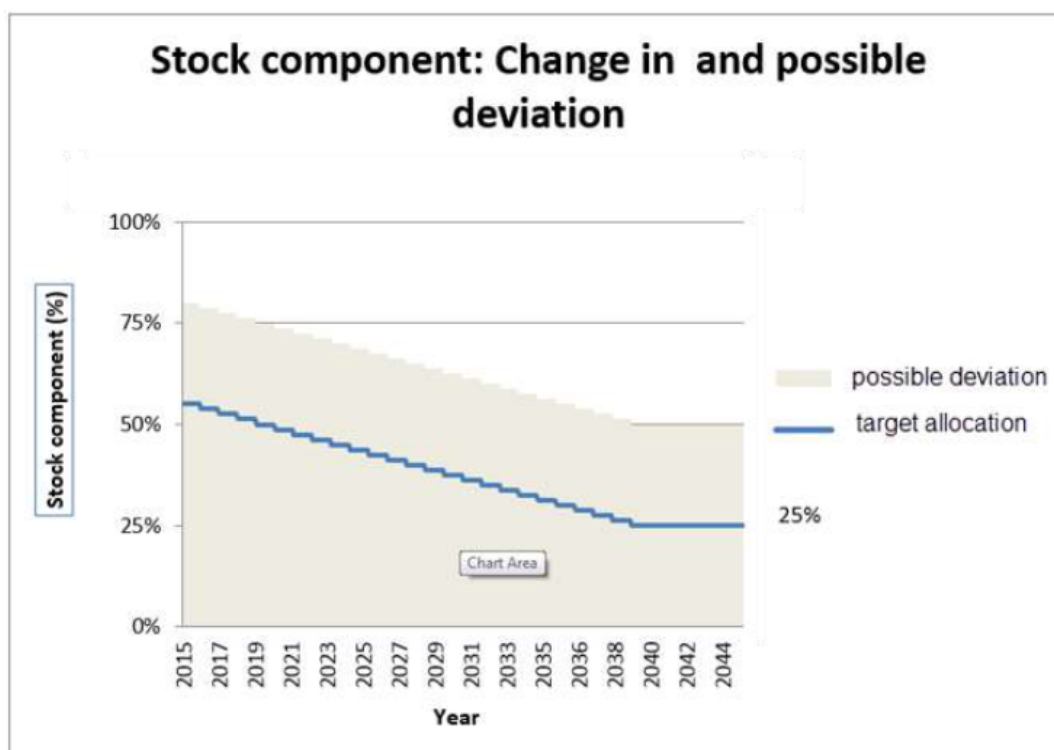
The target allocation for the stock component is 25% plus (number of full years until target date) multiplied by 1.25% and, after the target date, always amounts to 25%. The target allocation for the bond component is 100% less the target allocation for the stock component.

The target allocation of the asset classes can be substantially deviated from, including after the target date, based on changing market conditions. On the one hand, the manager can overweight the stock component by up to 25% above the target allocation. On the other, the manager may temporarily reduce the stock component to zero.

The manager will rearrange the weighting at least once a month:

- If the stock component has performed better than the bond component in the recent past, the share position will be increased.
- If the stock component has performed less well than the bond component in the recent past, the bond position will be increased.

The scale of this rearrangement will depend on the stability with which the difference in recent performance between the stock and bond components has come about.



The stock component invests directly or indirectly in shares in accordance with the investment strategy for shares drawn up by KBC Asset Management NV, for which all regions, sectors and themes can be taken into consideration.

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The fund is actively managed without referring to any benchmark.

#### Characteristics of the bonds and debt instruments

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

#### Investments in assets other than securities or money market instruments

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# 2040

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6279061574     | 28 September 2015 through 2 November 2015 before 6 am CET<br><br>Settlement for value: 5 November 2015 | 3 November 2015  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | Max 1.54%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.54% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Access Fund China

## 1. Basic details

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### Name

Access Fund China

### Date of incorporation

31 October 2008

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk.** In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title.

The assets are invested primarily, directly or indirectly, in Chinese A shares of companies included in the MSCI CHINA A INTERNATIONAL Net Return Index.

A shares are shares of Chinese companies listed on the Shanghai or Shenzhen stock exchange in the local currency (renminbi). These shares are only available to local Chinese investors and a limited number of foreign institutional investors.

An investment in the sub-fund is subject to the risks associated with uncertainty about taxation of capital gains realised on Chinese A shares held by foreign institutional investors with a QFII (Qualified Foreign Institutional Investors) licence. The sub-fund sets aside accounting provisions to cover payment of this tax. The way in which provisions are set aside may be changed, without shareholders being notified, in accordance with changes in Chinese legislation.

## Benchmark-tracking

**The objective of the sub-fund is to track the composition of an benchmark in accordance with and within the limits of Article 63 of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: MSCI China A International Net Return Index. Additional information on this benchmark and its composition is available at [www.msci.com](http://www.msci.com).

Benchmark(s) tracking method: physical replication using optimised sampling: the benchmark is tracked using a selection of shares in the benchmark in order to best replicate the benchmark. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling and to avoid the attendant transaction charges.

The benchmark is rebalanced every quarter. The more often an benchmark is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Given normal market conditions, the expected tracking error is between 0% and 2%. Possible causes of this

tracking error could be the method used to track the benchmark, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments and the use of Depository Receipts.

**If the composition of the benchmark is no longer sufficiently diversified or if the benchmark is no longer sufficiently representative of the market it relates to or if the value and composition of the benchmark is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.**

This fund is not sponsored, endorsed, sold or promoted by MSCI INC. ('MSCI'), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the 'MSCI parties'). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by KBC Asset Management. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this fund or the issuer or owners of this fund or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or owners of this fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this fund to be issued or in the determination or calculation of the equation by or the consideration into which this fund is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of this fund or any other person or entity in connection with the administration, marketing or offering of this fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this fund without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | moderate | since there will be invested in the shares of companies from emerging economies, there is a risk that a position cannot be sold quickly at a reasonable price.   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the US Dollar, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | high     | there is a concentration of the investments in shares of Chinese companies.  |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | none     |  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | moderate | there is uncertainty on the Chinese tax regime.  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Access Fund China - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | USD  | BE0948467015     | 19 November 2008 through 28 November 2008<br><br>Settlement for value: 3 December 2008      | 1 December 2008  | 500 USD                           |
| DIS (Distribution shares)                    | USD  | BE0948466975     | 19 November 2008 through 28 November 2008<br><br>Settlement for value: 3 December 2008      | 1 December 2008  | 500 USD                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 2.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.40%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.40% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.08%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Access Fund China - Institutional B Shares

This share class is reserved for undertakings for collective investment managed by KBC Asset Management NV or by another company related to this management company. It requires a minimum subscription of 5000 USD (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | USD  | BE6228533665     | 24 November 2011<br><br>Settlement for value:<br>29 November 2011                           | 25 November 2011   | 659.91 USD                        |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>                                     | <i>Switching between subfunds</i>                                       |
|--|---|---|---|
| Trading fee  | -   | -   | -   |
| Administrative charges                                   | -   | -   | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period:<br>max. 0.500%<br>After the initial subscription period:<br>max. 0.500% | After the initial subscription period:<br>max. 0.500% | The appropriate amount covering these costs for the sub-funds concerned |
| Amount to discourage sales within one month of purchase  | -   | -   | -   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.60%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.60% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.08%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Access Fund CSOB Cesky Akciovy (PX®)

## 1. Basic details

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### Name

Access Fund CSOB Cesky Akciovy (PX®)

### Date of incorporation

14 July 2011

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title. The assets are invested primarily in equities (or equity-related investments) figuring in the PX Price Return Index (PX®) of the Prague Stock Exchange.

## Benchmark-tracking

**The objective of the sub-fund is to track the composition of a benchmark in accordance with and within the limits of Article 63 of the Royal Decree of 12 November 2012 regarding on collective investment complying with the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: PX Price Return Index (PX®) which is composed of the most liquid stocks on the Prague Stock Exchange. Additional information on this benchmark and its composition is available at [www.pse.cz](http://www.pse.cz).

Benchmark tracking method: physical replication using optimised sampling: the benchmark is tracked using a selection of shares in the benchmark in order to best replicate the benchmark. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling and to avoid the attendant transaction charges.

The benchmark is rebalanced every quarter. The more often an benchmark is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Given normal market conditions, the expected tracking error is between 0% and 2%. Possible causes of this tracking error could be the method used to track the benchmark, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments, the use of depository receipts, and the presence in the benchmark of several components with a weighting of more than 20%.

Between two quarterly reviews, the benchmark tracked may include several positions with a weighting higher than 20%. Pursuant to legal limits, the sub-fund may only include a single position with a weighting higher than 20% (with a maximum of 35%). Consequently, the sub-fund's positions are assessed daily on the basis of the closing price of the preceding banking day, and all positions with a weighting higher than 20% (except for one) will be reduced to 20%. As a result, there may be differences between the sub-fund and the benchmark tracked, which are absorbed as far as possible by an optimisation method whereby the positions with an overly low weighting compared with the benchmark are replaced by other similar positions represented in the benchmark.

For liquidity reasons, it may also be that there are occasionally differences between the composition of the sub-fund

and that of the benchmark.

The PX Price Return Index (**PX®**) is designed, calculated and published by the Prague Stock Exchange.

The PX Price Return Index (**PX®**) is a price benchmark; its composition is determined by the market capitalisation of the shares included in the benchmark. It is calculated in CZK and published in real time by the Prague Stock Exchange. The base for the PX Price Return Index (**PX®**) was set at 1000 points on 5 April 1994.

The abbreviation of the Benchmark name is a registered trademark.

A description of the PX Price Return Index (**PX®**), together with its regulations and composition, is available at [www.pse.cz](http://www.pse.cz), which is the Prague Stock Exchange website.

A non-exclusive authorisation to use Price Return Index (**PX®**) in combination with financial products issued by an Issuer is granted through a licence agreement with the Prague Stock Exchange or the Vienna Stock Exchange.

**If the composition of the benchmark is no longer sufficiently diversified or if the benchmark is no longer sufficiently representative of the market it relates to or if the value and composition of the benchmark is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.**

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.                                      |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | low      |   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | high     | there is a concentration of the investments in shares of companies listed on the Prague Stock Exchange. |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.                                      |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |   |
| Inflation risk            | Risk of inflation   | none     |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 2 pm CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 2 pm CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Access Fund CSOB Cesky Akciovy (PX®)

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>          | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | CZK  | BE6224091866     | 14 August 2011 through 30 September 2011 before 2 pm CET<br><br>Settlement for value: 5 October 2011 | 10 October 2011  | 1000 CZK                          |
| DIS (Distribution shares)                    | CZK  | BE6224093888     | 14 August 2011 through 30 September 2011 before 2 pm CET<br><br>Settlement for value: 5 October 2011 | 10 October 2011  | 1000 CZK                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.00%<br><br>After the initial subscription period: 2.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.00%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.15%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Access Fund Russia

## 1. Basic details

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### Name

Access Fund Russia

### Date of incorporation

31 May 2006

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title. The assets are invested primarily in equities (or equity-related investments) figuring in the MSCI Russia Net Return Index. Investors are reminded that the sub-fund may invest up to 100% of its assets in depository receipts.

## Benchmark-tracking

**The objective of the sub-fund is to track the composition of an benchmark in accordance with and within the limits of Article 63 of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: MSCI Russia Net Return Index, which covers around 85% of the free-float market capitalisation in Russia. Additional information on this benchmark and its composition is available at [www.msci.com](http://www.msci.com).

Benchmark(s) tracking method: physical replication using optimised sampling: the benchmark is tracked using a selection of shares in the benchmark in order to best replicate the benchmark. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling and to avoid the attendant transaction charges.

The benchmark is rebalanced every quarter. The more often an benchmark is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Given normal market conditions, the expected tracking error is between 0% and 2%. Possible causes of this tracking error could be the method used to track the benchmark, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments and the use of Depository Receipts.

**If the composition of the benchmark is no longer sufficiently diversified or if the benchmark is no longer sufficiently representative of the market it relates to or if the value and composition of the benchmark is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.**

This fund is not sponsored, endorsed, sold or promoted by MSCI INC. ('MSCI'), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the 'MSCI parties'). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by KBC Asset Management. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this fund or the issuer or owners of this fund or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or owners of this fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this fund to be issued or in the determination or calculation of the equation by or the consideration into which this fund is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of this fund or any other person or entity in connection with the administration, marketing or offering of this fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the fund, owners of the fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this fund without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | moderate | since there will be invested in the shares of companies from emerging economies, there is a risk that a position cannot be sold quickly at a reasonable price.  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | high     | there is a concentration of the investments in shares of Russian companies.   |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | none     |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | moderate | there are political risks and other unpredictable circumstances.  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 2 pm CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 2 pm CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Access Fund Russia

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946256212     | 31 May 2006<br><br>Settlement for value:<br>6 June 2006                                     | 1 June 2006  | 500 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE0946255206     | 31 May 2006<br><br>Settlement for value:<br>6 June 2006                                     | 1 June 2006  | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period:<br>3.00%<br><br>After the initial subscription period:<br>3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.30%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.30% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Access Fund Vietnam

## 1. Basic details

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### Name

Access Fund Vietnam

### Date of incorporation

1 February 2008

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title.

The assets are invested primarily in Vietnamese shares figuring in the Ho Chi Minh Stock Net Return Index.

### Benchmark-tracking

**The objective of the sub-fund is to track the composition of an benchmark in accordance with and within the limits of Article 63 of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: Ho Chi Minh Stock Net Return Index. Additional information on this benchmark and its composition is available at [www.hsx.vn](http://www.hsx.vn).

Benchmark(s) tracking method: physical replication using optimised sampling: the benchmark is tracked using a selection of shares in the benchmark in order to best replicate the benchmark. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling and to avoid the attendant transaction charges.

The benchmark is rebalanced every quarter. The more often an benchmark is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Given normal market conditions, the expected tracking error is between 0% and 5%. Possible causes of this tracking error could be the method used to track the benchmark, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments and the use of Depository Receipts.

If the composition of the benchmark is no longer sufficiently diversified or if the benchmark is no longer sufficiently representative of the market it relates to or if the value and composition of the benchmark is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.

### ***Volatility of the net asset value***

The volatility of the net asset value may be high due to the composition of the portfolio.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | moderate | since there will be invested in the shares of companies from emerging economies, there is a risk that a position cannot be sold quickly at a reasonable price.  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | high     | there is a concentration of the investments in shares of Vietnamese companies.  |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | none     |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Access Fund Vietnam - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0948066858     | 4 February 2008 through 3 March 2008<br><br>Settlement for value: 6 March 2008              | 4 March 2008   | 500 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE0948065843     | 4 February 2008 through 3 March 2008<br><br>Settlement for value: 6 March 2008              | 4 March 2008   | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 2.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.40%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.40% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Access Fund Vietnam - Institutional B Shares

This share class is reserved for undertakings for collective investment managed by KBC Asset Management NV or by another company related to this management company. It requires a minimum subscription of 5000 EUR (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>             | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6309484226     | 23 November 2018 through 26 November 2018 before 6 am CET<br><br>Settlement for value: 29 November 2018 | 27 November 2018   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>                                  | <i>Switching between subfunds</i>                                       |
|--|---|--|---|
| Trading fee  | -   | -  | -   |
| Administrative charges                                   | -   | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: max. 0.500%<br>After the initial subscription period: max. 0.500% | After the initial subscription period: max. 0.500% | The appropriate amount covering these costs for the sub-funds concerned |
| Amount to discourage sales within one month of purchase  | -   | -  | -   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.60%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.60% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Access India Fund

## 1. Basic details

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### Name

Access India Fund

### Date of incorporation

29 March 2005

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title. The assets are invested primarily in equities (or equity-related investments) figuring in the MSCI India Net Return Index.

### Benchmark-tracking

**The object of the sub-fund is to track the composition of a benchmark within the meaning and limits of Article 63 of the Royal Decree of 12 November 2012 with respect to collective investment that meet the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: MSCI India Net Return Index. Additional information on this benchmark and its composition is available at: [www.msci.com](http://www.msci.com).

Method used to track the benchmark(s): physical replication based on full replication: The manager aims to include each share that forms a part of the benchmark in the sub-fund's investment portfolio, whereby each share is given the same weighting as it has in the benchmark. However, the manager retains the freedom to deviate slightly from the benchmark. Reasons for this may include: regulatory restrictions, limited liquidity of shares included in the benchmark, the restrictions mentioned in the 'Information concerning the Beveik – E. Social, ethical and environmental aspects'. The sub-fund may also make limited use of synthetic replication by way of futures, primarily in order to cushion the effects of buying and selling, and to avoid the attendant transaction charges.

The benchmark is re-balanced every six months. The more often the sub-fund is re-balanced, the greater the potential impact on transaction charges within the sub-fund.

The anticipated tracking error under normal market conditions is between 0% and 2%. Other possible causes of tracking error may be: the method used to track the benchmark, transaction charges, reinvestment of dividends, general costs borne by the sub-fund, any income from loans of financial instruments and the use of Depositary Receipts.

**Where the benchmark's composition is not sufficiently diversified, where the benchmark is insufficiently**

**representative of the market to which it relates or where the benchmark's value and composition are no longer adequately communicated, the management company must immediately notify the Board of Directors. They will examine what measures to take in investors' interests and may, if required, call a General Meeting to change the investment policy.**

This sub-fund is not sponsored, endorsed, sold or promoted by MSCI INC. ('MSCI'), any member company of its group or any of its data providers or by any other third party that is engaged or participates in the collation, calculation or creation of MSCI indexes (collectively, the 'MSCI parties'). The MSCI indexes are the exclusive property of MSCI. MSCI and the names of MSCI indexes are service marks owned by MSCI or members of its group and have been authorised for use in certain cases by KBC Asset Management. None of the MSCI parties makes any express or implied warranty or representation to the issuer, sub-fund unit holders or any other party or entity concerning the advisability of investing in funds in general or in this sub-fund in particular or concerning the MSCI index's ability to track the performance of the stock market in question. MSCI or its affiliates are the holders under licence of certain trading names, service marks and registered trademarks and of the MSCI indexes, which are determined, composed and calculated by MSCI without regard to this sub-fund, the issuer or holders of units in this sub-fund or any other party or entity. None of the MSCI parties is under any obligation to pay heed to the needs of the issuer, holders of units in the sub-fund or any other party or entity in establishing, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for establishing the time, price or number of units in the sub-fund needing to be issued or establishing or calculating the equation by which the sub-fund can be surrendered. Moreover, none of the MSCI parties has any obligation or responsibility towards the issuer or holders of units in the sub-fund concerning the managing, marketing or offering of this sub-fund.

Although MSCI obtains information to be incorporated into or used in calculating the MSCI indexes from sources that it regards as reliable, none of the MSCI parties warrants the originality, accuracy and/or completeness of any MSCI index or of any information incorporated therein. None of the MSCI parties makes any express or implied warranty as to the results that the issuer of the sub-fund, holders of units in the sub-fund or any other party or entity might receive from using any MSCI index or any information contained therein. None of the MSCI parties is liable for any error, omission or interruption in any MSCI index or in relation thereto or for any information incorporated therein. Furthermore, none of the MSCI parties makes any warranty whatsoever, express or implied, and the MSCI parties hereby disclaim all liability for merchantability or fitness for a particular purpose of any MSCI index or any information incorporated therein. Without prejudice to the generality of the foregoing, none of the MSCI parties will be liable for direct, indirect, special, punitive, consequential loss or damage or any other harm (including lost profits) even if notified of the possibility of such loss or damage.

No buyer, seller or holder of units in this sub-fund, nor any other party or entity, may use or make reference to any trading name, registered trademark or service mark of MSCI to sponsor, endorse, sell or promote this sub-fund without first verifying with MSCI whether it requires to obtain its authorisation. No party or entity may under any circumstances claim any affiliation whatsoever with MSCI without first obtaining written permission from MSCI.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | moderate | since there will be invested in the shares of companies from emerging economies, there is a risk that a position cannot be sold quickly at a reasonable price.   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the US Dollar, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | high     | there is a concentration of the investments in shares of Indian companies.   |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | none     |  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Access India Fund - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | USD  | BE0944666800     | 30 March 2005<br><br>Settlement for value:<br>4 April 2005                                  | 1 April 2005   | 500 USD                           |
| DIS (Distribution shares)                    | USD  | BE09446665794    | 30 March 2005<br><br>Settlement for value:<br>4 April 2005                                  | 1 April 2005   | 500 USD                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period:<br>3.00%<br><br>After the initial subscription period:<br>3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.30%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.30% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Access India Fund - Institutional B Shares

This share class is reserved for undertakings for collective investment managed by KBC Asset Management NV or by another company related to this management company. It requires a minimum subscription of 5000 USD (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | USD  | BE6228534671     | 24 November 2011<br><br>Settlement for value:<br>29 November 2011                           | 25 November 2011   | 899.88 USD                        |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>                                     | <i>Switching between subfunds</i>                                       |
|--|---|---|---|
| Trading fee  | -   | -   | -   |
| Administrative charges                                   | -   | -   | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period:<br>max. 0.500%<br>After the initial subscription period:<br>max. 0.500% | After the initial subscription period:<br>max. 0.500% | The appropriate amount covering these costs for the sub-funds concerned |
| Amount to discourage sales within one month of purchase  | -   | -   | -   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.30%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.30% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Defensive

## 1. Basic details

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### Name

Comfort Defensive

### Date of incorporation

7 November 2013

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Defensive' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Defensive' sub-fund of the open-ended investment company Horizon. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Defensive, to the acquiring sub-fund, Horizon Comfort Defensive, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Defensive and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Defensive.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 30% shares and/or share-related investments ('the stock component') and 70% bonds and/or bond-related investments ('the bond component').

The target allocation may be deviated from in line with the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio can generally include more bonds than equities, whereby the stock component is limited to 40%.

The Horizon Comfort Defensive sub-fund uses a core-satellite distribution. The assets are subdivided into a core component (60% to 80%) and a satellite component (20% to 40%). The core component is aimed at a long-term return and is invested in index-tracking UCIs, among other things. The satellite component is actively managed and places specific emphases depending on KBC Asset Management NV's monthly investment strategy.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 30% MSCI AC Net Return Index - 49% JP Morgan EMU government Bonds Investment grade 1-3 year Total Return Index - 21% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 1.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies
- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Defensive - Classic Shares

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>             | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6258734035     | 7 November 2013 through 11 December 2013 before 6 am CET<br><br>Settlement for value: 16 December 2013  | 12 December 2013   | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6258735040     | 17 August 2015 through 23 September 2015 before 6 am CET<br><br>Settlement for value: 28 September 2015 | 24 September 2015  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.05%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Comfort Defensive - Classic Shares

## CSOB Private Banking

There is a minimum subscription value of 10000 EUR.

This share class is reserved for trading to persons who at the time of subscription belong to the segment of the financial institution stated in the name of the share class. The criteria for belonging to this segment are available at: [www.csob.sk/privatne-bankovnictvo](http://www.csob.sk/privatne-bankovnictvo)

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6294806888     | 29 May 2017 through 30 June 2017 before 6 am CET<br><br>Settlement for value: 5 July 2017   | 3 July 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6294805872     | 29 May 2017 through 30 June 2017 before 6 am CET<br><br>Settlement for value: 5 July 2017   | 3 July 2017  | 1000 EUR                          |

### Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | During the initial subscription period: max. 1.50%<br><br>After the initial subscription period: max. 1.50% | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.05%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Dynamic

## 1. Basic details

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### Name

Comfort Dynamic

### Date of incorporation

7 November 2013

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Dynamic' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Dynamic' sub-fund of the open-ended investment company Horizon. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Dynamic, to the acquiring sub-fund, Horizon Comfort Dynamic, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Dynamic and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Dynamic.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market,...).

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

The target allocation may be deviated from in line with the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio can generally contain more shares than bonds, whereby the stock component is limited to 65%.

The Horizon Comfort Dynamic sub-fund uses a core-satellite distribution. The assets are subdivided into a core component (60% to 80%) and a satellite component (20% to 40%). The core component is aimed at a long-term return and is invested in index-tracking UCIs, among other things. The satellite component is actively managed and places specific emphases depending on KBC Asset Management NV's monthly investment strategy.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 55% MSCI AC Net Return Index - 31.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 13.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:
  - Moody's (Moody's Investors Service);
  - S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
  - Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Dynamic - Classic Shares

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>             | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6258738077     | 7 November 2013 through 11 December 2013 before 6 am CET<br><br>Settlement for value: 16 December 2013  | 12 December 2013   | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6258739083     | 17 August 2015 through 23 September 2015 before 6 am CET<br><br>Settlement for value: 28 September 2015 | 24 September 2015  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.07%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Comfort Dynamic - Classic Shares CSOB Private Banking

There is a minimum subscription value of 10000 EUR.

This share class is reserved for trading to persons who at the time of subscription belong to the segment of the financial institution stated in the name of the share class. The criteria for belonging to this segment are available at: [www.csob.sk/privatne-bankovnictvo](http://www.csob.sk/privatne-bankovnictvo)

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6294809916     | 29 May 2017 through 30 June 2017 before 6 am CET<br><br>Settlement for value: 5 July 2017   | 3 July 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6294808900     | 29 May 2017 through 30 June 2017 before 6 am CET<br><br>Settlement for value: 5 July 2017   | 3 July 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | During the initial subscription period: max. 1.50%<br><br>After the initial subscription period: max. 1.50% | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.07%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Dynamic High

## 1. Basic details

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### Name

Comfort Dynamic High

### Date of incorporation

6 March 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Dynamic High' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Dynamic High' sub-fund of the open-ended investment company Horizon. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Dynamic High, to the acquiring sub-fund, Horizon Comfort Dynamic High, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Dynamic High and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Dynamic High.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 75% shares and/or share-related investments (stock component) and 25% bonds and/or bond-related investments (bond component).

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio can generally contain more shares than bonds, whereby the stock component is limited to 85%.

The Horizon Comfort Dynamic High sub-fund uses a core-satellite distribution.

The assets are subdivided into a core component (60% to 80%) and a satellite component (20% to 40%). The core component is aimed at a long-term return and is invested in index-tracking UCIs, among other things. The satellite component is actively managed and places specific emphases depending on KBC Asset Management NV's monthly investment strategy.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 75% MSCI AC Net Return Index - 17.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 7.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | low      |  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Dynamic High - Classic Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>   | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6292610266     | 6 March 2017 through 20 March 2017 before 6 am CET<br><br>Settlement for value: 23 March 2017 | 21 March 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6292611272     | 6 March 2017 through 20 March 2017 before 6 am CET<br><br>Settlement for value: 23 March 2017 | 21 March 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.09%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Comfort Dynamic High - Classic Shares

## CSOB Private Banking

There is a minimum subscription value of 10000 EUR.

This share class is reserved for trading to persons who at the time of subscription belong to the segment of the financial institution stated in the name of the share class. The criteria for belonging to this segment are available at: [www.csobpb.cz/portal/about-us](http://www.csobpb.cz/portal/about-us)

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6302981186     | 17 September 2018 through 19 October 2018 before 6 am CET<br><br>Settlement for value: 24 October 2018 | 22 October 2018  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6302982192     | 17 September 2018 through 19 October 2018 before 6 am CET<br><br>Settlement for value: 24 October 2018 | 22 October 2018  | 1000 EUR                          |

### Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | During the initial subscription period: max. 1.50%<br><br>After the initial subscription period: max. 1.50% | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 |  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.09%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Pro August 90

## 1. Basic details

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### Name

Comfort Pro August 90

### Date of incorporation

7 November 2013

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Pro August 90' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Pro August 90' sub-fund of the open-ended investment company Horizon. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Pro August 90, to the acquiring sub-fund, Horizon Comfort Pro August 90, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Pro August 90 and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Pro August 90.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash,...). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 60% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous July. The initial floor price is equal to 90% of the initial net asset value and is valid from 30 June 2014 to the last banking day of July 2015, inclusive. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash.

Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Pro August 90

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6266330339     | 15 May 2014 through 30 June 2014 before 6 am CET<br><br>Settlement for value: 3 July 2014   | 1 July 2014  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.33%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.33% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Pro February 90

## 1. Basic details

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### Name

Comfort Pro February 90

### Date of incorporation

27 April 2015

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Pro February 90' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Pro February 90' sub-fund of the open-ended investment company Horizon.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Pro February 90, to the acquiring sub-fund, Horizon Comfort Pro February 90, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Pro February 90 and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Pro February 90.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash,...). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 60% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous January. The initial floor price is equal to 90% of the initial net asset value and is valid from 18 May 2015 to 29 January 2016, inclusive. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest, directly and/or indirectly, up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment managed by a KBC-group company.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Pro February 90

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6277711659     | 27 April 2015 through 13 May 2015 before 6 am CET<br><br>Settlement for value: 20 May 2015  | 18 May 2015  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.33%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.33% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Pro May 90

## 1. Basic details

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### Name

Comfort Pro May 90

### Date of incorporation

4 April 2016

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Pro May 90' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort Pro May 90' sub-fund of the open-ended investment company Horizon.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Pro May 90, to the acquiring sub-fund, Horizon Comfort Pro May 90, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Pro May 90 and dating from the period prior to

17 July 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Pro May 90.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk.** In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash,...). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 60% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous April. The initial floor price is equal to 90% of the initial net asset value and is valid from 29 April 2016 to 28 April 2017, inclusive. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash.

Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest, directly and/or indirectly, up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies

(or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units in undertakings for collective investment (UCIs) managed by a KBC group company.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Pro May 90

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6285342331     | 4 April 2016 through 29 April 2016 before 6 am CET<br><br>Settlement for value: 4 May 2016  | 2 May 2016   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.33%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.33% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort Pro November 90

## 1. Basic details

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### Name

Comfort Pro November 90

### Date of incorporation

16 November 2015

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Core Satellite Pro November 90' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 5 June 2020 through incorporation of the 'Comfort Pro November 90' sub-fund of the open-ended investment company Horizon. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Core Satellite Pro November 90, to the acquiring sub-fund, Horizon Comfort Pro November 90, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 5 June 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort Pro November 90 and dating from the period prior to 5 June 2020, are therefore details that related to the dissolved sub-fund, Core Satellite Pro November 90.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash,...). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 60% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous October. The initial floor price is equal to 90% of the initial net asset value and is valid from 15 December 2015 to 31 October 2016, inclusive. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash.

Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest, directly and/or indirectly, up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies

(or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment managed by a KBC-group company.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort Pro November 90

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>             | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6282172640     | 16 November 2015 through 15 December 2015 before 6 am CET<br><br>Settlement for value: 18 December 2015 | 16 December 2015   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.33%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.33% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort SRI Defensive

## 1. Basic details

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### Name

Comfort SRI Defensive

### Date of incorporation

6 March 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Comfort SRI Defensive' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort SRI Defensive' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Comfort SRI Defensive'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Comfort SRI Defensive, to the acquiring sub-fund, Horizon Comfort SRI Defensive, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort SRI Defensive and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Comfort SRI Defensive.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'equity component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 30% shares and/or share-related investments and 70% bonds and/or bond-related investments. The target allocation may be deviated from in line with the investment strategy of KBC Asset Management NV. It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation.

Within the above limits, the sub-fund invests directly or indirectly in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. Socially responsible investment is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment.

This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- respect for the environment (e.g., the reduction of greenhouse gas emissions);
- attention to society (e.g., employee working conditions); and
- corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or government-linked agencies, the selection is based on the following criteria in relation to the issuer:

- overall economic performance and stability (e.g. quality of institutions and government);
- socio-economic development and health of the population (e.g., education and employment);
- equality, freedom and rights of all citizens;
- environmental policy (e.g., climate change); and
- security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which an issuer can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
  - corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer on the basis of the above criteria;
  - incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - a planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 30% MSCI AC Net Return Index - 49% JP Morgan EMU government Bonds Investment grade 1-3 year Total Return Index - 21% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 1.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### ***Characteristics of the bonds and debt instruments***

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies

(or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort SRI Defensive

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6292936612     | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017   | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6292937628     | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 |  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.05%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort SRI Dynamic

## 1. Basic details

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### Name

Comfort SRI Dynamic

### Date of incorporation

6 March 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Comfort SRI Dynamic' sub-fund of the public open-ended collective investment fund Managed Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 July 2020 through incorporation of the 'Comfort SRI Dynamic' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Comfort SRI Dynamic'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Managed Portfolio Comfort SRI Dynamic, to the acquiring sub-fund, Horizon Comfort SRI Dynamic, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 July 2020 in this prospectus in its entirety. As a result, all the details regarding Comfort SRI Dynamic and dating from the period prior to 17 July 2020, are therefore details that related to the dissolved sub-fund, Comfort SRI Dynamic.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'equity component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

When applying KBC Asset Management NV's investment strategy, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes.

The target allocation for the asset classes is 55% shares and/or share-related investments and 45% bonds and/or bond-related investments. The target allocation may be deviated from in line with the investment view of KBC Asset Management NV. It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio is generally evenly allocated between shares and bonds.

Within the above limits, the sub-fund invests directly or indirectly in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. Socially responsible investment is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- respect for the environment (e.g., the reduction of greenhouse gas emissions);
- attention to society (e.g., employee working conditions); and
- corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or government-linked agencies, the selection is based on the following criteria in relation to the issuer:

- overall economic performance and stability (e.g. quality of institutions and government);
- socio-economic development and health of the population (e.g., education and employment);
- equality, freedom and rights of all citizens;
- environmental policy (e.g., climate change); and
- security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which an issuer can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
  - corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer on the basis of the above criteria;
  - incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - a planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 55% MSCI AC Net Return Index - 31.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 13.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort SRI Dynamic

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6292868906     | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017   | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6292869912     | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.07%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Comfort SRI Dynamic High

## 1. Basic details

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### Name

Comfort SRI Dynamic High

### Date of incorporation

30 March 2020

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

When applying KBC Asset Management NV's investment view, the managers base their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes.

The target allocation for the asset class is 75% shares and/or share-related investments (stock component) and 25% bonds and/or bond-related investments (bond component). The target allocation may be deviated from in line with the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). It is therefore possible for the fund to invest in asset classes that are not included in the target allocation. The portfolio can generally contain more shares than bonds, whereby the stock component is limited to 85%.

Within the restrictions set out above, the sub-fund invests in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and world in which we live. It is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Using this information, the specialised researchers of KBC Asset Management NV create a universe of socially responsible companies. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude companies in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', the companies are

assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing a number of SRI criteria between companies within the same industry. Based on these criteria, companies belonging to the best-in-class of their group are included in the socially responsible universe.

The companies are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- respect for the environment (e.g., reducing greenhouse gas emissions);
- attention to society (e.g., employee working conditions) and
- corporate governance (e.g., independence and diversity of the board of directors).

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which a company can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible company on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets that do not have a socially responsible nature;
- a planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme. The credit rating\* that the bond component must meet is set out in the prospectus (for more details, see the 'Characteristics of the bonds and debt instruments' section in the information concerning this sub-fund in the prospectus).

The fund is actively managed with reference to the following benchmark: 75% MSCI All Countries Net Return Index - 17.5% J.P. Morgan EMU Government Bonds Investment grade 1-5 year Total Return Index - 7.5% iBoxx Euro Corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### ***Characteristics of the bonds and debt instruments***

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:
  - Moody's (Moody's Investors Service);
  - S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
  - Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

The sub-fund will invest primarily in units of undertakings for collective investment.

### ***Volatility of the net asset value***

The volatility of the net asset value may be high due to the composition of the portfolio.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | low      |  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Comfort SRI Dynamic High

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>    | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6319267082     | 30 March 2020 through 27 April 2020 before 6 am CET<br><br>Settlement for value: 30 April 2020 | 28 April 2020  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6319268098     | 30 March 2020 through 27 April 2020 before 6 am CET<br><br>Settlement for value: 30 April 2020 | 28 April 2020  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i> | <i>Switching between subfunds</i>  |
|--|---|-------------------|--|
| Trading fee  | -   | -                 | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                 | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                 | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | -                 | -  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment' |                   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.09%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund CSOB Buyback Spolocnosti 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Buyback Spolocnosti 1

### Date of incorporation

1 June 2016

### Life

Limited to 26 February 2021

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Bevek – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, to repay at Maturity at least 90% of the initial subscription price, and secondly, to generate a potential capital gain that is contingent on the performance of a basket of 30 shares in companies that buy back their own shares.

The sub-fund's return is linked to the performance of the basket of shares (= (the basket's Value at Maturity less its Initial Value], divided by the Initial Value of the basket). If a share has gone up in value, its actual performance will be its contribution to the basket's performance, capped at 28%. If a share has not gone up in value, its actual performance will be its contribution to the basket's performance.

At maturity:

- If the value of the basket of 30 shares in companies that buy back their own shares has risen relative to its Initial Value, 70% of the increase in the basket's value (=its Value at Maturity) divided by its Initial Value) will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain is capped at 19.6% (yield to maturity of 4.00% before taxes and charges).
- If the value of the basket of 30 shares in companies that buy back their own shares has fallen relative to its Initial Value, 100% of this fall in value will be deducted from 100% of the initial subscription price. The capital loss is capped at 10% (yield to maturity of -2.29% before taxes and charges). Consequently, you will get back at least 90% of the initial subscription price.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Friday 26 February 2021 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value of each share**

The average of the Value of the share included in the basket during the first 10 Valuation Days, starting from Monday 8 August 2016 inclusive.

### **Starting Value of the basket**

Value of the basket based on the weighted average of the Starting Values of the shares included in the basket.

### **End Value of each share**

The average Price of each share in the basket on the last Valuation Day of each month for the last 12 months before Maturity, more specifically from February 2020 through January 2021 (inclusive). After the average figure has been calculated for the evaluation period, the values of the individual shares are multiplied by a multiplier. In addition, the values of shares that are up on their initial value are capped if they exceed a certain percentage. That percentage, the multipliers, and how the final value of each share is calculated are set out in 'Investment objectives and policy'.

### **End Value of the basket**

Value of the basket based on the weighted average of the End Values of the shares included in the basket.

## Value

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                       | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------|-----------------|------------------|--------------------------------|
| 1   | AT&T INC                   | T UN Equity     | NEW YORK - XNYS  | 3.3333%                        |
| 2   | BAE SYSTEMS PLC            | BA/ LN Equity   | LONDON - XLON    | 3.3333%                        |
| 3   | CA INC                     | CA UW Equity    | NEW YORK - XNGS  | 3.3333%                        |
| 4   | CISCO SYSTEMS INC          | CSCO UW Equity  | NEW YORK - XNGS  | 3.3333%                        |
| 5   | COMPASS GROUP PLC          | CPG LN Equity   | LONDON - XLON    | 3.3333%                        |
| 6   | CORNING INCI               | GLW UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 7   | DARDEN RESTAURANTS INC     | DRI UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 8   | ENTERGY CORP               | ETR UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 9   | EXXON MOBIL CORP           | XOM UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 10  | GENERAL ELECTRIC CO        | GE UN Equity    | NEW YORK - XNYS  | 3.3333%                        |
| 11  | IBERDROLA SA (SQ)          | IBE SQ Equity   | MADRID - XMCE    | 3.3333%                        |
| 12  | INCHCAPE PLC               | INCH LN Equity  | LONDON - XLON    | 3.3333%                        |
| 13  | KIMBERLY-CLARK CORP        | KMB UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 14  | KINGFISHER PLC             | KGF LN Equity   | LONDON - XLON    | 3.3333%                        |
| 15  | L'OREAL                    | OR FP Equity    | PARIS - XPAR     | 3.3333%                        |
| 16  | MAN GROUP PLC              | EMG LN Equity   | LONDON - XLON    | 3.3333%                        |
| 17  | MERCK & CO. INC.           | MRK UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 18  | MICHELIN (CGDE)-B          | ML FP Equity    | PARIS - XPAR     | 3.3333%                        |
| 19  | MUENCHENER RUECKVER AG-REG | MUV2 GY Equity  | FRANKFURT - XETR | 3.3333%                        |
| 20  | NESTLE SA-REG              | NESN VX Equity  | ZURICH - XVTX    | 3.3333%                        |
| 21  | NEXT LTD                   | NXT LN Equity   | LONDON - XLON    | 3.3333%                        |
| 22  | NOVARTIS AG-REG            | NOVN VX Equity  | ZURICH - XVTX    | 3.3333%                        |
| 23  | PFIZER INC                 | PFE UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 24  | REPUBLIC SERVICES INC      | RSG UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 25  | SANOFI                     | SAN FP Equity   | PARIS - XPAR     | 3.3333%                        |
| 26  | SWEDISH MATCH AB           | SWMA SS Equity  | STOCKHOLM - XSTO | 3.3333%                        |
| 27  | TELIA CO AB                | TELIA SS Equity | STOCKHOLM - XSTO | 3.3333%                        |
| 28  | WAL-MART STORES INC        | WMT UN Equity   | NEW YORK - XNYS  | 3.3333%                        |
| 29  | WESTERN UNION CO           | WU UN Equity    | NEW YORK - XNYS  | 3.3333%                        |
| 30  | WPP PLC                    | WPP LN Equity   | LONDON - XLON    | 3.3333%                        |

## Basket composition methodology

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### Step 1 :

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### Step 2 :

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### Step 3 :

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Buyback Spolocnosti 1, about 151 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Buyback Spolocnosti 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### *Selection criteria for the basket :*

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) the issuer is a company that buys back its own shares, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

#### ***Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification :***

The number of shares in the basket will always be equal to the initial number unless the issuer of the basket is declared bankrupt (see the paragraph on bankruptcy).

If the number of shares decreases subsequent to a merger, an additional share will be added to the basket. The additional share or share resulting from the merger will receive the same weighting in the basket.

#### ***Merger, takeover, nationalisation or disqualification***

If one or more issuers of shares in the basket participate in a merger or acquisition, the shares of the issuers involved in the operation that still satisfy the selection criteria after the operation will be allocated a weighting in the basket equal to the sum of the weightings of the shares of all the issuers involved in the operation.

If the number of shares in the basket decreases subsequent to a merger or acquisition, an additional share will be added to the basket issued by an issuer enjoying comparable international standing and solvency which fulfils the selection criteria. An identical weighting in the basket will be assigned to this additional share and the share resulting from the merger.

If one or more issuers of shares in the basket are involved in a merger, acquisition, nationalisation or another event with the result that one or more shares in the basket no longer fulfil the selection criteria ('Disqualification'), the ICVC board of directors may replace the shares that do not satisfy the selection criteria with other shares issued by issuers enjoying comparable international standing and solvency which fulfil the selection criteria.

#### ***Demerger***

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the selection criteria or by a basket composed of all such shares meeting the selection criteria. This basket of shares will be considered as a single share when calculating the number of shares in the basket. If, in the wake of the operation, none of the shares arising from the demerger fulfil the selection criteria, the ICVC Board of Directors may replace those shares with other shares issued by other issuers with an international standing and corresponding solvency that fulfil the selection criteria.

#### ***Bankruptcy***

If an issuer of a share in the basket is declared bankrupt, the share concerned will be withdrawn from the basket and sold at the last known price prior to withdrawal. The proceeds are then invested until maturity of the underlying swap transaction of the sub-fund at the current interest rate obtained on the money or bond market at that time until maturity of the underlying swap transaction of the sub-fund. This amount, plus interest, is carried on the books to maturity as being the performance of the share for calculating the final increase in the basket.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Buyback Spolocnosti 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6286929680     | 1 June 2016 through<br>1 August 2016 before 6 am CET<br><br>Settlement for value: 8 August 2016 | 31 August 2016   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>  |
|--|--|--|---|
| Trading fee  | During the initial subscription period: 2.00%<br>After the initial subscription period: 2.00%                      | -  | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Europsky Rast 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Europsky Rast 1

### Date of incorporation

1 August 2018

### Life

Limited to 29 November 2024

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of European companies that are characterised by a high market capitalisation.

If the Value of the basket of 30 quality shares of European companies that are characterised by a high market capitalisation has risen relative to its Starting Value, 70% of this increase in Value  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$  will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 60% (yield to maturity of 7.94% before taxes and charges). If the Value of the basket of 30 quality shares of European companies that are characterised by a high market capitalisation has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 10% (yield to maturity of -1.71% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Friday 29 November 2024 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Monday 8 October 2018 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from May 2023 through October 2024 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

### **Valuation day**

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

### Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 1   | ABN AMRO GROUP NV                | ABN NA Equity   | AMSTERDAM - XAMS | 2.0000%                        |
| 2   | ADECCO GROUP AG                  | ADEN SE Equity  | ZURICH - XVTX    | 2.0000%                        |
| 3   | AENA SME SA                      | AENA SQ Equity  | MADRID - XMCE    | 2.0000%                        |
| 4   | ASSICURAZIONI GENERALI           | G IM Equity     | MILANO - MTAA    | 4.0000%                        |
| 5   | AXA SA                           | CS FP Equity    | PARIS - XPAR     | 4.0000%                        |
| 6   | BANCO DE SABADELL SA             | SAB SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 7   | DAIMLER AG                       | DAI GY Equity   | FRANKFURT - XETR | 2.0000%                        |
| 8   | ENI SPA                          | ENI IM Equity   | MILANO - MTAA    | 3.0000%                        |
| 9   | HENNES & MAURITZ AB-B SHS        | HMB SS Equity   | STOCKHOLM - XSTO | 2.0000%                        |
| 10  | INTESA SANPAOLO                  | ISP IM Equity   | MILANO - MTAA    | 2.0000%                        |
| 11  | KONINKLIJKE AHOLD DELHAIZE NV    | AD NA Equity    | AMSTERDAM - XAMS | 2.0000%                        |
| 12  | LAFARGEHOLCIM LTD                | LHN SE Equity   | ZURICH - XVTX    | 2.0000%                        |
| 13  | NORDEA BANK AB                   | NDA SS Equity   | STOCKHOLM - XSTO | 4.0000%                        |
| 14  | NOVARTIS AG-REG                  | NOVN SE Equity  | ZURICH - XVTX    | 8.0000%                        |
| 15  | PROSIEBEN SAT 1 MEDIA            | PSM GY Equity   | FRANKFURT - XETR | 2.0000%                        |
| 16  | REPSOL SA                        | REP SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 17  | ROCHE HOLDING AG-GENUSSCHEIN     | ROG SE Equity   | ZURICH - XVTX    | 8.0000%                        |
| 18  | ROYAL DUTCH SHELL PLC-A (LONDON) | RDSA LN Equity  | LONDON - XLON    | 2.0000%                        |
| 19  | SAMPO OYJ-A SHS                  | SAMPO FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 20  | SANOFI                           | SAN FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 21  | SKANDINAVISKA ENSKILDA BAN-A     | SEBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 22  | SNAM SPA                         | SRG IM Equity   | MILANO - MTAA    | 3.0000%                        |
| 23  | SOCIETE GENERALE                 | GLE FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 24  | SVENSKA HANDELSBANKEN-A SHS      | SHBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 25  | SWEDBANK AB - A SHARES           | SWEDA SS Equity | STOCKHOLM - XSTO | 4.0000%                        |
| 26  | SWISS LIFE HOLDING AG-REG        | SLHN SE Equity  | ZURICH - XVTX    | 8.0000%                        |
| 27  | SWISS RE AG                      | SREN SE Equity  | ZURICH - XVTX    | 8.0000%                        |
| 28  | TOTAL SA                         | FP FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 29  | UBS GROUP AG                     | UBSG SE Equity  | ZURICH - XVTX    | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG        | ZURN SE Equity  | ZURICH - XVTX    | 8.0000%                        |

## **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Europsky Rast 1, about 137 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Europsky Rast 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) the share is issued by a European company and has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

## **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Nationalisation, bankruptcy or disqualification**

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Europsky Rast 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>      | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6305608265     | 1 August 2018 through 1 October 2018 before 6 am CET<br><br>Settlement for value: 8 October 2018 | 31 October 2018  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>   |
|--|--|--|--|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -  | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -  | -  | -  |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.20 EUR  | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | * During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.<br>* After that: 0.10% of the net assets of the sub-fund per year.            |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.20 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.20 EUR per unit per year, as described above.

# Information concerning the sub-fund

## CSOB Financie 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Financie 1

### Date of incorporation

1 February 2019

### Life

Limited to 30 April 2024

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Bevek – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 shares of companies that are active in the financial sector.

If the Value of the basket of 30 shares of companies that are active in the financial sector has risen relative to its Starting Value, 75% of this increase in Value ( $= (\text{End Value} - \text{Starting Value}) / \text{Starting Value}$ ) will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 60% (yield to maturity of 9.72% before taxes and charges). If the Value of the basket of 30 shares of companies that are active in the financial sector has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 10% (yield to maturity of -2.06% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Tuesday 30 April 2024 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Monday 8 April 2019 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from October 2022 through March 2024 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                              | Bloomberg Code   | Exchange          | Initial Weighting Coefficients |
|-----|-----------------------------------|------------------|-------------------|--------------------------------|
| 1   | ALLIANZ SE                        | ALV GY Equity    | FRANKFURT - XETR  | 2.0000%                        |
| 2   | ASSICURAZIONI GENERALI            | G IM Equity      | MILANO - MTAA     | 7.0000%                        |
| 3   | AUST AND NZ BANKING GROUP (AT)    | ANZ AT Equity    | SYDNEY - XASX     | 2.0000%                        |
| 4   | AVIVA PLC                         | AV/ LN Equity    | LONDON - XLON     | 2.0000%                        |
| 5   | AXA SA                            | CS FP Equity     | PARIS - XPAR      | 5.0000%                        |
| 6   | BANCO SANTANDER SA (SQ)           | SAN SQ Equity    | MADRID - XMCE     | 2.0000%                        |
| 7   | BANK OF MONTREAL (CT)             | BMO CT Equity    | TORONTO - XTSE    | 2.0000%                        |
| 8   | BANK OF NOVA SCOTIA (CT)          | BNS CT Equity    | TORONTO - XTSE    | 2.0000%                        |
| 9   | BNP PARIBAS                       | BNP FP Equity    | PARIS - XPAR      | 3.0000%                        |
| 10  | CAIXABANK SA                      | CABK SQ Equity   | MADRID - XMCE     | 2.0000%                        |
| 11  | CAN IMPERIAL BK OF COMMERCE (CT)  | CM CT Equity     | TORONTO - XTSE    | 2.0000%                        |
| 12  | COMMONWEALTH BANK OF AUSTRAL (AT) | CBA AT Equity    | SYDNEY - XASX     | 4.0000%                        |
| 13  | CREDIT AGRICOLE SA                | ACA FP Equity    | PARIS - XPAR      | 2.0000%                        |
| 14  | DANSKE BANK A/S                   | DANSKE DC Equity | COPENHAGEN - XCSE | 3.0000%                        |
| 15  | DEUTSCHE BOERSE AG                | DB1 GY Equity    | FRANKFURT - XETR  | 2.0000%                        |
| 16  | DIRECT LINE INSURANCE GROUP       | DLG LN Equity    | LONDON - XLON     | 4.0000%                        |
| 17  | ING GROEP NV-CVA                  | INGA NA Equity   | AMSTERDAM - XAMS  | 2.0000%                        |
| 18  | INTESA SANPAOLO                   | ISP IM Equity    | MILANO - MTAA     | 2.0000%                        |
| 19  | LEGAL & GENERAL GROUP PLC         | LGEN LN Equity   | LONDON - XLON     | 2.0000%                        |
| 20  | MACQUARIE GROUP LTD               | MQG AT Equity    | SYDNEY - XASX     | 2.0000%                        |
| 21  | MUENCHENER RUECKVER AG-REG        | MUV2 GY Equity   | FRANKFURT - XETR  | 2.0000%                        |
| 22  | NATIONAL AUSTRALIA BANK LTD (AT)  | NAB AT Equity    | SYDNEY - XASX     | 3.0000%                        |
| 23  | NORDEA BANK AB                    | NDA SS Equity    | STOCKHOLM - XSTO  | 7.0000%                        |
| 24  | RSA INSURANCE GROUP PLC           | RSA LN Equity    | LONDON - XLON     | 2.0000%                        |

| (i) | Name                      | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|---------------------------|-----------------|------------------|--------------------------------|
| 25  | STANDARD LIFE PLC         | SLA LN Equity   | LONDON - XLON    | 2.0000%                        |
| 26  | SWEDBANK AB - A SHARES    | SWEDA SS Equity | STOCKHOLM - XSTO | 8.0000%                        |
| 27  | SWISS LIFE HOLDING AG-REG | SLHN SE Equity  | ZURICH - XVTX    | 3.0000%                        |
| 28  | SWISS RE AG               | SREN SE Equity  | ZURICH - XVTX    | 8.0000%                        |
| 29  | WESTPAC BANKING CORP      | WBC AT Equity   | SYDNEY - XASX    | 3.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG | ZURN SE Equity  | ZURICH - XVTX    | 8.0000%                        |

### **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

#### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

#### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

#### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Financie 1, about 454 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Financie 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) the issuer is a company that is active in the financial sector, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

### **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

#### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market.                            |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | moderate | there is a concentration of the investments in shares of companies in the financial industry. |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market.                            |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |   |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.                                  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

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| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>    | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6311160491     | 1 February 2019 through 1 April 2019 before 6 am CET<br><br>Settlement for value: 8 April 2019 | 30 April 2019  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>   | <i>Switching between sub-funds</i>   |
|--|--|---|--|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -   | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -  | -   | -  |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders <= 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund  | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.20 EUR  | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.20 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.20 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Globalny Rast EUR 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Globalny Rast EUR 1

### Date of incorporation

3 August 2015

### Life

Limited to 29 October 2021

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of companies that are characterised by a high market capitalisation.

If the Value of the basket of 30 quality shares of companies that are characterised by a high market capitalisation has risen relative to its Starting Value, 90% of this increase in Value  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$  will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 60% (yield to maturity of 8.06% before taxes and charges). If the Value of the basket of 30 quality shares of companies that are characterised by a high market capitalisation has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 10% (yield to maturity of -1.73% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Friday 29 October 2021 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 5 Valuation Days, starting from Thursday 8 October 2015 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from April 2020 through September 2021 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

### **Valuation day**

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

### Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 1   | ALLIANZ SE                       | ALV GY Equity   | FRANKFURT - XETR | 3.0000%                        |
| 2   | AT&T INC                         | T UN Equity     | NEW YORK - XNYS  | 3.0000%                        |
| 3   | AXA SA                           | CS FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 4   | BCE INC                          | BCE CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 5   | DELTA LLOYD NV                   | DL NA Equity    | AMSTERDAM - XAMS | 3.0000%                        |
| 6   | DIRECT LINE INSURANCE GROUP      | DLG LN Equity   | LONDON - XLON    | 3.0000%                        |
| 7   | EDF                              | EDF FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 8   | ELISA OYJ                        | ELI1V FH Equity | HELSINKI - XHEL  | 8.0000%                        |
| 9   | FORTUM OYJ                       | FUM1V FH Equity | HELSINKI - XHEL  | 3.0000%                        |
| 10  | GLAXOSMITHKLINE PLC              | GSK LN Equity   | LONDON - XLON    | 2.0000%                        |
| 11  | HCP INC                          | HCP UN Equity   | NEW YORK - XNYS  | 3.0000%                        |
| 12  | HSBC HOLDINGS PLC (LONDON)       | HSBA LN Equity  | LONDON - XLON    | 8.0000%                        |
| 13  | IMPERIAL TOBACCO GROUP PLC       | IMT LN Equity   | LONDON - XLON    | 2.0000%                        |
| 14  | NATIONAL GRID PLC                | NG/ LN Equity   | LONDON - XLON    | 3.0000%                        |
| 15  | PROXIMUS SA                      | PROX BB Equity  | BRUSSELS - XBRU  | 2.0000%                        |
| 16  | REPSOL SA                        | REP SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 17  | ROYAL DUTCH SHELL PLC-A (LONDON) | RDSA LN Equity  | LONDON - XLON    | 3.0000%                        |
| 18  | SAMPO OYJ-A SHS                  | SAMAS FH Equity | HELSINKI - XHEL  | 3.0000%                        |
| 19  | SNAM SPA                         | SRG IM Equity   | MILANO - MTAA    | 3.0000%                        |
| 20  | SOUTHERN CO                      | SO UN Equity    | NEW YORK - XNYS  | 3.0000%                        |
| 21  | SSE PLC                          | SSE LN Equity   | LONDON - XLON    | 3.0000%                        |
| 22  | SWEDBANK AB - A SHARES           | SWEDA SS Equity | STOCKHOLM - XSTO | 3.0000%                        |
| 23  | SWISSCOM AG-REG                  | SCMN VX Equity  | ZURICH - XVTX    | 3.0000%                        |
| 24  | SWISS RE AG                      | SREN VX Equity  | ZURICH - XVTX    | 5.0000%                        |
| 25  | TELE2                            | TEL2B SS Equity | STOCKHOLM - XSTO | 3.0000%                        |
| 26  | TELIASONERA AB                   | TLSN SS Equity  | STOCKHOLM - XSTO | 8.0000%                        |
| 27  | TERNA SPA                        | TRN IM Equity   | MILANO - MTAA    | 3.0000%                        |
| 28  | UNIBAIL-RODAMCO                  | UL NA Equity    | AMSTERDAM - XAMS | 2.0000%                        |
| 29  | VIVENDI                          | VIV FP Equity   | PARIS - XPAR     | 3.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG        | ZURN VX Equity  | ZURICH - XVTX    | 4.0000%                        |

## **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Globalny Rast EUR 1, about 367 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Globalny Rast EUR 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Beveik has approved its inclusion in the basket (the 'Selection criteria').

## **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Nationalisation, bankruptcy or disqualification**

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Globalny Rast EUR 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>      | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6279710279     | 3 August 2015 through 1 October 2015 before 6 am CET<br><br>Settlement for value: 8 October 2015 | 30 October 2015  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>  |
|--|--|--|---|
| Trading fee  | During the initial subscription period: 2.00%<br>After the initial subscription period: 2.00%                      | -  | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Globálny Rast 2

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Globálny Rast 2

### Date of incorporation

1 June 2018

### Life

Limited to 30 August 2024

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of companies that are characterised by a high market capitalisation.

If the Value of the basket of 30 quality shares of companies that are characterised by a high market capitalisation has risen relative to its Starting Value, 75% of this increase in Value  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$  will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 60% (yield to maturity of 8.05% before taxes and charges). If the Value of the basket of 30 quality shares of companies that are characterised by a high market capitalisation has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 10% (yield to maturity of -1.73% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Friday 30 August 2024 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Wednesday 8 August 2018 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from February 2023 through July 2024 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

### **Valuation day**

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

### Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                              | Bloomberg Code   | Exchange         | Initial Weighting Coefficients |
|-----|-----------------------------------|------------------|------------------|--------------------------------|
| 1   | ASSICURAZIONI GENERALI            | G IM Equity      | MILANO - MTAA    | 4.0000%                        |
| 2   | AXA SA                            | CS FP Equity     | PARIS - XPAR     | 2.0000%                        |
| 3   | BCE INC                           | BCE CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 4   | BP PLC                            | BP/ LN Equity    | LONDON - XLON    | 2.0000%                        |
| 5   | BT GROUP PLC                      | BT/A LN Equity   | LONDON - XLON    | 2.0000%                        |
| 6   | COMMONWEALTH BANK OF AUSTRAL (AT) | CBA AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 7   | DAIMLER AG                        | DAI GY Equity    | FRANKFURT - XETR | 2.0000%                        |
| 8   | DEUTSCHE TELEKOM AG-REG           | DTE GY Equity    | FRANKFURT - XETR | 2.0000%                        |
| 9   | DIRECT LINE INSURANCE GROUP       | DLG LN Equity    | LONDON - XLON    | 2.0000%                        |
| 10  | ENAGAS SA                         | ENG SQ Equity    | MADRID - XMCE    | 8.0000%                        |
| 11  | FORTUM OYJ                        | FORTUM FH Equity | HELSINKI - XHEL  | 5.0000%                        |
| 12  | INT CONSOLIDATED AIRLINES GROUP   | IAG LN Equity    | LONDON - XLON    | 2.0000%                        |
| 13  | LEGAL & GENERAL GROUP PLC         | LGEN LN Equity   | LONDON - XLON    | 4.0000%                        |
| 14  | MARINE HARVEST ASA                | MHG NO Equity    | OSLO - XOSL      | 2.0000%                        |
| 15  | NEXT LTD                          | NXT LN Equity    | LONDON - XLON    | 2.0000%                        |
| 16  | NN GROUP NV                       | NN NA Equity     | AMSTERDAM - XAMS | 3.0000%                        |
| 17  | NORDEA BANK AB                    | NDA SS Equity    | STOCKHOLM - XSTO | 2.0000%                        |
| 18  | PROSIEBEN SAT 1 MEDIA             | PSM GY Equity    | FRANKFURT - XETR | 6.0000%                        |
| 19  | SAMPO OYJ-A SHS                   | SAMPO FH Equity  | HELSINKI - XHEL  | 4.0000%                        |
| 20  | SKANDINAVISKA ENSKILDA BAN-A      | SEBA SS Equity   | STOCKHOLM - XSTO | 2.0000%                        |
| 21  | SNAM SPA                          | SRG IM Equity    | MILANO - MTAA    | 5.0000%                        |
| 22  | SSE PLC                           | SSE LN Equity    | LONDON - XLON    | 3.0000%                        |
| 23  | SWISS RE AG                       | SREN SE Equity   | ZURICH - XVTX    | 6.0000%                        |
| 24  | TELENOR ASA                       | TEL NO Equity    | OSLO - XOSL      | 2.0000%                        |
| 25  | TELIA CO AB                       | TELIA SS Equity  | STOCKHOLM - XSTO | 7.0000%                        |
| 26  | TELSTRA CORP LTD (AT)             | TLS AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 27  | TOTAL SA                          | FP FP Equity     | PARIS - XPAR     | 4.0000%                        |
| 28  | VERIZON COMMUNICATIONS INC        | VZ UN Equity     | NEW YORK - XNYS  | 2.0000%                        |
| 29  | WESTPAC BANKING CORP              | WBC AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG         | ZURN SE Equity   | ZURICH - XVTX    | 7.0000%                        |

## **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Globálny Rast 2, about 545 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Globálny Rast 2 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

## **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Nationalisation, bankruptcy or disqualification**

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Globálny Rast 2

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>        | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6304579640     | 1 June 2018 through<br>1 August 2018 before 6 am CET<br><br>Settlement for value:<br>8 August 2018 | 31 August 2018   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>   |
|--|--|--|--|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -  | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -  | -  | -  |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.20 EUR  | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.20 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.20 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Komoditni Fond

## 1. Basic details

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### Name

CSOB Komoditni Fond

### Date of incorporation

4 June 2008

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

The sub-fund's portfolio is managed passively. More information with respect to this can be found under the 'Benchmark-tracking' title.

The investment strategy is to offer a return representative of price trends on the broad commodities market, with the exception of agricultural products and livestock. The commodity market, excluding agricultural products and livestock, consists of various categories of commodities, i.e. energy (e.g., crude oil and natural gas), industrial metals (e.g., copper and zinc) and precious metals (e.g., gold and silver).

Without prejudice to the application of the investment rules set out in the Royal Decree of 12 November 2012 on certain public collective investment undertakings, the sub-fund resolves to invest a sizeable portion of its portfolio in financial instruments whose value and/or return depends on the performance of one or more other assets which themselves do not qualify as permitted asset classes, more specifically the commodity market excluding the agricultural and livestock sectors.

By indirectly investing in the commodity market, excluding the agricultural and livestock sectors, the sensitivity of commodities to the market is reflected in the value of the sub-fund.

## Benchmark-tracking

**The objective of the sub-fund is to track the composition of an benchmark in accordance within the limits of Article 63 of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC.**

Benchmark(s) in question: The Bloomberg Commodity ex-Agriculture and Livestock Capped Index.

The Bloomberg Commodity ex-Agriculture and Livestock Capped Index is intended to provide a diversified representation of the commodities market, with the exception of agricultural products and livestock, and is denominated in US dollars. The sub-fund is denominated in Czech koruna. The exchange rate risk of the US dollar against the Czech koruna is hedged. At the launch of the sub-fund, the benchmark consisted of eight different commodities (through futures contracts) whose weightings are determined according to their economic significance. The commodities are divided into three main categories, i.e. energy, precious metals and industrial metals. There are weighting restrictions on the individual commodities that ensure that the benchmark is sufficiently diversified at all times. Due to the strategic position of petroleum in the commodity market, it is likely that it will have a weighting of more than 20% in the benchmark (but its weighting cannot exceed 35%).

For more detailed information on this commodity benchmark, please refer to the following website: <http://www.bloombergindices.com/bloomberg-commodity-index-family/>. Under 'Fact Sheets', click 'BCOM Ex-Ag & Livestock Capped Fact Sheet', where you will find general information on the benchmark, as well as information on the weights and methodology.

Method used to track the benchmark(s): synthetic replication. The assets are primarily invested in SPV notes, other bonds and debt instruments, deposits and/or cash instruments, which are used to conclude – within the legal restrictions – swaps on a commodity index (specifically the Bloomberg Commodity ex-Agriculture and Livestock Capped Index) with one or more prime counterparties; and/or securities linked to price movements on the commodity market, whether or not with the Bloomberg Commodity ex-Agriculture and Livestock Capped Index as the underlying asset, excluding agricultural products and livestock, specifically Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

The benchmark is rebalanced every year. The more often it is rebalanced, the greater the potential impact on the transaction charges within the sub-fund.

Under normal market conditions, the expected tracking error is between 0% and 2%. Possible causes of this tracking error could be the method used to track the benchmark, transaction charges, dividend reinvestment, the general costs charged to the sub-fund, any income from lending financial instruments.

If the benchmark changes in any way (for instance, if it is calculated by another sponsor, or if another method of calculation is used), or if the benchmark sponsor does not succeed in calculating or publishing the benchmark (even though all the information is available) the bevek will, together with the prime counterparty or counterparties with which the swap was concluded, decide how the value of the benchmark will be determined going forward. If the benchmark is changed significantly, or if its value is no longer calculated, it can be replaced by another benchmark provided the new benchmark is representative of the commodity market excluding the agricultural and livestock sectors.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:
  - Moody's (Moody's Investors Service);
  - S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
  - Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Volatility of the net asset value**

The volatility of the net asset value may be high due to the composition of the portfolio.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of this risk reflects the volatility of the commodity market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | low      |   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | moderate | there is a concentration of the investments on the commodity market.    |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the Commodity market.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | none     |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 2 pm CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 2 pm CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# CSOB Komoditni Fond - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | CZK  | BE0948266912     | 4 June 2008 through 30 June 2008 before 2 pm CET<br><br>Settlement for value: 3 July 2008   | 1 July 2008  | 1000 CZK                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>                                  | <i>Switching between subfunds</i>  |
|--|---|--|--|
| Trading fee  | During the initial subscription period: max. 5.00%<br><br>After the initial subscription period: max. 5.00% | -  | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -  | -  |
| Amount to cover the costs of the purchase/sale of assets | After the initial subscription period: max. 1.000%  | After the initial subscription period: max. 1.000% | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund                         | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.50%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.50% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# CSOB Komoditni Fond - Institutional B Shares

This share class is reserved for undertakings for collective investment managed by KBC Asset Management NV or by another company related to this management company. It requires a minimum subscription of 125000 CZK (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | CZK  | BE6294988769     | 22 May 2017 through 23 May 2017 before 2 pm CET<br><br>Settlement for value: 30 May 2017    | 24 May 2017  | 265.39 CZK                        |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>                                  | <i>Switching between subfunds</i>                                       |
|--|---|--|---|
| Trading fee  | -   | -  | -   |
| Administrative charges                                   | -   | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: max. 0.500%<br>After the initial subscription period: max. 0.500% | After the initial subscription period: max. 0.500% | The appropriate amount covering these costs for the sub-funds concerned |
| Amount to discourage sales within one month of purchase  | -   | -  | -   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 2.00%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.01%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund CSOB Kratkodobyh Prilezitosti 2

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Kratkodobyh Prilezitosti 2

### Date of incorporation

4 September 2017

### Life

Limited to 30 November 2020

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of a worldwide selection of companies that are characterised by a high market capitalisation.

If the Value of the basket of 30 quality shares of a worldwide selection of companies that are characterised by a high market capitalisation has risen relative to its Starting Value, 80% of this increase in Value  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$  will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 18% (yield to maturity of 5.55% before taxes and charges). If the Value of the basket of 30 quality shares of a worldwide selection of companies that are characterised by a high market capitalisation has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 10% (yield to maturity of -3.39% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Monday 30 November 2020 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Thursday 9 November 2017 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 6 months before Maturity, more specifically from May 2020 through October 2020 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

### **Valuation day**

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

### Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                              | Bloomberg Code   | Exchange         | Initial Weighting Coefficients |
|-----|-----------------------------------|------------------|------------------|--------------------------------|
| 1   | ASSICURAZIONI GENERALI            | G IM Equity      | MILANO - MTAA    | 2.0000%                        |
| 2   | AXA SA                            | CS FP Equity     | PARIS - XPAR     | 2.0000%                        |
| 3   | BP PLC                            | BP/ LN Equity    | LONDON - XLON    | 2.0000%                        |
| 4   | BT GROUP PLC                      | BT/A LN Equity   | LONDON - XLON    | 2.0000%                        |
| 5   | COMMONWEALTH BANK OF AUSTRAL (AT) | CBA AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 6   | DAIMLER AG                        | DAI GY Equity    | FRANKFURT - XETR | 2.0000%                        |
| 7   | DIRECT LINE INSURANCE GROUP       | DLG LN Equity    | LONDON - XLON    | 7.0000%                        |
| 8   | ENAGAS SA                         | ENG SQ Equity    | MADRID - XMCE    | 8.0000%                        |
| 9   | FORTUM OYJ                        | FORTUM FH Equity | HELSINKI - XHEL  | 3.0000%                        |
| 10  | HKT TRUST AND HKD LTD-SS          | 6823 HK Equity   | HONG KONG - XHKG | 3.0000%                        |
| 11  | LEGAL & GENERAL GROUP PLC         | LGEM LN Equity   | LONDON - XLON    | 2.0000%                        |
| 12  | MARINE HARVEST ASA                | MHG NO Equity    | OSLO - XOSL      | 2.0000%                        |
| 13  | NEXT LTD                          | NXT LN Equity    | LONDON - XLON    | 2.0000%                        |
| 14  | NN GROUP NV                       | NN NA Equity     | AMSTERDAM - XAMS | 2.0000%                        |
| 15  | NORDEA BANK AB                    | NDA SS Equity    | STOCKHOLM - XSTO | 2.0000%                        |
| 16  | PROSIEBEN SAT 1 MEDIA             | PSM GY Equity    | FRANKFURT - XETR | 4.0000%                        |
| 17  | ROYAL MAIL PLC                    | RMG LN Equity    | LONDON - XLON    | 3.0000%                        |
| 18  | SAMPO OYJ-A SHS                   | SAMPO FH Equity  | HELSINKI - XHEL  | 3.0000%                        |
| 19  | SKANDINAVISKA ENSKILDA BAN-A      | SEBA SS Equity   | STOCKHOLM - XSTO | 5.0000%                        |
| 20  | SNAM SPA                          | SRG IM Equity    | MILANO - MTAA    | 6.0000%                        |
| 21  | SSE PLC                           | SSE LN Equity    | LONDON - XLON    | 4.0000%                        |
| 22  | SWISS RE AG                       | SREN VX Equity   | ZURICH - XVTX    | 8.0000%                        |
| 23  | TELENOR ASA                       | TEL NO Equity    | OSLO - XOSL      | 2.0000%                        |
| 24  | TELIA CO AB                       | TELIA SS Equity  | STOCKHOLM - XSTO | 7.0000%                        |
| 25  | TELSTRA CORP LTD (AT)             | TLS AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 26  | TOTAL SA                          | FP FP Equity     | PARIS - XPAR     | 2.0000%                        |
| 27  | VERIZON COMMUNICATIONS INC        | VZ UN Equity     | NEW YORK - XNYS  | 2.0000%                        |
| 28  | VODAFONE GROUP PLC                | VOD LN Equity    | LONDON - XLON    | 2.0000%                        |
| 29  | WESTPAC BANKING CORP              | WBC AT Equity    | SYDNEY - XASX    | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG         | ZURN VX Equity   | ZURICH - XVTX    | 5.0000%                        |

## **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Kratkodobyh Prilezitosti 2, about 426 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Kratkodobyh Prilezitosti 2 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

## **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### **Nationalisation, bankruptcy or disqualification**

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Kratkodobych Prilezitosti 2

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>                 | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6296913617     | 4 September 2017 through<br>2 November 2017 before 6 am CET<br><br>Settlement for value:<br>9 November 2017 | 30 November 2017   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>   | <i>Switching between sub-funds</i>   |
|--|--|---|--|
| Trading fee  | During the initial subscription period: 2.00%<br>After the initial subscription period: 2.00%                      | -   | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -  | -   | -  |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders <= 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund  | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |   |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.20 EUR  | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.20 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.20 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Smart Start 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Smart Start 1

### Date of incorporation

3 November 2014

### Life

Limited to 29 January 2021

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, to repay at Maturity at least 90% of the initial subscription value, and secondly, to generate a potential capital gain that is contingent on the performance of a basket of 30 quality shares World Selection Stock. This is done using a 'Best Timing Structure'.

The Best Timing Structure entails that the evolution of the basket  $(= (\text{Value at Maturity} - \text{Minimum Initial Value}) / \text{Initial Value})$  is taken into account at Maturity with regard to 100% of the initial subscription value.

The fund's return is linked to the performance of a basket of shares (calculated as [the value of the basket at maturity less its minimum initial value], divided by its initial value).

At maturity:

- if the value of the basket at maturity is not lower than its minimum initial value, 70% of the increase in the value of the basket will be paid out as a capital gain, in addition to the initial subscription value.

- if the final value of the basket is lower than its minimum initial value, the capital loss will be limited to 10% of the decline in the value of the basket (-1.72% on average annually, before taxes and charges). Consequently, you will get back at least 90% of the initial subscription value.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Friday 29 January 2021 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 5 Valuation Days, starting from Tuesday 23 December 2014 inclusive.

### **Minimum Starting Value**

The lowest value of the Starting Value and the lowest Value of the basket on the Initial Observation Day and is always lower than or equal to the Starting Value.

### **Initial Observation Date**

The first Valuation Day of the month July 2015.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 6 months before Maturity, more specifically from July 2020 through December 2020 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                         | Bloomberg Code  | Exchange          | Initial Weighting Coefficients |
|-----|------------------------------|-----------------|-------------------|--------------------------------|
| 1   | ALLIANZ SE                   | ALV GY Equity   | FRANKFURT - XETR  | 8.0000%                        |
| 2   | ALTRIA GROUP INC             | MO UN Equity    | NEW YORK - XNYS   | 2.0000%                        |
| 3   | AMERICAN CAPITAL AGENCY CORP | AGNC UW Equity  | NEW YORK - XNGS   | 8.0000%                        |
| 4   | AMERICAN ELECTRIC POWER      | AEP UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 5   | AOZORA BANK LTD              | 8304 JT Equity  | TOKYO - XTKS      | 3.0000%                        |
| 6   | AT&T INC                     | T UN Equity     | NEW YORK - XNYS   | 3.0000%                        |
| 7   | BELGACOM SA                  | BELG BB Equity  | BRUSSELS - XBRU   | 3.0000%                        |
| 8   | CENTURYLINK INC              | CTL UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 9   | CONSOLIDATED EDISON INC      | ED UN Equity    | NEW YORK - XNYS   | 3.0000%                        |
| 10  | DIRECT LINE INSURANCE GROUP  | DLG LN Equity   | LONDON - XLON     | 2.0000%                        |
| 11  | DUKE ENERGY CORP             | DUK UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 12  | ENAGAS SA                    | ENG SQ Equity   | MADRID - XMCE     | 2.0000%                        |
| 13  | FRONTIER COMMUNICATIONS CORP | FTR UW Equity   | NEW YORK - XNGS   | 3.0000%                        |
| 14  | HCP INC                      | HCP UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 15  | HEALTH CARE REIT INC         | HCN UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 16  | IBERDROLA SA (SQ)            | IBE SQ Equity   | MADRID - XMCE     | 2.0000%                        |
| 17  | LORILLARD INC                | LO UN Equity    | NEW YORK - XNYS   | 2.0000%                        |
| 18  | MUENCHENER RUECKVER AG-REG   | MUV2 GY Equity  | FRANKFURT - XETR  | 4.0000%                        |
| 19  | PPL CORP                     | PPL UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 20  | REPSOL SA                    | REP SQ Equity   | MADRID - XMCE     | 2.0000%                        |
| 21  | SES SA                       | SESG FP Equity  | PARIS - XPAR      | 2.0000%                        |
| 22  | SOUTHERN CO                  | SO UN Equity    | NEW YORK - XNYS   | 8.0000%                        |
| 23  | SWEDBANK AB - A SHARES       | SWEDA SS Equity | STOCKHOLM - XSTO  | 2.0000%                        |
| 24  | SWISS RE AG                  | SREN VX Equity  | ZURICH - XVTX     | 4.0000%                        |
| 25  | TDC A/S                      | TDC DC Equity   | COPENHAGEN - XCSE | 2.0000%                        |
| 26  | TELEFONICA SA (SQ)           | TEF SQ Equity   | MADRID - XMCE     | 2.0000%                        |
| 27  | TELIASONERA AB               | TLSN SS Equity  | STOCKHOLM - XSTO  | 3.0000%                        |
| 28  | TERNA SPA                    | TRN IM Equity   | MILANO - MTAA     | 8.0000%                        |
| 29  | VENTAS INC                   | VTR UN Equity   | NEW YORK - XNYS   | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG    | ZURN VX Equity  | ZURICH - XVTX     | 8.0000%                        |

## Basket composition methodology

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

### Step 1 :

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### Step 2 :

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### Step 3 :

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Smart Start 1, about 246 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Smart Start 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### *Selection criteria for the basket :*

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Beveik has approved its inclusion in the basket (the 'Selection criteria').

### ***Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :***

#### ***Mergers or acquisitions***

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### ***Demergers***

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | low      |  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Smart Start 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6272226125     | 3 November 2014 through 15 December 2014 before 6 am CET<br><br>Settlement for value: 23 December 2014 | 16 January 2015  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>   | <i>Switching between sub-funds</i>  |
|--|--|---|---|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -   | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -   | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders <= 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund  | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |   |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Stredny Vyber 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Stredny Vyber 1

### Date of incorporation

2 March 2015

### Life

Limited to 30 April 2021

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Bevek – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## **Sub-fund's investment policy**

### **Permitted asset classes**

Pursuant to the provisions of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### **Characteristics of the bonds and other debt instruments**

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### **Permitted swap transactions**

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 90% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 50 quality shares of companies that are characterised by a high market capitalisation. This is done using a Median Basket Structure.

The Median Basket Structure entails that only the evolution of the Median Basket is taken into account at Maturity with regard to 100% of the initial subscription price.

The fund's return is linked to the performance of the Median Basket of shares (calculated as [the Value of the Median Basket at Maturity less its Starting Value] divided by the Starting Value).

At Maturity:

- If the Value of the Median Basket at Maturity is not lower than its Starting Value, 50% of the increase in Value of the Median Basket (= (Value of the Median Basket at Maturity minus Starting Value) divided by the Starting Value) will be paid out as a capital gain, in addition to the initial subscription price.
- If the Value of the Median Basket at Maturity is lower than its Starting Value (Value of the Median Basket at Maturity < Starting Value), 100% of the decline of the Median Basket will be deducted with a maximum of 10% (-1.75% annualised, before taxes and charges). Consequently, you will get back at least 90% of the initial subscription price.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Value of the Median Basket at Maturity**

= End Value, without the 10 worst performing and the 10 best performing stocks.

In other words, only 30 shares, from the 11<sup>th</sup> to 40<sup>th</sup> best performing are taken into account when calculating the End Value. These 30 shares have an equal weighting when calculating the End Value.

### **Maturity**

Friday 30 April 2021 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 5 Valuation Days, starting from Friday 8 May 2015 inclusive.

## End Value

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from October 2019 through March 2021 (inclusive).

## Value

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|----------------|------------------|--------------------------------|
| 1   | ABERDEEN ASSET MGMT PLC          | ADN LN Equity  | LONDON - XLON    | 2.0000%                        |
| 2   | ALLIANZ SE                       | ALV GY Equity  | FRANKFURT - XETR | 2.0000%                        |
| 3   | ALTRIA GROUP INC                 | MO UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 4   | AT&T INC                         | T UN Equity    | NEW YORK - XNYS  | 2.0000%                        |
| 5   | BANK OF MONTREAL (CT)            | BMO CT Equity  | TORONTO - XTSE   | 2.0000%                        |
| 6   | BCE INC                          | BCE CT Equity  | TORONTO - XTSE   | 2.0000%                        |
| 7   | BOSTON PROPERTIES INC            | BXP UN Equity  | NEW YORK - XNYS  | 2.0000%                        |
| 8   | BRITISH AMERICAN TOBACCO PLC     | BATS LN Equity | LONDON - XLON    | 2.0000%                        |
| 9   | BRITISH LAND CO PLC              | BLND LN Equity | LONDON - XLON    | 2.0000%                        |
| 10  | CAN IMPERIAL BK OF COMMERCE (CT) | CM CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 11  | CONSOLIDATED EDISON INC          | ED UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 12  | DEUTSCHE BOERSE AG               | DB1 GY Equity  | FRANKFURT - XETR | 2.0000%                        |
| 13  | DIRECT LINE INSURANCE GROUP      | DLG LN Equity  | LONDON - XLON    | 2.0000%                        |
| 14  | FERROVIAL SA (SQ)                | FER SQ Equity  | MADRID - XMCE    | 2.0000%                        |
| 15  | GENERAL ELECTRIC CO              | GE UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 16  | GLAXOSMITHKLINE PLC              | GSK LN Equity  | LONDON - XLON    | 2.0000%                        |
| 17  | HCP INC                          | HCP UN Equity  | NEW YORK - XNYS  | 2.0000%                        |

| (i) | Name                        | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|-----------------------------|-----------------|------------------|--------------------------------|
| 18  | HSBC HOLDINGS PLC (LONDON)  | HSBA LN Equity  | LONDON - XLON    | 2.0000%                        |
| 19  | INTEL CORP (UW)             | INTC UW Equity  | NEW YORK - XNGS  | 2.0000%                        |
| 20  | LEGAL & GENERAL GROUP PLC   | LGEN LN Equity  | LONDON - XLON    | 2.0000%                        |
| 21  | MCDONALD'S CORP             | MCD UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 22  | MIZUHO FIN GROUP            | 8411 JT Equity  | TOKYO - XTKS     | 2.0000%                        |
| 23  | NATIONAL GRID PLC           | NG/ LN Equity   | LONDON - XLON    | 2.0000%                        |
| 24  | PEARSON PLC                 | PSON LN Equity  | LONDON - XLON    | 2.0000%                        |
| 25  | PHILIP MORRIS INTERNATIONAL | PM UN Equity    | NEW YORK - XNYS  | 2.0000%                        |
| 26  | POTASH CORP OF SASKATCHEWAN | POT CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 27  | PPL CORP                    | PPL UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 28  | PUBLIC SERVICE ENTERPRISE   | PEG UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 29  | REXAM PLC                   | REX LN Equity   | LONDON - XLON    | 2.0000%                        |
| 30  | REYNOLDS AMERICAN INC       | RAI UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 31  | ROGERS COMMUNICATIONS INC-B | RCI/B CT Equity | TORONTO - XTSE   | 2.0000%                        |
| 32  | ROYAL BANK OF CANADA (CT)   | RY CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 33  | SAMPO OYJ-A SHS             | SAMAS FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 34  | SOUTHERN CO                 | SO UN Equity    | NEW YORK - XNYS  | 2.0000%                        |
| 35  | SSE PLC                     | SSE LN Equity   | LONDON - XLON    | 2.0000%                        |
| 36  | SUN LIFE FINANCIAL INC      | SLF CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 37  | SVENSKA HANDELSBANKEN-A SHS | SHBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 38  | SWEDBANK AB - A SHARES      | SWEDA SS Equity | STOCKHOLM - XSTO | 2.0000%                        |
| 39  | SWISSCOM AG-REG             | SCMN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 40  | SWISS RE AG                 | SREN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 41  | SYNGENTA AG-REG             | SYNN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 42  | TELIASONERA AB              | TLSN SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 43  | TELUS CORP (CT)             | T CT Equity     | TORONTO - XTSE   | 2.0000%                        |
| 44  | TERNA SPA                   | TRN IM Equity   | MILANO - MTAA    | 2.0000%                        |
| 45  | TORONTO-DOMINION BANK (CT)  | TD CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 46  | UNILEVER NV-CVA             | UNA NA Equity   | AMSTERDAM - XAMS | 2.0000%                        |
| 47  | UNITED UTILITIES GROUP PLC  | UU/ LN Equity   | LONDON - XLON    | 2.0000%                        |
| 48  | VERIZON COMMUNICATIONS INC  | VZ UN Equity    | NEW YORK - XNYS  | 2.0000%                        |
| 49  | WELLTOWER INC               | HCN UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 50  | ZURICH INSURANCE GROUP AG   | ZURN VX Equity  | ZURICH - XVTX    | 2.0000%                        |

### **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

#### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

#### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

#### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Stredny Vyber 1, about 281 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon CSOB Stredny Vyber 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### *Selection criteria for the basket :*

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

### ***Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :***

#### ***Mergers or acquisitions***

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### ***Demergers***

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Stredny Vyber 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>   | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6276289012     | 2 March 2015 through<br>4 May 2015 before 6 am CET<br><br>Settlement for value:<br>8 May 2015 | 29 May 2015  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>   | <i>Switching between sub-funds</i>  |
|--|--|---|---|
| Trading fee  | During the initial subscription period: 2.00%<br>After the initial subscription period: 2.00%                      | -   | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -   | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders <= 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund  | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |   |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Svet s Bonusom Energie 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Svet s Bonusom Energie 1

### Date of incorporation

4 January 2016

### Life

Limited to 31 March 2022

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to pay back at Maturity at least 90% of the initial subscription price, and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of companies that are characterised by a high market capitalisation (Basket 1) and a basket of 10 the shares of an issuer that is involved in the energy sector (Basket 2).

55% of any increase in Basket 1  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$ , will be calculated at maturity in addition to 90% of the initial subscription price and with a maximum of 60% (yield to maturity of 8.05% before taxes and charges). Any negative performances in Basket 1 are not taken into account. In the event of a fall in value of Basket 1, 90% of the initial subscription price will be reimbursed at maturity.

If the intermediary observation value of Basket 2 was equal to or more than the initial value, 10% of the initial subscription value is also paid at maturity.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Thursday 31 March 2022 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

For each basket

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Monday 7 March 2016 inclusive.

### **Interim Observation Value**

For Basket 2

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days of March 2017.

### **End Value**

For Basket 1

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from September 2020 through February 2022 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant baskets

### a) Basket 1

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 1   | ALLIANZ SE                       | ALV GY Equity   | FRANKFURT - XETR | 2.0000%                        |
| 2   | AMERICAN ELECTRIC POWER          | AEP UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 3   | AT&T INC                         | T UN Equity     | NEW YORK - XNYS  | 2.0000%                        |
| 4   | BALOISE HOLDING AG               | BALN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 5   | CAN IMPERIAL BK OF COMMERCE (CT) | CM CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 6   | CLP HOLDINGS LTD                 | 2 HK Equity     | HONG KONG - XHKG | 5.0000%                        |
| 7   | EDF                              | EDF FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 8   | ENAGAS SA                        | ENG SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 9   | FORTUM OYJ                       | FUM1V FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 10  | HCP INC                          | HCP UN Equity   | NEW YORK - XNYS  | 3.0000%                        |
| 11  | LEGAL & GENERAL GROUP PLC        | LGEM LN Equity  | LONDON - XLON    | 2.0000%                        |
| 12  | MUENCHENER RUECKVER AG-REG       | MUV2 GY Equity  | FRANKFURT - XETR | 2.0000%                        |
| 13  | NATIONAL BANK OF CANADA          | NA CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 14  | NORDEA BANK AB                   | NDA SS Equity   | STOCKHOLM - XSTO | 2.0000%                        |
| 15  | PHILIP MORRIS INTERNATIONAL      | PM UN Equity    | NEW YORK - XNYS  | 5.0000%                        |
| 16  | PPL CORP                         | PPL UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 17  | ROGERS COMMUNICATIONS INC-B      | RCI/B CT Equity | TORONTO - XTSE   | 8.0000%                        |
| 18  | ROYAL DUTCH SHELL PLC-A (LONDON) | RDSA LN Equity  | LONDON - XLON    | 2.0000%                        |
| 19  | SAMPO OYJ-A SHS                  | SAMAS FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 20  | SGS SA-REG                       | SGSN VX Equity  | ZURICH - XVTX    | 8.0000%                        |
| 21  | SKANDINAVISKA ENSKILDA BAN-A     | SEBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 22  | SOUTHERN CO                      | SO UN Equity    | NEW YORK - XNYS  | 8.0000%                        |
| 23  | SUNCORP GROUP                    | SUN AT Equity   | SYDNEY - XASX    | 2.0000%                        |
| 24  | SWISSCOM AG-REG                  | SCMN VX Equity  | ZURICH - XVTX    | 8.0000%                        |
| 25  | SWISS RE AG                      | SREN VX Equity  | ZURICH - XVTX    | 8.0000%                        |
| 26  | TELEFONICA SA (SQ)               | TEF SQ Equity   | MADRID - XMCE    | 5.0000%                        |
| 27  | TELUS CORP (CT)                  | T CT Equity     | TORONTO - XTSE   | 2.0000%                        |
| 28  | TORONTO-DOMINION BANK (CT)       | TD CT Equity    | TORONTO - XTSE   | 2.0000%                        |
| 29  | TOTAL SA                         | FP FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 30  | VERIZON COMMUNICATIONS INC       | VZ UN Equity    | NEW YORK - XNYS  | 2.0000%                        |

## b) Basket 2

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Issuer                           | Bloomberg Code | Exchange        | Initial Weighting Coefficients |
|-----|----------------------------------|----------------|-----------------|--------------------------------|
| 1   | BP PLC                           | BP/ LN equity  | LONDON - XLON   | 10.0000%                       |
| 2   | CHEVRON CORP                     | CVX UN equity  | NEW YORK - XNYS | 10.0000%                       |
| 3   | ENBRIDGE INC                     | ENB CT equity  | TORONTO - XTSE  | 10.0000%                       |
| 4   | JX HOLDINGS INC                  | 5020 JT equity | TOKYO - XTKS    | 10.0000%                       |
| 5   | OCCIDENTAL PETROLEUM CORP        | OXY UN equity  | NEW YORK - XNYS | 10.0000%                       |
| 6   | ROYAL DUTCH SHELL PLC-A (LONDON) | RDSA LN equity | LONDON - XLON   | 10.0000%                       |
| 7   | STATOIL ASA                      | STL NO equity  | OSLO - XOSL     | 10.0000%                       |
| 8   | TOTAL SA                         | FP FP equity   | PARIS - XPAR    | 10.0000%                       |
| 9   | TRANSCANADA CORP                 | TRP CT equity  | TORONTO - XTSE  | 10.0000%                       |
| 10  | WOODSIDE PETROLEUM LTD           | WPL AT equity  | SYDNEY - XASX   | 10.0000%                       |

## Basket composition methodology

KBC Asset Management used the following methodology to determine the composition of the sub-fund's baskets.

### Step 1 :

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

### Step 2 :

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

### Step 3 :

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

### Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Svet s Bonusom Energie 1, about 428 equities were selected for basket 1 and 61 for Basket 2 during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final baskets set up during step 4 are described above under *Relevant baskets*. These baskets make it possible to offer the sub-fund Horizon CSOB Svet s Bonusom Energie 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

### Selection criteria for basket 1:

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

### Selection criteria for basket 2:

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) shares of companies that are active in the energy sector, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

## ***Modifications to the baskets due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :***

### ***Mergers or acquisitions***

If, during the life of the sub-fund, one or more issuers of shares in one of the baskets are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Demergers***

If an issuer of a share in one of the baskets proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in one of the baskets is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Svet s Bonusom Energie 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>       | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6282706165     | 4 January 2016 through 29 February 2016 before 6 am CET<br><br>Settlement for value: 7 March 2016 | 31 March 2016  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>   | <i>Switching between sub-funds</i>  |
|--|--|---|---|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -   | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -   | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders <= 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund  | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |   |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | * During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.<br>* After that: 0.10% of the net assets of the sub-fund per year.            |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Svet s Bonusom Rodina 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Svet s Bonusom Rodina 1

### Date of incorporation

22 September 2014

### Life

Limited to 30 November 2020

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to pay back at Maturity at least 90% of the initial subscription price, and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of companies that are characterised by a high market capitalisation (Basket 1) and a basket of 10 shares of companies that produces products for an average family (Basket 2).

70% of any increase in Basket 1  $(= (\text{End Value} - \text{Starting Value}) / \text{Starting Value})$ , will be calculated at maturity in addition to 90% of the initial subscription price and with a maximum of 80% (yield to maturity of 10.18% before taxes and charges). Any negative performances in Basket 1 are not taken into account. In the event of a fall in value of Basket 1, 90% of the initial subscription price will be reimbursed at maturity.

If the intermediary observation value of Basket 2 was equal to or more than the initial value, 10% of the initial subscription value is also paid at maturity.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Monday 30 November 2020 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

For each basket

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Monday 10 November 2014 inclusive.

### **Interim Observation Value**

For Basket 2

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 5 Valuation Days of November 2015.

### **End Value**

For Basket 1

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from May 2019 through October 2020 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant baskets

### a) Basket 1

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 1   | ALLIANZ SE                       | ALV GY Equity   | FRANKFURT - XETR | 2.0000%                        |
| 2   | BAYTEX ENERGY CORP               | BTE CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 3   | BCE INC                          | BCE CT Equity   | TORONTO - XTSE   | 8.0000%                        |
| 4   | BRITISH AMERICAN TOBACCO PLC     | BATS LN Equity  | LONDON - XLON    | 2.0000%                        |
| 5   | BRITISH LAND CO PLC              | BLND LN Equity  | LONDON - XLON    | 2.0000%                        |
| 6   | CAIXABANK SA                     | CABK SQ Equity  | MADRID - XMCE    | 2.0000%                        |
| 7   | CAN IMPERIAL BK OF COMMERCE (CT) | CM CT Equity    | TORONTO - XTSE   | 8.0000%                        |
| 8   | CENTRICA PLC                     | CNA LN Equity   | LONDON - XLON    | 2.0000%                        |
| 9   | ENAGAS SA                        | ENG SQ Equity   | MADRID - XMCE    | 3.0000%                        |
| 10  | GDF SUEZ                         | GSZ FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 11  | GLAXOSMITHKLINE PLC              | GSK LN Equity   | LONDON - XLON    | 5.0000%                        |
| 12  | HSBC HOLDINGS PLC (LONDON)       | HSBA LN Equity  | LONDON - XLON    | 2.0000%                        |
| 13  | MUENCHENER RUECKVER AG-REG       | MUV2 GY Equity  | FRANKFURT - XETR | 2.0000%                        |
| 14  | NATIONAL GRID PLC                | NG/ LN Equity   | LONDON - XLON    | 2.0000%                        |
| 15  | ORANGE                           | ORA FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 16  | PEARSON PLC                      | PSON LN Equity  | LONDON - XLON    | 2.0000%                        |
| 17  | PHILIP MORRIS INTERNATIONAL      | PM UN Equity    | NEW YORK - XNYS  | 5.0000%                        |
| 18  | SAMPO OYJ-A SHS                  | SAMAS FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 19  | SKANDINAVISKA ENSKILDA BAN-A     | SEBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 20  | SNAM SPA                         | SRG IM Equity   | MILANO - MTAA    | 8.0000%                        |
| 21  | SSE PLC                          | SSE LN Equity   | LONDON - XLON    | 5.0000%                        |
| 22  | STATOIL ASA                      | STL NO Equity   | OSLO - XOSL      | 2.0000%                        |
| 23  | SWEDBANK AB - A SHARES           | SWEDA SS Equity | STOCKHOLM - XSTO | 2.0000%                        |
| 24  | SWISSCOM AG-REG                  | SCMN VX Equity  | ZURICH - XVTX    | 8.0000%                        |
| 25  | SWISS RE AG                      | SREN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 26  | TELEFONICA SA (SQ)               | TEF SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 27  | TELIASONERA AB                   | TLSN SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 28  | TRANSOCEAN LTD                   | RIG UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 29  | WM MORRISON SUPERMARKETS         | MRW LN Equity   | - XLON           | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG        | ZURN VX Equity  | ZURICH - XVTX    | 8.0000%                        |

#### b) Basket 2

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Issuer                       | Bloomberg Code | Exchange         | Initial Weighting Coefficients |
|-----|------------------------------|----------------|------------------|--------------------------------|
| 1   | BAYER AG                     | BAYN GY Equity | FRANKFURT - XETR | 10.0000%                       |
| 2   | CARREFOUR SA                 | CA FP Equity   | PARIS - XPAR     | 10.0000%                       |
| 3   | COLGATE-PALMOLIVE CO         | CL UN Equity   | NEW YORK - XNYS  | 10.0000%                       |
| 4   | JOHNSON & JOHNSON            | JNJ UN Equity  | NEW YORK - XNYS  | 10.0000%                       |
| 5   | L'OREAL                      | OR FP Equity   | PARIS - XPAR     | 10.0000%                       |
| 6   | MATTEL INC                   | MAT UW Equity  | NEW YORK - XNGS  | 10.0000%                       |
| 7   | NESTLE SA-REG                | NESN VX Equity | ZURICH - XVTX    | 10.0000%                       |
| 8   | NOVARTIS AG-REG              | NOVN VX Equity | ZURICH - XVTX    | 10.0000%                       |
| 9   | ROCHE HOLDING AG-GENUSSCHEIN | ROG VX Equity  | ZURICH - XVTX    | 10.0000%                       |
| 10  | UNILEVER PLC                 | ULVR LN Equity | LONDON - XLON    | 10.0000%                       |

### *Basket composition methodology*

KBC Asset Management used the following methodology to determine the composition of the sub-fund's baskets.

#### Step 1 :

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

#### Step 2 :

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

#### Step 3 :

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### Step 4 :

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon CSOB Svet s Bonusom Rodina 1, about 329 equities were selected for basket 1 and 11 for Basket 2 during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final baskets set up during step 4 are described above under *Relevant baskets*. These baskets make it possible to offer the sub-fund Horizon CSOB Svet s Bonusom Rodina 1 under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### *Selection criteria for basket 1:*

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

#### *Selection criteria for basket 2:*

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) issuer is a company that produces products for an average family, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

## ***Modifications to the baskets due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :***

### ***Mergers or acquisitions***

If, during the life of the sub-fund, one or more issuers of shares in one of the baskets are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Demergers***

If an issuer of a share in one of the baskets proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in one of the baskets is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | low      |  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Svet s Bonusom Rodina 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>             | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6270462912     | 22 September 2014 through 3 November 2014 before 6 am CET<br><br>Settlement for value: 10 November 2014 | 28 November 2014   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>  |
|--|--|--|---|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -  | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund CSOB Svet s Nemeckym Bonusom 1

Note to the Belgian investors:

KBC group has signed up to the FSMA's Moratorium on the distribution of particularly complex structured products. This product is considered particularly complex according to the Moratorium and will therefore not be marketed in Belgium.

## 1. Basic details

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### Name

CSOB Svet s Nemeckym Bonusom 1

### Date of incorporation

12 June 2014

### Life

Limited to 31 August 2020

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 90% of the initial subscription price of 10 EUR at Maturity, i.e. 9 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 90% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 90% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Beveik – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 90% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on certain public undertakings for collective investment will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 10% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to pay back at Maturity at least 90% of the initial subscription price, and secondly a possible capital gain that is contingent on the evolution of a basket of 30 quality shares of companies that are characterised by a high market capitalisation (Basket 1) and a basket of 10 shares of companies that are German leaders (Basket 2).

80% of a possible increase in Basket 1  $(= (\text{End Value less the Starting Value}) \text{ divided by the Starting Value})$ , will be calculated at maturity in addition to 90% of the initial value on subscription. Any negative performances in Basket 1 are not taken into account. In the event of a fall in value of Basket 1, 90% of the initial subscription price will be reimbursed at maturity.

If the intermediary observation value of Basket 2 was equal to or more than the initial value, 10% of the initial subscription value is also paid at maturity.

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Monday 31 August 2020 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

For each basket

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Monday 11 August 2014 inclusive.

### **Interim Observation Value**

For Basket 2

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 5 Valuation Days of August 2015.

### **End Value**

For Basket 1

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 18 months before Maturity, more specifically from February 2019 through July 2020 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

### **Valuation day**

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

### Relevant baskets

#### a) Basket 1

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 1   | BANCO SANTANDER SA (SQ)          | SAN SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 2   | BCE INC                          | BCE CT Equity   | TORONTO - XTSE   | 8.0000%                        |
| 3   | BRITISH AMERICAN TOBACCO PLC     | BATS LN Equity  | LONDON - XLON    | 2.0000%                        |
| 4   | BRITISH LAND CO PLC              | BLND LN Equity  | LONDON - XLON    | 2.0000%                        |
| 5   | CAN IMPERIAL BK OF COMMERCE (CT) | CM CT Equity    | TORONTO - XTSE   | 8.0000%                        |
| 6   | CENTRICA PLC                     | CNA LN Equity   | LONDON - XLON    | 2.0000%                        |
| 7   | ENAGAS SA                        | ENG SQ Equity   | MADRID - XMCE    | 3.0000%                        |
| 8   | GDF SUEZ                         | GSZ FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 9   | GLAXOSMITHKLINE PLC              | GSK LN Equity   | LONDON - XLON    | 5.0000%                        |
| 10  | HSBC HOLDINGS PLC (LONDON)       | HSBA LN Equity  | LONDON - XLON    | 2.0000%                        |
| 11  | NATIONAL GRID PLC                | NG/ LN Equity   | LONDON - XLON    | 2.0000%                        |
| 12  | ORANGE                           | ORA FP Equity   | PARIS - XPAR     | 2.0000%                        |
| 13  | PEARSON PLC                      | PSON LN Equity  | LONDON - XLON    | 2.0000%                        |
| 14  | PHILIP MORRIS INTERNATIONAL      | PM UN Equity    | NEW YORK - XNYS  | 5.0000%                        |
| 15  | REYNOLDS AMERICAN INC            | RAI UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 16  | SAMPO OYJ-A SHS                  | SAMAS FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 17  | SKANDINAVISKA ENSKILDA BAN-A     | SEBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 18  | SNAM SPA                         | SRG IM Equity   | MILANO - MTAA    | 8.0000%                        |
| 19  | SSE PLC                          | SSE LN Equity   | LONDON - XLON    | 5.0000%                        |
| 20  | STATOIL ASA                      | STL NO Equity   | OSLO - XOSL      | 2.0000%                        |
| 21  | SVENSKA HANDELSBANKEN-A SHS      | SHBA SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 22  | SWEDBANK AB - A SHARES           | SWEDA SS Equity | STOCKHOLM - XSTO | 2.0000%                        |
| 23  | SWISSCOM AG-REG                  | SCMN VX Equity  | ZURICH - XVTX    | 8.0000%                        |
| 24  | SWISS RE AG                      | SREN VX Equity  | ZURICH - XVTX    | 2.0000%                        |
| 25  | TELEFONICA SA (SQ)               | TEF SQ Equity   | MADRID - XMCE    | 2.0000%                        |
| 26  | TELIASONERA AB                   | TLSN SS Equity  | STOCKHOLM - XSTO | 2.0000%                        |
| 27  | TRANSOCEAN LTD                   | RIG UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 28  | UNIBAIL-RODAMCO                  | UL NA Equity    | AMSTERDAM - XAMS | 2.0000%                        |
| 29  | WM MORRISON SUPERMARKETS         | MRW LN Equity   | LONDON - XLON    | 2.0000%                        |

| (i) | Name                      | Bloomberg Code | Exchange      | Initial Weighting Coefficients |
|-----|---------------------------|----------------|---------------|--------------------------------|
| 30  | ZURICH INSURANCE GROUP AG | ZURN VX Equity | ZURICH - XVTX | 8.0000%                        |

**b) Basket 2**

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Issuer                      | Bloomberg Code | Exchange         | Initial Weighting Coefficients |
|-----|-----------------------------|----------------|------------------|--------------------------------|
| 1   | ADECCO SA-REG               | ADEN VX Equity | ZURICH - XVTX    | 10.0000%                       |
| 2   | ALLIANZ SE                  | ALV GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 3   | BASF SE                     | BAS GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 4   | BAYERISCHE MOTOREN WERKE AG | BMW GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 5   | DAIMLER AG                  | DAI GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 6   | DEUTSCHE BOERSE AG          | DB1 GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 7   | DEUTSCHE POST AG-REG        | DPW GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 8   | MUENCHENER RUECKVER AG-REG  | MUV2 GY Equity | FRANKFURT - XETR | 10.0000%                       |
| 9   | SIEMENS AG-REG              | SIE GY Equity  | FRANKFURT - XETR | 10.0000%                       |
| 10  | SUEDZUCKER AG               | SZU GY Equity  | FRANKFURT - XETR | 10.0000%                       |

### **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's baskets.

**Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

**Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

**Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

**Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the Horizon CSOB Svet s nemeckym bonusom 1 sub-fund, about 281 equities were selected during step 1. The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under 'Basket used'. This basket makes it possible to offer the Horizon CSOB Svet s nemeckym bonusom 1 sub-fund under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

**Selection criteria for basket 1:**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

**Selection criteria for basket 2:**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (II) the issuer is a company that is a German leader, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the

'Selection criteria').

***Modifications to the baskets due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :***

***Mergers or acquisitions***

If, during the life of the sub-fund, one or more issuers of shares in one of the baskets are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

***Demergers***

If an issuer of a share in one of the baskets proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in one of the baskets is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | low      |  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be](http://www.kbc.be) under the heading Saving and Investments/ Investments tailored to your needs.

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# CSOB Svet s Nemeckym Bonusom 1

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>    | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (capitalisation shares)                  | EUR  | BE6266859774     | 30 June 2014 through 4 August 2014 before 6 am CET<br><br>Settlement for value: 11 August 2014 | 29 August 2014   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>  |
|--|--|--|---|
| Trading fee  | During the initial subscription period: 2.50%<br>After the initial subscription period: 2.50%                      | -  | If the trading fee for the new sub-fund is higher than that of the former sub-fund: the difference between the two. |
| Administrative charges                                   | -  | -  | -   |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned   |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund  |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.2 EUR   | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.2 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 90% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.2 EUR per unit per year, as described above.

# Information concerning the sub-fund Dollar Obligatiedepot

## 1. Basic details

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### Name

Dollar Obligatiedepot

### Date of incorporation

5 July 2004

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Dollar Obligatiedepot (hereinafter referred to as "the Fund") merged on 3 July 2020 by the foundation of the sub-fund "Dollar Obligatiedepot" of Horizon.

Since this operation leads to a transfer of all assets and liabilities of the dissolved Fund, Dollar Obligatiedepot, to the newly established sub-fund, Horizon Dollar Obligatiedepot, it has no impact whatsoever on the continuity of the dissolved Fund. In order to clearly reflect this, all information before 3 July 2020 has been retained in this prospectus, the result of which is that data concerning Dollar Obligatiedepot predating 3 July 2020 are to be considered as data concerning the dissolved Fund, Dollar Obligatiedepot.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The sub-fund acts as a feeder fund that aims to invest at least 95% of its assets in units of a single UCITS, i.e. KBC Renta Dollarenta (the master fund as specified below).

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund's investments consist of at least 95% units in the master fund (as determined below) and a maximum of 5% in cash and/or financial derivatives.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

#### *Permitted derivatives transactions*

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

### **Selected strategy**

**The Sub-fund (the feeder fund) always invests at least 95% of its assets in units of a single undertaking for collective investment, namely Dollarenta, a sub-fund of the SICAV under Luxembourg law opting for investments that comply with the conditions of Directive 2009/65/EC KBC Renta (the master fund).**

Since the sub-fund as feeder fund will at all times invest at least 95% of its assets in the master fund, the feeder fund's results will be comparable with those of the master fund. For the following reasons, a limited deviation between the results of the master fund and those of the feeder fund may arise:

- The feeder fund may invest up to 5% of its assets in assets apart from the master fund, namely in cash and financial derivatives.
- The feeder fund bears certain charges that the master fund does not incur. Among other things, these include the payment made for the administration of the feeder fund, the fee paid to the feeder fund's auditor and the costs of publication of the feeder fund's net asset value.

### **Information relating to the master**

Name:  
KBC Renta Dollarenta

Legal status:  
Sub-fund of a Luxembourg SICAV that has opted for investments that comply with the terms of Directive 2009/65/EC, and that, as far as its operation and investments are concerned, is governed by Part 1 of the Luxembourg Act of 17 December 2010 on undertakings for collective investment.

Management company:  
KBC Asset Management SA, Rue du Fort Wallis 4, L-2714 Luxembourg

Custodian:  
Brown Brothers Harriman (Luxembourg) S.C.A., Route d'Esch 80, L-1470 Luxembourg

Auditor:  
Deloitte Audit Sarl, Rue de Neudorf 560, L-2220 Luxembourg

Master investment policy:  
The investment portfolio of the KBC Renta Dollarenta sub-fund is primarily invested, directly or indirectly, in securities with a preference for bonds denominated in US dollars ('USD').

The benchmark of the sub-fund is JP Morgan Government Bond Index (GBI) United States.

The aim of the sub-fund is to outperform the benchmark.

The sub-fund is actively managed and doesn't aim to replicate the benchmark. The benchmark is used to measure the performance and composition of the portfolio. Most of the bonds held by the sub-fund are included in the benchmark. Managers may use their discretionary power to invest in bonds not included in the benchmark in order to benefit from the sub-fund's specific investment opportunities.

The sub-fund's investment policy limits the extent to which the portfolio's positions may deviate from the benchmark. This deviation is measured using the tracking error, which indicates the extent of volatility between the sub-fund's performance and the benchmark. The expected tracking error is 1.25%. Investors should be aware that the actual tracking error may change, depending on market conditions. A sub-fund with a small deviation from the benchmark is expected to outperform that benchmark to a lesser degree.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 201(7), J.P. Morgan Chase & Co. All rights reserved.

The sub-fund invests at least 75% of its assets directly or indirectly in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may invest up to 25% of its assets in bonds and debt instruments with a lower credit rating or for which no credit rating is available from any of the above rating agencies.

The net asset value of the sub-fund is denominated in US dollars.

Master risk profile:

The risk and return profile of the master is set out in the key investor information for the master. A summary of the risks as appraised by the master is set out in the master's prospectus.

Ongoing charges of the master:

The ongoing charges of the master may be found in the key investor information for the master.

Prospectus and key investor information of the master:

The prospectus and the key investor information of the master may be obtained free of charge from the financial services providers. These documents may also be consulted on [www.kbc.be/investing](http://www.kbc.be/investing).

***Information regarding the agreement between the master and the feeder***

In accordance with Article 78 (1) of the Act of 3 August 2012 on undertakings for collective investment that meet the conditions of Directive 2009/65/EC and undertakings for investment in debt instruments, the master and feeder funds have concluded an agreement that governs the relationship between the master and feeder funds. This agreement includes:

- what categories of units in the master fund are available for investment by the feeder fund;
- the charges and expenses to be borne by the feeder fund in relation to the investment in the master fund;
- the schedule for the close of the order receipt period, the calculation of the net asset value, the publication of the net asset value and the date of payment or repayment of the orders;
- the consequences for the feeder fund of suspending determination of the master fund's net asset value;
- the way in which it is ensured that in the event of errors in calculating the net asset value of the units in the master fund, the necessary measures will be taken swiftly in relation to the feeder fund.

This agreement may be obtained free of charge from the financial service providers before or after subscription to the shares.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the interest rate sensitivity of the bonds in the master and the exchange rate risk in relation to the euro. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | low      |   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | moderate | the level of this risk reflects the concentration of investments of the master in the United States of America.                             |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the interest rate sensitivity of the bonds in the master and the exchange rate risk in relation to the euro. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of

- banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.
- days on which no calculation of the net asset value for the master and/or entries and exits in the master are possible.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Dollar Obligatiedepot

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | USD  | BE0943443219     | 5 July 2004 through 30 July 2004 before 6 am CET<br><br>Settlement for value: 6 August 2004 | 2 August 2004  | 500 USD                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |   |
|--|---|---|
| Fee for managing the investment portfolio  | Max 0.60%   | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.<br><br>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.30% a year. |
| Administration fee   | 0.01%   | per year calculated on the basis of the average total net assets of the sub-fund.   |
| Fee for financial services   | -   | -   |
| Custodian's fee  | Max 0.02%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.  |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |   |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.   |

**Charges and expenses to be borne by the feeder in relation to the investment in the master fund.**

In accordance with Article 116, §1, section 3 of the royal decree of 12 November 2012 on certain public collective investment undertakings, the feeder does not have to pay costs for subscription, switching sub-funds or exit.

The master fund bears the ongoing fees and charges listed in the master fund's prospectus under Chapter 5. 'Types of shares and commission and costs' (table: Ongoing fees and charges paid by the sub-fund). This includes fees for managing the investment portfolio, administrative fees and custodian fees. These costs are borne by the master fund, impact the master fund's net asset value and therefore directly affect all the investors in the master fund, including the feeder.

Please note that the feeder does not pay either a fee for managing the investment portfolio, or a custodian fee for the assets it invests in the master fund.

# Information concerning the sub-fund Europees Obligatiedepot

## 1. Basic details

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### Name

Europees Obligatiedepot

### Date of incorporation

1 September 2003

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Europees Obligatiedepot (hereinafter referred to as "Europees Obligatiedepot") merged on 8 February 2019 by the foundation of the sub-fund Europees Obligatiedepot of the investment company Horizon (hereinafter referred to as "Horizon Europees Obligatiedepot").

Since the operation leads to a transfer of all assets and liabilities of the dissolved fund, Europees Oblatiedepot, to the newly established sub-fund, Horizon Europees Obligatiedepot, the operation has no influence on the continuity of the establishing fund. In order to clearly reflect this, all information before 8 February 2019 has been retained in this prospectus, the result of which is that data concerning Horizon Europees Obligatiedepot predating 8 February 2019 are to be considered as data concerning the dissolved fund, Europees Obligatiedepot.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested either directly, or indirectly via correlated financial instruments, primarily in bonds.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The aim of the sub-fund is to build up a diversified portfolio of units in other investment undertakings. The portfolio will consist primarily of units in investment undertakings that invest in fixed-income securities denominated in euros (EUR) or other currencies where the exchange risk against the EUR is hedged.

The sub-fund's net asset value is denominated in euros.

The sub-fund aims to use these investments to generate the following for its unit-holders:

- a return matching that of the reference currency, namely the euro;
- possible capital gains.

The fund is actively managed with reference to the following benchmark: 70% JP Morgan EMU government Bonds Investment grade 1-3 year Total Return Index - 30% iBoxx Euro corporate bonds Total Return Index.

However, is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 0.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some or all of the assets are invested in bonds and debt securities issued by both companies and governments. The sub-fund invests directly and/or indirectly at least 75% of its assets in bonds and debt instruments that have an investment grade rating (of at least BBB-/Baa3 for the long term and at least A3/F3/P3 for the short term) from at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings).

In addition, the sub-fund may invest up to 25% of the assets in bonds and debt instruments with a lower credit rating or for which no credit rating is available from any of the above rating agencies.

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the assets are primarily - but not exclusively - invested in bonds with an investment grade rating. Consequently the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | low      |   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Europees Obligatiedepot

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>            | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE0941634553     | 1 September 2003 through 26 September 2003 before 6 am CET<br><br>Settlement for value: 7 October 2003 | 29 September 2003  | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>                                       |
|--|---|----------------------------|---|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | -   |
| Administrative charges                                   | -   | -                          | -   |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | -   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |   |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | 0.70%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.30% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | 0.02%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Flexible Plan

## 1. Basic details

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### Name

Flexible Plan

### Date of incorporation

30 December 2013

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the sub-fund "Plan" of the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Flexible (hereinafter referred to as "Flexible Plan") merged on 8 February 2019 by the foundation of the sub-fund Flexible Plan of the investment company Horizon (hereinafter referred to as "Horizon Flexible Plan"). In order to retain the original identification of the sub-fund, the newly established sub-fund will retain its full original name, being "Flexible Plan".

Since the operation leads to a transfer of all assets and liabilities of the dissolved fund, Flexible Plan, to the newly established sub-fund, Horizon Flexible Plan, the operation has no influence on the continuity of the establishing sub-fund. In order to clearly reflect this, all information before 8 February 2019 has been retained in this prospectus, the result of which is that data concerning Horizon Flexible Plan predating 8 February 2019 are to be considered as data concerning the dissolved fund, Flexible Plan.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

Horizon Flexible Plan aims to generate a potential return by investing, either directly or indirectly (via funds), primarily in a worldwide selection of shares and bonds.

The sub-fund comprises two parts: a fixed part (fixed relationship between bonds and shares) and a variable part (variable relationship between bonds and shares).

At the start of each period (no later than the last banking day in January), the ratio between the fixed part and the variable part is determined. This ratio depends on the volatility of the market: the higher the volatility, the more the sub-fund will invest in the fixed part. At least once a month, the ratio between the fixed part and the variable part will be adjusted on the basis of a mathematical model that is particularly determined by the sub-fund's performance.

**The fixed part** entails a fixed ratio between bonds and shares and will at all times comprise more bonds than shares.

**The variable part** is made up equally of bonds and shares at the start of the period. At least once a month, the weighting will be adjusted in accordance with a mathematical model based on the relative performance of the shares compared to that of the bonds since the beginning of the annual period. If the shares generate a lower return than the bonds, for instance, the weighting of the shares relative to the bonds will be reduced. Conversely, if the shares generate a higher return than the bonds, the weighting of the shares relative to the bonds will be increased. At the end of each period, the variable part aims to be invested entirely in the asset class that has generated the best return during the period relative to the other asset class.

The sub-fund may not invest more than 85% in shares.

Horizon Flexible Plan may make limited use of derivatives. This means it can use derivatives to help achieve the investment objectives (for instance, to increase or decrease the exposure to one or more market segments in line with the investment strategy).

The share component is allocated in accordance with the equity investment strategy drawn up by KBC Asset Management NV. Investments may be selected from any region, sector or theme.

The bond component is allocated in accordance with the bond investment strategy drawn up by KBC Asset Management NV. Investments may be selected from any region, sector or theme.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Flexible Plan

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>           | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6261308553     | 30 December 2013 through 3 February 2014 before 6 am CET<br><br>Settlement for value: 6 February 2014 | 4 February 2014  | 50 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.36%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.36% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Flexible Portfolio July

## 1. Basic details

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### Name

Flexible Portfolio July

### Date of incorporation

1 June 2015

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the sub-fund "Plan" of the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Flexible (hereinafter referred to as "Flexible Portfolio July") merged on 8 February 2019 by the foundation of the sub-fund Flexible Portfolio July of the investment company Horizon (hereinafter referred to as "Horizon Flexible Portfolio July"). In order to retain the original identification of the sub-fund, the newly established sub-fund will retain its full original name, being "Flexible Portfolio July". Since the operation leads to a transfer of all assets and liabilities of the dissolved fund, Flexible Portfolio July, to the newly established sub-fund, Horizon Flexible Portfolio July, the operation has no influence on the continuity of the establishing sub-fund. In order to clearly reflect this, all information before 8 February 2019 has been retained in this prospectus, the result of which is that data concerning Horizon Flexible Portfolio July predating 8 February 2019 are to be considered as data concerning the dissolved fund, Flexible Portfolio July.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its unit holders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk.** In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

Horizon Flexible Portfolio July aims to generate a potential return by investing, directly or indirectly (via funds), primarily in a worldwide selection of shares and bonds.

At the start of each period (no later than the first Belgian bank business day of July every year), the sub-fund aims to invest equally in shares and bonds.

During this annual period, the weighting of the assets will be reviewed at least every month based on a mathematical model. The allocation of shares and bonds will depend primarily on the relative performance of shares relative to bonds since the beginning of the annual period. If the shares generate a lower return than the bonds, for instance, the weighting of the shares relative to the bonds will be reduced. Conversely, if the shares generate a higher return than the bonds, the weighting of the shares relative to the bonds will be increased. In the course of the period, the portfolio may be composed temporarily entirely of shares or of bonds.

At the end of the period, the sub-fund aims to be invested entirely in the asset class that has generated the best return during the period relative to the other asset class.

Horizon Flexible Portfolio July may make limited use of derivatives. This means it can use derivatives to help achieve the investment objectives (for instance, to increase or decrease the exposure to one or more market segments in line with the investment strategy).

The equity component is allocated in accordance with the investment strategy for shares drawn up by KBC Asset Management NV. All regions, sectors and themes may be taken into consideration.

The bond component is allocated in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. All regions, sectors and themes may be taken into consideration.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |

|                       |   |     |  |
|-----------------------|---|-----|--|
| Environmental factors | Uncertainty regarding the immutability of environmental factors, such as the tax regime | low |  |
|-----------------------|---|-----|--|

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup> at 6 am CET)  | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup> at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup> at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Flexible Portfolio July

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6278667512     | 1 June 2015 through 30 June 2015 before 6 am CET<br><br>Settlement for value: 3 July 2015   | 1 July 2015  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6278669534     | 1 June 2015 through 30 June 2015 before 6 am CET<br><br>Settlement for value: 3 July 2015   | 1 July 2015  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.50%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.50% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | Max 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Flexible Portfolio SRI January

## 1. Basic details

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### Name

Flexible Portfolio SRI January

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

Horizon Flexible Portfolio SRI January aims to generate a potential return by investing, directly or indirectly, primarily in a worldwide selection of shares and bonds.

At the start of each period (no later than the fifth Belgian banking day of January every year), the sub-fund aims to invest equally in shares and bonds.

During this annual period, the weighting of the assets will be reviewed at least every month based on a mathematical model. The allocation between shares and bonds will depend primarily on the relative performance of both asset classes since the beginning of the annual period. If shares generate a lower return than bonds, for instance, the weighting of shares relative to bonds will be reduced. Conversely, if shares generate a higher return than bonds, the weighting of shares relative to bonds will be increased. During the annual period, the portfolio may temporarily be composed entirely of shares or of bonds.

At the end of the period, the sub-fund aims to be invested entirely in the asset class that has generated the best return during the period relative to the other asset class.

The stock component is invested in accordance with the investment strategy for shares drawn up by KBC Asset Management NV. Investments may be selected from any region, sector or theme.

The bond component is invested in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. Investments may be selected from any region, sector or theme. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

Within the above limits, the sub-fund invests (directly or indirectly) in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and world in which we live. It is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. To create this

socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & exotic leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria relating to the issuer:

- Respect for the environment (e.g., reduction in greenhouse gas emissions);
- Attention to society (e.g., employee working conditions); and
- Corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or agencies linked to governments, the selection is based on the following criteria in relation to the issuer:

- General economic performance and stability (e.g., quality of institutions and government);
- Socio-economic development and health of the population (e.g., education and employment);
- Equality, freedom and rights of all citizens;
- Environmental policy (e.g., climate change);
- Security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- Developments as a result of which an issuer can no longer be regarded as socially responsible after purchase based on the above criteria;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
- A planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always considering the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, insofar as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |

|                       |   |     |  |
|-----------------------|---|-----|--|
| Environmental factors | Uncertainty regarding the immutability of environmental factors, such as the tax regime | low |  |
|-----------------------|---|-----|--|

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Flexible Portfolio SRI January

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6309647889     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6309650917     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.00%<br><br>After the initial subscription period: 3.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.50%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.50% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Global Flexible Allocation

## 1. Basic details

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### Name

Global Flexible Allocation

### Date of incorporation

4 January 2016

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Global Flexible Allocation' sub-fund of the public open-ended collective investment fund opting for investments meeting the conditions of Directive 2009/65/EC IN.focus merged on 3 July 2020 through incorporation of the 'Global Flexible Allocation' sub-fund of the open-ended investment company Horizon.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Global Flexible Allocation, to the acquiring sub-fund, Horizon Global Flexible Allocation, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Global Flexible Allocation and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Global Flexible Allocation.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 65% in shares, up to 85% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return

The target allocation for the asset classes is 40% shares and/or share-related investments ('the stock component') and 60% bonds and/or bond-related investments ('the bond component'). It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbcam.be/en/our-market-vision](http://www.kbcam.be/en/our-market-vision)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. The floor price is valid for one year and is always equal to 90% of the net asset value on the 15<sup>th</sup> calendar day of the previous January (or the nearest Belgian banking day preceding if this is not a banking day in Belgium). Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

In addition, the floor price can be increased during the yearly periods, more specifically if the net asset value on the previous banking day (or the day before if this is not a banking day in Belgium) of the months of March, June or

September is higher than the net asset value on which the current floor price was based. The floor price will then be increased to 90% of the higher net asset value. From that moment on, the new floor price will apply.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade rating (long-term of at least BBB-/Baa3; short-term of at least A3/F3/P3) from at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Global Flexible Allocation

**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6282715257     | 4 January 2016 through 15 January 2016 before 6 am CET<br><br>Settlement for value: 20 January 2016 | 18 January 2016  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.80%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 0.80% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Global Flexible Allocation Wealth January

## 1. Basic details

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### Name

Global Flexible Allocation Wealth January

### Date of incorporation

9 March 2015

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Global Flexible Allocation Wealth January' sub-fund of the public open-ended collective investment fund opting for investments meeting the conditions of Directive 2009/65/EC IN.focus merged on 3 July 2020 through incorporation of the 'Global Flexible Allocation Wealth January' sub-fund of the open-ended investment company Horizon.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Global Flexible Allocation Wealth January, to the acquiring sub-fund, Horizon Global Flexible Allocation Wealth January, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Global Flexible Allocation Wealth January and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Global Flexible Allocation Wealth January.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 75% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC AssetManagement NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component'). It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. The floor price is valid for one year and is always equal to 90% of the net asset value on the seventh calendar day of the previous January (or the nearest Belgian banking day preceding this if the seventh day is not a banking day in Belgium). The initial floor price is equal to 90% of the initial net asset value and is valid from 1 April 2015 to 7 January 2016, inclusive.

Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

In addition, the floor price can be increased during the yearly periods, more specifically if the net asset value on the seventh calendar day (or the day before if the seventh day is not a banking day in Belgium) of the months of April, July or October is higher than the net asset value on which the current floor price was based. The floor price will then be increased to 90% of the higher net asset value. From that moment on, the new floor price will apply.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade rating (long-term of at least BBB-/Baa3; short-term of at least A3/F3/P3) from at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Global Flexible Allocation Wealth

## January

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>  | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6276291034     | 9 March 2015 through 31 March 2015 before 6 am CET<br><br>Settlement for value: 7 April 2015 | 1 April 2015   | 1000 EUR                          |

### Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.82%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 0.82% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | 0.03%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Global Flexible Allocation Wealth July

## 1. Basic details

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### Name

Global Flexible Allocation Wealth July

### Date of incorporation

14 September 2015

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Global Flexible Allocation Wealth July' sub-fund of the public open-ended collective investment fund opting for investments meeting the conditions of Directive 2009/65/EC IN.focus merged on 3 July 2020 through incorporation of the 'Global Flexible Allocation Wealth July' sub-fund of the open-ended investment company Horizon.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Global Flexible Allocation Wealth July, to the acquiring sub-fund, Horizon Global Flexible Allocation Wealth July, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Global Flexible Allocation Wealth July and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Global Flexible Allocation Wealth July.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs in the less risky assets category invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may invest up to 85% in shares, up to 75% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC AssetManagement NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component'). It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. The floor price is valid for one year and is always equal to 90% of the net asset value on the seventh calendar day of the previous January (or the nearest Belgian banking day preceding this if the seventh day is not a banking day in Belgium). The initial floor price is equal to 90% of the initial net asset value and is valid from 1 April 2015 to 7 January 2016, inclusive.

Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes each year in line with the net asset value. Any fall in the net asset value at the time the new floor price is determined will mean that the new floor price is lower than the current floor price. Any increase in the net asset value at the time the new floor price is determined will mean that the new floor price is higher than the current floor price.

In addition, the floor price can be increased during the yearly periods, more specifically if the net asset value on the seventh calendar day (or the day before if the seventh day is not a banking day in Belgium) of the months of April, July or October is higher than the net asset value on which the current floor price was based. The floor price will then be increased to 90% of the higher net asset value. From that moment on, the new floor price will apply.

The sub-fund does not provide any capital protection or capital guarantee; nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The assets may be invested wholly or partially in bonds and debt securities issued by all types of issuers, including states, territorial government agencies, international public bodies and companies.

The sub-fund invests at least 50% of the assets invested in bonds and debt instruments in securities that have an investment grade rating (long-term of at least BBB-/Baa3; short-term of at least A3/F3/P3) from at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or
- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition the sub-fund may invest, directly and/or indirectly, at least 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

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**There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>                | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6280653971     | 14 September 2015 through 25 September 2015 before 6 am CET<br><br>Settlement for value: 30 September 2015 | 28 September 2015  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.82%   | <p>per year (0.30% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 0.82% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | 0.03%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund High Interest Obligatiedepot

## 1. Basic details

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### Name

High Interest Obligatiedepot

### Date of incorporation

5 October 2005

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC High Interest Obligatiedepot (hereinafter referred to as “the Fund”) merged on 3 July 2020 by the foundation of the sub-fund “High Interest Obligatiedepot” of Horizon.

Since this operation leads to a transfer of all assets and liabilities of the dissolved Fund, High Interest Obligatiedepot, to the newly established sub-fund, Horizon High Interest Obligatiedepot, it has no impact whatsoever on the continuity of the dissolved Fund. In order to clearly reflect this, all information before 3 July 2020 has been retained in this prospectus, the result of which is that data concerning High Interest Obligatiedepot predating 3 July 2020 are to be considered as data concerning the dissolved Fund, High Interest Obligatiedepot.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The sub-fund acts as a feeder fund that aims to invest at least 95% of its assets in units of a single UCITS, i.e. KBC Bonds High Interest (the master fund as specified below).

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund's investments consist of at least 95% units in the master fund (as determined below) and a maximum of 5% in cash and/or financial derivatives.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

#### *Permitted derivatives transactions*

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

### **Selected strategy**

**The Sub-fund (the feeder fund) always invests at least 95% of its assets in units of a single undertaking for collective investment, namely High Interest, a sub-fund of the SICAV under Luxembourg law opting for investments that comply with the conditions of Directive 2009/65/EC KBC Bonds (the master fund).**

Since the sub-fund as feeder fund will at all times invest at least 95% of its assets in the master fund, the feeder fund's results will be comparable with those of the master fund. For the following reasons, a limited deviation between the results of the master fund and those of the feeder fund may arise:

- The feeder fund may invest up to 5% of its assets in assets apart from the master fund, namely in cash and financial derivatives.
- The feeder fund bears certain charges that the master fund does not incur. Among other things, these include the payment made for the administration of the feeder fund, the fee paid to the feeder fund's auditor and the costs of publication of the feeder fund's net asset value.

### **Information relating to the master**

Name:  
KBC Bonds High Interest

Legal status:  
Sub-fund of a Luxembourg SICAV that has opted for investments that comply with the terms of Directive 2009/65/EC, and that, as far as its operation and investments are concerned, is governed by Part 1 of the Luxembourg Act of 17 December 2010 on undertakings for collective investment.

Management company:  
KBC Asset Management SA, Rue du Fort Wallis 4, L-2714 Luxembourg

Custodian:  
Brown Brothers Harriman (Luxembourg) S.C.A., Route d'Esch 80, L-1470 Luxembourg

Auditor:  
Deloitte Audit Sarl, Rue de Neudorf 560, L-2220 Luxembourg

Master investment policy:  
At least two thirds of the sub-fund's assets are invested in bonds that are chiefly denominated in currencies with a significantly higher return than that offered by strong currencies.

The benchmark of the sub-fund is 66.67% JPM GBI Global Unhedged EUR + 33.33% JPM GBI Emerging Markets Global Diversified Composite Unhedged EUR.

The aim of the sub-fund is to outperform the benchmark.

The sub-fund is actively managed and doesn't aim to replicate the benchmark. The benchmark is used to measure the performance and composition of the portfolio. Most of the bonds held by the sub-fund are included in the benchmark. Managers may use their discretionary power to invest in bonds not included in the benchmark in order to benefit from the sub-fund's specific investment opportunities.

The sub-fund's investment policy limits the extent to which the portfolio's positions may deviate from the benchmark. This deviation is measured using the tracking error, which indicates the extent of volatility between the sub-fund's performance and the benchmark. The expected tracking error is 1.50%. Investors should be aware that the actual tracking error may change, depending on market conditions. A sub-fund with a small deviation from the benchmark is expected to outperform that benchmark to a lesser degree.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 201(7), J.P. Morgan Chase & Co. All rights reserved.

Currencies with a significantly higher return are those with a return at least 0.5% higher than the interest offered by bonds issued by the Federal Republic of Germany.

The sub-fund invests at least 75% of its assets directly or indirectly in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term) granted by at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may also invest up to 25% of its assets in bonds and debt instruments with a lower credit rating or for which no credit rating is available from any of the above rating agencies.

The sub-fund may not invest more than 25% of its assets in bonds that are convertible and subject to options, more than 10% of its assets in equities or participation-entitled instruments, more than one third of its assets in money market instruments and more than one third of its assets in bank deposits.

The higher than average exchange rate risk associated with currencies with a significantly higher return frequently appears to be more than offset in the medium term by the high interest return. In the short term, investments in high-yield bonds offer a high global return, as periods in which a currency declines in value alternate with periods in which the value of the currency stabilises or rises.

The sub-fund seeks through judicious timing of the investments and hedging of the exchange rate and interest rate risk to achieve the aforementioned investment objectives as effectively as possible. In addition, the value of high-yield bonds can fluctuate sharply at times without there being any causal link with the exchange rate risk: the sub-fund seeks to address this factor in a manner that respects the return.

An additional benefit to the investor is that the sub-fund can invest in the market for bonds denominated in currencies with a significantly higher return and which, through a variety of measures, seek to protect the currency or to restrict the outflow of capital and are often closed or not easily accessible to private investors.

The sub-fund is thus designed for investors looking for high returns (distributed or capitalised, according to whether the investor opts for distribution or capitalisation shares) and the potential to collect capital gains, and who are willing to accept a higher than average risk but also want to offset this risk to as great an extent as possible through judicious selection of the investments and professional management techniques. The net asset value will be denominated in euros.

Master risk profile:

The risk and return profile of the master is set out in the key investor information for the master. A summary of the risks as appraised by the master is set out in the master's prospectus.

Ongoing charges of the master:

The ongoing charges of the master may be found in the key investor information for the master.

Prospectus and key investor information of the master:

The prospectus and the key investor information of the master may be obtained free of charge from the financial services providers. These documents may also be consulted on [www.kbc.be/investing](http://www.kbc.be/investing).

***Information regarding the agreement between the master and the feeder***

In accordance with Article 78 (1) of the Act of 3 August 2012 on undertakings for collective investment that meet the conditions of Directive 2009/65/EC and undertakings for investment in debt instruments, the master and feeder funds have concluded an agreement that governs the relationship between the master and feeder funds. This agreement includes:

- what categories of units in the master fund are available for investment by the feeder fund;
- the charges and expenses to be borne by the feeder fund in relation to the investment in the master fund;
- the schedule for the close of the order receipt period, the calculation of the net asset value, the publication of the net asset value and the date of payment or repayment of the orders;
- the consequences for the feeder fund of suspending determination of the master fund's net asset value;
- the way in which it is ensured that in the event of errors in calculating the net asset value of the units in the master fund, the necessary measures will be taken swiftly in relation to the feeder fund.

This agreement may be obtained free of charge from the financial service providers before or after subscription to the shares.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the interest rate sensitivity of the bonds in the master and the exchange rate risk in relation to the euro.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the assets of the master are primarily - but not exclusively - invested in bonds with an investment grade rating. Consequently the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since the master invests in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the interest rate sensitivity of the bonds in the master and the exchange rate risk in relation to the euro.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |

|                       |   |          |  |
|-----------------------|---|----------|--|
| Inflation risk        | Risk of inflation   | moderate | there is no protection against an increase of the inflation. |
| Environmental factors | Uncertainty regarding the immutability of environmental factors, such as the tax regime | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of

- banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.
- days on which no calculation of the net asset value for the master and/or entries and exits in the master are possible.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# High Interest Obligatiedepot

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE0945431691     | 5 October 2005 through 4 November 2005 before 6 am CET<br><br>Settlement for value: 9 November 2005 | 7 November 2005  | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |   |
|--|---|---|
| Fee for managing the investment portfolio  | Max 0.60%   | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.<br><br>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.30% a year. |
| Administration fee   | 0.01%   | per year calculated on the basis of the average total net assets of the sub-fund.   |
| Fee for financial services   | -   | -   |
| Custodian's fee  | Max 0.02%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.  |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |   |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.   |

**Charges and expenses to be borne by the feeder in relation to the investment in the master fund.**

In accordance with Article 116, §1, section 3 of the royal decree of 12 November 2012 on certain public collective investment undertakings, the feeder does not have to pay costs for subscription, switching sub-funds or exit.

The master fund bears the ongoing fees and charges listed in the master fund's prospectus under Chapter 5. 'Types of shares and commission and costs' (table: Ongoing fees and charges paid by the sub-fund). This includes fees for managing the investment portfolio, administrative fees and custodian fees. These costs are borne by the master fund, impact the master fund's net asset value and therefore directly affect all the investors in the master fund, including the feeder.

Please note that the feeder does not pay either a fee for managing the investment portfolio, or a custodian fee for the assets it invests in the master fund.

# Information concerning the sub-fund Internationaal Obligatiedepot

## 1. Basic details

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### Name

Internationaal Obligatiedepot

### Date of incorporation

1 January 1960

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Internationaal Obligatiedepot (hereinafter referred to as "the Fund") merged on 3 July 2020 by the foundation of the sub-fund "Internationaal Obligatiedepot" of Horizon.

Since this operation leads to a transfer of all assets and liabilities of the dissolved Fund, Internationaal Obligatiedepot, to the newly established sub-fund, Horizon Internationaal Obligatiedepot, it has no impact whatsoever on the continuity of the dissolved Fund. In order to clearly reflect this, all information before 3 July 2020 has been retained in this prospectus, the result of which is that data concerning Internationaal Obligatiedepot predating 3 July 2020 are to be considered as data concerning the dissolved Fund, Internationaal Obligatiedepot.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The sub-fund acts as a feeder fund that aims to invest at least 95% of its assets in units of a single UCITS, i.e. KBC Bonds Capital Fund (the master fund as specified below).

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund's investments consist of at least 95% units in the master fund (as determined below) and a maximum of 5% in cash and/or financial derivatives.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

#### *Permitted derivatives transactions*

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

### **Selected strategy**

**The Sub-fund (the feeder fund) always invests at least 95% of its assets in units of a single undertaking for collective investment, namely Capital Fund, a sub-fund of the SICAV under Luxembourg law opting for investments that comply with the conditions of Directive 2009/65/EC KBC Bonds (the master fund).**

Since the sub-fund as feeder fund will at all times invest at least 95% of its assets in the master fund, the feeder fund's results will be comparable with those of the master fund. For the following reasons, a limited deviation between the results of the master fund and those of the feeder fund may arise:

- The feeder fund may invest up to 5% of its assets in assets apart from the master fund, namely in cash and financial derivatives.
- The feeder fund bears certain charges that the master fund does not incur. Among other things, these include the payment made for the administration of the feeder fund, the fee paid to the feeder fund's auditor and the costs of publication of the feeder fund's net asset value.

### **Information relating to the master**

Name:  
KBC Bonds Capital Fund

Legal status:  
Sub-fund of a Luxembourg SICAV that has opted for investments that comply with the terms of Directive 2009/65/EC, and that, as far as its operation and investments are concerned, is governed by Part 1 of the Luxembourg Act of 17 December 2010 on undertakings for collective investment.

Management company:  
KBC Asset Management SA, Rue du Fort Wallis 4, L-2714 Luxembourg

Custodian:  
Brown Brothers Harriman (Luxembourg) S.C.A., Route d'Esch 80, L-1470 Luxembourg

Auditor:  
Deloitte Audit Sarl, Rue de Neudorf 560, L-2220 Luxembourg

Master investment policy:  
At least two thirds of the sub-fund's assets may be invested in bonds denominated in different currencies.

The benchmark of the sub-fund is 50% JPM EMU IG + 15% JPM GBI Japan + 5% JPM GBI UK + 30% JPM GBI US.

The aim of the sub-fund is to outperform the benchmark.

The sub-fund is actively managed and doesn't aim to replicate the benchmark. The benchmark is used to measure the performance and composition of the portfolio. Most of the bonds held by the sub-fund are included in the benchmark. Managers may use their discretionary power to invest in bonds not included in the benchmark in order to benefit from the sub-fund's specific investment opportunities.

The sub-fund's investment policy limits the extent to which the portfolio's positions may deviate from the benchmark. This deviation is measured using the tracking error, which indicates the extent of volatility between the sub-fund's performance and the benchmark. The expected tracking error is 0.75%. Investors should be aware that the actual tracking error may change, depending on market conditions. A sub-fund with a small deviation from the benchmark is expected to outperform that benchmark to a lesser degree.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 201(7), J.P. Morgan Chase & Co. All rights reserved.

The sub-fund may not invest more than 25% of its assets in bonds that are convertible and subject to options, more than 10% of its assets in equities or participation-entitled instruments, more than one third of its assets in money market instruments and more than one third of its assets in bank deposits.

The sub-fund invests at least 75% of its assets directly or indirectly in bonds and debt instruments with an investment grade rating (at least BBB-/Baa3 (long-term) or A3/F3/P3 (short-term)) from at least one of the following rating agencies: Moody's (Moody's Investors Service), S&P (Standard & Poor's, a division of McGraw-Hill Companies) or Fitch (Fitch Ratings).

The sub-fund may invest up to 25% of its assets in bonds and debt instruments with a lower credit rating or for which no credit rating is available from any of the above rating agencies.

The sub-fund's principal goal is to offer shareholders a high return and potential capital gains, taking account of the application of the principles for the selection of investments and a broad diversification of risks.

The sub-fund pursues the optimum achievement of its goals by means of effective timing of the investments and a temporary hedging of the exchange rate risk and the interest rate risk.

An additional benefit to the investor is that the sub-fund can access bond markets that are closed or not easily accessible to private investors.

The sub-fund is thus designed for investors who are looking, in terms of their bond investments, for effective diversification so as to limit the risks and secure a good return.

KBC Bonds Capital Fund issues capitalisation shares only. The net asset value will be denominated in euros.

Master risk profile:

The risk and return profile of the master is set out in the key investor information for the master. A summary of the risks as appraised by the master is set out in the master's prospectus.

Ongoing charges of the master:

The ongoing charges of the master may be found in the key investor information for the master.

Prospectus and key investor information of the master:

The prospectus and the key investor information of the master may be obtained free of charge from the financial services providers. These documents may also be consulted on [www.kbc.be/investing](http://www.kbc.be/investing).

***Information regarding the agreement between the master and the feeder***

In accordance with Article 78 (1) of the Act of 3 August 2012 on undertakings for collective investment that meet the conditions of Directive 2009/65/EC and undertakings for investment in debt instruments, the master and feeder funds have concluded an agreement that governs the relationship between the master and feeder funds. This agreement includes:

- what categories of units in the master fund are available for investment by the feeder fund;
- the charges and expenses to be borne by the feeder fund in relation to the investment in the master fund;
- the schedule for the close of the order receipt period, the calculation of the net asset value, the publication of the net asset value and the date of payment or repayment of the orders;
- the consequences for the feeder fund of suspending determination of the master fund's net asset value;
- the way in which it is ensured that in the event of errors in calculating the net asset value of the units in the master fund, the necessary measures will be taken swiftly in relation to the feeder fund.

This agreement may be obtained free of charge from the financial service providers before or after subscription to the shares.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the assets of the master are primarily - but not exclusively - invested in bonds with an investment grade rating. Consequently the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since the master invests in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | low      |   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of

- banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.
- days on which no calculation of the net asset value for the master and/or entries and exits in the master are possible.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Internationaal Obligatiedepot

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE0013403176     | 1 January 1960<br><br>Settlement for value:<br>12 March 1960                                | 4 January 1960   | 1000 BEF                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period:<br>2.50%<br><br>After the initial subscription period:<br>2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |   |
|--|---|---|
| Fee for managing the investment portfolio  | Max 0.60%   | per year calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.<br><br>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.30% a year. |
| Administration fee   | 0.01%   | per year calculated on the basis of the average total net assets of the sub-fund.   |
| Fee for financial services   | -   | -   |
| Custodian's fee  | Max 0.02%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.  |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |   |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.   |

**Charges and expenses to be borne by the feeder in relation to the investment in the master fund.**

In accordance with Article 116, §1, section 3 of the royal decree of 12 November 2012 on certain public collective investment undertakings, the feeder does not have to pay costs for subscription, switching sub-funds or exit.

The master fund bears the ongoing fees and charges listed in the master fund's prospectus under Chapter 5. 'Types of shares and commission and costs' (table: Ongoing fees and charges paid by the sub-fund). This includes fees for managing the investment portfolio, administrative fees and custodian fees. These costs are borne by the master fund, impact the master fund's net asset value and therefore directly affect all the investors in the master fund, including the feeder.

Please note that the feeder does not pay either a fee for managing the investment portfolio, or a custodian fee for the assets it invests in the master fund.

# Information concerning the sub-fund Investicna Prilezitost

## 1. Basic details

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### Name

Investicna Prilezitost

### Date of incorporation

15 July 2019

### Life

Limited to 30 September 2025

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Object of the sub-fund

#### Description of the sub-fund's object

The object of the sub-fund is twofold (before deducting charges and taxes):

- (1) To repay per share at least 97% of the initial subscription price of 10 EUR at Maturity, i.e. 9.7 EUR using the investments described under the heading *Permitted asset classes*.
- (2) To provide a potential return through an investment in swaps.  
To this end, the sub-fund assigns a portion of the future income from the investments described under *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertakes (undertake) to provide a potential return.  
The various types of swaps in which the sub-fund may invest are explained in more detail under the heading *Permitted swap transactions*.

No formal guarantee of repayment of at least 97% of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, this objective is not binding for the sub-fund as regards the result generated, although achieving this objective through the investments described under the heading *Permitted asset classes* is still the top priority.

If the objective to repay per share at least 97% of the initial subscription price at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it has received during the current financial year from the sub-fund – and possibly also from other sub-funds of the Bevek – to cover the shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

This objective to repay per share at least 97% of the initial subscription price does not apply to shareholders who sell their shares before Maturity.

## Sub-fund's investment policy

### Permitted asset classes

Pursuant to the provisions of the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC, the sub-fund may invest in transferable securities (including bonds and other debt instruments), money market instruments, units (shares) in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as and to the extent permitted by the applicable legislation. These investments can have different maturities and coupon payment dates. Using the swaps described under the heading *Permitted swap transactions* (2), these investments are matched with the obligations of the sub-fund.

The investment limits and restrictions set out in the Royal Decree of 12 November 2012 on undertakings for collective investment complying with the conditions of Directive 2009/65/EC will be respected at all times.

The sub-fund may invest in, among other things, listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management NV or a subsidiary.

The underlying assets of the bonds issued by the SPVs consist of a diversified portfolio of deposits issued by financial institutions, bonds, other debt instruments and financial derivatives. When selecting these underlying assets, account is taken of criteria relating to allocation and creditworthiness (see *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to limit the counterparty risk.

Further details of the criteria these underlying deposits, bonds, other debt instruments and financial derivatives must meet are provided in the base prospectuses for the SPVs, which can be viewed at or downloaded from <http://www.kbc.be/prospectus/spv>.

Investors are provided with information on the investments made by both the sub-fund and the SPVs in the annual and half-yearly reports on the open-ended investment company under Belgian law (Bevek) to which the sub-fund belongs. These reports can also be viewed at or downloaded from <http://www.kbc.be/>.

### Characteristics of the bonds and other debt instruments

During the sub-fund's life, the average credit rating of the bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, an average credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the long-term bonds and other debt instruments shall be at least 'A-' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

At the start of the investment, the credit rating of the short-term bonds and other debt instruments shall be at least 'A-1' from Standard & Poor's or an equivalent rating from Moody's or Fitch, or, if there is no credit rating available, a credit risk profile that the manager considers to be at least equivalent.

When selecting the bonds and other debt instruments, all maturities are taken into consideration.

### Permitted swap transactions

**The swaps described below have been concluded with a prime counterparty or prime counterparties within the limits laid down by law.**

(1) To achieve a potential return, the sub-fund concludes swaps. Under such swap contracts, the sub-fund transfers a portion of the future income from the investments described under the heading *Permitted asset classes* to the counterparty or counterparties during the life of the sub-fund. In exchange, the counterparty or counterparties undertake to provide a potential return as specified under the heading *Selected strategy*.

The use of swaps in this sub-fund can lead to a loss of no more than 3% of the initial invested capital.

**The swaps under (1) are essential to achieve the sub-fund's investment objectives, since this technique facilitates achievement of the goal of generating a potential return.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(2) If necessary, the sub-fund also concludes swaps to match the due dates of the commitments of the sub-fund with those of the cash flows stemming from the investments described under the heading *Permitted asset classes*.

**These swaps are essential to achieve the sub-fund's investment objectives, since there are not enough bonds and other debt instruments available on the market whose coupon payments and maturity dates always perfectly match the due dates of the sub-fund's obligations.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

(3) In addition, the sub-fund may conclude swaps to protect itself against the credit risk in respect of issuers of bonds and other debt instruments. Through this type of swap, one or more counterparties takes over the risk of an issuer of a bond or other debt instrument in the sub-fund's portfolio defaulting, in exchange for a fee payable by the sub-fund.

**The swaps under (3) serve to hedge the credit risk.**

**The sub-fund's risk profile is not affected by the use of these swaps.**

### **Restrictions of the investment policy**

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## **Selected strategy**

### **Investment objectives and strategy:**

The sub-fund has two investment objectives: firstly, it seeks to repay at Maturity at least 97% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 shares of a worldwide selection of companies that are characterised by a high market capitalisation.

If the Value of the basket of 30 shares of a worldwide selection of companies that are characterised by a high market capitalisation has risen relative to its Starting Value, 100% of this increase in Value (= (End Value minus the Starting Value) divided by the Starting Value) will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital gain will be capped at 20% (yield to maturity of 3.04% before taxes and charges). If the Value of the basket of 30 shares of a worldwide selection of companies that are characterised by a high market capitalisation has fallen relative to its Starting Value, 100% of this fall in Value will be taken into account at Maturity with regard to 100% of the initial subscription price. The capital loss will be capped at 3% (yield to maturity of -0.50% before taxes and charges).

The sub-fund does not, therefore, provide any guaranteed return or capital protection, either during its life or at Maturity.

### **Maturity**

Tuesday 30 September 2025 (payment with a value date of D+1 banking day)

### **Currency**

EUR, for all shares in the basket, changes in the value of the currency in which they are expressed relative to EUR are irrelevant.

### **Starting Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket during the first 10 Valuation Days, starting from Tuesday 3 September 2019 inclusive.

### **End Value**

Value of the basket based on the weighted average of the Value of the shares included in the basket on the last Valuation Day of the month for the last 12 months before Maturity, more specifically from September 2024 through August 2025 (inclusive).

### **Value**

For all the shares, except for those listed on the Milan stock exchange, the closing price, namely the price of a share in the basket as calculated and notified at closing of the stock exchange by the authority of the stock exchange on which the share is listed (or its legal successor). The reference price is used for shares listed on the Milan stock exchange.

## Valuation day

A Valuation Day is set separately for each share in the basket.

A Valuation Day is a day that is a planned trading day both

- i) for the stock exchange on which the share is listed and
- ii) for the stock exchange whose activities have a substantial influence on the trading of options and futures on the share concerned

hereinafter referred to as 'the stock exchanges concerned'.

If on the Valuation Day,

- a) one of the stock exchanges concerned is unexpectedly closed or
- b) there is an event that disrupts the market for a stock exchange concerned or
- c) one of the stock exchanges concerned closes early,

the original Valuation Day is replaced by the following trading day when no event as referred to in a), b) or c) above occurs. An extraordinary closure that has been announced in advance is not considered as early closure.

If a valuation is made on consecutive Valuation Days, the trading day that replaces the original Valuation Day (i) may not coincide with another original Valuation Day and (ii) may not be a trading day that already replaces another original Valuation Day.

However, if an event as referred to under a), b) or c) above occurs on each of the eight trading days following the original Valuation Day,

- (i) the eighth trading day shall be considered as the original Valuation Day and
- (ii) the Bevek shall assess, in good faith and in consultation with the prime counterparty or counterparties with which it has concluded a swap agreement, the price of the share as it would have been traded on that eighth trading day and
- (iii) the Bevek will notify shareholders of any changes regarding setting the Starting Value and/or End Value and conditions of payment.

## Relevant basket

In the table below, the columns from left to right reflect the number of the share, the name of the share, the Bloomberg code, the exchange on which it trades (City-MIC Code) and its initial weighting in the basket.

| (i) | Name                              | Bloomberg Code  | Exchange        | Initial Weighting Coefficients |
|-----|-----------------------------------|-----------------|-----------------|--------------------------------|
| 1   | ANNALY CAPITAL MANAGEMENT INC     | NLY UN Equity   | NEW YORK - XNYS | 2.0000%                        |
| 2   | ASSICURAZIONI GENERALI            | G IM Equity     | MILANO - MTAA   | 8.0000%                        |
| 3   | AUST AND NZ BANKING GROUP (AT)    | ANZ AT Equity   | SYDNEY - XASX   | 2.0000%                        |
| 4   | AXA SA                            | CS FP Equity    | PARIS - XPAR    | 2.0000%                        |
| 5   | BCE INC                           | BCE CT Equity   | TORONTO - XTSE  | 7.0000%                        |
| 6   | CAN IMPERIAL BK OF COMMERCE (CT)  | CM CT Equity    | TORONTO - XTSE  | 2.0000%                        |
| 7   | CANON INC                         | 7751 JT Equity  | TOKYO - XTKS    | 2.0000%                        |
| 8   | COMMONWEALTH BANK OF AUSTRAL (AT) | CBA AT Equity   | SYDNEY - XASX   | 3.0000%                        |
| 9   | ENDESA SA (SQ)                    | ELE SQ Equity   | MADRID - XMAD   | 8.0000%                        |
| 10  | ENEL SPA                          | ENEL IM Equity  | MILANO - MTAA   | 4.0000%                        |
| 11  | ENERGIAS DE PORTUGAL SA           | EDP PL Equity   | LISBON - XLIS   | 3.0000%                        |
| 12  | ENGIE                             | ENGI FP Equity  | PARIS - XPAR    | 2.0000%                        |
| 13  | GLAXOSMITHKLINE PLC               | GSK LN Equity   | LONDON - XLON   | 2.0000%                        |
| 14  | LEGAL & GENERAL GROUP PLC         | LGEM LN Equity  | LONDON - XLON   | 2.0000%                        |
| 15  | NATIONAL AUSTRALIA BANK LTD (AT)  | NAB AT Equity   | SYDNEY - XASX   | 2.0000%                        |
| 16  | NATURGY ENERGY GROUP SA           | NTGY SQ Equity  | MADRID - XMAD   | 5.0000%                        |
| 17  | ORANGE                            | ORA FP Equity   | PARIS - XPAR    | 3.0000%                        |
| 18  | PPL CORP                          | PPL UN Equity   | NEW YORK - XNYS | 2.0000%                        |
| 19  | RED ELECTRICA CORPORACION SA      | REE SQ Equity   | MADRID - XMAD   | 2.0000%                        |
| 20  | ROYAL DUTCH SHELL PLC-A (LONDON)  | RDSA LN Equity  | LONDON - XLON   | 2.0000%                        |
| 21  | SAMPO OYJ-A SHS                   | SAMPO FH Equity | HELSINKI - XHEL | 2.0000%                        |
| 22  | SNAM SPA                          | SRG IM Equity   | MILANO - MTAA   | 3.0000%                        |
| 23  | SWISS RE AG                       | SREN SE Equity  | ZURICH - XVTX   | 8.0000%                        |
| 24  | SYDNEY AIRPORT                    | SYD AT Equity   | SYDNEY - XASX   | 3.0000%                        |

| (i) | Name                      | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|---------------------------|-----------------|------------------|--------------------------------|
| 25  | TELEFONICA SA (SQ)        | TEF SQ Equity   | MADRID - XMAD    | 2.0000%                        |
| 26  | TELIA CO AB               | TELIA SS Equity | STOCKHOLM - XSTO | 3.0000%                        |
| 27  | TOTAL SA                  | FP FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 28  | WESFARMERS LIMITED (AT)   | WES AT Equity   | SYDNEY - XASX    | 2.0000%                        |
| 29  | WESTPAC BANKING CORP      | WBC AT Equity   | SYDNEY - XASX    | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG | ZURN SE Equity  | ZURICH - XVTX    | 8.0000%                        |

### **Basket composition methodology**

KBC Asset Management used the following methodology to determine the composition of the sub-fund's basket.

#### **Step 1 :**

The starting point is the global equities universe from which a selection of potential investments is derived in accordance with the economic criteria for the composition of the basket and subject to restrictions regarding stock market capitalisation and liquid assets.

The economic criteria for the composition of the basket determine the size of the final selection.

#### **Step 2 :**

The selection of shares obtained in step 1 is reduced to a short list using a quantitative selection based on past financial data. The shares selected are those of companies that achieve a good score in terms of management quality, a healthy balance-sheet structure and a positive trend in profitability.

#### **Step 3 :**

The selection of shares obtained in step 2 is then verified by KBC Asset Management analysts. Shares that are permanently monitored by the analysts and those for which there is a negative recommendation, when the product is launched, are then withdrawn from the selection.

#### **Step 4 :**

The last reduction of the selection provides the final basket. This selection was made using the technical parameters of options (including the term, volatility, dividend yield and interest rate).

The final basket must satisfy the legal requirements concerning the quantity of shares and adequate distribution in the weighting. In addition, care is taken to ensure compliance with the geographical and/or sector spread. The analysts make a qualitative assessment of each share used taking account of specific knowledge of these shares and the sectors/regions from which they come, in accordance with the term of the sub-fund.

For the sub-fund Horizon Investicna Prilezitost , about 3062 equities were selected during step 1.

The initial selection was reduced by a maximum 20% in step 2.

This was again reduced by 10% (indicative) in step 3. The final basket set up during step 4 is described above under *Relevant basket*. This basket makes it possible to offer the sub-fund Horizon Investicna Prilezitost under the conditions set out in the investment policy referred to above. Here the selection process uses parameters that could affect the potential return on the investments.

#### **Selection criteria for the basket :**

A share/issuer may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a high market capitalisation, and (iii) the Board of Directors of the Bevek has approved its inclusion in the basket (the 'Selection criteria').

### **Modifications to the basket due to mergers, acquisitions, demergers, nationalisation, bankruptcy or disqualification :**

#### **Mergers or acquisitions**

If, during the life of the sub-fund, one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the relevant issuers which still meet the selection criteria after these operations will be given a weighting in the basket equal to the sum of the weightings of the shares of all issuers involved in the operation. If, after the operation, none of the issuers involved in the operation meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

#### **Demergers**

If an issuer of a share in the basket proceeds to a demerger, then the share from the issuer concerned can be substituted either by one of the shares that came about as a result of the demerger and that meets the selection criteria, or by a basket of shares arising from the demerger which meet the selection criteria. This basket of shares will, when calculating the number of shares in the basket, be considered as one share. If, after the operation, none of the shares resulting from the demerger meet the selection criteria, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

### ***Nationalisation, bankruptcy or disqualification***

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the selection criteria ('disqualification'), this share will be sold at the last known price before removal. The amount thus realised will then be invested until Maturity at the rate of interest in force on money or bond markets at the moment of removal, and this for a term equal to the term remaining until Maturity of the sub-fund. The realised amount plus the interest will be taken into account at Maturity as the result achieved for that share in order to calculate the final increase in the value of the basket at Maturity.

## 3. Risk profile

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the stock market. |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | none     |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the stock market. |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.                                    |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.       |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that units are being held by persons other than those permitted to hold them, the Company may, in accordance with Article 8.2 of the Articles of Association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those units.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value                                   | Date the net asset value is calculated                                    | Actual values used  | Date of payment or repayment of the orders. |
|---|---|---|---|
| <b>D</b><br>(the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET) | <b>D+1 banking day at the earliest and D+4 banking days at the latest</b> | <b>D</b> if maximum 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) at 6 am CET and on the last banking day of the month at 6 am CET)<br><br><b>D + 1</b> if more than 20% of the actual values are already known on D (the 16 <sup>th</sup> of the month (if this is not a banking day, the previous banking day) 6 am CET and on the last banking day of the month at 6 am CET) | <b>D + 5 banking days</b>                   |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

### Calculation of the net asset value

The net asset value is calculated biweekly, as described above.

### Publication of the net asset value

In the 'Information concerning the Bevek - I. Additional information – Publication of the net asset value' is stated where investors may find the result of the calculation of the net asset value.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors may decide to refuse the orders placed during the initial subscription period and to not proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Units may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered units are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information concerning the type of shares and/or the type of shareclass, and the fees and charges associated with these, is stated below grouped per type of shares and/or the type of shareclass.

# Investicna Priležitost

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>       | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6314556505     | 15 July 2019 through 26 August 2019 before 6 am CET<br><br>Settlement for value: 3 September 2019 | 30 September 2019  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>  | <i>Redemption</i>  | <i>Switching between sub-funds</i>   |
|--|--|--|--|
| Trading fee  | During the initial subscription period: 1.00%<br>After the initial subscription period: 1.00%                      | -  | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -  | -  | -  |
| Amount to cover the costs of the purchase/sale of assets | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR: 1.00%<br>Orders > 1250000 EUR: 0.50% for the sub-fund | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -  | Max 5.00% for the sub-fund   | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'  |  |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.20 EUR  | per unit per year, as described below.   |
| Administration fee   | Max 0.01 EUR  | per unit per year, based on the number of units issued at the start of each six-month period.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.05%   | of the net assets of the sub-fund per year. This fee is payable annually at the beginning of each calendar year and is based on the state of the assets at the end of the preceding calendar year. |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | <p>* During the first year following the initial subscription period: 0.30% of the net assets of the sub-fund per year.</p> <p>* After that: 0.10% of the net assets of the sub-fund per year.</p> |

**Fee for managing the investment portfolio**

KBC Asset Management NV receives a fee for managing the sub-fund's investments. This fee consists of a varying amount of max. 0.20 EUR per unit per year (with a maximum of 0.01 EUR per unit per year for risk management).

This fee, which is calculated every six months, is paid monthly on the last banking day of each month. It can change from one six-month period to the next, within the limits set out below, and is based on the number of units issued at the start of each six-month period.

In the calculation, account is taken of the difference between:

- the return generated by the investments described under *Permitted asset classes* at Maturity and
- the expenses borne by the sub-fund to achieve a potential return (see *Permitted 'swap' transactions*),
- after deducting the expected fixed and variable expenses of the sub-fund, as mentioned above.

Of this, KBC Fund Management Ltd. receives a fee of no more than 0.1895 EUR per unit per year from KBC Asset Management NV for the intellectual management of the sub-fund. KBC Fund Management Ltd. is a wholly owned subsidiary of KBC Asset Management NV.

KBC Asset Management NV has informed the bevek that, if the objective to repay at least 97% of the initial subscription price of 10 EUR per share at Maturity is not achieved, KBC Asset Management NV may decide (but is not obliged to) to use the management fee it receives during the current financial year from the sub-fund – and possibly also from other sub-funds of the bevek – to cover this shortfall. This is not a guarantee from KBC Asset Management NV, which may decide at any time and at its own discretion whether or not to use the management fee for this purpose.

KBC Asset Management NV or one of its subsidiaries has also been appointed manager of the SPVs in which the sub-fund may invest (see *Permitted asset classes*). KBC Asset Management NV or one of its subsidiaries, as the case may be, receives an annual fee from the relevant SPVs for their management. This management fee may not exceed 0.15% per year and is calculated on the assets managed at the end of the quarter.

The sum of (i) the fee for managing the investment portfolio that the sub-fund pays to the management company and (ii) the management fee that the SPVs in which the sub-fund invests pay to the asset manager, shall never exceed 0.20 EUR per unit per year, as described above.

# Information concerning the sub-fund KBC ExpertEase Business Defensive Balanced

## 1. Basic details

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### Name

KBC ExpertEase Business Defensive Balanced

### Date of incorporation

2 January 2017

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by making investments in accordance with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)).

To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'stock component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, liquid assets and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 30% for the stock component and 70% bonds for the bond component.

This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of the assets in asset classes that are not included in the target allocation (such as money market instruments and liquid assets). The stock component can amount to a maximum of 45% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and liquid assets). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as liquid assets and money market instruments, in times of uncertain and/or volatile markets.

This part of the portfolio will ultimately amount to between 40% and 80% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the assets of the sub-fund will not be invested in liquid assets or money market instruments in accordance with the predefined target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Business Defensive Balanced

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE6290488384     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.51%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.51% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Business Dynamic Balanced

## 1. Basic details

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### Name

KBC ExpertEase Business Dynamic Balanced

### Date of incorporation

2 January 2017

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'stock component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, liquid assets and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets). The target allocation for the asset classes is 55% for the stock component and 45% for the bond component.

This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below.

Therefore, the sub-fund may invest a sizeable portion of the assets in asset classes that are not included in the target allocation (such as money market instruments and liquid assets). The stock component can amount to a maximum of 70% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and liquid assets). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as liquid assets and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 25% and 65% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the assets of the sub-fund will not be invested in liquid assets or money market instruments in accordance with the predefined target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Business Dynamic Balanced

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE6290489390     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.69%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.69% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Defensive Balanced

## 1. Basic details

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### Name

KBC ExpertEase Defensive Balanced

### Date of incorporation

2 January 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'KBC ExpertEase Defensive Balanced' sub-fund of the public open-ended collective investment fund IN.focus opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 april 2020 through incorporation of the 'KBC ExpertEase Defensive Balanced' sub-fund of the open-ended investment company Horizon.

To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'KBC ExpertEase Defensive Balanced'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, IN.focus KBC ExpertEase Defensive Balanced, to the acquiring sub-fund, Horizon KBC ExpertEase Defensive Balanced, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 april 2020 in this prospectus in its entirety. As a result, all the details regarding KBC ExpertEase Defensive Balanced and dating from the period prior to 17 april 2020, are therefore details that related to the dissolved sub-fund, KBC ExpertEase Defensive Balanced.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('equity component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 30% for the equity component and 70% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below.

Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The equity component can amount to a maximum of 45% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the equity component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 40% and 80% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
  - Moody's (Moody's Investors Service);
  - S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
  - Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Defensive Balanced - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290498482     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290499498     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | 1.51%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.51% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0,10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Defensive Balanced - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311868788 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311870800 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.20%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.20% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Defensive Tolerant

## 1. Basic details

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### Name

KBC ExpertEase Defensive Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 30% for the stock component and 70% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 45% of the sub-fund.

When applying KBC Asset Management NV's investment view, the managers base their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 40% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Defensive Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307322915     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307323921     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.51%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.51% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Defensive Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311834442 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311835456 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.20%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.20% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Dynamic

## 1. Basic details

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### Name

KBC ExpertEase Dynamic

### Date of incorporation

2 January 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'KBC ExpertEase Dynamic' sub-fund of the public open-ended collective investment fund IN.focus opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 april 2020 through incorporation of the 'KBC ExpertEase Dynamic' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'KBC ExpertEase Dynamic'. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, IN.focus KBC ExpertEase Dynamic, to the acquiring sub-fund, Horizon KBC ExpertEase Dynamic, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 april 2020 in this prospectus in its entirety. As a result, all the details regarding KBC ExpertEase Dynamic Balanced and dating from the period prior to 17 april 2020, are therefore details that related to the dissolved sub-fund, KBC ExpertEase Dynamic.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing directly or indirectly in various asset classes, such as shares and/or share-related investments ("the stock component"), bonds and/or bond-related investments ("the bond component"), money market instruments, cash and/or alternative investments (including real estate and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 55% shares and/or share-related investments ('the stock component') and 45% bonds and/or bond-related investments ('the bond component').

The target allocation may be deviated from in line with the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio is generally evenly allocated between shares and bonds.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The fund is actively managed with reference to the following benchmark: 55% MSCI AC Net Return Index - 31.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 13.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

o Moody's (Moody's Investors Service);

o S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);

o Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Dynamic

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290507571     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290508587     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | 1.44%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Dynamic Balanced

## 1. Basic details

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### Name

KBC ExpertEase Dynamic Balanced

### Date of incorporation

2 January 2017

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'KBC ExpertEase Dynamic Balanced' sub-fund of the public open-ended collective investment fund IN.focus opting for investments meeting the conditions of Directive 2009/65/EC merged on 17 April 2020 through incorporation of the 'KBC ExpertEase Dynamic Balanced' sub-fund of the open-ended investment company Horizon.

To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'KBC ExpertEase Dynamic Balanced'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, IN.focus KBC ExpertEase Dynamic Balanced, to the acquiring sub-fund, Horizon KBC ExpertEase Dynamic Balanced, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 17 April 2020 in this prospectus in its entirety. As a result, all the details regarding KBC ExpertEase Dynamic Balanced and dating from the period prior to 17 April 2020, are therefore details that related to the dissolved sub-fund, KBC ExpertEase Dynamic Balanced.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### **Permitted derivatives transactions**

**Derivatives can be used both to achieve the investment objectives and to hedge risks.**

**Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.**

**Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

**If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.**

**Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.**

**Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

**The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.**

### **Selected strategy**

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('equity component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 55% for the equity component and 45% for the bond component.

This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below.

Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The equity component can amount to maximum 70% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the equity component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying the investment view of KBC Asset Management NV, the management pays twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 25% and 65% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
- in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Dynamic Balanced - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290509593     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290510609     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|   |   |  |
|---|---|--|
| Fee for managing the investment portfolio | 1.69%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.69% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee                        | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services                | -   | -  |
| Custodian's fee                           | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax                                | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation)                | 0,10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Dynamic Balanced - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311871816 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311872822 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.22%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.22% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Dynamic Tolerant

## 1. Basic details

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### Name

KBC ExpertEase Dynamic Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 55% for the stock component and 45% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 70% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying the investment view of KBC Asset Management NV, the management pays one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 35% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Dynamic Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307324937     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307325942     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.69%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.69% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Dynamic Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311836462 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311837478 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.22%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.22% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase Highly Dynamic Tolerant

## 1. Basic details

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### Name

KBC ExpertEase Highly Dynamic Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 75% for the stock component and 25% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 90% of the sub-fund.

When applying KBC Asset Management NV's investment view, the managers base their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 30% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme. For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | low      |  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase Highly Dynamic Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307326957     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307327963     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.83%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.83% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Highly Dynamic Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311859696 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311860702 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.24%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.24% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase Highly Dynamic Tolerant - Institutional F Shares

This share class is reserved for undertakings for collective investment managed by KBC Asset Management NV or by another company related to this management company and which invests its assets primarily in this share class. If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>  | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6321618314     | 27 July 2020 through 29 July 2020 before 6 am CET<br><br>Settlement for value: 3 August 2020 | 30 July 2020   | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.16%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.06% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase SRI Defensive Balanced

## 1. Basic details

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### Name

KBC ExpertEase SRI Defensive Balanced

### Date of incorporation

2 January 2017

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 30% for the stock component and 70% for the bond component.

This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below.

Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component may comprise up to 45% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio may also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers may likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that may be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 40% and 80% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

Within the above limits, the sub-fund invests directly or indirectly in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. Socially responsible investment is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of

KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications).

The fund manager then strives to invest as much as possible in assets that form part of this universe. To create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The main exclusion criteria used, relate to tobacco, gambling activities, weapons, fur & exotic leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The selection of issuers is based on a series of criteria, which are tested to as great an extent as possible against objective criteria, such as internationally recognised indicators. The advisory board constantly oversees amendments to the list of criteria. During the initial subscription period, the main criteria used are the following.

- For shares and bonds issued by companies, the selection is based on the following criteria relating to the issuer:
  - Respect for the environment (e.g., reduction in greenhouse gas emissions);
  - Attention to society (e.g., employee working conditions); and
  - Corporate governance (e.g., independence and diversity of the board of directors).
- For bonds issued by national governments, supranational debtors and/or agencies linked to governments, the selection is based on the following criteria in relation to the issuer:
  - General economic performance and stability (e.g., quality of institutions and government);
  - Socio-economic development and health of the population (e.g., education and employment);
  - Equality, freedom and rights of all citizens;
  - Environmental policy (e.g., climate change); and
  - Security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- Developments as a result of which an issuer can no longer be regarded as socially responsible after purchase based on the above criteria;
  - Corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer based on the above criteria;
  - Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - A planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the manager will replace the assets concerned with socially responsible assets as soon as possible, while taking account of the exclusive interest of the investor at all times.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details on the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase SRI Defensive Balanced - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290490406     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290491412     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.51%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.51% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase SRI Defensive Balanced - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311838484 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311839490 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.20%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Asset Management S.A. receives a fee from the management company of max. 1.20% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase SRI Defensive Tolerant

## 1. Basic details

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### Name

KBC ExpertEase SRI Defensive Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'equity component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The assets are assigned the following target allocation: 30% in the equity component and 70% in the bond component. The target allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as explained below. Therefore, the fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation, such as money market instruments and cash. The equity component can amount to a maximum of 45% of the fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic trends and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk, such as money market instruments and cash. If the equity component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying the investment view of KBC Asset Management NV, the management pays one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 40% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund.

However, under certain market conditions, the assets of the sub-fund will not be invested in cash or money market instruments in line with the predefined target allocation.

Within the above limits, the sub-fund invests (directly or indirectly) in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and world in which we live. It is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in

sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- respect for the environment (e.g., the reduction of greenhouse gas emissions);
- attention to society (e.g., employee working conditions); and
- corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or government-linked agencies, the selection is based on the following criteria in relation to the issuer:

- overall economic performance and stability (e.g. quality of institutions and government);
- socio-economic development and health of the population (e.g., education and employment);
- equality, freedom and rights of all citizens;
- environmental policy (e.g., climate change); and
- security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which an issuer can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
- corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer on the basis of the above criteria;
- incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
- a planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.

In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase SRI Defensive Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307330025     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307331031     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.51%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.51% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase SRI Defensive Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311840506 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311841512 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.20%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.20% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase SRI Dynamic

## 1. Basic details

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### Name

KBC ExpertEase SRI Dynamic

### Date of incorporation

2 January 2017

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'equity component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

When applying KBC Asset Management NV's investment strategy, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes.

The target allocation for the asset classes is 55% shares and/or share-related investments and 45% bonds and/or bond-related investments. The target allocation may be deviated from in line with the investment view of KBC Asset Management NV. It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio is generally evenly allocated between shares and bonds.

Within the above limits, the sub-fund invests directly or indirectly in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. Socially responsible investment is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- respect for the environment (e.g., the reduction of greenhouse gas emissions);
- attention to society (e.g., employee working conditions); and
- corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or government-linked agencies, the selection is based on the following criteria in relation to the issuer:

- overall economic performance and stability (e.g. quality of institutions and government);
- socio-economic development and health of the population (e.g., education and employment);
- equality, freedom and rights of all citizens;
- environmental policy (e.g., climate change); and
- security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- developments as a result of which an issuer can no longer be regarded as socially responsible after purchase on the basis of the above criteria;
  - corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer on the basis of the above criteria;
  - incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - a planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The equity component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed with reference to the following benchmark: 55% MSCI AC Net Return Index - 31.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 13.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets. The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:
  - Moody's (Moody's Investors Service);
  - S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
  - Fitch (Fitch Ratings), and/or
- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)
  - in securities for which no credit rating of any of the above mentioned agencies is available (or money market instruments whose issuer does not have a rating of one of above mentioned agencies).
- All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase SRI Dynamic - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290493434     | 2 January 2017 through 31 January 2017 before 2 pm CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290494440     | 2 January 2017 through 31 January 2017 before 2 pm CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2,50%<br>After the initial subscription period: 2,50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5,00% for the sub-fund | Max 5,00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                 |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |   |
|--|---|---|
| Fee for managing the investment portfolio  | Max 1.44%   | <p>per yearcalculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.   |
| Fee for financial services   | -   | -   |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.  |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |   |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |   |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.   |

# Information concerning the sub-fund KBC ExpertEase SRI Dynamic Balanced

## 1. Basic details

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### Name

KBC ExpertEase SRI Dynamic Balanced

### Date of incorporation

2 January 2017

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 55% for the stock component and 45% for the bond component.

This allocation may be significantly deviated from in line with the investment view of KBC Asset Management NV, as illustrated below.

Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component may comprise up to 70% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio may also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers may likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay twice as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that may be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 25% and 65% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

Within the above limits, the sub-fund invests directly or indirectly in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and the world we live in. Socially responsible investment is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is provided by a representative of

KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications).

The fund manager then strives to invest as much as possible in assets that form part of this universe. To create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The main exclusion criteria used, relate to tobacco, gambling activities, weapons, fur & exotic leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The selection of issuers is based on a series of criteria, which are tested to as great an extent as possible against objective criteria, such as internationally recognised indicators. The advisory board constantly oversees amendments to the list of criteria. During the initial subscription period, the main criteria used are the following.

- For shares and bonds issued by companies, the selection is based on the following criteria relating to the issuer:
  - Respect for the environment (e.g., reduction in greenhouse gas emissions);
  - Attention to society (e.g., employee working conditions); and
  - Corporate governance (e.g., independence and diversity of the board of directors).
- For bonds issued by national governments, supranational debtors and/or agencies linked to governments, the selection is based on the following criteria in relation to the issuer:
  - General economic performance and stability (e.g., quality of institutions and government);
  - Socio-economic development and health of the population (e.g., education and employment);
  - Equality, freedom and rights of all citizens;
  - Environmental policy (e.g., climate change); and
  - Security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- Developments as a result of which an issuer can no longer be regarded as socially responsible after purchase based on the above criteria;
  - Corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer based on the above criteria;
  - Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - A planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the manager will replace the assets concerned with socially responsible assets as soon as possible, while taking account of the exclusive interest of the investor at all times.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details on the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase SRI Dynamic Balanced - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6290496460     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6290497476     | 2 January 2017 through 31 January 2017 before 6 am CET<br><br>Settlement for value: 3 February 2017 | 1 February 2017  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.69%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.69% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase SRI Dynamic Balanced - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)        | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|---|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311842528 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019  | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311843534 | 11 March 2019 through 3 June 2019 before 05 pm CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.22%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Asset Management S.A. receives a fee from the management company of max. 1.22% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC ExpertEase SRI Dynamic Tolerant

## 1. Basic details

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### Name

KBC ExpertEase SRI Dynamic Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund aims to achieve the highest possible return by making investments in accordance with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments ('stock component'), bonds and/or bond-related investments ('bond component'), money market instruments, cash and cash equivalents, and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the asset classes is 55% for the stock component and 45% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 70% of the sub-fund.

When applying KBC Asset Management NV's investment view, the management bases their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk (such as money market instruments and cash). If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two classes and sell assets in the worst-performing one.

When applying the investment view of KBC Asset Management NV, the management pays one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 35% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

Within the above limits, the sub-fund invests (directly or indirectly) in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and world in which we live. It is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to twelve persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly

available information (including annual reports and press publications).

The fund manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & specialty leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- Respect for the environment (e.g., the reduction of greenhouse gas emissions);
- Attention to society (e.g., employee working conditions)
- Corporate governance (e.g., independence and diversity of the board of directors)

- In the case of bonds issued by national governments, supranational debtors and/or agencies linked to governments, the selection is based on the following criteria in relation to the issuer:

- General economic performance and stability (e.g., quality of institutions and government)
- Socio-economic development and health of the population (e.g., education and employment)
- Equality, freedom and rights of all citizens
- Environmental policy (e.g., climate change)
- Security, peace and international relations

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- Developments as a result of which an issuer can no longer be regarded as socially responsible after purchase on the basis of the above criteria
  - Corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer on the basis of the above criteria
  - Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature
  - A planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the fund manager chooses not to sell them immediately in the interest of the customer due to transaction charges
- In these cases, the fund manager will replace the assets concerned with socially responsible assets as quickly as possible, always taking into account the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC ExpertEase SRI Dynamic Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307334068     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307335073     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.69%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.69% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC ExpertEase SRI Dynamic Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311844540 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311845554 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.22%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.22% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund KBC Expertease SRI Highly Dynamic Tolerant

## 1. Basic details

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### Name

KBC Expertease SRI Highly Dynamic Tolerant

### Date of incorporation

2 January 2019

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund sets out to achieve the highest possible return by investing in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-view](http://www.kbc.be/investment-view)). To this end, the sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments (the 'stock component'), bonds and/or bond-related investments (the 'bond component'), money market instruments, cash and/or alternative investments (including real estate and financial instruments that are linked to price movements on commodity markets).

The target allocation for the assets is 75% for the stock component and 25% for the bond component. This allocation may be significantly deviated from in line with the investment view of KBC Asset Management, as illustrated below. Therefore, the sub-fund may invest a sizeable portion of its assets in asset classes that are not included in the target allocation (such as money market instruments and cash). The stock component can amount to a maximum of 90% of the sub-fund.

When applying KBC Asset Management NV's investment view, the managers base their investment decisions on the analysis of the financial and economic developments and prospects for specific regions, sectors and themes. If conditions on the financial markets are uncertain, volatile or both, part of the portfolio can also be converted into investments with a lower level of risk, such as money market instruments and cash. If the stock component outperforms the bond component, or vice versa, the managers can likewise use part of the portfolio to buy additional assets in the best-performing of these two asset classes and sell assets in the worst-performing one.

When applying KBC Asset Management NV's investment view, the managers pay one-and-a-half times as much attention to the downside risk as to the upside potential. The more attention that is paid to downside risk, the larger the portion of the portfolio that can be converted into investments with a lower level of risk, such as cash and money market instruments, in times of uncertain and/or volatile markets. This part of the portfolio will ultimately amount to between 5% and 30% of the assets. This limit is indicative and may be reviewed annually based on the long-term trend of the financial markets. Any change to this indicative limit does not imply a change in the strategy of the sub-fund. However, under certain market conditions, the sub-fund's assets will not be invested in these asset classes in accordance with the pre-set target allocation.

Within the above limits, the sub-fund invests (directly or indirectly) in socially responsible assets. Socially responsible investment, also known as Sustainable and Responsible Investing (SRI), has a positive impact on society, the environment and world in which we live. It is aligned with today's social and economic needs, without jeopardising the needs of future generations.

Specialised researchers of KBC Asset Management NV compile a universe of issuers (companies, governments, supranational debtors and/or agencies linked to governments) of a socially responsible nature. They are assisted by an advisory board (i.e. the 'SRI Advisory Board') comprised of up to 12 persons, who are not affiliated to KBC Asset Management NV, and whose sole responsibility is to supervise the methodology and activities of the specialist researchers of KBC Asset Management NV. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with a data supplier with expertise in sustainability that provides data to the specialised researchers, who process and complete the data with publicly available information (including annual reports, press publications).

The manager then strives to invest as much as possible in assets that form part of this universe. In order to create this socially responsible universe, the companies are subjected to a negative and positive screening procedure.

#### Negative screening

Negative screening entails specific criteria that exclude issuers in advance from the socially responsible universe.

On top of the exclusion criteria set out under 'Social, ethical and environmental aspects', issuers are assessed against additional SRI exclusion criteria which are available at [www.kbc.be/socially-responsible-investment](http://www.kbc.be/socially-responsible-investment) (4 reasons for socially responsible investing with KBC > Strict sustainability screening). The most important exclusion criteria concern industries involved in tobacco, gambling, weapons, fur & exotic leather and adult entertainment. This list is not exhaustive and may be changed under the supervision of the advisory board.

#### Positive screening

Positive screening entails comparing governments with each other and companies within the same industry using SRI criteria. Based on these criteria, issuers belonging to the best-in-class of their group are included in the socially responsible universe.

The issuers are selected based on a series of criteria which are tested as much as possible against objective measures, such as internationally recognised indicators. The advisory board supervises any changes to the list of criteria at all times. During the initial subscription period, the main criteria used are the following:

- In the case of shares and bonds issued by companies, the selection is based on the following criteria regarding the issuer:

- Respect for the environment (e.g., the reduction of greenhouse gas emissions);
- Attention to society (e.g., employee working conditions); and
- Corporate governance (e.g., independence and diversity of the board of directors).

- In the case of bonds issued by national governments, supranational debtors and/or government-linked agencies, the selection is based on the following criteria in relation to the issuer:

- Overall economic performance and stability (e.g., quality of institutions and government);
- Socio-economic development and health of the population (e.g., education and employment);
- Equality, freedom and rights of all citizens;
- Environmental policy (e.g., climate change); and
- Security, peace and international relations.

This list is not exhaustive and may be changed under the supervision of the advisory board.

It cannot be ruled out, however, that very limited investments may be made temporarily in assets that do not meet the above criteria. The reasons for this include the following:

- Developments as a result of which an issuer can no longer be regarded as socially responsible after purchase based on the above criteria;
  - Corporate events, such as a merger of one company with another, where the merged company can no longer be considered a sustainable and socially responsible issuer based on the above criteria;
  - Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets issued by issuers that do not have a socially responsible nature;
  - A planned update of the sustainable universe in which assets are no longer labelled as sustainable, but in which the manager chooses not to sell them immediately in the interest of the customer due to transaction charges.
- In these cases, the manager will replace the assets concerned with socially responsible assets as quickly as possible, always considering the sole interest of the investor.

What's more, the manager may, with a view to efficient portfolio management, draw to a considerable degree on derivatives relating to assets issued by entities without a socially responsible character, in so far as there is no serviceable and comparable socially responsible alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a socially responsible nature.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section below.

The fund is actively managed without referring to any benchmark.

### ***Characteristics of the bonds and debt instruments***

The subfund invests directly and/or indirectly at least 50% of the in bonds and debt instruments invested assets.

The bonds and other debt instruments must be issued by governments and/or companies.

- in securities that have an investment grade (minimum BBB-/Baa3 long term, A3/F3/P3 short term) rating of at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments whose issuer has been given an investment grade rating of 1 of the above-mentioned rating agencies.

In addition, the subfund can invest up to 50% of the in bonds and debt instruments invested assets

- in securities that have a lower rating (or money market instruments whose issuer has a lower rating)

- in securities for which no credit rating of any of the above mentioned agencies is available

(or money market instruments whose issuer does not have a rating of one of above mentioned agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |   | Explanation:   |
|---------------------------|---|---|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate  | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate  | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low   |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low   |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | For the share class Classic Shares : high           | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
|                           |   | For the share class Comfort Portfolio Shares : high | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low   |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low   |  |
| Performance risk          | Risks to return   | moderate  | the level of the risk reflects the volatility of the equity component.   |

|                       |   |          |                                 |
|-----------------------|---|----------|---------------------------------|
| Capital risk          | Risks to capital  | moderate | There is no capital protection. |
| Flexibility risk      | Inflexibility both within the product and constraints on switching to other providers   | low      |                                 |
| Inflation risk        | Risk of inflation   | low      |                                 |
| Environmental factors | Uncertainty regarding the immutability of environmental factors, such as the tax regime | low      |                                 |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# KBC Expertease SRI Highly Dynamic Tolerant - Classic Shares

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6307336089     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6307337095     | 2 January 2019 through 1 February 2019 before 6 am CET<br><br>Settlement for value: 6 February 2019 | 4 February 2019  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.83%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.83% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# KBC Expertease SRI Highly Dynamic Tolerant - Comfort Portfolio Shares

There is a minimum subscription value of 200000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or the KBC Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) or CBC Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or CBC Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)). The investors must meet these criteria at the time they register to buy shares in this share class.

| Types of shares offered to the public | Currency for the calculation of the net asset value | ISIN code    | The initial subscription period/day (unless the subscription period is closed early)       | The first net asset value following the initial subscription period/day | Initial subscription price |
|---------------------------------------|---|--------------|--|---|----------------------------|
| CAP (Capitalisation shares)           | EUR   | BE6311861718 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |
| DIS (Distribution shares)             | EUR   | BE6311862724 | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019 | 4 June 2019   | 1000 EUR                   |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | Subscription  | Redemption                 | Switching between subfunds   |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 0.00%<br><br>After the initial subscription period: 0.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 0.00% for the sub-fund | Max 0.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.24%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.24% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Private Banking Active Stock Selection

## 1. Basic details

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### Name

Private Banking Active Stock Selection

### Date of incorporation

28 October 2011

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

---

### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

### Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk.** In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

### Selected strategy

The sub-fund invests at least 50% of its assets in shares, directly or indirectly, that may come from any region, sector or theme.

The manager ensures that there is an adequate spread among shares in the equities portfolio. To ensure this, at least 40 different shares will be included and no share may ever account for more than 4% of the assets.

Based on factors such as the economic and financial outlook, the manager may decide to invest some of the assets in deposits and short-term debt instruments temporarily. These investments are limited to a maximum 25% of the assets.

The fund is actively managed without referring to any benchmark.

### Characteristics of the bonds and debt instruments

This may involve money market instruments or securities. Debt instruments issued by both public bodies and companies may be considered.

The rating of money market instruments shall be at least A-2 from Standard & Poor's or an equivalent rating from Moody's or Fitch or, in the absence of a rating, a mean credit risk profile that is at least equivalent according to the manager.

The rating of securities shall be at least A- from Standard & Poor's or an equivalent rating from Moody's or Fitch or, in the absence of a rating, a mean credit risk profile that is at least equivalent according to the manager.

The debt instruments in which the sub-fund invests have a maximum maturity of 397 days. If the interest rate is changed in line with developments on the money market within a period of 397 days maximum, the maturity may be longer, but will never be longer than two years.

### Volatility of the net asset value

The volatility of the net asset value may be high due to the composition of the portfolio.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | high     | the level of the risk reflects the volatility of the stock market.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | high     | the level of the risk reflects the volatility of the stock market.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | none     |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Very dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 2 pm CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 2 pm CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 2 pm CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Private Banking Active Stock Selection

**There is a minimum subscription value of 10000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE6227978937     | 31 October 2011 through 2 December 2011<br><br>Settlement for value: 7 December 2011        | 5 December 2011  | 1000 EUR                          |
| DIS (Distribution shares)                    | EUR  | BE6227979943     | 31 October 2011 through 2 December 2011<br><br>Settlement for value: 7 December 2011        | 5 December 2011  | 1000 EUR                          |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 1.00%<br><br>After the initial subscription period: 1.00% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.25%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.15%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Defensive

## 1. Basic details

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### Name

Privileged Portfolio Defensive

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Defensive' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 3 July 2020 through incorporation of the 'Privileged Portfolio Defensive' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Defensive'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Defensive, to the acquiring sub-fund, Horizon Privileged Portfolio Defensive, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Defensive and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Defensive.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The investment policy aims to follow the investment strategy designed for an investor with a specific risk profile.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 30% shares and/or share-related investments ("the stock component") and 70% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio systematically contains more bonds than shares.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed with reference to the following benchmark: 30% MSCI AC Net Return Index - 49% JP Morgan EMU government Bonds Investment grade 1-3 year Total Return Index - 21% iBoxx Euro corporate bonds Total Return Index .

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 1.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Defensive

**There is a minimum subscription value of 25000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945926799     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.36%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Dynamic

## 1. Basic details

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### Name

Privileged Portfolio Dynamic

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Dynamic' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 3 July 2020 through incorporation of the 'Privileged Portfolio Dynamic' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Dynamic'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Dynamic, to the acquiring sub-fund, Horizon Privileged Portfolio Dynamic, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Dynamic and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Dynamic.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The investment policy aims to follow the investment strategy designed for an investor with a specific risk profile.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 55% shares and/or share-related investments ("the stock component") and 45% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. The portfolio is generally evenly allocated between shares and bonds.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed with reference to the following benchmark: 55% MSCI AC Net Return Index - 31.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 13.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Dynamic

**There is a minimum subscription value of 25000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945925783     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.54%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Dynamic High

## 1. Basic details

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### Name

Privileged Portfolio Dynamic High

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Highly Dynamic' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 3 July 2020 through incorporation of the 'Privileged Portfolio Dynamic High' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete name, namely 'Privileged Portfolio Dynamic High'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Highly Dynamic, to the acquiring sub-fund, Horizon Privileged Portfolio Dynamic High, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 3 July 2020 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Dynamic High and dating from the period prior to 3 July 2020, are therefore details that related to the dissolved sub-fund, Highly Dynamic.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The investment policy aims to follow the investment strategy designed for an investor with a specific risk profile.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in various asset classes, such as shares and/or share-related investments, bonds and/or bond-related investments, money market instruments, cash and/or alternative investments (including real estate, and financial instruments that are linked to price movements on the commodity market).

The target allocation for the asset classes is 75% shares and/or share-related investments ("the stock component") and 25% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. As a rule, the portfolio contains more shares than bonds.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed with reference to the following benchmark: 75% MSCI AC Net Return Index - 17.5% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 7.5% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 2.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- in investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- in money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- in securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- in securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, if the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | low      |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Dynamic High

**There is a minimum subscription value of 25000 EUR (both during as well as after the initial subscription period).**

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945923762     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

**One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | 1.68%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 85 August

## 1. Basic details

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### Name

Privileged Portfolio Pro 85 August

### Date of incorporation

3 July 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 85 August' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 85 August' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 85 August'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 85 August, to the acquiring sub-fund, Privileged Portfolio Pro 85 August, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 85 August and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 85 August.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

---

### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 100% in shares, up to 45% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in line with the investment strategy of KBC Asset Management NV

The target allocation for the asset classes is 75% shares and/or share-related investments ("the stock component") and 25% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 85% of the net asset value on the last Belgian banking day of the previous July. The initial floor price is equal to 85% of the initial net asset value and is valid until the last banking day of July 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | low      |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 85 August

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946346146     | 3 July 2006 through 28 July 2006 before 6 am CET<br><br>Settlement for value: 2 August 2006 | 31 July 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 2.08%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 2.08% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 85 February

## 1. Basic details

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### Name

Privileged Portfolio Pro 85 February

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 85 February' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 85 February' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 85 February'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 85 February, to the acquiring sub-fund, Privileged Portfolio Pro 85 February, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 85 February and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 85 February.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 100% in shares, up to 45% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 75% shares and/or share-related investments ("the stock component") and 25% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 85% of the net asset value on the last Belgian banking day of the previous January. The initial floor price is equal to 85% of the initial net asset value and is valid until the last banking day of January 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | low      |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 85 February

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945920735     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 2.08%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 2.08% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 85 May

## 1. Basic details

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### Name

Privileged Portfolio Pro 85 May

### Date of incorporation

19 April 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 85 May' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 85 May' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 85 May'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 85 May, to the acquiring sub-fund, Privileged Portfolio Pro 85 May, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 85 May and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 85 May.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 100% in shares, up to 45% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 75% shares and/or share-related investments ("the stock component") and 25% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 85% of the net asset value on the last Belgian banking day of the previous April. The initial floor price is equal to 85% of the initial net asset value and is valid until the last banking day of April 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | low      |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 85 May

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946103620     | 19 April 2006 through 27 April 2006 before 6 am CET<br><br>Settlement for value: 3 May 2006 | 28 April 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 2.08%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 2.08% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 85 November

## 1. Basic details

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### Name

Privileged Portfolio Pro 85 November

### Date of incorporation

2 October 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 85 November' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 85 November' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 85 November'. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 85 November, to the acquiring sub-fund, Privileged Portfolio Pro 85 November, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 85 November and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 85 November.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 100% in shares, up to 45% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 75% shares and/or share-related investments ("the stock component") and 25% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 85% of the net asset value on the last Belgian banking day of the previous October. The initial floor price is equal to 85% of the initial net asset value and is valid until the last banking day of October 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.  |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |   |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | high     | since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates. |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | low      |   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 85 November

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946432037     | 2 October 2006 through 2 November 2006 before 6 am CET<br><br>Settlement for value: 7 November 2006 | 3 November 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 2.08%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 2.08% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 90 August

## 1. Basic details

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### Name

Privileged Portfolio Pro 90 August

### Date of incorporation

3 July 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 90 August' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 90 August' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 90 August'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 90 August, to the acquiring sub-fund, Privileged Portfolio Pro 90 August, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 90 August and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 90 August.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 95% in shares, up to 65% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ("the stock component") and 45% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous July. The initial floor price is equal to 90% of the initial net asset value and is valid until the last banking day of July 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 90 August

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946343119     | 3 July 2006 through 28 July 2006 before 6 am CET<br><br>Settlement for value: 2 August 2006 | 31 July 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.96%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.96% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 90 February

## 1. Basic details

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### Name

Privileged Portfolio Pro 90 February

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 90 February' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 90 February' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 90 February'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 90 February, to the acquiring sub-fund, Privileged Portfolio Pro 90 February, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 90 February and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 90 February.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 95% in shares, up to 65% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ("the stock component") and 45% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous January. The initial floor price is equal to 90% of the initial net asset value and is valid until the last banking day of January 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 90 February

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945921741     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.96%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.96% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 90 May

## 1. Basic details

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### Name

Privileged Portfolio Pro 90 May

### Date of incorporation

19 April 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 90 May' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 90 May' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 90 May'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 90 May, to the acquiring sub-fund, Privileged Portfolio Pro 90 May, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 90 May and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 90 May.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 95% in shares, up to 65% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ("the stock component") and 45% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous April. The initial floor price is equal to 90% of the initial net asset value and is valid until the last banking day of April 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or

- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

The sub-fund will invest primarily in units of undertakings for collective investment.

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 90 May

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946104636     | 19 April 2006 through 27 April 2006 before 6 am CET<br><br>Settlement for value: 3 May 2006 | 28 April 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.96%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.96% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 90 November

## 1. Basic details

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### Name

Privileged Portfolio Pro 90 November

### Date of incorporation

2 October 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 90 November' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 90 November' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 90 November'. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 90 November, to the acquiring sub-fund, Privileged Portfolio Pro 90 November, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 90 November and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 90 November.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 95% in shares, up to 65% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 55% shares and/or share-related investments ("the stock component") and 45% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 90% of the net asset value on the last Belgian banking day of the previous October. The initial floor price is equal to 90% of the initial net asset value and is valid until the last banking day of October 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 90 November

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946433043     | 2 October 2006 through 2 November 2006 before 6 am CET<br><br>Settlement for value: 7 November 2006 | 3 November 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.96%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.96% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 95 August

## 1. Basic details

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### Name

Privileged Portfolio Pro 95 August

### Date of incorporation

3 July 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 95 August' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 95 August' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 95 August'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 95 August, to the acquiring sub-fund, Privileged Portfolio Pro 95 August, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 95 August and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 95 August.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 75% in shares, up to 85% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 30% shares and/or share-related investments ("the stock component") and 70% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 95% of the net asset value on the last Belgian banking day of the previous July. The initial floor price is equal to 95% of the initial net asset value and is valid until the last banking day of July 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

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| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946344125     | 3 July 2006 through 28 July 2006 before 6 am CET<br><br>Settlement for value: 2 August 2006 | 31 July 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.80%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.80% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 95 February

## 1. Basic details

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### Name

Privileged Portfolio Pro 95 February

### Date of incorporation

15 February 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 95 February' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 95 February' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 95 February'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 95 February, to the acquiring sub-fund, Privileged Portfolio Pro 95 February, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 95 February and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 95 February.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk.** Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 75% in shares, up to 85% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 30% shares and/or share-related investments ("the stock component") and 70% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 95% of the net asset value on the last Belgian banking day of the previous January. The initial floor price is equal to 95% of the initial net asset value and is valid until the last banking day of January 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup> at 6 am CET)  | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup> at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup> at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 95 February

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>     | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0945922756     | 15 February 2006 through 3 March 2006 before 6 am CET<br><br>Settlement for value: 8 March 2006 | 6 March 2006   | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.80%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.80% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 95 May

## 1. Basic details

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### Name

Privileged Portfolio Pro 95 May

### Date of incorporation

19 April 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 95 May' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 95 May' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 95 May'.

Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 95 May, to the acquiring sub-fund, Privileged Portfolio Pro 95 May, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 95 May and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 95 May.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 75% in shares, up to 85% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 30% shares and/or share-related investments ("the stock component") and 70% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 95% of the net asset value on the last Belgian banking day of the previous April. The initial floor price is equal to 95% of the initial net asset value and is valid until the last banking day of April 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.

2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.

3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 95 May

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i> | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946105641     | 19 April 2006 through 27 April 2006 before 6 am CET<br><br>Settlement for value: 3 May 2006 | 28 April 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.80%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.80% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Privileged Portfolio Pro 95 November

## 1. Basic details

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### Name

Privileged Portfolio Pro 95 November

### Date of incorporation

2 October 2006

### Prehistory

The sub-fund was created in the context of the application of Article 163 of the Royal Decree of 12 November 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC. In application of this Article, the 'Pro 95 November' sub-fund of the public open-ended collective investment fund Privileged Portfolio opting for investments meeting the conditions of Directive 2009/65/EC merged on 6 December 2019 through incorporation of the 'Privileged Portfolio Pro 95 November' sub-fund of the open-ended investment company Horizon. To retain the original identification of the sub-fund, the acquiring sub-fund within the open-ended investment company Horizon will bear its complete original name, namely 'Privileged Portfolio Pro 95 November'. Since this operation involves transferring all the rights and obligations of the dissolved sub-fund, Pro 95 November, to the acquiring sub-fund, Privileged Portfolio Pro 95 November, it has no impact whatsoever on the continuity of the dissolved sub-fund. In order to clearly express this, it has been decided to retain all the information that dates from before 6 December 2019 in this prospectus in its entirety. As a result, all the details regarding Privileged Portfolio Pro 95 November and dating from the period prior to 6 December 2019, are therefore details that related to the dissolved sub-fund, Pro 95 November.

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The sub-fund also aims to set a floor price for the net asset value each year.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The sub-fund invests directly or indirectly in more risky assets (such as shares, share UCIs, medium and longer-term bonds, medium and longer-term bond UCIs, certain money market instruments, and alternative investments (like real estate and financial instruments that are linked to price movements on the commodity markets)) and/or less risky assets (such as certain money market instruments, shorter-term bonds, shorter-term bond UCIs and cash). Compared with bond UCIs classified as riskier assets, bond UCIs belonging to the less risky assets invest more in instruments with a shorter term to maturity, which means that they are less sensitive to movements in interest rates. In principle, therefore, they are less volatile.

The sub-fund may be invested up to 75% in shares, up to 85% in medium and longer-term bonds and up to 100% in shorter-term bonds.

The sub-fund has two objectives:

1. to achieve the highest possible return by making investments in accordance with the investment strategy of KBC Asset Management NV.

The target allocation for the asset classes is 30% shares and/or share-related investments ("the stock component") and 70% bonds and/or bond-related investments ("the bond component").

It is permitted to deviate from the target allocation based on the investment strategy of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and/or to protect the floor price, as described in section 2. It is therefore possible for the sub-fund to invest in asset classes that have not been included in the target allocation.

2. to protect a floor price.

The sub-fund also aims to set a floor price for the net asset value each year. This floor price is valid for one year and is always equal to 95% of the net asset value on the last Belgian banking day of the previous October. The initial floor price is equal to 95% of the initial net asset value and is valid until the last banking day of October 2007. Achieving the objective to protect the floor price becomes increasingly important the closer the net asset value gets to the floor price. In such a situation, the asset allocation will be increasingly focused on protecting the floor price and will deviate from the target allocation specified in point 1 above.

The floor price changes every year based on the net asset value. Any decline in the net asset value when a new floor price is being set will result in the new floor price being lower than the current applicable value. Any increase in the net asset value when a new floor price is being set will result in the new floor price being higher than the current applicable value.

The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. It is

therefore possible for the net asset value to be lower than the floor price.

The allocation of the assets is influenced by whether they involve more or less risk. Riskier assets are intended to generate the return, while less risky assets are designed to protect the floor.

During the year, the manager may deviate from the target allocation in the following ways:

- 1) If the net asset value falls towards the floor price, the manager may intervene and replace investments in riskier assets with investments in less risky ones. If the net asset value hits the floor price, the manager may switch completely to investments in money market instruments, shorter-term bonds, shorter-term bond funds, and/or cash. Conversely, if the net asset value moves away from the floor price and goes up to a strong enough extent, the manager may intervene and gradually reallocate the assets by replacing the less risky assets with more risky ones.
- 2) If markets develop favourably and provided the net asset value is sufficiently high relative to the floor price, and for as long as both these conditions are met, the stock component can temporarily go up sharply relative to the percentage determined when the floor price was set.
- 3) The bond component will be monitored separately and, if its performance is negative, the exposure within this component may be reduced periodically, for instance by reducing investments in bonds in favour of investments in money market instruments and cash.

The stock component is invested in a worldwide selection of shares that may come from any region, sector or theme.

For details of the bond component, please see the "Characteristics of the bonds and debt instruments" section below.

The fund is actively managed without referring to any benchmark.

### **Characteristics of the bonds and debt instruments**

Some of the assets are invested in bonds and debt securities issued by both companies and governments.

The sub-fund invests, directly and/or indirectly, at least 50% of the bonds and debt instruments:

- In investment-grade securities (at least BBB-/Baa3 long term or A3/F3/P3 short term) as rated by at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings), and/or

- In money market instruments issued by entities that have been assigned an investment grade rating by one of the above agencies.

In addition, the sub-fund may invest up to 50% of the assets invested in bonds and debt instruments:

- In securities that have a lower credit rating (or, in the case of money market instruments, if the issuer has a lower credit rating) and/or
- In securities for which no credit rating is available from one of the above agencies (or, in the case of money market instruments, the issuer does not have a rating from one of the above agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |  |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the bond component invests primarily - but not exclusively- in bonds with an investment grade rating. Consequently, the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |  |
| Performance risk          | Risks to return   | low      |  |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation.   |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders  |
|---|--|--|---|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b><br>Refunds for orders placed through an Irish distributor are made no later than D+4 banking days |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Privileged Portfolio Pro 95 November

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>         | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|---|--|-----------------------------------|
| CAP (Capitalisation shares)                  | EUR  | BE0946431021     | 2 October 2006 through 2 November 2006 before 6 am CET<br><br>Settlement for value: 7 November 2006 | 3 November 2006  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 3.50%<br><br>After the initial subscription period: 3.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.80%   | <p>per year (0.50% of which is for the protection of the floor price) calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>KBC Fund Management Limited receives a fee from the management company of max. 1.80% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0,10%   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund Strategisch Obligatiedepot

## 1. Basic details

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### Name

Strategisch Obligatiedepot

### Date of incorporation

6 December 2006

### Prehistory

The sub-fund has been established in light of the application of article 163 of the Royal Decree of 12 November 2012 concerning the undertakings for collective investments complying with the Regulation 2009/65/EC. Through the application of said article, the common mutual fund opting for investments which comply with the conditions of the Regulation 2009/65/EC Strategisch Obligatiedepot (hereinafter referred to as "the Fund") merged on 3 July 2020 by the foundation of the sub-fund "Strategisch Obligatiedepot" of Horizon. Since this operation leads to a transfer of all assets and liabilities of the dissolved Fund, Strategisch Obligatiedepot, to the newly established sub-fund, Horizon Strategisch Obligatiedepot, it has no impact whatsoever on the continuity of the dissolved Fund. In order to clearly reflect this, all information before 3 July 2020 has been retained in this prospectus, the result of which is that data concerning Strategisch Obligatiedepot predating 3 July 2020 are to be considered as data concerning the dissolved Fund, Strategisch Obligatiedepot.

### Life

Unlimited

### Delegation of the management of the investment portfolio

There is no delegation of the management of the investment portfolio.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main object of the sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested either directly, or indirectly via correlated financial instruments, primarily in bonds.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk.** In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The fund invests directly or indirectly in bonds and/or bond-related investments, in accordance with KBC Asset Management NV's strategy for investing in bonds (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

It invests in bonds that may come from any region, sector or theme.

See also the 'Characteristics of the bonds and debt instruments' paragraph below.

The fund is actively managed with reference to the following benchmark: 70% JP Morgan EMU government Bonds Investment grade 1-5 year Total Return Index - 30% iBoxx Euro corporate bonds Total Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 1%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### ***Characteristics of the bonds and debt instruments***

Some or all of the assets are invested in bonds and debt securities issued by both companies and governments. The sub-fund invests directly and/or indirectly at least 75% of its assets in bonds and debt instruments that have an investment grade rating (of at least BBB-/Baa3 for the long term and at least A3/F3/P3 for the short term) from at least one of the following rating agencies:

- Moody's (Moody's Investors Service);
- S&P (Standard & Poor's, a Division of the McGraw-Hill Companies);
- Fitch (Fitch Ratings).

In addition, the sub-fund may invest up to 25% of the assets in bonds and debt instruments with a lower credit rating or for which no credit rating is available from any of the above rating agencies.

All maturities are taken into consideration when selecting the bonds and debt instruments.

### ***Investments in assets other than securities or money market instruments***

**The sub-fund will invest primarily in units of undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:  |
|---------------------------|---|----------|---|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | low      |   |
| Credit risk               | The risk that an issuer or a counterparty will default  | moderate | the assets are primarily - but not exclusively - invested in bonds with an investment grade rating. Consequently the risk that an issuer can no longer meet its obligations is higher than in an investment that consists only of bonds with an investment grade rating. If investors are in doubt about the creditworthiness of the issuers of the bonds, the value of those bonds can fall. |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |   |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |   |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | moderate | since there are investments in securities that are denominated in currencies other than the Euro, there is a real chance that the value of an investment will be affected by movements in exchange rates.   |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |   |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | low      |   |
| Performance risk          | Risks to return   | low      |   |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.   |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | none     |   |
| Inflation risk            | Risk of inflation   | moderate | there is no protection against an increase of the inflation.  |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |   |

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Defensive profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

## 5. Types of shares and fees and charges

---

Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# Strategisch Obligatiedepot

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>          | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE0946766467     | 6 December 2006 through 29 December 2006 before 6 am CET<br><br>Settlement for value: 4 January 2007 | 2 January 2007   | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 2.50%<br><br>After the initial subscription period: 2.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 0.90%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.30% a year.</p> |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.02%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs |   | of the net assets of the sub-fund per year.  |

# Information concerning the sub-fund USD Low

## 1. Basic details

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### Name

USD Low

### Date of incorporation

2 February 2015

### Life

Unlimited

### Delegation of the management of the investment portfolio

The intellectual management, with the exception of the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to CSOB Asset Management a.s, Radlicka 333/150 , 150 57 , Praha 5, Czech Republic.

### Stock exchange listing

Not applicable.

## 2. Investment information

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### Sub-fund's object

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. The investment policy aims to track the strategy recommended for an investor with a specific risk profile.

### Sub-fund's investment policy

#### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

#### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.  
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

## Permitted derivatives transactions

Derivatives can be used both to achieve the investment objectives and to hedge risks.

Listed and unlisted derivatives may be used to achieve the objectives: these may be forward contracts, futures, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions.

Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of liquid instruments, such as, for instance, cash or investment grade bonds. The relationship with the counterparty or counterparties is governed by standard international agreements.

Derivatives may also be used to hedge the assets of the sub-fund against open exchange rate risks in relation to the currency in which the sub-fund is denominated.

Where derivatives are used, they must be easily transferable and liquid instruments. Using derivatives does not, therefore, have a negative impact on liquidity risk. The use of derivatives may, however, affect the spread of the portfolio across regions, sectors or themes. **Consequently, there may be an impact on concentration risk. Derivatives may not be used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no negative impact on credit risk, settlement risk, custody risk, flexibility risk or inflation risk or risk dependent on external factors.**

The UCITS may conclude contracts that entail a credit risk in respect of issuers of debt instruments. Credit risk is the risk that the issuer of the debt instrument will default. This credit risk relates to parties whose creditworthiness at the time the contract is concluded is equal to that of the issuers whose debt instruments the UCITS can hold directly. Credit derivatives may possibly be used both to carry out the investment objectives and to cover the credit risk, but solely within the existing risk profile and without implying any shift to less creditworthy debtors than those the UCITS can invest in.

## Selected strategy

The assets are primarily invested directly or indirectly (by means of financial instruments with similar performance) in equities, bonds and/or money market instruments. A target range is laid down for these assets. It is 30% for equities and 70% for bonds and/or money market instruments.

Depending on expectations regarding the performance of these assets, the fund manager decides which assets to under- or overweight compared to the above target range.

The equity component will invest directly or indirectly in a global selection of shares, whereby all sectors and themes are eligible for consideration. More than 50% of the equity component will be invested in shares of companies listed in the US. The equity component can vary between 20 and 40%. This composition is based on KBC Asset Management NV's monthly investment strategy, which is published at [www.kbcam.be/assetclasses](http://www.kbcam.be/assetclasses).

The component comprising bonds and/or money market instruments can vary between 60 and 80%. To mitigate sensitivity to interest rates, up to 50% of the component comprising bonds and/or money market instruments may be invested in money market instruments. All themes, industry sectors and regions are eligible for consideration. This composition is based on KBC Asset Management NV's monthly investment strategy, which is published at [www.kbcam.be/assetclasses](http://www.kbcam.be/assetclasses).

The fund is actively managed with reference to the following benchmark: 14% iBoxx corporate USD Total Return Index, 56% JP Morgan Government bond US 1-5 Years - Total Return Index and 30% MSCI USA - Net Return Index.

However, it is not the aim of the fund to replicate the benchmark. The composition of the benchmark is taken into account when compiling the portfolio.

The composition of the portfolio will to a large extent be similar to that of the benchmark.

The benchmark is also used to assess the performance of the sub-fund.

The benchmark is also used to determine the fund's risk limitation mechanism. This limits the extent to which the fund's return may deviate from the benchmark.

The longterm expected tracking error for this fund is 1.5%. The tracking error measures the volatility of the fund's return relative to that of the benchmark. The higher the tracking error, the more the fund's return fluctuates relative to the benchmark. Market conditions may cause the actual tracking error to differ from the expected tracking error.

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### **Characteristics of the bonds and debt instruments**

Some of the assets are invested directly or indirectly in bonds and debt instruments issued by both companies and government bodies.

At least 50% of the assets invested in bonds and debt instruments will be invested directly or indirectly:

- in financial securities with an investment grade rating (at least BBB-/Baa3 (long-term) and A3/F3/P3 (short-term)) from at least one of the following rating agencies:

- o Moody's (Moody's Investors Service);

- o S & P (Standard & Poor's, a Division of the McGraw-Hill Companies);

- o Fitch (Fitch Ratings); and/or

- in money market instruments from issuers with an investment grade rating from one of the aforementioned rating agencies.

The sub-fund may also invest up to 50% of its assets in bonds and debt instruments as follows:

- in financial securities with a lower rating (or money market instruments of issuers with a lower rating); and/or

- in financial securities that have not been assigned a rating by any of the aforementioned rating agencies (or money market instruments of issuers that have not been assigned a rating by any of the aforementioned rating agencies).

All maturities are taken into consideration when selecting the bonds and debt instruments.

### **Investments in assets other than securities or money market instruments**

**The sub-fund will invest primarily in units in undertakings for collective investment.**

## 3. Risk

### Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the 'Risk and reward profile' section of the key investor information document.

Summary table of risks assessed by the sub-fund:

| Risk type                 | Concise definition of the risk  |          | Explanation:   |
|---------------------------|---|----------|--|
| Market risk               | The risk that the entire market of an asset class will decline, thus affecting the prices and values of the assets in the portfolio | moderate | the level of the risk reflects the volatility of the equity component.               |
| Credit risk               | The risk that an issuer or a counterparty will default  | low      |  |
| Settlement risk           | The risk that settlement of a transaction via a payment system will not take place as expected                                      | low      |  |
| Liquidity risk            | The risk that a position cannot be liquidated in a timely manner at a reasonable price  | low      |  |
| Exchange or currency risk | The risk that the value of an investment will be affected by changes in exchange rates  | low      |  |
| Custody risk              | The risk of loss of assets held in custody with a custodian or sub-custodian  | low      |  |
| Concentration risk        | The risk relating to a large concentration of investments in specific assets or in specific markets                                 | moderate | there is a concentration of investments in the United States of America.             |
| Performance risk          | Risks to return   | moderate | the level of the risk reflects the volatility of the equity component.               |
| Capital risk              | Risks to capital  | moderate | There is no capital protection.  |
| Flexibility risk          | Inflexibility both within the product and constraints on switching to other providers   | low      |  |
| Inflation risk            | Risk of inflation   | moderate | the bond component does not provide any protection against an increase in inflation. |
| Environmental factors     | Uncertainty regarding the immutability of environmental factors, such as the tax regime   | low      |  |

### Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Dynamic profile.

The risk profile mentioned per sub-fund has been determined from the point of view of an investor in the euro area and may differ from that of an investor in other currency zones. More information on the risk profiles can be obtained at [www.kbc.be/riskprofile](http://www.kbc.be/riskprofile).

## 4. Information concerning the trading of shares

### How to buy and sell shares and switch between sub-funds

If it turns out that shares are being held by persons other than those permitted to hold them, the Company may, in accordance with article 8.2 of the articles of association, and without charge (except any taxes due and any charges to cover the cost of realising the assets), redeem those shares.

| Cut-off time for receiving orders at the financial service providers in Belgium <sup>(1)</sup><br><br>Date of published net asset value | Date the net asset value is calculated | Actual values used   | Date of payment or repayment of the orders |
|---|--|--|--|
| <b>D</b><br>(every banking day <sup>(2)</sup><br>at 6 am CET)   | <b>D+1 banking day</b>                 | <b>D</b> if maximum 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET)<br><br><b>D+1</b> if more than 20% of the actual values are already known on D<br>(every banking day <sup>(2)</sup><br>at 6 am CET) | <b>D+3 banking days</b>                    |

<sup>(1)</sup> The cut-off time for receiving orders stated above applies to orders investors place directly with the financial services providers in Belgium.

If an investor places an order with a financial institution other than the financial service providers in Belgium, he/she must find out from that institution what cut-off time (time + date) applies to the order he/she wishes to place so that the institution in question can take the necessary action to ensure that the order reaches the financial service providers in Belgium before 6 am CET on day D in order to qualify as an order of day D.

<sup>(2)</sup> with the exception of banking days on which one or more markets on which more than 20% of the sub-fund's assets are listed are closed or if transactions are suspended or restricted.

### Calculation of the net asset value

The net asset value is calculated daily, as described above, except on days on which no shares may be issued or redeemed.

### Publication of the net asset value

The 'Information concerning the Bevek – I. Additional information – Publication of the net asset value' section specifies where the result of the calculation of the net asset value can be viewed.

If the profitability of the sub-fund is jeopardised due to a limited number of subscriptions during the initial subscription period (less than 5 000 000 euros), the Board of Directors of the Bevek may decide to refuse the orders placed during the initial subscription period and not to proceed with the commercialisation of the sub-fund.

## 5. Types of shares and fees and charges

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Shares may be in registered or book-entry form, as the shareholder chooses. No certificates representing the registered shares are issued. Instead, confirmation is supplied of entry in the register of shareholders.

### Dividend payment

After the close of the financial year, the General Meeting determines the portion of the result, which, within the limitations imposed by the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables, is to be paid to the holders of distribution shares.

The holders of capitalisation shares are not entitled to receive a dividend. The portion of the annual net income accruing to them is capitalised in favour of these shares.

The shareholders will receive payment within six months of the close of the financial year via institutions designated for this purpose by the General Meeting.

The General Meeting may decide to proceed to interim payments in accordance with the provisions of the law.

The Board of Directors may, in accordance with the provisions laid down in the articles of association and within the limits of the law, decide to pay out interim dividends.

The information on the type and/or class of shares and the fees and charges associated with them is set out below by type and/or share class.

# USD Low

| <i>Types of shares offered to the public</i> | <i>Currency for the calculation of the net asset value</i> | <i>ISIN code</i> | <i>The initial subscription period/day (unless the subscription period is closed early)</i>    | <i>The first net asset value following the initial subscription period/day</i> | <i>Initial subscription price</i> |
|--|--|------------------|--|--|-----------------------------------|
| CAP (Capitalisation shares)                  | USD  | BE6275363453     | 2 February 2015 through 2 April 2015 before 6 am CET<br><br>Settlement for value: 9 April 2015 | 7 April 2015   | 100 USD                           |

## **Recurrent fees and charges paid by the Bevek**

|                                       |  |
|---------------------------------------|--|
| Fee paid to the independent directors | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' |
|---------------------------------------|--|

## **One-off fees and charges charged to the investor unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share**

|  | <i>Subscription</i>   | <i>Redemption</i>          | <i>Switching between subfunds</i>  |
|--|---|----------------------------|--|
| Trading fee  | During the initial subscription period: 1.50%<br><br>After the initial subscription period: 1.50% | -                          | A trading commission that is equal to the one applicable when buying into the new sub-fund |
| Administrative charges                                   | -   | -                          | -  |
| Amount to cover the costs of the purchase/sale of assets | -   | -                          | The appropriate amount covering these costs for the sub-funds concerned                    |
| Amount to discourage sales within one month of purchase  | -   | Max 5.00% for the sub-fund | Max 5.00% for the sub-fund   |
| Stock market tax   | see the 'Information concerning the Bevek - H. Tax treatment'                                     |                            |  |

**Recurrent fees and charges paid by the sub-fund** unless indicated otherwise, in the currency the sub-fund is denominated in or as a percentage of the net asset value per share

|  |   |  |
|--|---|--|
| Fee for managing the investment portfolio  | Max 1.61%   | <p>per year calculated on the basis of the average total net assets of the sub-fund.</p> <p>For the portion of net assets corresponding to an investment in undertakings for collective investment(*) managed by a financial institution belonging to the KBC group, the fee for managing the investment portfolio equals the difference between the fee for managing the investment portfolio of the aforementioned undertakings for collective investment and the percentage (to the left) that is paid for managing the investment portfolio.</p> <p>CSOB Asset Management a.s receives a fee from the management company of max. 1.61% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.</p> <p>(*) The fee for the management of the investment portfolio of the undertakings for collective investment in which the sub-fund invests will amount to max. 1.70% a year.</p> |
|  | 0.02%   | <p>per year calculated on the basis of the portion of the average total net assets of the sub-fund that are invested in bonds and debt instruments, compensating the use of research to those instruments. If the actual cost of the research comprises a lower percentage than the percentage stated, the management company will receive only this lower amount.</p>   |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | -   | -  |
| Custodian's fee  | Max 0.04%   | per year calculated on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective Investment managed by a financial institution of the KBC group.   |
| Fee paid to the bevek's statutory auditor  | see the 'Information concerning the Bevek - G. Fees and charges regarding the Bevek' for this non-structured sub-fund |  |
| Annual tax   | see the 'Information concerning the Bevek - H. Tax treatment'   |  |
| Other charges (estimation) such as the regulator's fees, the cost of publication and any marketing costs | 0.10%   | of the net assets of the sub-fund per year.  |

**HORIZON**  
**(the “Fund”)**  
**“Bevek” under Belgian law**

**Details on marketing and information for investors in Ireland**

**HORIZON** is a public open-ended investment company under Belgian law (bevek) opting for investments complying with the conditions of Directive 2009/65/EC UCITS, having its registered office at Havenlaan 2, B-1080 Brussels, Belgium. The appointed management company (“The Management Company”) is KBC Asset Management NV, Havenlaan 2, B-1080 Brussels.

**1. FACILITIES AGENT**

The Fund has appointed KBC Bank Ireland Plc., Sandwith Street, Dublin 2, Ireland (Identification Company No. 40537), as its facilities agent (the “Facilities Agent”) in Ireland.

The Facilities Agent shall provide the following administrative services to investors:

- To deliver to prospective investors and shareholders resident in Ireland a copy of the Fund’s latest Prospectus, its articles of incorporation and any subsequent documentation amending both or the related notice of information of such, the most recent annual and semi-annual reports, the latest key investor information documents and any notice or other document which shall be sent or made available to the shareholders of the Fund under Directive 2009/65/EC on the Co-ordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investments in Transferable Securities at no cost,
- To inform prospective investors and shareholders at the offices of the Facilities Agent in Ireland about the most recently published issue and redemption prices of the Fund’s shares,
- To ensure that facilities are available in Ireland for facilitating the making of payments to shareholders, repurchasing and redeeming shares, and the receipt of any enquiry or complaint about the Fund from any person,
- To transmit any complaints from a person in Ireland regarding the operations of the Fund to the Management Company of the Fund.

## **2. PUBLICATIONS**

The Management Company publishes the current Prospectus accompanied by the latest annual report and semi-annual report, if published after the latest annual report, as well as the Key Investor Information Documents which may be obtained free of charge at the registered office of the Management Company or at the facilities agent.

Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Management Company.

Details concerning the Net Asset Value are published on the Management Company's website under the following link: <https://nav.kbcam.be/>.

The Management Company may arrange for the publication of this information in the Reference Currency and any other currency in leading financial newspapers, as determined by the Board of Directors from time to time. Notices to Shareholders will be published in the *Irish Times*.

## **3. TAXATION**

The Fund should meet the definition of “offshore fund” contained in Section 747B of the Taxes Consolidation Act 1997 (“TCA”), and on this basis, Irish resident investors in the fund will be taxable, under the provision of Section 747D TCA or Section 747E TCA, as appropriate, on any return they received from the fund.

Any gain made on the sale of an interest in the fund or part of the interest or any payments received from the fund, will be subject to tax under the provisions of Section 747D TCA or Section 747E, as appropriate currently at a rate of 41% (PRSI may also apply in certain circumstances). Gains generated within the fund which are not distributed to the investors are taxed on a gross roll up basis. This means that the fund can grow tax free until they are sold by the investors or for 8 years, whichever is shorter.

Under current Irish Law, you must pay tax on any gains you make on your investment in the Fund. The tax rate is currently 41%

This tax will be payable:

- When you sell all or part of your investment.
- When you die (if this investment is in your name alone) or if the investment is held within a joint account, when the last surviving owner dies.
- When you transfer ownership of your investment to someone else
- Every 8th anniversary from the start of your investment.

If you continue to hold an interest in the Fund 8 years later, you are required by law to pay tax on the deemed profit, on the 8th anniversary.

This is a very general tax summary and it's important to mention that individual circumstances may differ and tax legislation can change in the future. We strongly recommend that you seek independent tax advice as tax implications may vary depending on your circumstances.

#### **4. SUBSCRIPTION AND REDEMPTION CONDITIONS**

Subscription and redemption orders may be received on any Banking Day, with the exception of Bank Holidays in Belgium and Ireland.