

# 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.

05/08/2024

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

### 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 India Fund                                |      |
| Business Dynamic DBI-RDT Responsible Investing   |      |
| Comfort Pro August 90                            |      |
| Comfort Pro February 90                          |      |
| Comfort Pro May 90                               |      |
| Comfort Pro November 90                          |      |
| Europees Obligatiedepot                          |      |
| Flexible Plan                                    |      |
| Flexible Portfolio January Responsible Investing |      |
| Flexible Portfolio July                          |      |
| Global Flexible Allocation                       |      |
| Global Flexible Allocation Wealth January        |      |
| Global Flexible Allocation Wealth July           |      |
| High Interest Obligatiedepot                     |      |
| Investicna Prilezitost                           |      |
| KBC Defensive                                    |      |
| KBC Defensive Balanced                           |      |
| KBC Defensive Balanced Responsible Investing     |      |
| KBC Defensive Conservative Responsible Investing |      |
| KBC Defensive Responsible Investing              |      |
| KBC Defensive Tolerant                           |      |
| KBC Defensive Tolerant Responsible Investing     |      |
| KBC Dynamic                                      |      |
| KBC Dynamic Balanced                             |      |

| Name  | Page |
|---|------|
| KBC Dynamic Balanced Responsible Investing        |      |
| KBC Dynamic Responsible Investing                 |      |
| KBC Dynamic Tolerant                              |      |
| KBC Dynamic Tolerant Responsible Investing        |      |
| KBC ExpertEase Dynamic                            |      |
| KBC ExpertEase Dynamic Responsible Investing      |      |
| KBC Highly Dynamic                                |      |
| KBC Highly Dynamic Responsible Investing          |      |
| KBC Highly Dynamic Tolerant                       |      |
| KBC Highly Dynamic Tolerant Responsible Investing |      |
| Platinum Portfolio                                |      |
| Private Banking Active Stock Selection            |      |
| Privileged Portfolio Defensive                    |      |
| Privileged Portfolio Dynamic                      |      |
| Privileged Portfolio Dynamic High                 |      |
| Privileged Portfolio Pro 90 August                |      |
| Privileged Portfolio Pro 90 February              |      |
| Privileged Portfolio Pro 90 May                   |      |
| Privileged Portfolio Pro 90 November              |      |
| Start 100   |      |
| Start 100 Plus                                    |      |
| Strategisch Obligatiedepot Responsible Investing  |      |
| USD Low   |      |
| ČSOB Europský Rast 1                              |      |
| ČSOB Globálny Rast 2                              |      |

## Board of Directors of the Bevek

| Name               | Title  | Mandate  |
|--------------------|--|--|
| Patrick Dallemagne | Manager CBC Assurance SA,<br>Professor Van Overstraetenplein 2,<br>B-3000 Leuven | <i>Chairman</i>  |
| Filip Abraham      | /  | <i>Independent Director</i>  |
| Koen Inghelbrecht  | /  | <i>Independent Director</i>  |
| Johan Tyteca       | /  | <i>Natural person to whom the executive management of the Bevek has been entrusted</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> |

## 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 , 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 Belgian public funds and Beveks for which the management company has been appointed

Horizon, IN.flanders Employment Fund, IN.focus, KBC Eco Fund, KBC Equity Fund, KBC Index Fund, KBC Institutional Fund, KBC Master Fund, KBC Multi Interest, KBC Participation, KBC Select Immo, Optimum Fund, Perspective, Plato Institutional Index Fund, Pricos Defensive Responsible Investing, Pricos Responsible Investing, 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   |
|---------------------|---|---|
| Axel Roussis        | <i>Non-Executive Director</i>               |   |
| Katrien Mattelaer   | <i>Non-Executive Director</i>               |   |
| Luc Vanderhaegen    | <i>Non-Executive Director</i>               |   |
| Stefan Van Riet     | <i>Non-Executive Director</i>               |   |
| Wouter Vanden Eynde | <i>Independent Director</i>                 |   |
| Peter Andronov      | <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>Executive Director</i>                   | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Frank Van de Vel    | <i>Executive Director</i>                   | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Jürgen Verschaeve   | <i>Executive Director</i>                   | <i>Natural person to whom the executive management of the management company has been entrusted</i> |
| Klaus Vandewalle    | <i>Executive 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 Damien Walgrave, company auditor and recognized auditor.

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

The issued capital amounts to 35.754.192 euros.  
The 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

### *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 NV, Havenlaan 2, B-1080 Brussels

### *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

Mazars Bedrijfsrevisoren BV, Manhattan Office Tower -Bolwerklaan 21 b8, 1210 Brussel, represented by Dirk Stragier, company auditor and recognized auditor and Nele Van Laethem, 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.

### *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 NV 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 capital of the Bevek is at all times equal to the net asset value. The 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 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 Code of Companies and associations, 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 Business Dynamic DBI-RDT Responsible Investing, Flexible Portfolio January Responsible Investing, High Interest Obligatiedepot, Investicna Prilezitost, KBC Defensive Balanced Responsible Investing, KBC Defensive Conservative Responsible Investing, KBC Defensive Responsible Investing, KBC Defensive Tolerant, KBC Defensive Tolerant Responsible Investing, KBC Dynamic Balanced Responsible Investing, KBC Dynamic Responsible Investing, KBC Dynamic Tolerant, KBC Dynamic Tolerant Responsible Investing, KBC ExpertEase Dynamic Responsible Investing, KBC Highly Dynamic Responsible Investing, KBC Highly Dynamic Tolerant, KBC Highly Dynamic Tolerant Responsible Investing, Platinum Portfolio, Start 100, Start 100 Plus, Strategisch Obligatiedepot Responsible Investing, ČSOB Eurosky Rast 1, ČSOB Globálny Rast 2 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 in exchange for financial collateral and 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. The counterparty pays a fee for this to the sub-fund.

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.

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 office of the credit institution is situated within a member state of the EEA, or if the 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 defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on 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 Bevek's assets, as stated under 'B. Service providers to the Bevek'.

#### ***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.
- 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 and/or the purchase 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 (ČSOB Europsky Rast 1, ČSOB Globální Rast 2, Investicna Prilezitost, Start 100, Start 100 Plus):**

For the investments described in the individual information regarding the sub-funds in 'Characteristics of bonds and other debt instruments' certain social ethical and environmental aspects are taken into account against which issuers are being assessed.

Investments may not be made in, amongst others:

- financial instruments issued by manufacturers of controversial weapon systems that are prohibited by international (and national) law or for which there is a broad consensus that they should be banned. These weapon systems include: cluster bombs and sub-munitions, chemical or biological weapons, anti-personnel mines (including Claymore mines), weapons containing depleted uranium;
- financial instruments issued by manufacturers of weapons containing white phosphorus and nuclear weapons;
- financial instruments issued by companies where there are serious indications that they are perpetrators of, accomplices or accessories to, or stand to benefit from the violation of globally recognised standards of Responsible Investing. The main criteria used cover human rights, employee rights, the environment and anticorruption.

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

A complete overview of the exclusion criteria can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > > General exclusion policies for conventional and Responsible Investing funds. These exclusion criteria can be modified at any time by the management company.

For structured sub-funds whose return is linked to a basket of shares, certain exclusion criteria may apply to the composition of the basket. More information on these exclusion criteria and their degree of applicability can be found in the 'Information concerning the sub-fund – 2. Investment information – Selected strategy'.

Structured sub-funds whose return is linked to an index, may not have any exposure to controversial weapons as described by national law at launch. More information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional and Responsible Investing funds.

**The following shall apply in the case of non-structured sub-funds (2030, 2035, 2040, Access Fund China, Access India Fund, Business Dynamic DBI-RDT Responsible Investing, Comfort Pro August 90, Comfort Pro February 90, Comfort Pro May 90, Comfort Pro November 90, Europees Obligatiedepot, Flexible Plan, Flexible Portfolio January Responsible Investing, Flexible Portfolio July, Global Flexible Allocation, Global Flexible Allocation Wealth January, Global Flexible Allocation Wealth July, High Interest Obligatiedepot, KBC Defensive, KBC Defensive Balanced, KBC Defensive Balanced Responsible Investing, KBC Defensive Conservative Responsible Investing, KBC Defensive Responsible Investing, KBC Defensive Tolerant, KBC Defensive Tolerant Responsible Investing, KBC Dynamic, KBC Dynamic Balanced, KBC Dynamic Balanced Responsible Investing, KBC Dynamic Responsible Investing, KBC Dynamic Tolerant, KBC Dynamic Tolerant Responsible Investing, KBC ExpertEase Dynamic, KBC ExpertEase Dynamic Responsible Investing, KBC Highly Dynamic, KBC Highly Dynamic Responsible Investing, KBC Highly Dynamic Tolerant, KBC Highly Dynamic Tolerant Responsible Investing, Platinum Portfolio, Private Banking Active Stock Selection, Privileged Portfolio Defensive, Privileged Portfolio Dynamic, Privileged Portfolio Dynamic High, Privileged Portfolio Pro 90 August, Privileged Portfolio Pro 90 February, Privileged Portfolio Pro 90 May, Privileged Portfolio Pro 90 November, Strategisch Obligatiedepot Responsible Investing, USD Low) :**

The investment policy takes into account certain social, ethical and environmental aspects against which issuers are

being assessed.

Investments may not be made in, amongst others:

- financial instruments issued by manufacturers of controversial weapon systems that are prohibited by international (and national) law or for which there is a broad consensus that they should be banned. These weapon systems include: cluster bombs and sub-munitions, chemical or biological weapons, anti-personnel mines (including Claymore mines), weapons containing depleted uranium;
- financial instruments issued by manufacturers of weapons containing white phosphorus and nuclear weapons;
- financial instruments issued by companies where there are serious indications that they are perpetrators of, accomplices or accessories to, or stand to benefit from the violation of globally recognised standards of Responsible Investing. The main criteria used cover human rights, employee rights, the environment and anticorruption.

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

A complete overview of the exclusion criteria can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *General exclusion policies for conventional and Responsible Investing funds*. These exclusion criteria can be modified at any time by the management company.

For some sub-funds, additional criteria relating to Responsible Investing may apply. These are further specified in 'Information concerning the sub-fund – 2. Investment information – Selected strategy' and on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *Exclusion policies for Responsible Investment funds*.

For sub-funds that are passively managed and therefore replicate the composition of a financial index, only the following limitation applies:

Investments may not be made in financial instruments issued by manufacturers of controversial weapon systems that are prohibited by national law. These weapon systems include: cluster bombs and sub-munitions, anti-personnel mines (including Claymore mines), weapons containing depleted uranium (More information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *General exclusion policies for conventional and Responsible Investing funds*).

## Integration of sustainability risk into the investment policy:

In the investment policy, the management company shall take into account the sustainability risk as defined in prospectus under title "F. Information on the risk profile of the UCITS" as follows:

- I. by defining an exclusion policy (the "Exclusion Criteria") applicable to all funds and Sicavs. (Further information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *General exclusion policies for conventional and Responsible Investing funds*); and
- II. additional criteria relating to Responsible Investing may apply for certain sub-funds. If applicable these additional criteria are specified under title '2. Investment information - Selected Strategy' and on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > *Exclusion policies for responsible investment funds*.

In its investment policy, the management company constantly assesses the underlying investments at issuer level, but also (if relevant) at the level of the asset allocation and the regional or sectoral allocation. In these regular assessments, the sustainability risk is considered as one of the various elements that can influence the return. The Responsible Investing research team assigns an ESG risk rating to the majority of companies included in the best-known benchmarks and to a selection of small and medium-sized companies, based on input from an ESG data provider, where ESG stands for "Environmental, Social and Governance". The ESG risk ratings are shared internally with portfolio managers and strategists so that they can use them as a factor in the investment decision-making process. Responsible Investing funds additionally have a target to improve the weighted average ESG risk rating (of companies) of the fund versus its asset allocation. More information on our Responsible Investing methodology can be found in this policy document: [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

## 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 "What are the risks and what could I get in return?" section in the key information document.

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

### 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 or the share class. For instance, a sub-fund or share class 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.

## **Sustainability risk**

Sustainability risk is the risk that the value of the investment will be adversely affected by environmental, social or governance events or conditions.

Environmental risk is the risk that the value of the investment will be adversely affected by environmental events or conditions, including those resulting from climate change and other environmental degradation.

Social risk is the risk that the value of the investment will be adversely affected by social events or conditions.

Governance risk is the risk that the value of the investment will be adversely affected by events or circumstances resulting from insufficient corporate governance.

The nature of these risks varies over time:

- I. In the short term, sustainability risk is usually dependent on a particular event. Such risks usually only affect the value of the investment when the event occurs. Examples of these events are an incident (resulting in a lawsuit to compensate for e.g. environmental damage), lawsuits and fines (e.g. for not respecting social legislation), scandals (e.g. when a company gets bad publicity because human rights are not respected within the production chain or because the products do not meet the promised ESG standards, where ESG stands for "Environmental, Social and Governance"). These types of sustainability risks are rated higher when an issuer is less stringent on ESG standards; and
- II. Long-term sustainability risk refers to risks that may develop over the long term, such as: business activities that may come under pressure due to climate change (e.g. parts of the automotive industry); changing product preferences of customers (e.g. preference for more sustainable products); difficulties in recruitment; rising costs (e.g. insurance companies facing claims as a result of changing weather conditions). As this risk develops over the long term, companies may seek to mitigate it, for example, by changing their product offerings, improving their supply chain, etc. However, the ability to adapt is not the same for all types of business activities, so some activities are more exposed to sustainability risk than others (e.g. the oil sector). This is why the sustainability risk also depends on the specific investment policy of a sub-fund.

Unless otherwise specified in the "Information concerning the sub-fund - 3. Risk profile – Environmental factors", the sustainability risk is 'low'.

## **Summary risk indicator**

In accordance with Commission Regulation (EU) No.1286/2014, the Commission Delegated Regulation 2017/653 (EC) of March 8, 2017 as amended by the Commission Delegated Regulation 2021/2268 (EC) of September 6, 2021, a summary risk indicator has been calculated per sub-fund, or where relevant per share class or type of shares. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. 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 summary risk 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 'What are the risks and what could I get in return?' heading in the 'Key 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

| Recurrent fees and charges paid by the Bevek                                   |  |
|--|--|
| Fees paid to directors, 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 Bevek                                 | Fee of the statutory auditor:<br>6 150.00 EUR/year (excluding VAT BTW) and<br>980 EUR/year (excluding VAT) for non-structured sub-funds<br>1 800.00 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. |

### Non-recurrent fees and charges borne by the investor

If, at a certain time, the Management Company detects exceptionally high net entries in or exits from a sub-fund, it may decide to impose an additional charge (anti-dilution levy) on the entering or exiting investors concerned, intended for the sub-fund and aimed at neutralising the negative impact on the net asset value caused by investors' entries or exits.

This anti-dilution levy will only be charged in very exceptional situations where, due to exceptional market conditions, the transaction charges resulting from the entries and exits of investors are so high that they would have too great a negative impact on the net asset value (and therefore on existing investors in that sub-fund). At that time, the amount of this anti-dilution levy will be determined by the Management Company in function of the transaction charges.

This anti-dilution levy can be applied in the following sub-funds: 2030, 2035, 2040, Access Fund China, Access India Fund, Business Dynamic DBI-RDT Responsible Investing, Comfort Pro August 90, Comfort Pro February 90, Comfort Pro May 90, Comfort Pro November 90, Europees Obligatiedepot, Flexible Plan, Flexible Portfolio January Responsible Investing, Flexible Portfolio July, Global Flexible Allocation, Global Flexible Allocation Wealth January, Global Flexible Allocation Wealth July, High Interest Obligatiedepot, KBC Defensive, KBC Defensive Balanced, KBC Defensive Balanced Responsible Investing, KBC Defensive Conservative Responsible Investing, KBC Defensive Responsible Investing, KBC Defensive Tolerant, KBC Defensive Tolerant Responsible Investing, KBC Dynamic, KBC Dynamic Balanced, KBC Dynamic Balanced Responsible Investing, KBC Dynamic Responsible Investing, KBC Dynamic Tolerant, KBC Dynamic Tolerant Responsible Investing, KBC ExpertEase Dynamic, KBC ExpertEase Dynamic Responsible Investing, KBC Highly Dynamic, KBC Highly Dynamic Responsible Investing, KBC Highly Dynamic Tolerant, KBC Highly Dynamic Tolerant Responsible Investing, Platinum Portfolio, Private Banking Active Stock Selection, Privileged Portfolio Defensive, Privileged Portfolio Dynamic, Privileged Portfolio Dynamic High, Privileged Portfolio Pro 90 August, Privileged Portfolio Pro 90 February, Privileged Portfolio Pro 90 May, Privileged Portfolio Pro 90 November, Strategisch Obligatiedepot Responsible Investing, USD Low.



## Ongoing charges

The key information document sets out the ongoing charges, which consist of management fees and other administrative or operating costs on the one hand and transaction costs on the other hand, as calculated in accordance with the provisions of the Commission Delegated Regulation 2017/653 (EC) of March 8, 2017 as amended by the Commission Delegated Regulation 2021/2268 (EC) of September 6, 2021.

The ongoing charges are the charges taken from the UCITS over a financial year. They are shown per sub-fund, or where relevant per share class or type of shares, in a figure for management fees and other administrative or operating costs and a figure for transaction costs. The figure for management fees and other administrative or operating costs represents all annual expenses and other payments from a sub-fund's assets over the given period that is based on the previous year's figures. The transaction cost figure is an estimate of both annual explicit and implicit transaction costs and is based on the transactions of the previous 36 months. For sub-funds, share classes or types of shares that have been in existence for less than 36 months, the Commission Delegated Regulation 2017/653 (EC) of March 8, 2017 as amended by the Commission Delegated Regulation 2021/2268 (EC) of September 6, 2021 establishes a modified estimation method. These figures are expressed as a percentage of the average net assets per sub-fund or, where relevant, of the share class or type of shares.

The following are not included in the charges shown: entry and exit charges paid by the investor, incidental costs such as performance fees and payments made with a view to providing collateral in the context of derivative financial instruments.

## 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: Business Dynamic DBI-RDT Responsible Investing, Private Banking Active Stock Selection**

**For the following sub-funds don't exist Commission Sharing Agreements: 2030, 2035, 2040, Access Fund China, Access India Fund, Comfort Pro August 90, Comfort Pro February 90, Comfort Pro May 90, Comfort Pro November 90, ČSOB Europsky Rast 1, ČSOB Globálny Rast 2, Europees Obligatiedepot, Flexible Plan, Flexible Portfolio January Responsible Investing, Flexible Portfolio July, Global Flexible Allocation, Global Flexible Allocation Wealth January, Global Flexible Allocation Wealth July, High Interest Obligatiedepot, Investicna Priležitost, KBC Defensive, KBC Defensive Balanced, KBC Defensive Balanced Responsible Investing, KBC Defensive Conservative Responsible Investing, KBC Defensive Responsible Investing, KBC Defensive Tolerant, KBC Defensive Tolerant Responsible Investing, KBC Dynamic, KBC Dynamic Balanced, KBC Dynamic Balanced Responsible Investing, KBC Dynamic Responsible Investing, KBC Dynamic Tolerant, KBC Dynamic Tolerant Responsible Investing, KBC ExpertEase Dynamic, KBC ExpertEase Dynamic Responsible Investing, KBC Highly Dynamic, KBC Highly Dynamic Responsible Investing, KBC Highly Dynamic Tolerant, KBC Highly Dynamic Tolerant Responsible Investing, Platinum Portfolio, Privileged Portfolio Defensive, Privileged Portfolio Dynamic, Privileged Portfolio Dynamic High, Privileged Portfolio Pro 90 August, Privileged Portfolio Pro 90 February, Privileged Portfolio Pro 90 May, Privileged Portfolio Pro 90 November, Start 100, Start 100 Plus, Strategisch Obligatiedepot Responsible Investing, 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 information document, 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 office of the Beveik at Havenlaan 2, B-1080 Brussels, Belgium.

The following documents and information are available at [www.kbc.be/kid](http://www.kbc.be/kid):

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

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 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 on the website of Beama ([www.beama.be](http://www.beama.be)) and/or on the KBC Asset Management NV website ([nav.kbcam.be](http://nav.kbcam.be)) 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) - 078 353 137 (E) - 078 353 138 (D)

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

**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**

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

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 Corporate 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:

| Sub-fund                                       | Expected tracking error | Benchmark   | Administrator              | Included in ESMA-Register |
|--|-------------------------|---|----------------------------|---------------------------|
| Access Fund China                              | Between 0% and 2,00%    | MSCI CHINA A International Net Return Index   | MSCI                       | No                        |
| Access India Fund                              | Between 0% and 2,00%    | MSCI India-Net Return index   | MSCI                       | No                        |
| Business Dynamic DBI-RDT Responsible Investing | Between 0% and 2,00%    | MSCI World-Net Return index   | MSCI                       | No                        |
|  |                         | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes                       |
|  |                         | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No                        |
| Europees Obligatiedepot                        | 0,50%                   | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes                       |
|  |                         | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No                        |
| High Interest Obligatiedepot                   | 1,50%                   | JPM GBI Global Unhedged EUR   | J.P. Morgan Securities LLC | No                        |
|  |                         | JPM GBI Emerging Markets Global Diversified Composite Unhedged EUR                  | J.P. Morgan Securities LLC | No                        |
| KBC Defensive                                  | 1,50%                   | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No                        |
|  |                         | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes                       |
|  |                         | MSCI All Countries World - Net Return Index   | MSCI                       | No                        |
| KBC Defensive Responsible Investing            | 1,50%                   | MSCI All Countries World - Net Return Index   | MSCI                       | No                        |
|  |                         | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No                        |
|  |                         | iBoxx Euro Corporate  | Markit Indices Limited     | Yes                       |

|  |       |   |                            |     |
|--|-------|---|----------------------------|-----|
|  |       | bonds Total Return Index  |                            |     |
| KBC Dynamic                                  | 2,00% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| KBC Dynamic Responsible Investing            | 2,00% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| KBC ExpertEase Dynamic                       | 2,00% | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| KBC ExpertEase Dynamic Responsible Investing | 2,00% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| KBC Highly Dynamic                           | 2,50% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| KBC Highly Dynamic Responsible Investing     | 2,50% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return       | J.P. Morgan Securities LLC | No  |

|  |       |   |                            |     |
|--|-------|---|----------------------------|-----|
|  |       | Index   |                            |     |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| Privileged Portfolio Defensive                   | 1,50% | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
| Privileged Portfolio Dynamic                     | 2,00% | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
| Privileged Portfolio Dynamic High                | 2,50% | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
|  |       | MSCI All Countries World - Net Return Index   | MSCI                       | No  |
| Strategisch Obligatiedepot Responsible Investing | 1,00% | iBoxx Euro Corporate bonds Total Return Index                                       | Markit Indices Limited     | Yes |
|  |       | JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index | J.P. Morgan Securities LLC | No  |
| USD Low  | 1,50% | iBoxx corporate USD Total Return Index  | Markit Indices Limited     | Yes |
|  |       | JP Morgan Government bond US 1-5 Years - Total Return Index                         | J.P. Morgan Securities LLC | No  |
|  |       | MSCI USA - Net Return Index   | MSCI                       | No  |

## 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.

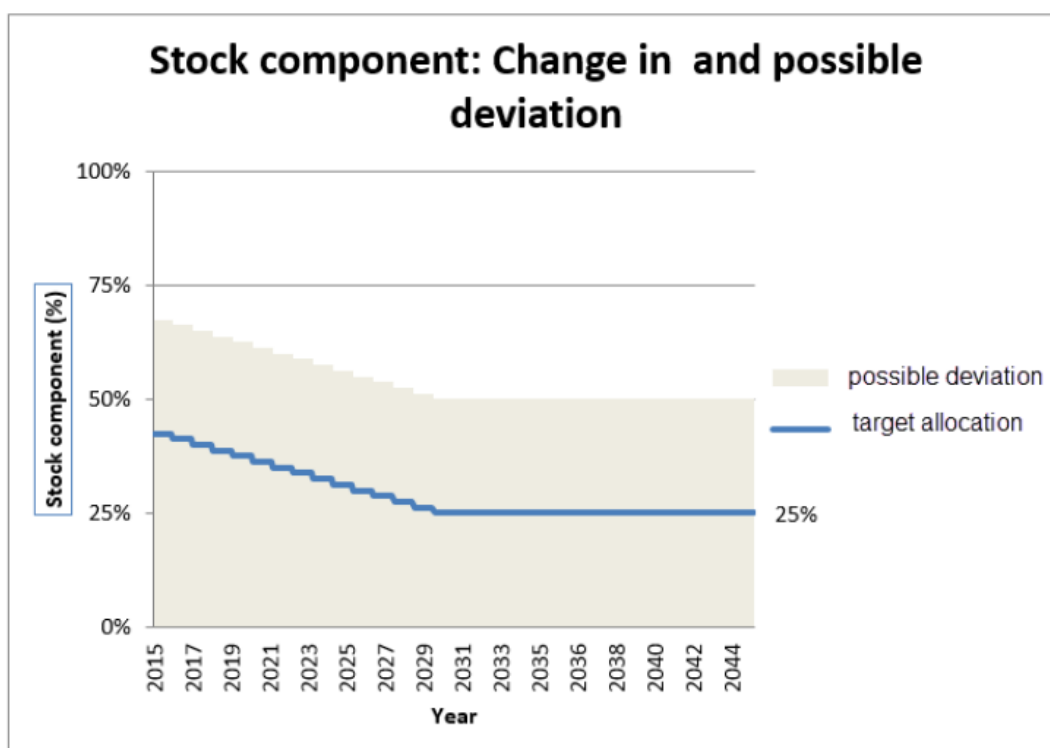
The target allocation for the stock component is 25% plus (number of full years until target date) multiplied by 1.25% and, after the target date, always amounts to 25%. The target allocation for the bond component is 100% minus the target allocation for the stock component.

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 fund is actively managed without referring to any benchmark.

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. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy))

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy))

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

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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                | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

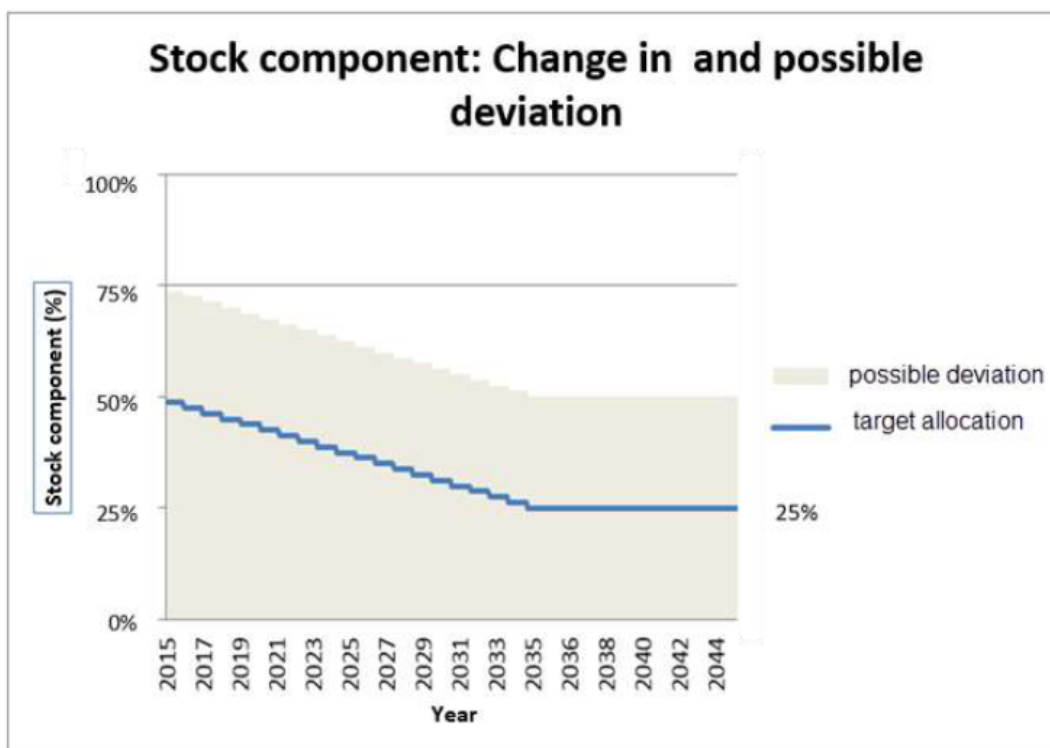
The target allocation of the asset classes can be substantially deviated from, including after the target date, based on changing market conditions. On the one hand, the manager can overweight the stock component by up to 25% above the target allocation. On the other, the manager may temporarily reduce 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 fund is actively managed without referring to any benchmark.

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. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy))

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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                | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

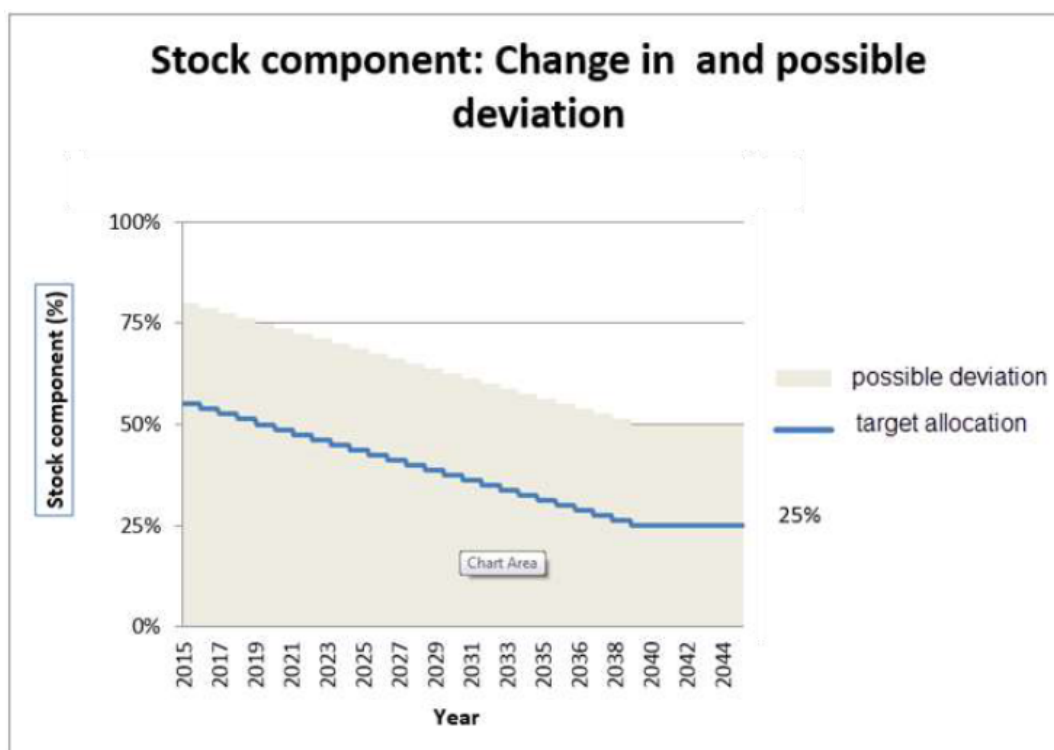
The target allocation of the asset classes can be substantially deviated from, including after the target date, based on changing market conditions. On the one hand, the manager can overweight the stock component by up to 25% above the target allocation. On the other, the manager may temporarily reduce 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 fund is actively managed without referring to any benchmark.

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. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy))

The bond component invests directly or indirectly in bonds in accordance with the investment strategy for bonds drawn up by KBC Asset Management NV. (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) For details of the bond component, please see the 'Characteristics of the bonds and debt instruments' section, below.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### ***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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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.

# 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 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                | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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'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).

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

In particular, the sub-fund takes into account exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account within the limited limits inherent to passive management through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

## 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 'What are the risks and what could I get in return?' section of the key 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 about the Chinese regulatory framework. As the Chinese A shares listed on the Shanghai and Shenzhen Stock Connect Exchanges will be traded via the Hong Kong Stock Exchange, there may be closing days that are not closing days on the Shanghai and Shenzhen exchanges. On these days, the subfund may temporarily deviate from the reference index. |
|-----------------------|---|----------|--|

## Risk profile of the typical investor

Profile of the typical investor for which the sub-fund has been designed : Highly 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>                    |

<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.

# 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 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>(*) 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.08%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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>(*) 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.08%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Discretionary Shares

**This share class is reserved**

- for trading to persons who acquire and hold the units on the basis of a discretionary management agreement with KBC Asset Management NV, or with another company associated with KBC Asset Management NV and who pay a discretionary management fee on the part of their portfolio invested in KBC UCIs. In addition, these persons must have the status of 'eligible investors', acting on its own behalf, as within the meaning of Article 5 § 3/1 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<sup>1</sup>. The investor must comply with these conditions at the time of subscription and for as long as the investor remains a shareholder of the share class.
- for trading to institutional undertakings for collective investment managed by KBC Asset Management NV or by another company associated with this management company and who pay a fee on the part of the assets invested in KBC UCIs.

If it appears that the shares of this class are held by persons other than those 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  | BE6348029586     | 31 January 2024 through 15 February 2024 before 6 am CET<br><br>Settlement for value: 20 February 2024 | 16 February 2024   | 100 EUR                           |

**Recurrent fees and charges paid by the Bevek**

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

<sup>1</sup> These include both professional investors as referred to in Annex A of the Royal Decree of June 3, 2007 laying down detailed rules transposing the Directive on markets in financial instruments and legal persons who are not considered professional investors and who have asked to be registered in the register of eligible investors with the FSMA. Natural persons, as well as legal entities that are not part of eligible investors as defined above, do not have access to this share class.

**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>0.00%<br><br>After the initial subscription period:<br>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 | -  |
| 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  | 0.00%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Administration fee   | 0.02%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.08%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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 MSCI India Net Return Index.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

In particular, the sub-fund takes into account exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account within the limited limits inherent to passive management through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

## 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 Bevek – 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 quarter. 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 'What are the risks and what could I get in return?' section of the key 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 : Highly 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>                    |

<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 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 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>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 1.30%   | <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>(*) 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Discretionary Shares

**This share class is reserved**

- for trading to persons who acquire and hold the units on the basis of a discretionary management agreement with KBC Asset Management NV, or with another company associated with KBC Asset Management NV and who pay a discretionary management fee on the part of their portfolio invested in KBC UCIs. In addition, these persons must have the status of 'eligible investors', acting on its own behalf, as within the meaning of Article 5 § 3/1 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<sup>1</sup>. The investor must comply with these conditions at the time of subscription and for as long as the investor remains a shareholder of the share class.
- for trading to institutional undertakings for collective investment managed by KBC Asset Management NV or by another company associated with this management company and who pay a fee on the part of the assets invested in KBC UCIs.

If it appears that the shares of this class are held by persons other than those 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  | BE6348030592     | 31 January 2024 through 15 February 2024 before 6 am CET<br><br>Settlement for value: 20 February 2024 | 16 February 2024   | 100 EUR                           |

**Recurrent fees and charges paid by the Bevek**

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

<sup>1</sup> These include both professional investors as referred to in Annex A of the Royal Decree of June 3, 2007 laying down detailed rules transposing the Directive on markets in financial instruments and legal persons who are not considered professional investors and who have asked to be registered in the register of eligible investors with the FSMA. Natural persons, as well as legal entities that are not part of eligible investors as defined above, do not have access to this share class.

**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>0.00%<br><br>After the initial subscription period:<br>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 | -  |
| 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  | 0.00%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Administration fee   | 0.02%   | per year calculated on the basis of the average total net assets of the sub-fund.  |
| Fee for financial services   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Business Dynamic DBI-RDT Responsible Investing

## 1. Basic details

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### Name

Business Dynamic DBI-RDT Responsible Investing

### Date of incorporation

9 May 2022

### 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 and with the exception of the management of the part of the assets which is directly invested in shares, 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.

#### *Selected strategy*

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 asset classes is: 55% shares and/or share-related investments (stock component) and 45% bonds and/or bond-related investments (bond component). The target allocation may be deviated from. 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.

As regards the stock component, at least 50% is invested in shares whose dividends and capital gains qualify for the DRD system.

However, under normal circumstances, the sub-fund will aim to invest between 70% and 100% of the stock component in shares of which the dividends and capital gains qualify for the DRD system. This means that it is possible that not all of the share portfolio will be invested in shares of which the capital gains and dividends qualify for the DRD system.

Income received from interest and capital gains on bonds and debt instruments do not qualify for the DRD system. Given the target allocation, whereby a significant portion of the sub-fund consists of bonds and debt instruments, it is likely that part of the income distributed by the sub-fund will not qualify for DRD. It is also possible that in certain circumstances, such as if bonds outperform shares, a significant portion of the income distributed by the sub-fund may not qualify for DRD.

#### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the “**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. ‘sustainable investments’).

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (‘SFDR’). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the ‘Annex for Horizon Business Dynamic DBI-RDT Responsible Investing’ to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### **Negative screening**

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### **Positive selection methodology**

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for ‘Environmental, Social and Governance’, and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through ‘sustainable investments’ in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of ‘sustainable investments’ for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmarks: MSCI World - Net Return Index en iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Business Dynamic DBI-RDT Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO2 equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Business Dynamic DBI-RDT Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.



Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon Business Dynamic DBI-RDT Responsible Investing' to the prospectus.

### **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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 with reference to the following benchmark: 55% MSCI World-Net Return index, 22.5% iBoxx Euro Corporate bonds Total Return Index, 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - 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.

In line with its investment policy, the sub-fund may not invest in all the instruments included in the benchmark.

When compiling the portfolio, the manager may also decide to invest in instruments that are not included in the benchmark, or indeed not to invest in instruments that are included.

The composition of the portfolio will vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 2.00%. 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.

## **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon Business Dynamic DBI-RDT Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon Business Dynamic DBI-RDT Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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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Only distribution shares are issued.

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 its shareholders.

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 switch 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.

### *Taxation of dividends paid to shareholders liable for Belgian corporation tax*

The sub-fund aims, within the scope of the applicable legislation to enable its shareholders to qualify for the dividend received deduction (DRD) system, as regulated by Articles 202–205 of the Income Tax Code 1992 (ITC 92), in respect of the dividends they receive from the sub-fund.

The sub-fund's articles of association provide to this end for an annual payout of at least 90% of the income it receives itself, this however after deduction of remuneration, commissions and charges.

The dividends paid by the sub-fund (including the 'redemption bonuses' paid to investors under Articles 18 and 186 ITC 92 in respect of purchase by the sub-fund of its own shares) qualify for the dividend received deduction in respect of the shareholder in so far as the underlying income of the sub-fund itself is derived from so-called 'good' income. 'Good' income refers either to dividends that meet the deduction criteria set out in Article 203(1.1–1.4) ITC 92 or to capital gains realised on shares qualifying for exemption under Article 192(1) ITC 92. In so far as the dividends received qualify for the DRD, they will be deducted from the taxable profit.

The DRD system applies to the following shareholders/investors: (1) domestic companies subject to corporation tax and (2) foreign companies with a permanent establishment in Belgium, which are subject to non-residents' corporation tax and in so far as the received dividends may be allocated to the Belgian permanent establishment.

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.

# Business Dynamic DBI-RDT Responsible Investing - 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> |
|--|--|------------------|---|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE6333570529     | 9 May 2022 through 7 June 2022 before 6 am CET<br><br>Settlement for value: 10 June 2022    | 8 June 2022  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.  |

# Business Dynamic DBI-RDT Responsible Investing - 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 |
|---------------------------------------|---|--------------|--|---|----------------------------|
| DIS (Distribution shares)             | EUR   | BE6333571535 | 9 May 2022 through 7 June 2022 before 6 am CET<br><br>Settlement for value: 10 June 2022 | 8 June 2022   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.19%   | <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. 1.19% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.49%   | <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. 1.49% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.



***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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.49%   | <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. 1.49% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

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KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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

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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>                    |

<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   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.49%   | <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. 1.49% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.49%   | <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. 1.49% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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

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. 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: 50% iBoxx Euro Corporate bonds Total Return Index, 50% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - 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 0.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the

management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

The sub-fund invests directly and/or indirectly at least 75% of its assets in bonds and debt instruments

- in bonds and debt instruments rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or

- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or

This means that the sub-fund may invest up to 25% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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> |
|--|--|------------------|--|--|-----------------------------------|
| 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 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 0.70%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 0.70% 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. 1.30% 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                | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee                           | 0.02%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

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 (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

Investments may be selected from any region, sector or theme.

The fund is actively managed without referring to any benchmark.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 January Responsible Investing

## 1. Basic details

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### Name

Flexible Portfolio January Responsible Investing

### 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 January Responsible Investing 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.

## Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the “**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. ‘sustainable investments’).

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector (‘SFDR’). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the ‘Annex for Horizon Flexible Portfolio January Responsible Investing’ to the

prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the following target allocation: 55% stocks and 45% bonds.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Flexible Portfolio January Responsible Investing' to the prospectus.



The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Flexible Portfolio January Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon Flexible Portfolio January Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment

solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a responsible nature.

The stock component is invested in accordance with the investment strategy for shares drawn up by KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

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 (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)).

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.

The fund is actively managed without referring to any benchmark.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon Flexible Portfolio January Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon Flexible Portfolio January Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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>                    |

<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 January Responsible Investing

| <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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 ( see. [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). 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 ( see. [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)). All regions, sectors and themes may be taken into consideration.

The fund is actively managed without referring to any benchmark.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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

---

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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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>e</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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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.

# 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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.

# 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   | 1 000 EUR                         |

### Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | 0.03%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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.

# Global Flexible Allocation Wealth July

**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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | 0.03%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

### **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.

Required disclaimer for benchmark providers:

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 directly and/or indirectly at least 75% of its assets

- in bonds and debt instruments rated with an investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but where the issuer does have an investment grade rating by at least one of the above rating agencies.

\* In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of issuer in question.

This means that the sub-fund may invest up to 25% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not fulfil the above-mentioned credit requirements.

The sub-fund shall not invest in transferable securities where the issuer is in difficulty and unable to meet its financial commitments. If a security goes into difficulty and defaults, the manager will always seek to sell the position taking into account the interests of the investor and if market conditions allow (for example, sufficient liquidity).

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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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>KBC Fund Management Limited receives a fee from the management company of max. 0.60% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.<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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.  |
| Custodian's fee  | Max 0.02%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account at the launch of the sub-fund through the application of the KBC Group Investment Policy as well as through the KBC Group Policy on Blacklisted Companies.

Based on the KBC Group Policy on Blacklisted Companies, all companies on the 'KBC Group Blacklist' (including companies involved in controversial weapons such as those prohibited by Belgian law and nuclear and white phosphorus weapons) are excluded as well as the worst offenders of the UN Global Compact.

Consequently, at launch, the sub-fund takes particular account of exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems, and to violations of UN Global Compact principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ('indicator 10') by excluding the worst offenders of the UN Global Compact. During its lifetime, the sub-fund will also not include any new shares that are the result of a corporate action if the company in question has since been excluded on the basis of the KBC Group Investment Policy.

More information on the KBC Group Investment Policy and the KBC Group Policy on Blacklisted Companies can be found at [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Investment Policy and [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Policy on Blacklisted Companies - June 2020.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

## 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%                        |

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 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        | LGEN 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%                        |
| 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 Priležitost, 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 Priležitost 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 'What are the risks and what could I get in return?' section of the key 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) at 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.05%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 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 Defensive

### 1. Basic details

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#### Name

KBC 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.

As of April 3, 2023, the name of this sub-fund is "KBC Defensive".

#### 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 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 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: 35% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 35% iBoxx Euro Corporate bonds Total Return Index, 30% MSCI All Countries World - 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 1.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

#### Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 Defensive - 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  | BE6341876165     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6341877171     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.30%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive - Classic Shares CSOB Private Banking

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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343672661 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343670640 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.05%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive - Comfort Portfolio Shares

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

Additional terms valid as of April 3, 2023:

- This share class is reserved for investors who are customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque.

Shareholders who did not acquire these units as customers of the Private Banking or Wealth Office segment of KBC Bank or Private Banking or Centre Wealth of CBC Banque may continue to hold these units provided they were already holders of the units before April 3, 2023.

- This share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6258734035 | 7 November 2013 through 11 December 2013 before 6 am CET<br><br>Settlement for value: 16 December 2013  | 12 December 2013  | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343675698 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343674683 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 0.75%   | <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. 0.75% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341878187 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341879193 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced

## 1. Basic details

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### Name

KBC 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.

From April 3, 2023, the name of the sub-fund is KBC 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable

economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

**Characteristics of the bonds and debt instruments**

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

**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 'What are the risks and what could I get in return?' section of the key 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 : 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.  |
|                           |   | For the share class Comfort Portfolio Shares : 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.  |
|                           |   | For the share class Institutional F shares BG EUR : 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.  |
|                           |   | For the share class Comfort Shares : 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.  |

|                       |   |  |  |
|-----------------------|---|--|--|
|                       |   | For the share class Comfort Plus Shares : 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.                  |
|                       |   | For the share class Comfort Prime Shares : 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.                  |
|                       |   | For the share class Institutional F shares BG BGN : high | since there are investments in securities that are denominated in currencies other than the Bulgarian Leva, 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 : 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>                    |

<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 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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                | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343663579 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343658520 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343668628 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343666606 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.00%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.00% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341932729 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341933735 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced - Institutional F shares BG BGN

This share class is reserved for Bulgarian 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)                  | BGN  | BE6324084720     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced - Institutional F shares BG EUR

This share class is reserved for Bulgarian 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  | BE6324083714     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing

## 1. Basic details

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### Name

KBC Defensive Balanced Responsible Investing

### 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.

### 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.

## Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and

complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.



The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO2 equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;

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- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Defensive Balanced Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343757546 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343756530 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 |  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343759567 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343758551 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.00%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.00% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342075213 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342078241 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Balanced Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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  | BE6331693182     | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Conservative Responsible Investing

## 1. Basic details

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### Name

KBC Defensive Conservative Responsible Investing

### 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.

On 21 January 2022 the name and investment policy of the acquiring sub-fund changed. The name of the acquiring sub-fund was changed into 'KBC ExpertEase SRI Defensive Conservative 4'.

Following a merger by acquisition of the sub-funds KBC ExpertEase SRI Defensive Conservative 1 of Generation Plan, KBC ExpertEase SRI Defensive Conservative 2 of Generation Plan, KBC ExpertEase SRI Defensive Conservative 3 of Horizon KBC ExpertEase SRI Defensive Conservative 5 of Horizon and KBC ExpertEase SRI Defensive Conservative 6 of Horizon by the sub-fund KBC ExpertEase SRI Defensive Conservative 4 of Horizon on 18 March 2022, the name of the sub-fund "KBC ExpertEase SRI Defensive Conservative 4" was changed to "KBC ExpertEase SRI Defensive Conservative" given the fact that this sub-fund absorbs the aforementioned sub-funds to be taken over, which means that the meaning of the number indication no longer applies. From January 1, 2023, the name of this sub-fund will be "KBC Expertease Defensive Conservative Responsible Investing. As of April 3, 2023, the name of this sub-fund is "KBC Defensive Conservative Responsible Investing".

### 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 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 2.5 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 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 60% and 95% 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.

### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus.

### **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework " based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the



European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Defensive Conservative Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

#### Required disclaimers for benchmark providers:

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.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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><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.

# KBC Defensive Conservative Responsible Investing - 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  | 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                           |
| DIS (Distribution shares)                    | EUR  | BE6330357409     | 21 January 2022 through 24 January 2022 before 6 am CET<br><br>Settlement for value: 27 January 2022 | 25 January 2022  | 250 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Conservative Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343761589 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343760573 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Conservative Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343763601 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343762595 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.00%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.00% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Conservative Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341962056 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341963062 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Conservative Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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'.

| 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   | BE6331692176 | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022  | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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:<br>0.00%<br><br>After the initial subscription period:<br>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  | -   | -          |  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing

## 1. Basic details

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### Name

KBC Defensive Responsible Investing

### 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. From January 1, 2023, the name of this sub-fund will be "Comfort Defensive Responsible Investing". From April 3, 2023, the name of the acquiring sub-fund will be 'KBC Defensive Responsible Investing'.

### 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 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.

### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus. This

annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmarks: MSCI All Countries World - Net Return Index en iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment

solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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 with reference to the following benchmark: 30% MSCI All Countries World - Net Return Index, 35% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 35% 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 vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 1.50%. 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.

#### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Defensive Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

#### **Required disclaimers for benchmark providers:**

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Defensive Responsible Investing - 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  | BE6341926663     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6341928685     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.30%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343765622 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343764617 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.05%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing - Comfort Portfolio Shares

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

Additional terms valid as of April 3, 2023:

- This share class is reserved for investors who are customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque.

Shareholders who did not acquire these units as customers of the Private Banking or Wealth Office segment of KBC Bank or Private Banking or Centre Wealth of CBC Banque may continue to hold these units provided they were already holders of the units before April 3, 2023.

- This share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6292936612 | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017  | 1 000 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  | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343767644 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343766638 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 0.75%   | <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. 0.75% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341930707 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341931713 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Responsible Investing - Institutional F Shares SK

This share class is reserved for Slovak 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  | BE6346363417     | 9 October 2023 through 10 October 2023 before 6 am CET<br><br>Settlement for value: 13 October 2023 | 11 October 2023  | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant

### 1. Basic details

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#### Name

KBC 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 : 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.  |
|                           |   | For the share class Comfort Portfolio Shares : 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.  |
|                           |   | For the share class Institutional F shares BG EUR : 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.  |
|                           |   | For the share class Comfort Shares : 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.  |

|                       |   |  |  |
|-----------------------|---|--|--|
|                       |   | For the share class Comfort Plus Shares : 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.                  |
|                       |   | For the share class Comfort Prime Shares : 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.                  |
|                       |   | For the share class Institutional F shares BG BGN : high | since there are investments in securities that are denominated in currencies other than the Bulgarian Leva, 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 : 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 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343680748 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343677710 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343682769 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343681753 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.00%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.00% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341937777 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341939799 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant - Institutional F shares BG BGN

This share class is reserved for Bulgarian 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)                  | BGN  | BE6324086741     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant - Institutional F shares BG EUR

This share class is reserved for Bulgarian 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  | BE6324087756     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing

## 1. Basic details

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### Name

KBC Defensive Tolerant Responsible Investing

### 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 (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.

### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds

(composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;

- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework " based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Defensive Tolerant Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.



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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Defensive Tolerant Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343771687 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343768659 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343777742 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343776736 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.00%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.00% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342084306 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342085311 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Defensive Tolerant Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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  | BE6331695203     | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic

## 1. Basic details

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### Name

KBC 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.

As of April 3, 2023, the name of this sub-fund is 'KBC Dynamic'.

### 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 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 is generally balanced between equities 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 All Countries World - Net Return Index, 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 22.5% 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 2.00%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

#### Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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  | BE6341880209     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6341881215     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic - Classic Shares CSOB Private Banking

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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.19%   | <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. 1.19% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343725220 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343724215 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.20%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic - Comfort Portfolio Shares

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

Additional terms valid as of April 3, 2023:

- This share class is reserved for investors who are customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque.

Shareholders who did not acquire these units as customers of the Private Banking or Wealth Office segment of KBC Bank or Private Banking or Centre Wealth of CBC Banque may continue to hold these units provided they were already holders of the units before April 3, 2023.

- This share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6258738077 | 7 November 2013 through 11 December 2013 before 6 am CET<br><br>Settlement for value: 16 December 2013  | 12 December 2013  | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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 1.19%   | <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. 1.19% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343727242 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343726236 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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>KBC Fund Management Limited receives a fee from the management company of max. 0.90% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341882221 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341883237 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.35%   | <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. 1.35% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced

## 1. Basic details

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### Name

KBC 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.

From April 3, 2023, the name of the sub-fund is "KBC 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

**Characteristics of the bonds and debt instruments**

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

**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 'What are the risks and what could I get in return?' section of the key 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 : 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.  |
|                           |   | For the share class Comfort Portfolio Shares : 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.  |
|                           |   | For the share class Institutional F shares BG EUR : 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.  |
|                           |   | For the share class Comfort Shares : 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.  |

|                       |   |  |  |
|-----------------------|---|--|--|
|                       |   | For the share class Comfort Plus Shares : 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.                  |
|                       |   | For the share class Comfort Prime Shares : 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.                  |
|                       |   | For the share class Institutional F shares BG BGN : high | since there are investments in securities that are denominated in currencies other than the Bulgarian Leva, 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.

# KBC 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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                | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343721187 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343718159 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343723209 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343722193 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.15%   | <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. 1.15% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341946869 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341949897 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced - Institutional F shares BG BGN

This share class is reserved for Bulgarian 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)                  | BGN  | BE6324088762     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced - Institutional F shares BG EUR

This share class is reserved for Bulgarian 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  | BE6324090784     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing

## 1. Basic details

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### Name

KBC Dynamic Balanced Responsible Investing

### 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.

### 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.

## Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and

complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO2 equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;

- 
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Dynamic Balanced Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 Dynamic Balanced Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343785828 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343784813 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343787840 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343786834 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.15%   | <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. 1.15% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342080262 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342081278 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Balanced Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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  | BE6331694198     | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing

## 1. Basic details

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### Name

KBC Dynamic Responsible Investing

### 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. From January 1, 2023, the name of this sub-fund will be "Comfort Dynamic Responsible Investing".

From April 3, 2023, the name of the acquiring sub-fund will be 'KBC Dynamic Responsible Investing'.

### 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-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.

### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.



The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmarks: MSCI All Countries World - Net Return Index en iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend

on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;

A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but

- which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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 with reference to the following benchmark: 55% MSCI All Countries World - Net Return Index, 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 22.5% 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 vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 2.00%. 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.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Dynamic Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 : 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.  |
|                           |   | For the share class V-Shares : 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.  |
|                           |   | For the share class Comfort Portfolio Shares : 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.  |
|                           |   | For the share class Institutional F Shares SK : 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.  |

|                       |   |   |  |
|-----------------------|---|---|--|
|                       |   | For the share class Comfort Shares : 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.              |
|                       |   | For the share class Comfort Plus Shares : 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.              |
|                       |   | For the share class Comfort Prime Shares : 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.              |
|                       |   | For the share class Classic Shares K&H USD : 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 | 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>                    |

<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 Dynamic Responsible Investing - 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  | BE6341934741     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6341935755     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Classic Shares K&H USD

**This share class is reserved for negotiation within the financial institution stated in the name of the share class. If it appears that the shares of this class of shares 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  | BE6342876461     | 5 June 2023 through 6 June 2023 before 6 am CET<br><br>Settlement for value: 9 June 2023    | 7 June 2023  | 100 USD                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 |  |
| 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343789861 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343788855 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.20%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Comfort Portfolio Shares

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

Additional terms valid as of April 3, 2023:

- This share class is reserved for investors who are customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque.

Shareholders who did not acquire these units as customers of the Private Banking or Wealth Office segment of KBC Bank or Private Banking or Centre Wealth of CBC Banque may continue to hold these units provided they were already holders of the units before April 3, 2023.

- This share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6292868906 | 6 March 2017 through 3 April 2017 before 6 am CET<br><br>Settlement for value: 6 April 2017 | 4 April 2017  | 1 000 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  | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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 1.19%   | <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. 1.19% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343793905 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343791883 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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>KBC Fund Management Limited receives a fee from the management company of max. 0.90% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341936761 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341938783 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.35%   | <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. 1.35% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Responsible Investing - Institutional F Shares SK

This share class is reserved for Slovak 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  | BE6346364423     | 9 October 2023 through 10 October 2023 before 6 am CET<br><br>Settlement for value: 13 October 2023 | 11 October 2023  | 500 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | After the initial subscription period:                        | -                 | 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant

### 1. Basic details

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#### Name

KBC 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')



The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 : 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.  |
|                           |   | For the share class Comfort Portfolio Shares : 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.  |
|                           |   | For the share class Institutional F shares BG EUR : 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.  |
|                           |   | For the share class Comfort Shares : 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.  |

|                       |   |  |  |
|-----------------------|---|--|--|
|                       |   | For the share class Comfort Plus Shares : 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.                  |
|                       |   | For the share class Comfort Prime Shares : 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.                  |
|                       |   | For the share class Institutional F shares BG BGN : high | since there are investments in securities that are denominated in currencies other than the Bulgarian Leva, 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>                    |

<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 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343730279 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343729263 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343733307 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343732291 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.15%   | <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. 1.15% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341954947 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341955951 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant - Institutional F shares BG BGN

This share class is reserved for Bulgarian 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)                  | BGN  | BE6324091790     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant - Institutional F shares BG EUR

This share class is reserved for Bulgarian 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  | BE6324092806     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing

## 1. Basic details

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### Name

KBC Dynamic Tolerant Responsible Investing

### 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 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.

### Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not

have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and

33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be



considered an eligible issuer based on the above criteria;

- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Dynamic Tolerant Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.



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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Dynamic Tolerant Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343798953 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343796932 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.45%   | <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. 1.45% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343800973 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343799969 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.15%   | <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. 1.15% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342088349 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342089354 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Dynamic Tolerant Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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  | BE6331696219     | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

---

### 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

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 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: 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 55% MSCI All Countries World - Net Return Index, 22.5% 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 2.00%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

#### Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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

| <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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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                | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee                           | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Responsible Investing

## 1. Basic details

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### Name

KBC ExpertEase Dynamic Responsible Investing

### 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.

### 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.

### Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU)

### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmarks: MSCI All Countries World - Net Return Index en iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO2 equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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 with reference to the following benchmark: 55% MSCI All Countries World - Net Return Index, 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 22.5% 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 vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 2.00%. 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.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC ExpertEase Dynamic Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**



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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.44%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.44% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic

## 1. Basic details

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### Name

KBC Highly 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 '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.

As of April 3, 2023, the name of this sub-fund is 'KBC Highly Dynamic'.

### 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 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 typically contains more stocks 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 All Countries World - Net Return Index, 12.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 12.5% 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 2.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.



In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key information document.

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| 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).

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### 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>                    |

<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 Highly 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  | BE6341894341     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6341895355     | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.60%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic - Classic Shares

## CSOB Private Banking

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  | BE6302981186     | 17 September 2018 through 19 October 2018 before 6 am CET<br><br>Settlement for value: 24 October 2018 | 22 October 2018  | 1 000 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  | 1 000 EUR                         |

### Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.33%   | <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. 1.33% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343740377 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343739361 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.35%   | <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. 1.35% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic - Comfort Portfolio Shares

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

Additional terms valid as of April 3, 2023:

- This share class is reserved for investors who are customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque.

Shareholders who did not acquire these units as customers of the Private Banking or Wealth Office segment of KBC Bank or Private Banking or Centre Wealth of CBC Banque may continue to hold these units provided they were already holders of the units before April 3, 2023.

- This share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6292610266 | 6 March 2017 through 20 March 2017 before 6 am CET<br><br>Settlement for value: 23 March 2017 | 21 March 2017   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343742399 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343741383 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.05%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341896361 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341897377 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing

## 1. Basic details

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### Name

KBC Highly Dynamic Responsible Investing

### Date of incorporation

30 March 2020

### 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

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%.

## Information related to Responsible Investing

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the

prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmarks: MSCI All Countries World - Net Return Index en iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment

solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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 with reference to the following benchmark: 75% MSCI All Countries World - Net Return Index, 12.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 12.5% 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 vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 2.50%. 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.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Highly Dynamic Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**



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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Highly Dynamic Responsible Investing - 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  | BE6335527691     | 4 July 2022 through 5 July 2022 before 6 am CET<br><br>Settlement for value: 8 July 2022    | 6 July 2022  | 100 EUR                           |
| DIS (Distribution shares)                    | EUR  | BE6335528707     | 4 July 2022 through 5 July 2022 before 6 am CET<br><br>Settlement for value: 8 July 2022    | 6 July 2022  | 100 EUR                           |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.60%   | <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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343804041 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343802029 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.35%   | <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. 1.35% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

A unitholder that fails to meet this requirement but that was a holder of units of this share class on 4 July 2022 is entitled to continue to hold those units up to a figure not exceeding the quantity of units held by the unitholder in question on 4 July 2022.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | BE6319267082 | 30 March 2020 through 27 April 2020 before 6 am CET<br><br>Settlement for value: 30 April 2020 | 28 April 2020   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -          | 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343806061 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343805055 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.05%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.05% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342086327 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342087333 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Responsible Investing - Institutional Shares

This share class is reserved for institutional investors, as defined in Article 5 § 3 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, and requires a minimum subscription of 1000 EUR (both during as well as after the initial subscription period). The investor must have the status of institutional investor at the moment of subscription and for as long as the investor remains a shareholder of the share class. If it appears that the shares of this class of shares 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  | BE6334473822     | 30 May 2022 through 31 May 2022 before 6 am CET<br><br>Settlement for value: 3 June 2022    | 1 June 2022  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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 1.58%   | <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. 1.58% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant

## 1. Basic details

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### Name

KBC 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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.  |
|                           |   | For the share class Institutional F shares BG EUR : 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 Institutional F Shares LU : 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 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 Plus 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 Prime 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 Institutional F shares BG BGN : high | since there are investments in securities that are denominated in currencies other than the Bulgarian Leva, 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> 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>                    |

<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 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343752497 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343743405 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.60%   | <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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| 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   | 1 000 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   | 1 000 EUR                  |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.58%   | <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. 1.58% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343754519 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343753503 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6341957973 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6341958013 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.75%   | <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. 1.75% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant - Institutional F shares BG BGN

This share class is reserved for Bulgarian 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)                  | BGN  | BE6324093812     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant - Institutional F shares BG EUR

This share class is reserved for Bulgarian 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  | BE6324094828     | 11 March 2021 through 12 March 2021 before 6 am CET<br><br>Settlement for value: 17 March 2021 | 15 March 2021  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   | -                 | -  |
| 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing

## 1. Basic details

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### Name

KBC Highly Dynamic Tolerant Responsible Investing

### 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 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.

### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic

activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### Negative screening

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### **(1) ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to a reference portfolio determined on the basis of the above-mentioned target spread.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).



To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

## **(2) Greenhouse Gas Intensity**

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

## **(3) Sustainable investments**

### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus.

## **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;

- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a 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.

The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon KBC Highly Dynamic Tolerant Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 Highly Dynamic Tolerant Responsible Investing - 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  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing - Comfort Plus Shares

There is a minimum subscription value of 1000000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343808083 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343807077 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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 1.60%   | <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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing - 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 customers of the Private Banking (conditions: [www.kbc.be/private-banking/portfolio-management](http://www.kbc.be/private-banking/portfolio-management)) or Wealth Office (conditions: [www.kbc.be/wealth](http://www.kbc.be/wealth)) segment of KBC Bank or Private Banking (conditions: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (conditions: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) of CBC Banque. Investors must meet these conditions at the time they subscribe for shares of this share class.

Additional condition valid as of April 3, 2023: this share class is reserved for investors who were shareholders of this share class on April 3, 2023.

| <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  | BE6311861718     | 11 March 2019 through 3 June 2019 before 6 am CET<br><br>Settlement for value: 6 June 2019  | 4 June 2019  | 1 000 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  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.58%   | per year calculated on the basis of the average total net assets of the sub-fund.<br><br>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.<br><br>KBC Fund Management Limited receives a fee from the management company of max. 1.58% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.<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. 1.70% a year. |
| Administration fee   | 0.10%   | per year calculated on the basis of the average total net assets of the sub-fund.   |
| Fee for financial services   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing - Comfort Prime Shares

There is a minimum subscription value of 2500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6343810105 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6343809099 | 19 June 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 29 June 2023 | 27 June 2023  | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing - Comfort Shares

There is a minimum subscription value of 500000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of Private Banking (criteria: [www.kbc.be/private-banking/investmentformulas](http://www.kbc.be/private-banking/investmentformulas)) or Wealth Office (criteria: [www.kbc.be/en/wealth](http://www.kbc.be/en/wealth)) from KBC Bank or for investors who are clients of Private Banking (criteria: [www.cbc.be/private-banking/qui-sommes-nous](http://www.cbc.be/private-banking/qui-sommes-nous)) or Centre Wealth (criteria: [www.cbc.be/centre-wealth](http://www.cbc.be/centre-wealth)) or Centre Institutionnels (criteria: [www.cbc.be/centre-institutionnels](http://www.cbc.be/centre-institutionnels)) of CBC Banque. 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   | BE6342090360 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |
| DIS (Distribution shares)             | EUR   | BE6342091376 | 3 April 2023 through 11 April 2023 before 6 am CET<br><br>Settlement for value: 14 April 2023 | 12 April 2023   | 100 EUR                    |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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: 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  | Max 1.75%   | <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. 1.75% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Highly Dynamic Tolerant Responsible Investing - Institutional F shares BG

This share class is reserved for Bulgarian 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  | BE6331698231     | 4 April 2022 through 5 April 2022 before 6 am CET<br><br>Settlement for value: 8 April 2022 | 6 April 2022   | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 Platinum Portfolio

## 1. Basic details

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### Name

Platinum Portfolio

### Date of incorporation

17 November 2021

### 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. investiční společnost, 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 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 aims to achieve the highest possible return by investing partly in a worldwide selection of investments in line with the investment view of KBC Asset Management NV (see [www.kbc.be/investment-strategy](http://www.kbc.be/investment-strategy)) and partly in a Central and Eastern European selection of investments.

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. It is therefore possible for the sub-fund to invest in asset classes that are not included in the target allocation. Any deviation from the target allocation based on the investment strategy of KBC Asset Management NV only impacts the target allocation of the worldwide stock and bond component.

The portfolio systematically contains more bonds than shares.

The target allocation for the stock component is 15% a worldwide selection of shares that may come from any region, sector or theme and 15% a selection of Bulgarian shares.

The target allocation for the bond component is 20% a worldwide selection of bonds and/or bond-related investments that may come from any region, sector or theme, and 50% a Central and Eastern European selection of bonds and debt instruments.

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

The compartment is actively managed, without reference to a benchmark.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### Transparency of adverse sustainability impacts:

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy

Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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 fixed income 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  | 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                                 | 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 fixed income 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>                    |

<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.

# Platinum Portfolio - 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)                  | BGN  | BE6328051626     | 17 November 2021 through 18 November 2021 before 6 am CET<br><br>Settlement for value: 23 November 2021 | 19 November 2021   | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 1.26%   | <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. investiční společnost receives a fee from the management company of max. 1.26% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.   |

# Platinum Portfolio - Institutional F shares BG

This share class is reserved for Bulgarian 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)                  | BGN  | BE6328052632     | 17 November 2021 through 18 November 2021 before 6 am CET<br><br>Settlement for value: 23 November 2021 | 19 November 2021   | 1 000 BGN                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | -   |                   |  |
| 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 1.26%   | <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. investiční společnost receives a fee from the management company of max. 1.26% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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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 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.

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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.



### **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 'What are the risks and what could I get in return?' section of the key 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 : Highly 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 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> 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> 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.

# 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  | 1 000 EUR                         |
| DIS (Distribution shares)                    | EUR  | BE6227979943     | 31 October 2011 through 2 December 2011<br><br>Settlement for value: 7 December 2011        | 5 December 2011  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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  | Max 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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 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 All Countries World - Net Return Index, 35% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 35% 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 1.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')



The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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 1.36%   | <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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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 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: 22.5% iBoxx Euro Corporate bonds Total Return Index, 22.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 55% MSCI All Countries World - Net 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 2.00%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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 1.54%   | <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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

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 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: 12.5% iBoxx Euro Corporate bonds Total Return Index, 12.5% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - Total Return Index, 75% MSCI All Countries World - 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 2.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

#### Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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 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 1.68%   | <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>KBC Fund Management Limited receives a fee from the management company of max. 1.68% 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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> 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

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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 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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> 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 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

***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 'What are the risks and what could I get in return?' section of the key 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 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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

## Start 100

### 1. Basic details

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#### Name

Start 100

#### Date of incorporation

5 September 2022

#### Life

Limited to 29 October 2027

#### 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 the initial subscription price of 10 EUR at Maturity.(i.e. the capital protection). This capital protection is provided through a financial mechanism that will be explained in more detail under the heading *Capital protection*. However, the capital protection does not apply to shareholders who sell their shares before Maturity.
- (2) To provide a potential return through an investment in swaps. The various types of swaps in which the sub-fund may invest are explained in more detail under the *Potential return*.

##### *Capital Protection*

##### *The financial mechanism used to achieve capital protection*

The financial mechanism used to achieve capital protection at Maturity consists of an investment of the total amount of the subscriptions in bonds and other debt instruments, deposits and/or liquid assets (including cash deposited on a time-deposit account or current account). 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 due dates of the obligations of the sub-fund.

##### *Criteria the investments must meet*

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area.
- (2) An investment in debt instruments issued or guaranteed by a Member State of the European Economic Area.
- (3) An investment under an investment strategy with an analogous structure and identical counterparty risk as a direct investment in deposits and/or debt instruments as stated under (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in notes listed on a stock exchange that are 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/>.

- (B) An investment in:

- deposits with financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued by financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued or guaranteed by the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United Kingdom, Switzerland, the United States of America, Japan, Canada and Australia can be equated to prudential supervision of financial institutions in the member states of the European Economic Area.

The investments in debt instruments issued by financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia or issued or guaranteed by the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia have a minimum credit rating as set out under the heading *Characteristics of the bonds and other debt instruments*.

- (C) The investments may also consist of a combination of the investments specified under (A) and (B).

### **No formal guarantee**

No formal guarantee of repayment of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, the capital protection is not binding for the sub-fund as regards the result generated, although achieving this objective through the operation of the financial mechanism is still the top priority.

If the financial mechanism fails and, as a result, the amount per share payable (before deducting charges and taxes) at Maturity is lower than the initial subscription price, KBC Asset Management NV may decide (but is not obliged) 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.

The capital protection does not apply to shareholders who sell their shares before Maturity.

### **Potential return**

To achieve a potential return, the sub-fund concludes swaps with one or more prime counterparties. Consequently, the sub-fund transfers a portion of the future income from the investments that were made to achieve capital protection to this counterparty (these counterparties) during the life of the sub-fund. In exchange, the counterparty (counterparties) undertake to provide a potential return as specified under the heading *Selected strategy*.

### **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.

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.

#### **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 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 deposits, bonds and other debt instruments described under the heading *Criteria the investments must meet*.

**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 100% 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 40% (yield to maturity of 6.90% before taxes and charges).

Negative performances of the basket are not taken into account.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the application of the KBC Group Investment Policy as well as through the KBC Group Policy on Blacklisted Companies.

Based on the KBC Group Policy on Blacklisted Companies, all companies on the 'KBC Group Blacklist' (including companies involved in controversial weapons such as those prohibited by Belgian law and nuclear and white phosphorus weapons) are excluded as well as the worst offenders of the UN Global Compact.

Consequently, the sub-fund takes particular account of exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems, and to violations of UN Global Compact principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ('indicator 10') by excluding the worst offenders of the UN Global Compact.

More information on the KBC Group Investment Policy and the KBC Group Policy on Blacklisted Companies can be found at [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Investment Policy and [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Policy on Blacklisted Companies - June 2020.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

## **Maturity**

Friday 29 October 2027 (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 17 October 2022 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 October 2026 through September 2027 (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 Beveik 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 Beveik 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    | 2.0000%                        |
| 3   | AXA SA                       | CS FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 4   | BANK OF NOVA SCOTIA (CT)     | BNS CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 5   | BOUYGUES                     | EN FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 6   | DANONE                       | BN FP Equity    | PARIS - XPAR     | 4.0000%                        |
| 7   | ENBRIDGE INC                 | ENB CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 8   | GILEAD SCIENCES INC (UW)     | GILD UW Equity  | NEW YORK - XNGS  | 2.0000%                        |
| 9   | GREAT-WEST LIFECO INC        | GWO CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 10  | HOLCIM LTD                   | HOLN SE Equity  | ZURICH - XSWX    | 5.0000%                        |
| 11  | IBERDROLA SA (SQ)            | IBE SQ Equity   | MADRID - XMAD    | 3.0000%                        |
| 12  | INTL BUSINESS MACHINES CORP  | IBM UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 13  | KINDER MORGAN INC            | KMI UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 14  | KONINKLIJKE KPN NV           | KPN NA Equity   | AMSTERDAM - XAMS | 2.0000%                        |
| 15  | NATIONAL GRID PLC            | NG/ LN Equity   | LONDON - XLON    | 4.0000%                        |
| 16  | NOVARTIS AG-REG              | NOVN SE Equity  | ZURICH - XVTX    | 6.0000%                        |
| 17  | ORANGE                       | ORA FP Equity   | PARIS - XPAR     | 6.0000%                        |
| 18  | PEMBINA PIPELINE CORP        | PPL CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 19  | RED ELECTRICA CORPORACION SA | RED SQ Equity   | MADRID - XMAD    | 8.0000%                        |
| 20  | SNAM SPA                     | SRG IM Equity   | MILANO - MTAA    | 3.0000%                        |
| 21  | SWISS RE AG                  | SREN SE Equity  | ZURICH - XVTX    | 6.0000%                        |
| 22  | TELEFONICA SA (SQ)           | TEF SQ Equity   | MADRID - XMAD    | 3.0000%                        |
| 23  | TELENOR ASA                  | TEL NO Equity   | OSLO - XOSL      | 2.0000%                        |
| 24  | TELIA CO AB                  | TELIA SS Equity | STOCKHOLM - XSTO | 3.0000%                        |
| 25  | TESCO PLC                    | TSCO LN Equity  | LONDON - XLON    | 5.0000%                        |
| 26  | UNILEVER PLC                 | ULVR LN Equity  | LONDON - XLON    | 6.0000%                        |
| 27  | VERIZON COMMUNICATIONS INC   | VZ UN Equity    | NEW YORK - XNYS  | 3.0000%                        |
| 28  | WESTPAC BANKING CORP         | WBC AT Equity   | SYDNEY - XASX    | 3.0000%                        |
| 29  | WP CAREY INC                 | WPC UN Equity   | NEW YORK - XNYS  | 2.0000%                        |
| 30  | ZURICH INSURANCE GROUP AG    | ZURN SE 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 Start 100, about 1586 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 Start 100 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, (iii) the Board of Directors of the Beveik has approved its inclusion in the basket, (iv) the issuer is not included in the KBC Group Policy on Blacklisted Companies\* and (v) at the time the swap contracts are being concluded (see 'Permitted swap transactions'), the issuer of the share complies with the KBC Group Investment Policy\* (the 'Selection criteria').

\* The KBC Group Policy on Blacklisted Companies and the KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 1 'KBC Group Policy on Blacklisted Companies' and 2 'KBC Group Investment Policy'.

### **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 and comply with the KBC Group Investment Policy\* 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 or comply with the KBC Group Investment Policy\*, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

\* The KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 2 'KBC Group Investment Policy'.

#### **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 and complies with the KBC Group Investment Policy\*, or by a basket of shares arising from the demerger which meet the selection criteria and comply with the KBC Group Investment Policy\*. 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 or comply with the KBC Group Investment Policy\*, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

\* The KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 2 'KBC Group Investment Policy'.

#### **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 'What are the risks and what could I get in return?' section of the key 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  | none     |  |
| 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) at 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.

# Start 100

| <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  | BE6336589641     | 5 September 2022 through 10 October 2022 before 6 am CET<br><br>Settlement for value: 17 October 2022 | 16 November 2022   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.05%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 in bonds and other debt instruments, deposits, and/or liquid assets in order to achieve the capital protection on the Maturity date (see *The financial mechanism used to achieve capital protection*), 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 due to the failure of the financial mechanism, the amount that should be paid per unit (after deducting taxes and charges) on the final maturity date, as relevant, is lower than the initial subscription price, 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 *Criteria the investments must meet*). 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

## Start 100 Plus

### 1. Basic details

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#### Name

Start 100 Plus

#### Date of incorporation

15 May 2023

#### Life

Limited to 31 July 2028

#### 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 the initial subscription price of 10 EUR at Maturity.(i.e. the capital protection). This capital protection is provided through a financial mechanism that will be explained in more detail under the heading *Capital protection*. However, the capital protection does not apply to shareholders who sell their shares before Maturity.
- (2) To provide a potential return through an investment in swaps. The various types of swaps in which the sub-fund may invest are explained in more detail under the *Potential return*.

##### *Capital Protection*

##### *The financial mechanism used to achieve capital protection*

The financial mechanism used to achieve capital protection at Maturity consists of an investment of the total amount of the subscriptions in bonds and other debt instruments, deposits and/or liquid assets (including cash deposited on a time-deposit account or current account). 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 due dates of the obligations of the sub-fund.

##### *Criteria the investments must meet*

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area.
- (2) An investment in debt instruments issued or guaranteed by a Member State of the European Economic Area.
- (3) An investment under an investment strategy with an analogous structure and identical counterparty risk as a direct investment in deposits and/or debt instruments as stated under (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in notes listed on a stock exchange that are 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/>.

- (B) An investment in:

- deposits with financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued by financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia and/or
- debt instruments issued or guaranteed by the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United Kingdom, Switzerland, the United States of America, Japan, Canada and Australia can be equated to prudential supervision of financial institutions in the member states of the European Economic Area.

The investments in debt instruments issued by financial institutions under prudential supervision in the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia or issued or guaranteed by the United Kingdom, Switzerland, the United States of America, Japan, Canada or Australia have a minimum credit rating as set out under the heading *Characteristics of the bonds and other debt instruments*.

- (C) The investments may also consist of a combination of the investments specified under (A) and (B).

### **No formal guarantee**

No formal guarantee of repayment of the initial subscription price is provided to the sub-fund or to its shareholders. In other words, the capital protection is not binding for the sub-fund as regards the result generated, although achieving this objective through the operation of the financial mechanism is still the top priority.

If the financial mechanism fails and, as a result, the amount per share payable (before deducting charges and taxes) at Maturity is lower than the initial subscription price, KBC Asset Management NV may decide (but is not obliged) 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.

The capital protection does not apply to shareholders who sell their shares before Maturity.

### **Potential return**

To achieve a potential return, the sub-fund concludes swaps with one or more prime counterparties. Consequently, the sub-fund transfers a portion of the future income from the investments that were made to achieve capital protection to this counterparty (these counterparties) during the life of the sub-fund. In exchange, the counterparty (counterparties) undertake to provide a potential return as specified under the heading *Selected strategy*.

### **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.

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.

#### **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 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 deposits, bonds and other debt instruments described under the heading *Criteria the investments must meet*.

**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 100% of the initial subscription price and secondly a possible capital gain that is contingent on the evolution of a basket of 30 World Selection Stocks.

At Maturity, a capital gain will be distributed that will equal the best of two alternatives:

- on the one hand 6%, settled at 100% of the initial subscription price;
- on the other hand 100% of the increase in the basket of 30 shares, settled at 100% of the initial subscription price. The evolution of the basket is calculated as ((Ending Value minus Starting Value) divided by Starting Value). Decreases in the basket are not taken into account.

Consequently, the capital gain at the Maturity Date will be at least 6% (actuarial yield: 1.15% before fees and taxes).

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the application of the KBC Group Investment Policy as well as through the KBC Group Policy on Blacklisted Companies.

Based on the KBC Group Policy on Blacklisted Companies, all companies on the 'KBC Group Blacklist' (including companies involved in controversial weapons such as those prohibited by Belgian law and nuclear and white phosphorus weapons) are excluded as well as the worst offenders of the UN Global Compact.

Consequently, the sub-fund takes particular account of exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems, and to violations of UN Global Compact principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ('indicator 10') by excluding the worst offenders of the UN Global Compact.

More information on the KBC Group Investment Policy and the KBC Group Policy on Blacklisted Companies can be found at [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Investment Policy and [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Policy on Blacklisted Companies - June 2020.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

#### **Maturity**

Monday 31 July 2028 (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 6 July 2023 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 July 2027 through June 2028 (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    | 2.0000%                        |
| 3   | AXA SA                           | CS FP Equity    | PARIS - XPAR     | 2.0000%                        |
| 4   | BASF SE                          | BAS GY Equity   | FRANKFURT - XETR | 2.0000%                        |
| 5   | COLES GROUPLTD                   | COL AT Equity   | SYDNEY - XASX    | 2.0000%                        |
| 6   | ENBRIDGE INC                     | ENB CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 7   | GLAXOSMITHKLINE PLC              | GSK LN Equity   | LONDON - XLON    | 2.0000%                        |
| 8   | GREAT-WEST LIFECO INC            | GWO CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 9   | HOLCIM LTD                       | HOLN SE Equity  | ZURICH - XSWX    | 6.0000%                        |
| 10  | KONINKLIJKE AHOLD DELHAIZE NV    | AD NA Equity    | AMSTERDAM - XAMS | 2.0000%                        |
| 11  | KONINKLIJKE KPN NV               | KPN NA Equity   | AMSTERDAM - XAMS | 2.0000%                        |
| 12  | KRAFT HEINZ CO/THE               | KHC UW Equity   | NEW YORK - XNGS  | 2.0000%                        |
| 13  | MIZUHO FIN GROUP                 | 8411 JT Equity  | TOKYO - XTKS     | 6.0000%                        |
| 14  | NATIONAL AUSTRALIA BANK LTD (AT) | NAB AT Equity   | SYDNEY - XASX    | 2.0000%                        |
| 15  | NATIONAL GRID PLC                | NG/ LN Equity   | LONDON - XLON    | 4.0000%                        |
| 16  | NOVARTIS AG-REG                  | NOVN SE Equity  | ZURICH - XVTX    | 5.0000%                        |
| 17  | ORANGE                           | ORA FP Equity   | PARIS - XPAR     | 4.0000%                        |
| 18  | PEMBINA PIPELINE CORP            | PPL CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 19  | POWER CORP OF CANADA             | POW CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 20  | SAMPO OYJ-A SHS                  | SAMPO FH Equity | HELSINKI - XHEL  | 2.0000%                        |
| 21  | SOFTBANK CORP                    | 9434 JT Equity  | TOKYO - XTKS     | 8.0000%                        |
| 22  | SUMITOMO MITSUI FIN GROUP        | 8316 JT Equity  | TOKYO - XTKS     | 6.0000%                        |
| 23  | SWISS RE AG                      | SREN SE Equity  | ZURICH - XVTX    | 7.0000%                        |
| 24  | TAKEDA PHARMACEUTICAL CO LTD     | 4502 JT Equity  | TOKYO - XTKS     | 5.0000%                        |
| 25  | TC ENERGY CORP                   | TRP CT Equity   | TORONTO - XTSE   | 2.0000%                        |
| 26  | TELIA CO AB                      | TELIA SS Equity | STOCKHOLM - XSTO | 6.0000%                        |
| 27  | TESCO PLC                        | TSCO LN Equity  | LONDON - XLON    | 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  | WPP PLC                          | WPP LN Equity   | LONDON - XLON    | 3.0000%                        |



## 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 Start 100 Plus, about 1549 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 Start 100 Plus 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, (iii) the Board of Directors of the Bevef has approved its inclusion in the basket, (iv) the issuer is not included in the KBC Group Policy on Blacklisted Companies\* and (v) at the time the swap contracts are being concluded (see 'Permitted swap transactions'), the issuer of the share complies with the KBC Group Investment Policy\* (the 'Selection criteria').

\* The KBC Group Policy on Blacklisted Companies and the KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 1 'KBC Group Policy on Blacklisted Companies' and 2 'KBC Group Investment Policy'.

## 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 and comply with the KBC Group Investment Policy\* 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 or comply with the KBC Group Investment Policy\*, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

\* The KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 2 'KBC Group Investment Policy'.

### 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 and complies with the KBC Group Investment Policy\*, or by a basket of shares arising from the demerger which meet the selection criteria and comply with the KBC Group Investment Policy\*. 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 or comply with the KBC Group Investment Policy\*, the procedures described under 'Nationalisation, bankruptcy or disqualification' will apply.

\* The KBC Group Investment Policy can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policies for conventional funds and socially responsible investment funds, Paragraph 2 'KBC Group Investment Policy'.

### ***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 'What are the risks and what could I get in return?' section of the key 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  | none     |  |
| 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.

# Start 100 Plus

| <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  | BE6342443015     | 15 May 2023 through 26 June 2023 before 6 am CET<br><br>Settlement for value: 6 July 2023   | 31 July 2023   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.05%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 in bonds and other debt instruments, deposits, and/or liquid assets in order to achieve the capital protection on the Maturity date (see *The financial mechanism used to achieve capital protection*), 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 due to the failure of the financial mechanism, the amount that should be paid per unit (after deducting taxes and charges) on the final maturity date, as relevant, is lower than the initial subscription price, 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 *Criteria the investments must meet*). 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 Strategisch Obligatiedepot Responsible Investing

## 1. Basic details

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### Name

Strategisch Obligatiedepot Responsible Investing

### 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.

As of 28 October 2022, the name of the the receiving sub-fund is 'Strategisch Obligatiedepot Responsible'. As of 1 January 2023, the name of the the receiving sub-fund is 'Strategisch Obligatiedepot Responsible Investing'.

### 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. 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 sub-fund invests directly or indirectly in bonds and/or bond-related investments that may come from any region, sector or theme.

See also the 'Characteristics of the bonds and debt instruments' paragraph below.

#### **Information related to Responsible Investing**

Within the above limits, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

KBC Asset Management NV has a team of specialist researchers responsible for this dualistic approach. They are assisted by an independent advisory board (the "**Responsible Investing 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 dualistic approach and activities of the specialist researchers. The secretariat of the advisory board is handled by a representative of KBC Asset Management NV. Moreover, KBC Asset Management NV works with data suppliers with expertise in Responsible Investing that provide data to the specialized researchers, who process and complete the data with publicly available information (including annual reports, press publications, etc.).

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

The sub-fund is compliant with the transparency obligations of article 8(1) of Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR'). More information on how the sub-fund promotes environmental and/or social characteristics can be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus. This annex specifically covers the pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

#### **Negative screening**

In practical terms the end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policy available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

The application of these policies means that issuers involved in such activities like the tobacco industry, weapons, gambling and adult entertainment are excluded from the sub-fund's investment universe. This screening also

ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be adapted from time to time under the supervision of the Responsible Investing Advisory Board.

#### Positive selection methodology

Within the defined investment universe and other limits described above, the responsible investment objectives of the sub-fund are the following:

- (1) promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better **ESG (risk)score**, where ESG stands for 'Environmental, Social and Governance', and
- (2) promote climate change mitigation, by preferring issuers with lower **Greenhouse Gas Intensity**, with the objective of meeting a predetermined Greenhouse Gas intensity target;
- (3) support sustainable development, through 'sustainable investments' in accordance with art. 2(17) SFDR. Sustainable investments will consist of **bonds financing green and/or social projects** (3.1) and investments in issuers contributing to the achievement of the **UN Sustainable Development Goals** (3.2). However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

More information on the investment policy for Responsible Investing funds is available at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

#### (1) ESG-(risk)score

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score. The ESG risk score for companies is an ESG risk score supplied by a data provider.

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments, the following five pillars are used
  - 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 the rights of all citizens;
  - environmental policy (e.g., climate change); and
  - security, peace and international relations.

These lists are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90 % of the investments in countries within the portfolio, as measured by assets under management.

To achieve this objective, the ESG-risk score of the portfolio for companies is compared to following benchmark: iBoxx Euro Corporate bonds Total Return Index.

The ESG score for countries of the portfolio is compared to a reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

More information on the ESG-(risk)score and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus.

The targets can be revised upwards or downwards.

#### (2) Greenhouse Gas Intensity

The objective to promote climate change mitigation, by favoring lower greenhouse gas intensity issuers, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD). For countries, it is defined as the greenhouse gas emissions (in tonnes CO2 equivalent), divided by the Gross Domestic Product (in mln USD).

The targets for instruments issued by companies are different from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

### **(3) Sustainable investments**

#### **(3.1) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments', in line with article 2(17) SFDR.

More information on bonds financing green and/or social projects and the concrete goals of the sub-fund can be found in the 'Annex for Horizon KBC Defensive Balanced Responsible Investing' to the prospectus.

The targets may be revised upwards or downwards.

#### **(3.2) UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to sustainable development. Bonds of supranational governments contribute to the UN's Sustainable development goals if one of the two criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst half of the screening for controversial regimes.

Instruments of issuers that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR. In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR. However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional.

More information about the methodology used to qualify investments as investments which contribute to the UN Sustainable Development Goals can be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus.

### **Potential Exceptions**

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 eligible after purchase;
- Corporate events, such as a merger of one company with another, where the merged company can no longer be considered an eligible issuer based on the above criteria;
- Incorrect data as a result of which assets are invested (unintentionally and erroneously) in assets purchased when it should not have been eligible for the sub-fund;
- A planned update of the screening criteria as a result of which assets should be excluded from the sub-fund, but which the management company chooses to refrain from selling immediately in the best interest of the customer;
- External circumstances such as market movements and updates of external data can lead to investment solutions failing to achieve the abovementioned targets.

In these cases, the fund manager will replace the assets concerned with more appropriate assets as soon as possible, always taking into account the sole interest of the investor.

In addition, for the purpose of efficient portfolio management, the fund manager may to a significant degree use derivatives relating to assets issued by issuers that would not be eligible for inclusion in the sub-fund, in so far as there is no serviceable and comparable alternative for these derivatives available on the market. In addition, the counterparties with which the derivative transactions are entered into may not necessarily be issuers having a responsible nature.

The fund is actively managed with reference to the following benchmark: 50% iBoxx Euro Corporate bonds Total Return Index, 50% JP Morgan EMU Government Bonds Investment Grade ALL Maturities - 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 vary from that of the benchmark, as the composition of the benchmark is not fully consistent with the environmental and/or social characteristics promoted by the sub-fund. The use of the benchmark does not detract from the responsible character of the portfolio. The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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 1.00%. 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.

### **Taxonomy related information**

At the date of this prospectus, the sub-fund does not commit to invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy Framework'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework is 0%. This will be monitored on a regular basis and as soon as sufficiently reliable, timely and verifiable data from issuers or invested companies is available, the prospectus may be updated.

Companies are considered to contribute to sustainable development if at least 20% of sales are linked to the UN Sustainable Development Goals. This includes companies with at least 20% of sales aligned to the EU Taxonomy Framework based on Trucost data. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund published after Jan. 1, 2024.

More information on the EU Taxonomy Framework can be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors by taking into account the principal adverse impact indicators ('PAI'), as described in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds. More information on the principal adverse impact indicators taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policy for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

More information on how the sub-fund aims to consider the principal adverse impacts on sustainability factors can also be found in the 'Annex for Horizon Strategisch Obligatiedepot Responsible Investing' to the prospectus. A statement on how the sub-fund has considered the principal adverse impacts on sustainability factors during the reporting period can also be found in the annual reports for this sub-fund, published after 1 January 2023.

### **Required disclaimers for benchmark providers:**

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

The sub-fund invests directly and/or indirectly at least 75% of its assets in bonds and debt instruments

- in bonds and debt instruments rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or

This means that the sub-fund may invest up to 25% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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

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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 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 Responsible Investing - 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> |
|--|--|------------------|--|--|-----------------------------------|
| 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 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>KBC Fund Management Limited receives a fee from the management company of max. 0.90% 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. 1.30% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.02%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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.  |

# Strategisch Obligatiedepot Responsible Investing - Discretionary Shares

This share class is reserved for trading to persons who acquire and hold the units on the basis of a discretionary management contract with KBC Asset Management NV or with another company associated with KBC Asset Management NV. The investor must have this status at the moment of subscription and for as long as the investor remains a shareholder of the share class. If it appears that the shares of this class of shares 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> |
|--|--|------------------|--|--|-----------------------------------|
| DIS (Distribution shares)                    | EUR  | BE6337352510     | 28 October 2022 through 31 October 2022 before 6 am CET<br><br>Settlement for value: 4 November 2022 | 2 November 2022  | 1 000 EUR                         |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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 0.60%   | <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. 0.60% 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. 1.30% 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   | Max 950 EUR   | <p>per year.</p> <p>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.</p>  |
| Custodian's fee  | Max 0.02%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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. investiční společnost, 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, 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 1.50%. 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR')

The principal adverse impacts on sustainability factors are explicitly taken into account through the General exclusion policy. More information on the principal adverse impact indicators that are taken into account can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > General exclusion policy for conventional and Responsible Investing funds and [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Exclusion policies for Responsible Investing funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV (more information can be found at [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Retrospective Proxy Voting - overview > Proxy Voting and Engagement Policy).

KBC Asset Management NV exercises the voting rights of the shares it manages in accordance with the Proxy Voting and Engagement Policy. Where appropriate, KBC Asset Management NV will engage in dialogue with the management of the companies concerned, if necessary before voting.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

Required disclaimers for benchmark providers:

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

The sub-fund invests in bonds and debt instruments issued by both companies and public authorities.

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

- in securities rated investment grade (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) by at least one of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in local currency or non-subordinated corporate bonds\* which do not have a credit rating from the rating agencies mentioned above but the issuer of which has an investment grade rating by at least one of the rating agencies mentioned above, and/or
- in money market instruments whose issuer has an investment grade rating (minimum A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

This means that the sub-fund may invest up to 50% of its assets invested in bonds and debt instruments that do not have a credit rating from the above-mentioned rating agencies and/or which do not comply with the above-mentioned credit requirements.

All maturities are taken into consideration in the selection of bonds and debt instruments.

\*In the event of the bankruptcy of the relevant issuer, subordinated bonds are subordinated to the company's other debts: the company's other debts are paid first, then and only if there is still capital left, the holders of the subordinated bonds are fully or partially repaid; the holder of the subordinated bond does, however, have priority over the shareholders of the issuer in question.

### **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 'What are the risks and what could I get in return?' section of the key 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> 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>                    |

<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 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  | <p>Max 1.61%</p> <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. investiční společnost 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> <p>Max 0.01%</p> <p>per year calculated on the basis of the portion of the average total net assets of the sub-fund that are directly invested in bonds and debt instruments, compensating the use of research to those instruments.</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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.04%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 ČSOB 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

ČSOB 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 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 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 (= (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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account at the launch of the sub-fund through the application of the KBC Group Investment Policy as well as through the KBC Group Policy on Blacklisted Companies.

Based on the KBC Group Policy on Blacklisted Companies, all companies on the 'KBC Group Blacklist' (including companies involved in controversial weapons such as those prohibited by Belgian law and nuclear and white phosphorus weapons) are excluded as well as the worst offenders of the UN Global Compact.

Consequently, at launch, the sub-fund takes particular account of exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems, and to violations of UN Global Compact principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ('indicator 10') by excluding the worst offenders of the UN Global Compact. During its lifetime, the sub-fund will also not include any new shares that are the result of a corporate action if the company in question has since been excluded on the basis of the KBC Group Investment Policy.

More information on the KBC Group Investment Policy and the KBC Group Policy on Blacklisted Companies can be found at [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Investment Policy and [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Policy on Blacklisted Companies - June 2020.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.



## 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%                        |

| (i) | Name                             | Bloomberg Code  | Exchange         | Initial Weighting Coefficients |
|-----|----------------------------------|-----------------|------------------|--------------------------------|
| 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 ČSOB 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 ČSOB 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 'What are the risks and what could I get in return?' section of the key 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) at 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.

# ČSOB 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<br>1 October 2018 before 6 am CET<br><br>Settlement for value:<br>8 October 2018 | 31 October 2018  | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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:<br>2.50%<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 | During the initial subscription period:<br>0.00%<br><br>After the initial subscription period:<br>1.00% for the sub-fund | At maturity: 0.00%<br>Before:<br>Orders ≤ 1250000 EUR:<br>1.00%<br>Orders > 1250000 EUR:<br>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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.05%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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 ČSOB 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

ČSOB 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 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 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.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Transparency of adverse sustainability impacts:**

The sub-fund considers the principal adverse impacts of its investment decisions on sustainability factors ('PAI') as described by the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ('SFDR').

The principal adverse impacts on sustainability factors are explicitly taken into account at the launch of the sub-fund through the application of the KBC Group Investment Policy as well as through the KBC Group Policy on Blacklisted Companies.

Based on the KBC Group Policy on Blacklisted Companies, all companies on the 'KBC Group Blacklist' (including companies involved in controversial weapons such as those prohibited by Belgian law and nuclear and white phosphorus weapons) are excluded as well as the worst offenders of the UN Global Compact.

Consequently, at launch, the sub-fund takes particular account of exposure to controversial weapons ('indicator 14') by excluding companies involved in controversial weapon systems, and to violations of UN Global Compact principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ('indicator 10') by excluding the worst offenders of the UN Global Compact. During its lifetime, the sub-fund will also not include any new shares that are the result of a corporate action if the company in question has since been excluded on the basis of the KBC Group Investment Policy.

More information on the KBC Group Investment Policy and the KBC Group Policy on Blacklisted Companies can be found at [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Investment Policy and [www.kbc.com/en/corporate-sustainability/setting-rules-and-policies](http://www.kbc.com/en/corporate-sustainability/setting-rules-and-policies) > KBC Group Policy on Blacklisted Companies - June 2020.

Information on the principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, which will be published after 1 January 2023.

### **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%                        |

| (i) | Name                            | Bloomberg Code   | Exchange         | Initial Weighting Coefficients |
|-----|---------------------------------|------------------|------------------|--------------------------------|
| 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       | LGEM 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 ČSOB Globální 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 ČSOB Globální 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 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 'What are the risks and what could I get in return?' section of the key 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.

# ČSOB 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 1 August 2018 before 6 am CET<br><br>Settlement for value: 8 August 2018 | 31 August 2018   | 10 EUR                            |

## Recurrent fees and charges paid by the Bevek

|                           |  |
|---------------------------|--|
| Fee paid to the 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   | Max 950 EUR   | per year.<br>However, the fee will never exceed a maximum of 0.005% calculated on the basis of the average total net assets of the sub-fund.   |
| Custodian's fee  | Max 0.05%   | per year and calculated monthly on the basis of the value of the securities held in custody by the custodian on the last banking day of the preceding month, 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 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.

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon Business Dynamic DBI-RDT Responsible Investing

**Legal entity identifier (LEI):**  
8755009CZRVSSCMWMQ21

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes** ☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 15.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmarks: MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index.  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmarks: MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmarks: MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 15.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmarks MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Business Dynamic DBI-RDT Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmarks MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Business Dynamic DBI-RDT Responsible Investing' and a reduction of 50% by 2030 compared to the benchmarks MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.



Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 15.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

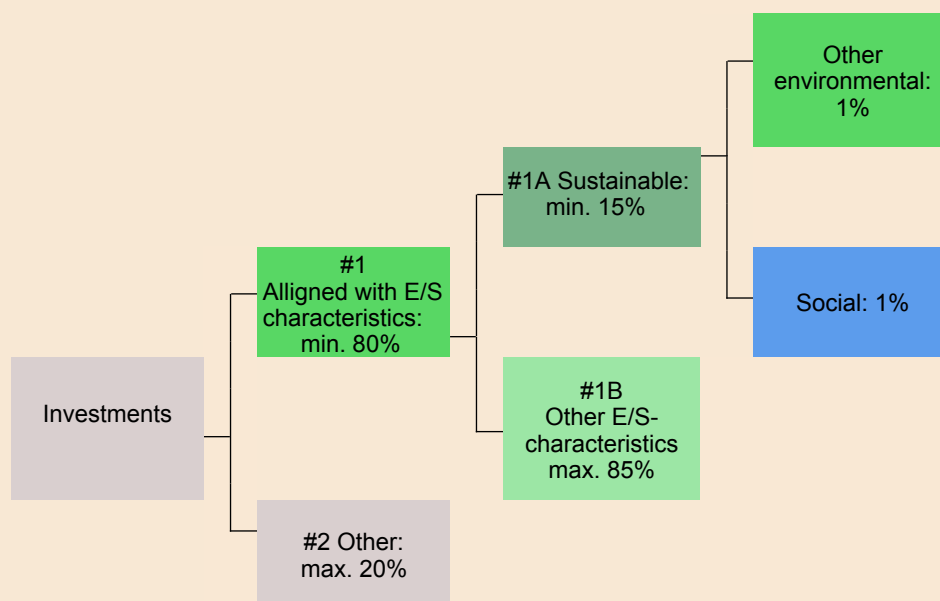
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing".



#### ● To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?



☐ Yes

☐ in fossil gas

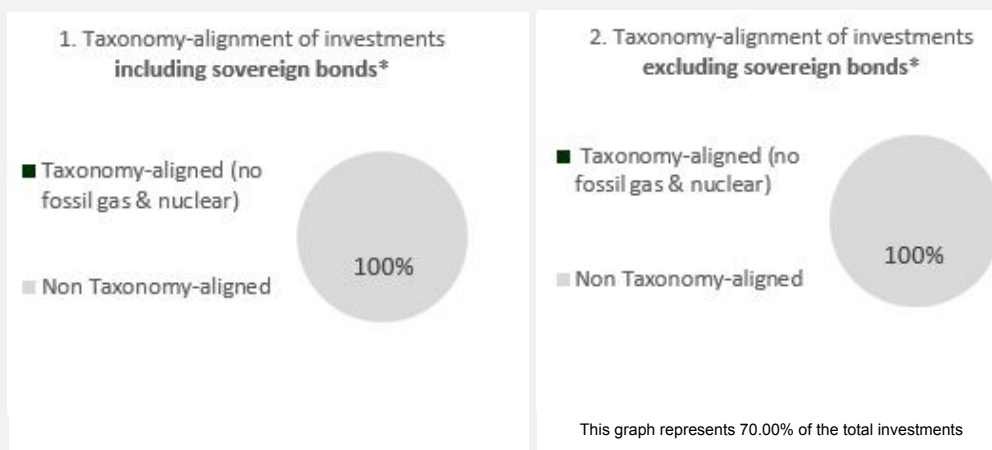
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.





### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 15.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Business Dynamic DBI-RDT Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmarks MSCI World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index are used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon Business Dynamic DBI-RDT Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon Flexible Portfolio January Responsible Investing

**Legal entity identifier (LEI):**  
875500JZQJXCH2EC4775

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund Flexible Portfolio January Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund Flexible Portfolio January Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund Flexible Portfolio January Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund Flexible Portfolio January Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**



## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and antibribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund Flexible Portfolio January Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund Flexible Portfolio January Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund Flexible Portfolio January Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Flexible Portfolio January Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

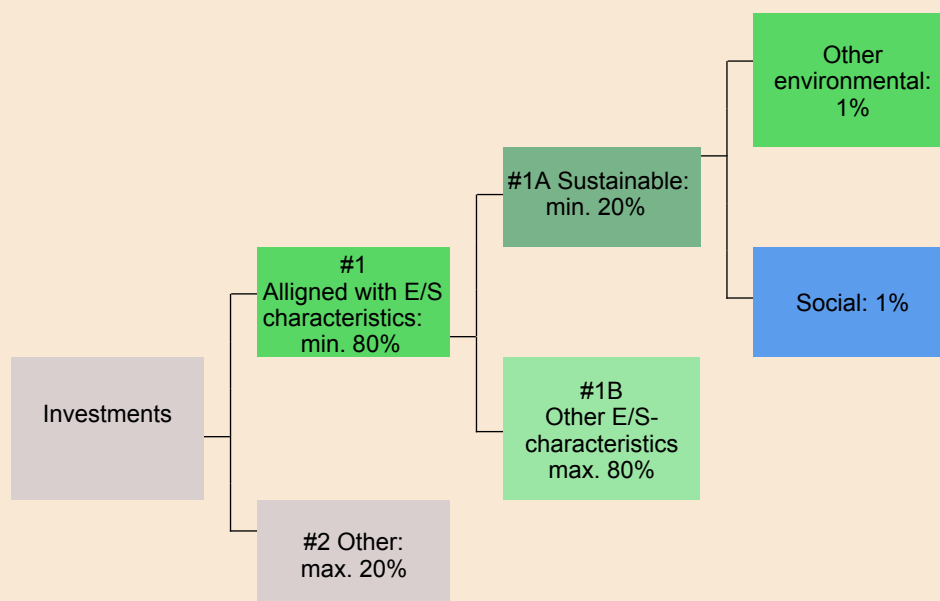
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover** reflecting the share of revenue from green activities of investee companies.

**-capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund Flexible Portfolio January Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐

Yes

☐

in fossil gas

☐

in nuclear energy

☒

No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)

■ Non Taxonomy-aligned



#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)

■ Non Taxonomy-aligned



This graph represents 70.00% of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.





**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1.00%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Flexible Portfolio January Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

**How does the designated index differ from a relevant broad market index?**

Not applicable.

**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.





**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon Flexible Portfolio January Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Defensive Balanced Responsible Investing

**Legal entity identifier (LEI):**  
549300BPXKFQCUX77794

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



**What environmental and/or social characteristics are promoted by this financial product?**

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Balanced Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Balanced Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Balanced Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Balanced Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.



-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Defensive Balanced Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Defensive Balanced Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable

investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



### What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Defensive Balanced Responsible Investing".

Within these categories of eligible assets, the sub-fund fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Balanced Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

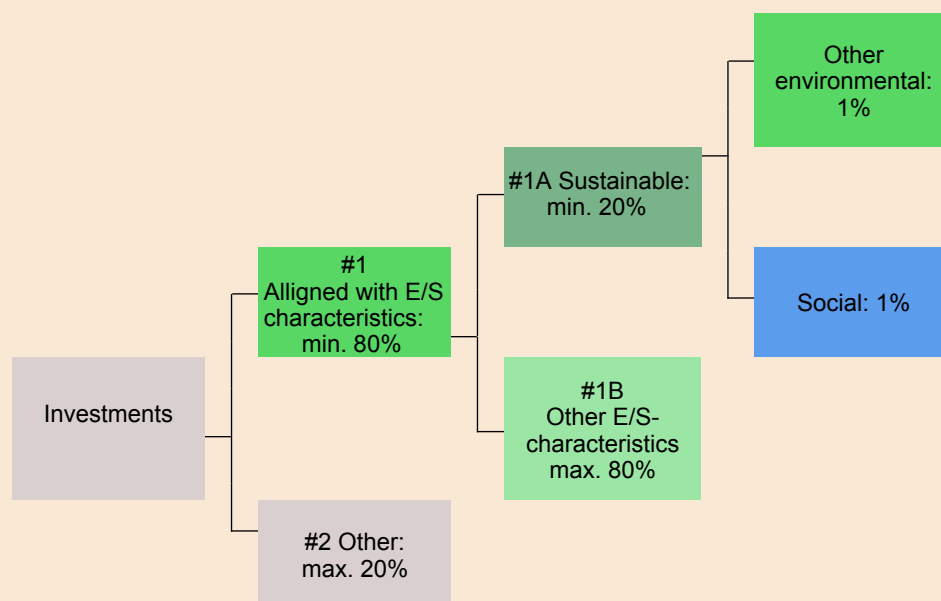
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Defensive Balanced Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

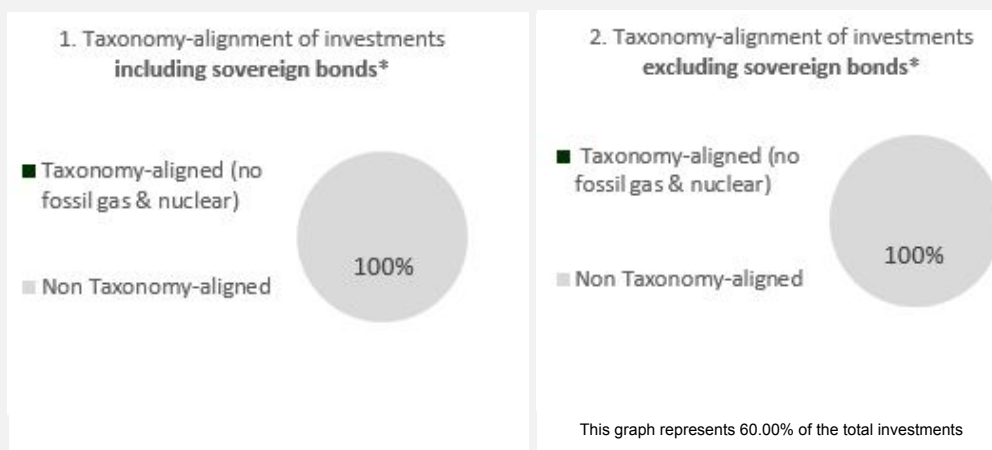
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Balanced Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Defensive Balanced Responsible Investing



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**

Horizon KBC Defensive Conservative Responsible Investing

**Legal entity identifier (LEI):**

549300XO261UKZRNQ624

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



**What environmental and/or social characteristics are promoted by this financial product?**

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Conservative Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Conservative Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Conservative Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Conservative Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.



KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Defensive Conservative Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Defensive Conservative Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable

investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



### What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Defensive Conservative Responsible Investing".

Within these categories of eligible assets, the sub-fund fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Conservative Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

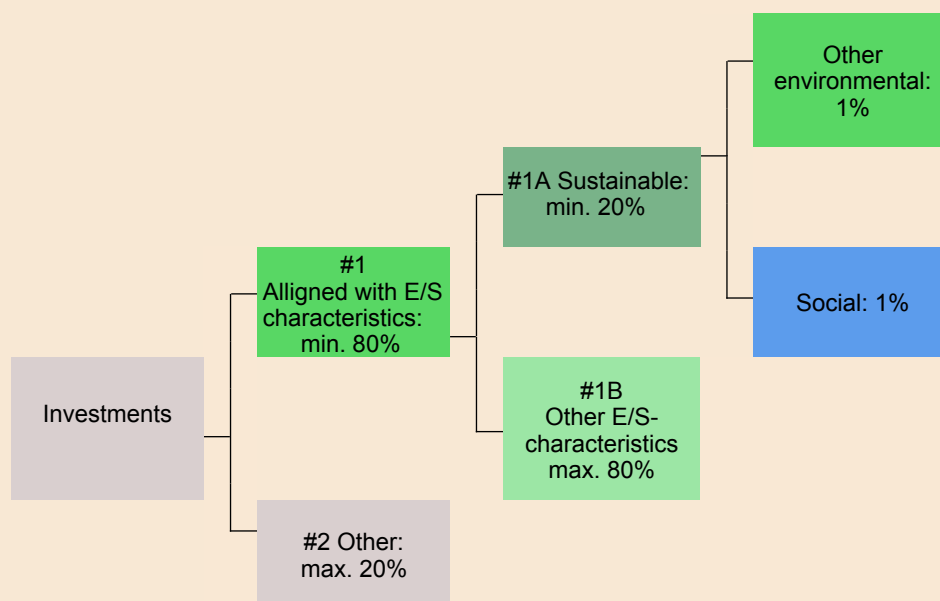
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Defensive Conservative Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

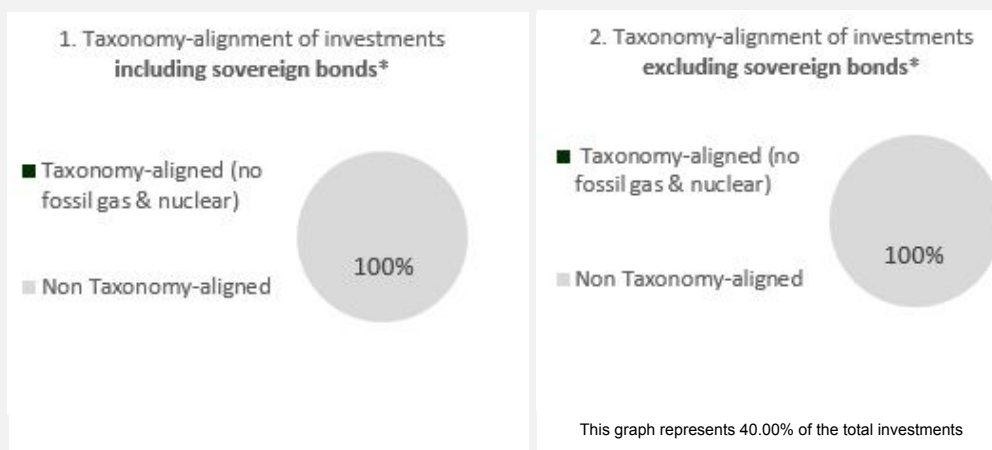
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Conservative Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Defensive Conservative Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Defensive Responsible Investing

**Legal entity identifier (LEI):**  
5493002U4QB03PO8CC97

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets



promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index.  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Responsible Investing' and a reduction of 50% by 2030 compared to the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting

power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Defensive Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even



though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Defensive Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Defensive Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

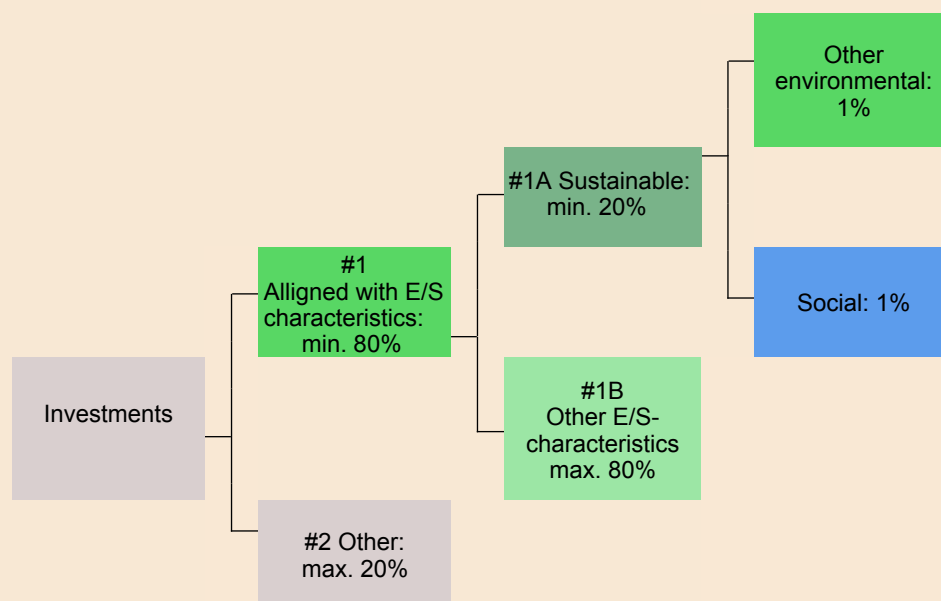
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Defensive Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐

Yes

☐

in fossil gas

☐

in nuclear energy

☒

No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



This graph represents 60.00% of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1.00%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index are used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.



**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.



**How does the designated index differ from a relevant broad market index?**

Not applicable.



**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Defensive Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Defensive Tolerant Responsible Investing

**Legal entity identifier (LEI):**  
875500SARPACMWKSUY75

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes** ☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.



The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Tolerant Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Defensive Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Tolerant Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Defensive Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

#### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

##### Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

##### The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

#### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

#### **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable



investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



### What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

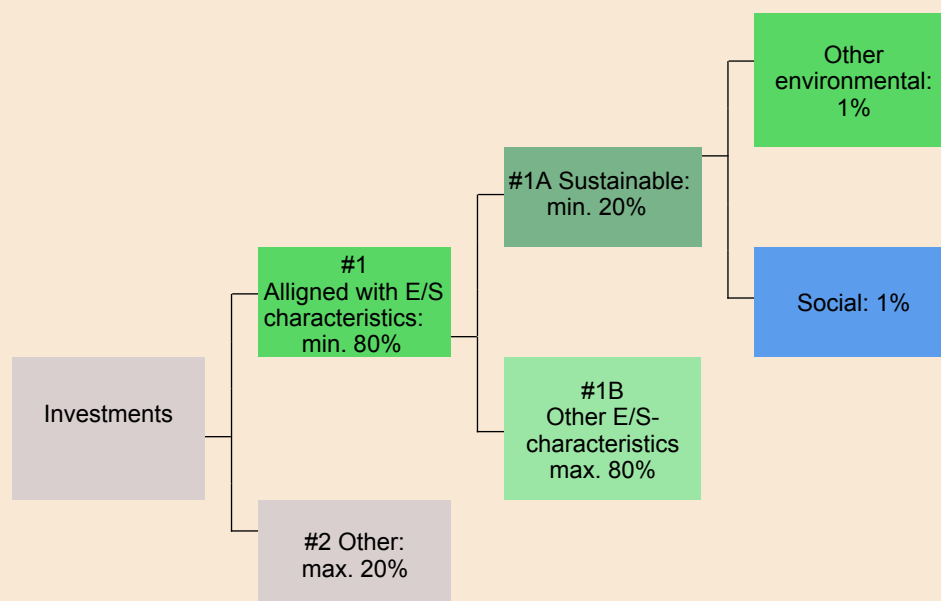
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing".



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

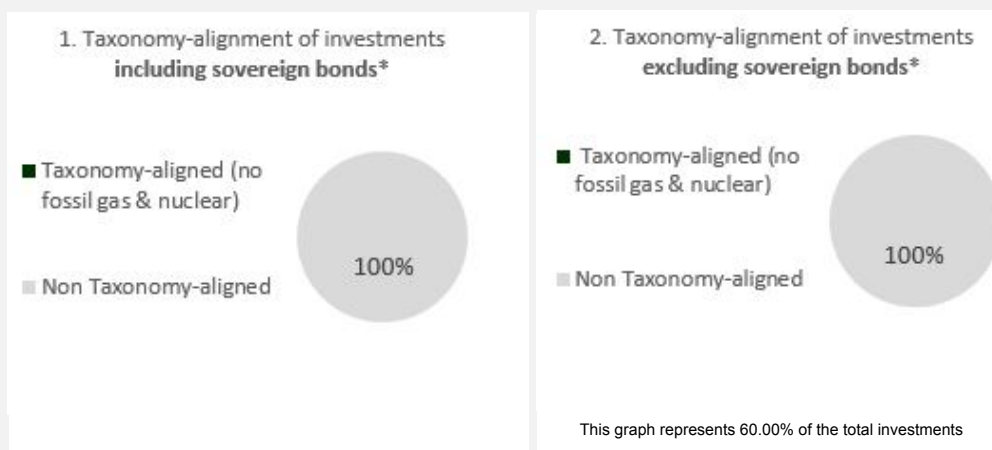
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1.00%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Defensive Tolerant Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.



**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.



**How does the designated index differ from a relevant broad market index?**

Not applicable.



**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Defensive Tolerant Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Dynamic Balanced Responsible Investing

**Legal entity identifier (LEI):**  
549300WPWR26VZN0FC41

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Dynamic Balanced Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Dynamic Balanced Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Balanced Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Balanced Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

#### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

##### Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

##### The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

#### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

#### **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable

investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

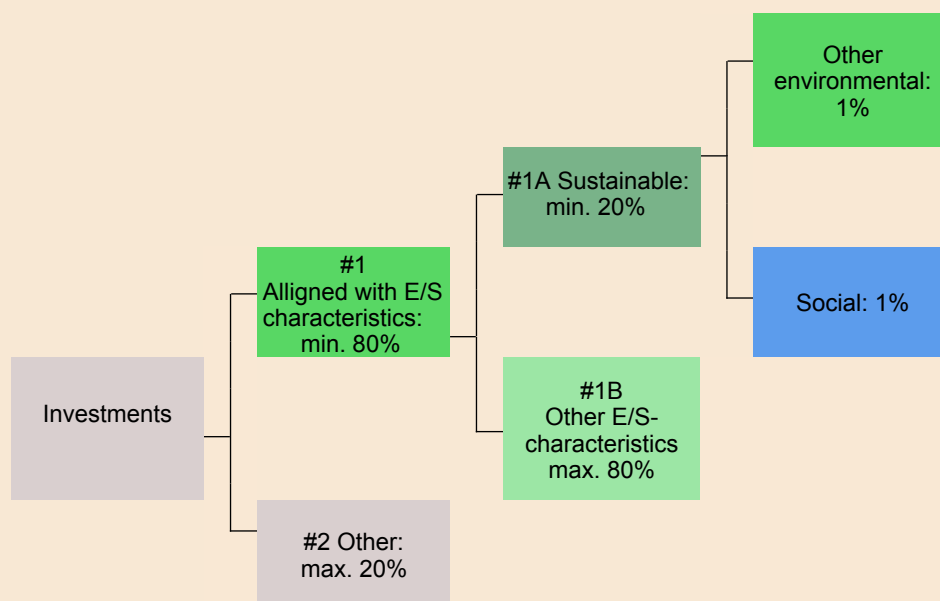


Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

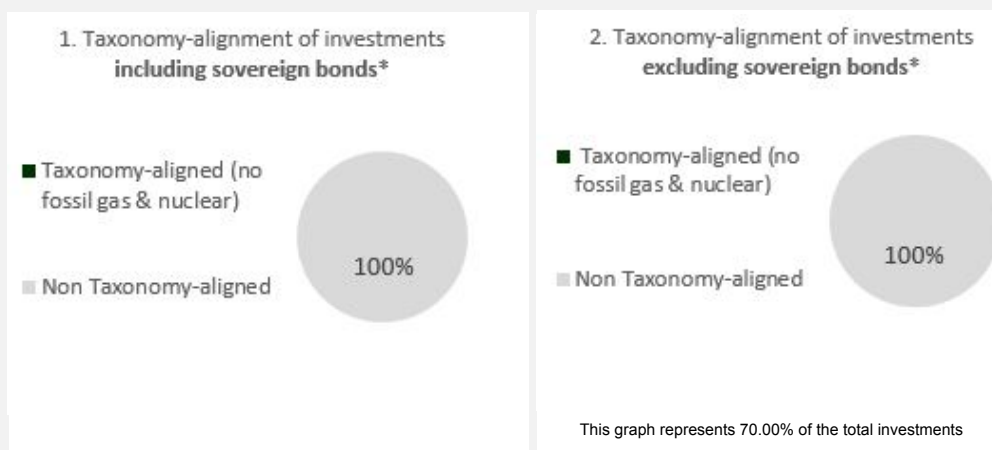
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Balanced Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Dynamic Balanced Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Dynamic Responsible Investing

**Legal entity identifier (LEI):**  
549300UYD7GUFO4PS606

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes** ☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index.  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.



## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Responsible Investing' and a reduction of 50% by 2030 compared to the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting

power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Dynamic Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Dynamic Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Dynamic Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

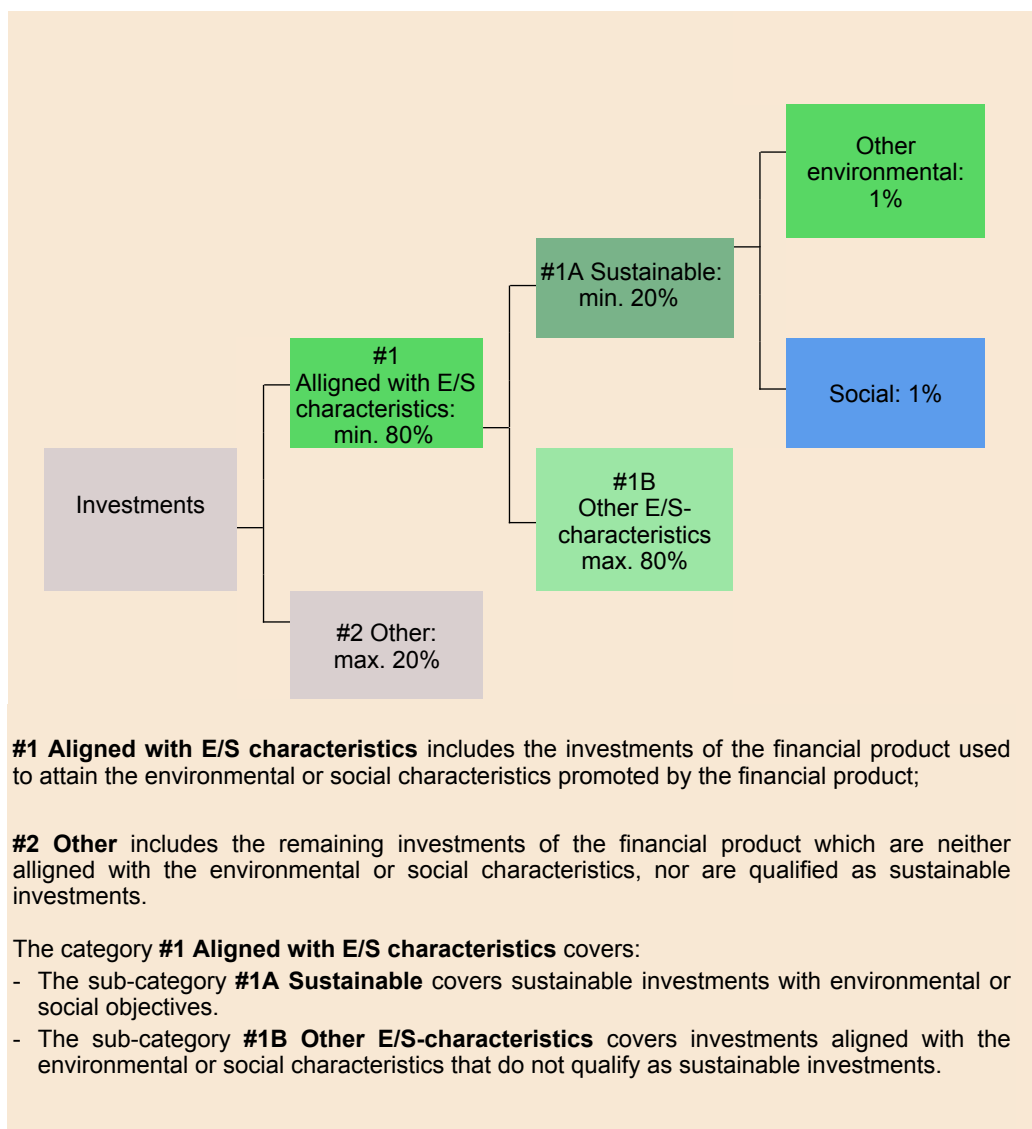
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Dynamic Responsible Investing".



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?



☐ Yes

☐ in fossil gas

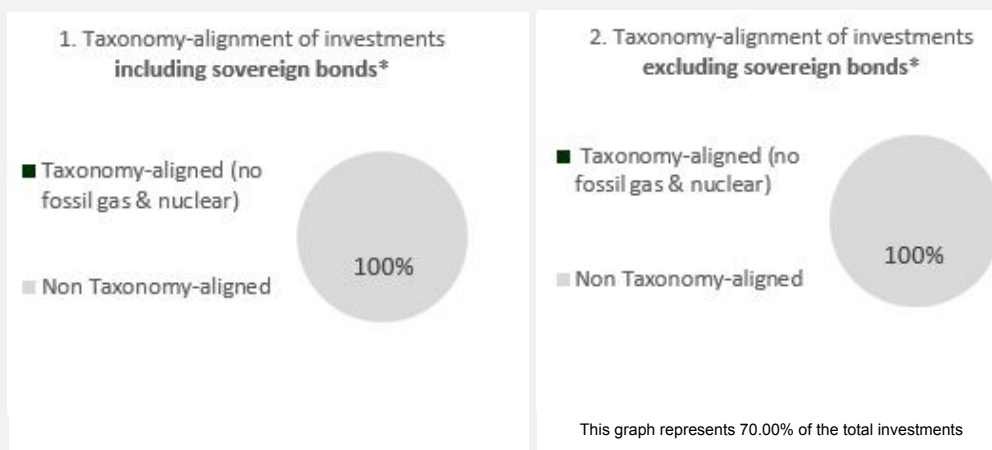
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index are used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Dynamic Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Dynamic Tolerant Responsible Investing

**Legal entity identifier (LEI):**  
875500QSHY9YXRJHD353

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes** ☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |  |
|--|--|
| <b>Instruments issued by companies</b>   |  |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.   |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |  |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).  |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.  |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.  |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%  |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%  |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%   |
| <b>Other specific objectives</b>   | Not applicable.  |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Tolerant Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Dynamic Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated



for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

#### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

##### Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

##### The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

#### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

#### **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable

investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

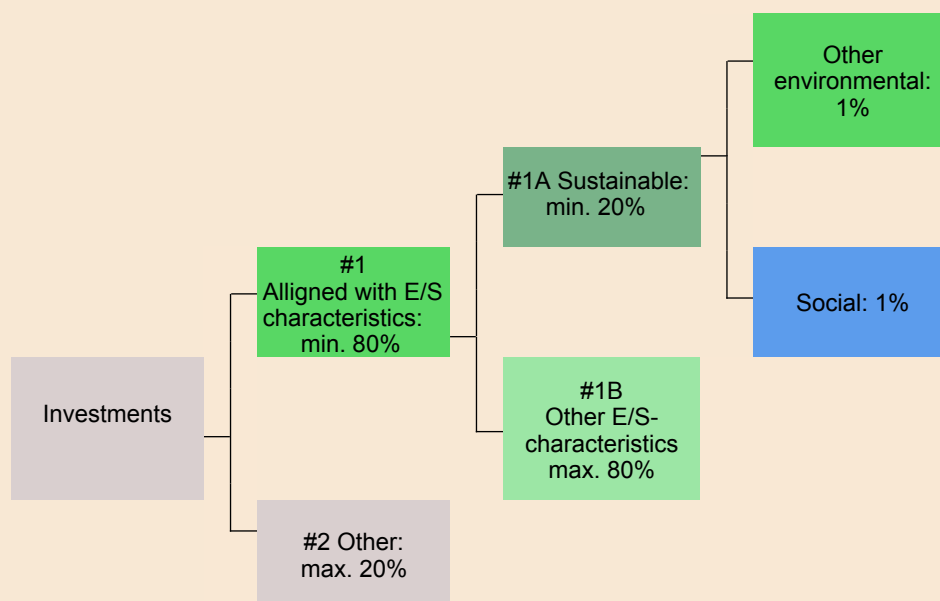
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?



☐ Yes

☐ in fossil gas

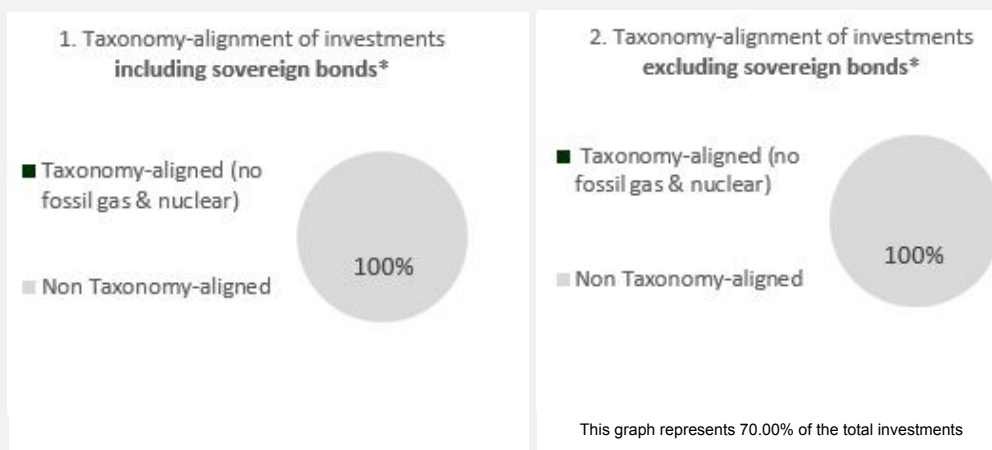
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.





### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Dynamic Tolerant Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Dynamic Tolerant Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC ExpertEase Dynamic Responsible Investing

**Legal entity identifier (LEI):**  
549300V6N61XWBSZJ190

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ Yes ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index.  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC ExpertEase Dynamic Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC ExpertEase Dynamic Responsible Investing' and a reduction of 50% by 2030 compared to the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting

power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**



## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

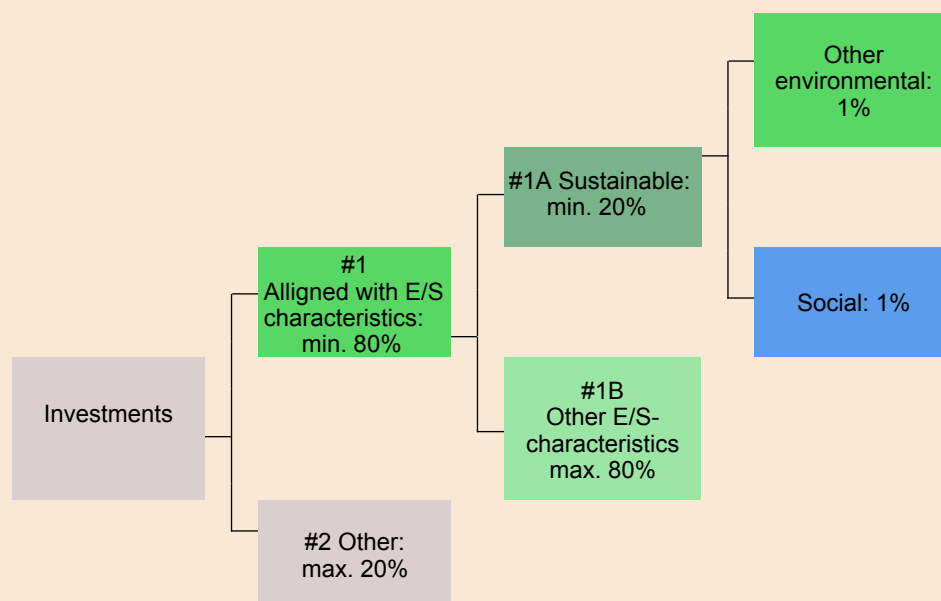
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

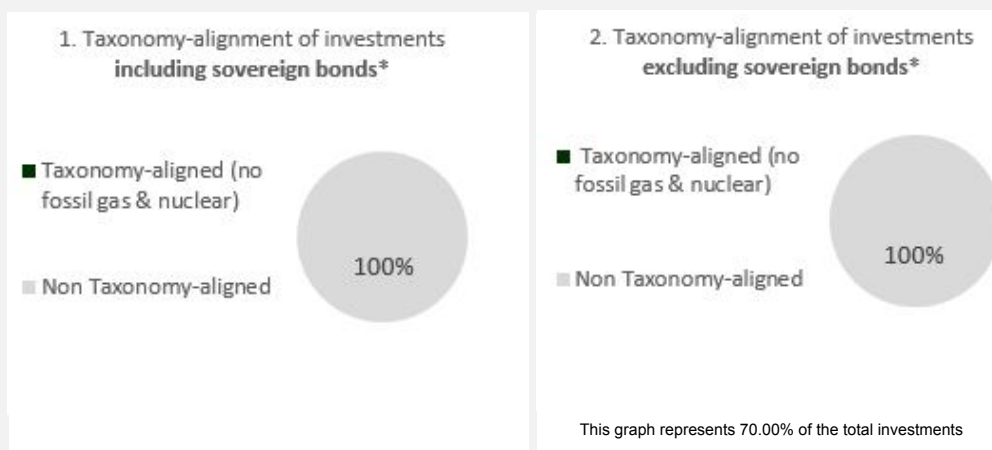
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.





### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC ExpertEase Dynamic Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index are used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.





**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon KBC ExpertEase Dynamic Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon KBC Highly Dynamic Responsible Investing

**Legal entity identifier (LEI):**  
875500A2AHK2YOR7O895

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes** ☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: %

☒ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: %.

☐ It promotes E/S characteristics, but **will not make any sustainable investments**.



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index.  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmarks: MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Highly Dynamic Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund KBC Highly Dynamic Responsible Investing' and a reduction of 50% by 2030 compared to the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting

power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.



-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Highly Dynamic Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Highly Dynamic Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Highly Dynamic Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Highly Dynamic Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

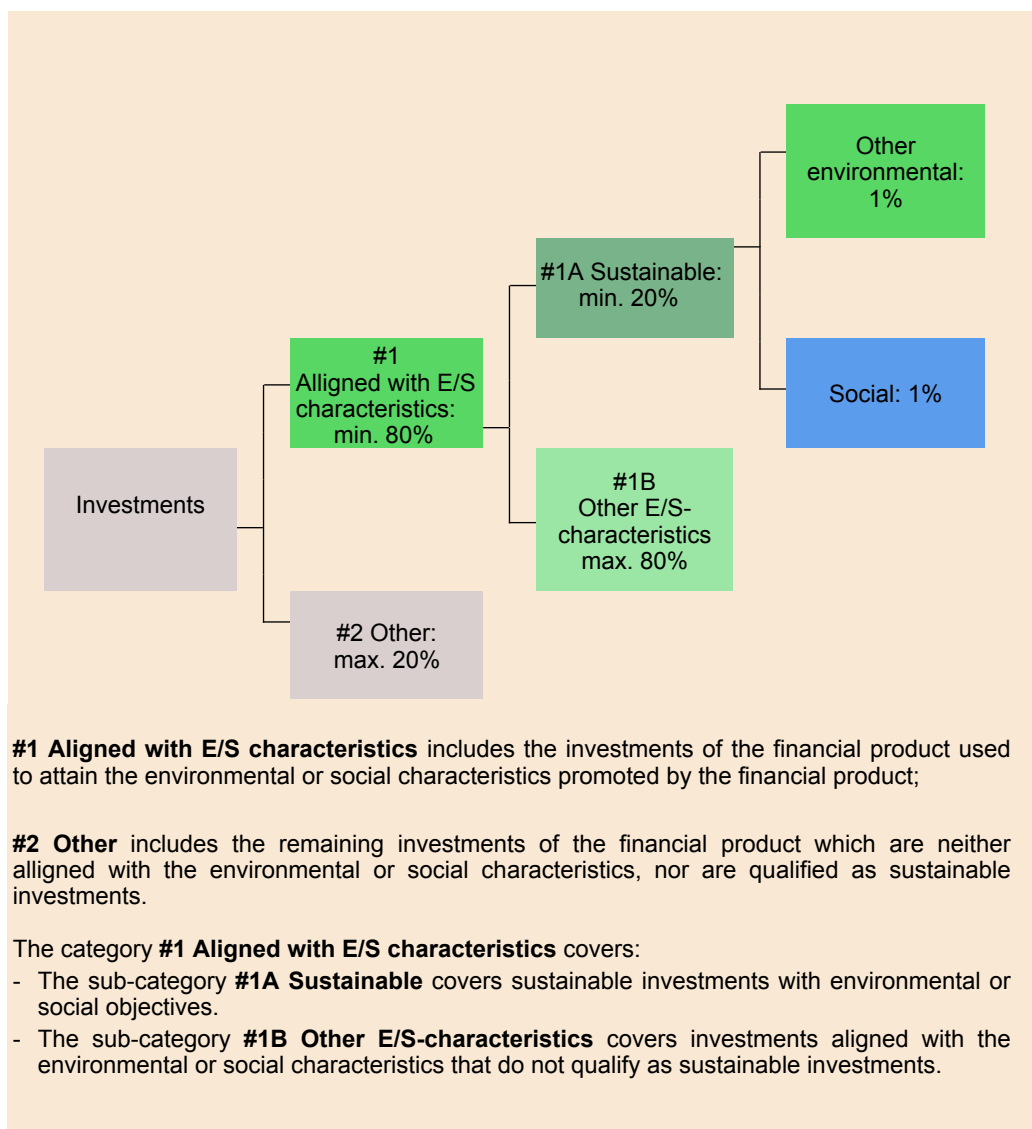
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Highly Dynamic Responsible Investing".



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

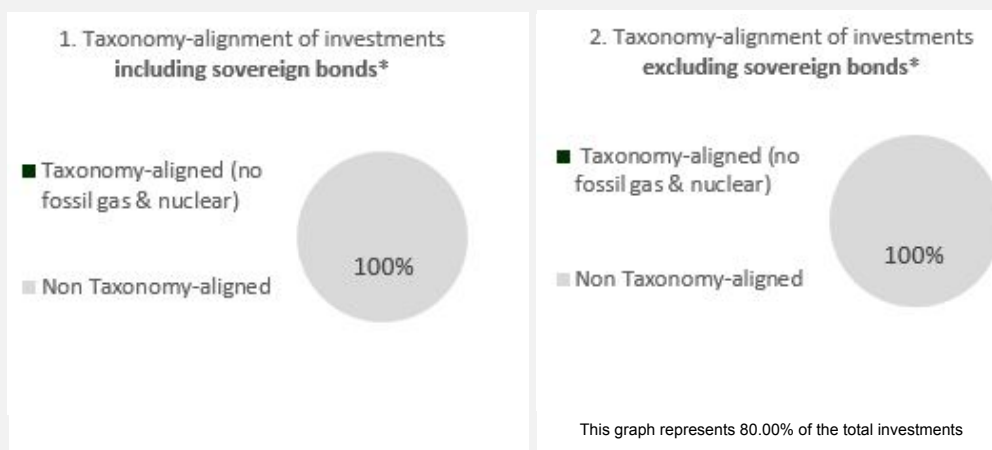
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Highly Dynamic Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmarks MSCI All Countries World - Net Return Index and iBoxx Euro Corporate bonds Total Return Index are used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



#### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.



#### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.



#### How does the designated index differ from a relevant broad market index?

Not applicable.



#### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Highly Dynamic Responsible Investing



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:** Horizon KBC Highly Dynamic Tolerant Responsible Investing **Legal entity identifier (LEI):** 875500BE9KO0C0229Y68

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ Yes ☒ No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : %    | <input checked="" type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  |
|  | <input checked="" type="checkbox"/> with a social objective  |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : %.           | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> .   |



### What environmental and/or social characteristics are promoted by this financial product?

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets

promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing'.   |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the title 'information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the target allocation described in the prospectus under the heading 'Information regarding the sub-fund KBC Highly Dynamic Tolerant Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

**(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'. The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity.

For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the target allocation as described in the prospectus under the heading 'Information regarding the sub-fund KBC Highly Dynamic Tolerant Responsible Investing' and a reduction of 50% by 2030 compared to the target allocation at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated

for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.



KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even

though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing'.

On a continuous basis, the fund manager ensures daily, that risk limits are respected and that current portfolio exposures do not deviate from the targets suggested by the multi-signal model by more than a pre-established acceptable limit. If realignment to the target is necessary, this is normally carried out by using futures in order to keep transaction costs at minimum.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

#### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

##### Negative screening

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

##### The positive selection methodology

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

#### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

#### **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable

investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in specific assets.

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 in the prospectus under title "Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing".

Within these categories of eligible assets, the sub-fund fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

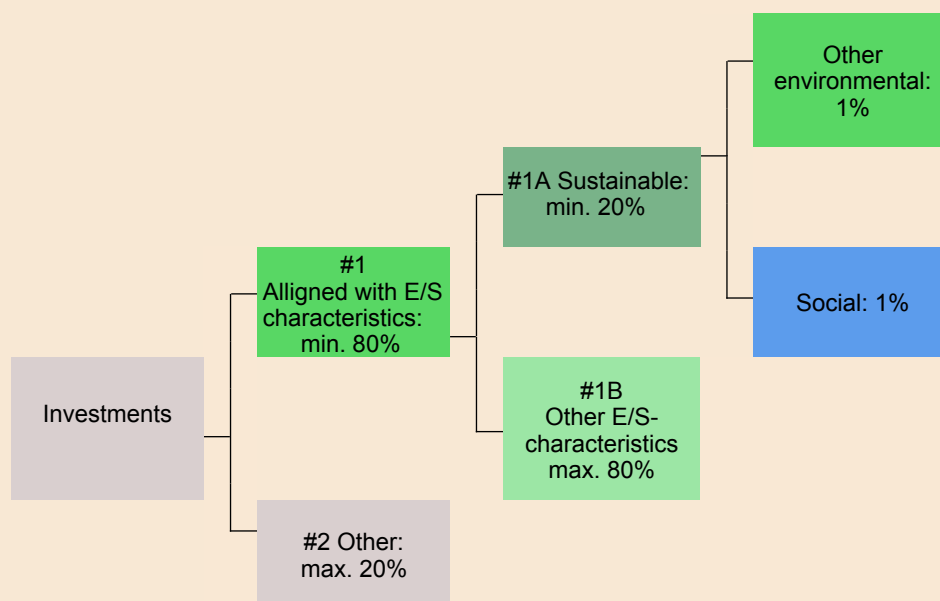
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'.

Taxonomy-aligned activities are expressed as a share of:

**-turnover** reflecting the share of revenue from green activities of investee companies.

**-capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing".



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

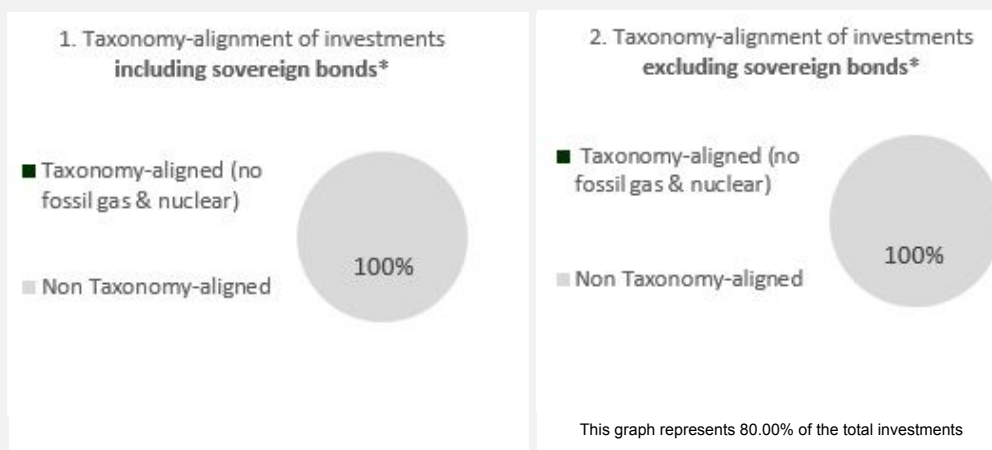
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1.00%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund KBC Highly Dynamic Tolerant Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.



**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.



**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.



**How does the designated index differ from a relevant broad market index?**

Not applicable.



**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon  
KBC Highly Dynamic Tolerant Responsible Investing

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and article 6, first paragraph of Regulation (EU) 2020/852**

**Product Name:**  
Horizon Strategisch Obligatiedepot Responsible Investing

**Legal entity identifier (LEI):**  
549300TQAFEKH1F33306

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU-Taxonomie** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20.00% of sustainable investments



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It will make a minimum of **sustainable investments with a social objective**: %.



It promotes E/S characteristics, but **will not make any sustainable investments**.



**What environmental and/or social characteristics are promoted by this financial product?**

The sub-fund promotes a combination of environmental and/or social characteristics and, even though it does not have sustainable investments as an objective, it shall invest a minimum proportion of 20.00% of its assets in economic activities that contribute to the achievement of environmental or social objectives (i.e. 'sustainable investments'). The minimum proportion assets



promoting environmental and social characteristics of this sub-fund is 80.00%.

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities which contribute to any of the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('EU Taxonomy'). The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

This sub-fund:

- promotes the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments) by preferring issuers with a better ESG (risk)score;
- promotes climate change mitigation by preferring issuers with lower greenhouse gas intensity, with the objective of meeting a predetermined greenhouse gas intensity target;
- supports sustainable development through 'sustainable investments' in accordance with art. 2(17) SFDR.

Sustainable investments will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals.

However, no binding minimum percentage has been set for this latter category, although it contributes to the achievement of the minimum percentage of 'sustainable investments' for this sub-fund.

The concrete objectives of the sub-fund are:

| Objective  |   |
|--|---|
| <b>Instruments issued by companies</b>   |   |
| ESG risk score   | Better than the following benchmark: iBoxx Euro Corporate bonds - Total Return Index  |
| Greenhouse gas Intensity   | Companies are assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the following benchmark: iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporate bonds Total Return Index at end of 2019. An immediate reduction of 30% is envisaged for 2019, followed by an annual reduction of 3%. |
| Bonds financing green and/or social projects   | A minimum of 10% of the corporate bonds invested in should qualify as bonds to finance green and/or social projects.  |
| <b>Instruments issued by governments, supranational debtors and/or agencies linked to governments</b>  |   |
| ESG Score  | 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Greenhouse gas Intensity   | 25% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).   |
| Bonds financing green and/or social projects   | A minimum of 10% of the investments in bonds issued by governments, supranational debtors and/or agencies linked to governments should qualify as bonds financing green and/or social projects.   |
| <b>Minimum % Sustainable Investments</b>   | A minimum of 20.00% of sustainable investments. The sustainable investments for this sub-fund will consist of bonds financing green and/or social projects and investments in issuers contributing to the achievement of the UN Sustainable Development Goals. However, no binding minimum percentage has been set for the latter category.   |
| <b>Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</b> | 1.00%   |
| <b>Minimum % of sustainable investments with a social objective</b>  | 1.00%   |
| <b>Minimum % of assets promoting E/S characteristics</b>   | 80.00%  |
| <b>Other specific objectives</b>   | Not applicable.   |

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmark iBoxx Euro Corporate bonds - Total Return Index is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**(1) Indicators related to the ESG-(risk)score**

The contribution to the integration of sustainability into policy decisions of the issuers is measured based on an ESG (risk) score. For companies, an ESG risk score is assigned, for countries an ESG score. This score represents the aggregated performance assessment of a given issuer with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- In the case of instruments issued by companies:
  - 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).

At least 90% of the corporate investments in the portfolio, as measured by assets under management, must have an ESG risk score.

The ESG risk score is a measure of a company's environmental, social and governance (ESG) risks. To determine this score, relevant key ESG issues for the sub-sector in question are considered, along with the quality of the company's management team and any possible ESG controversies involving the company in the recent past. The ESG risk score for companies measures the difference between a company's exposure to ESG risks relevant to its sector and the extent to which a company hedges those risks. The lower a company's ESG risk score on a scale of 0 to 100, the less its sustainability risk. The ESG risk scores for companies are based on data supplied by data provider Sustainalytics.

In addition to excluding companies with a severe ESG risk (i.e. an ESG risk rating > 40), the sub-fund will promote best practices by using an overall ESG risk score that is better than the ESG risk score of the benchmark iBoxx Euro Corporate bonds - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Strategisch Obligatiedepot Responsible Investing'.

The main factors underpinning the ESG criteria are:

- In the case of instruments issued by national governments, supranational debtors and/or agencies linked to governments five pillars, each of which is given equal weighting:
  - 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 the rights of all citizens;
  - environmental policy (e.g. climate change); and
  - security, peace and international relations.

These lists of factors underpinning the ESG criteria are not exhaustive and may be changed under the supervision of the Responsible Investing Advisory Board.

KBC Asset Management NV assigns an ESG score to at least 90% of the investments in countries within the portfolio, as measured by assets under management.

The ESG score for countries assesses how well countries' public policies perform in environmental, social and good governance terms. The higher a country's ESG score on a scale of 0 to 100, the more it is committed to sustainable development. In addition to excluding the worst rated 10%, the sub-fund will promote best practices by using an overall ESG score that is 10% better than the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR).

To calculate the ESG-(risk)score at portfolio level, the weighted average of the ESG-(risk)scores of the positions in the sub-fund are taken into account. Technical items such as cash and derivatives are not taken into account and also companies or countries for which no data is available are left out. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for these items.

The ESG objectives will be evaluated annually and may be adjusted. External circumstances such as market movements and updates of data regarding the ESG-(risk)score can lead to investment solutions failing to achieve this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest. For supranational bonds, the Responsible Investing research team will assign an ESG score that is a weighted average of the member states, with the weightings being determined by voting rights, paid-in capital or percentage of the population.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

## **(2) Indicators related to the greenhouse gas intensity**

The objective to promote climate change mitigation by preferring issuers with lower greenhouse gas intensity in order to reach a predetermined greenhouse gas intensity objective, applies to at least 90% of the portfolio. The objective does not apply to issuers for which data is not available.

More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'

The contribution of issuers to climate change mitigation is measured based on their greenhouse gas intensity. For companies, greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO<sub>2</sub> equivalent) divided by the Gross Domestic Product (in million USD).

The objectives for instruments issued by companies differ from those for instruments issued by national governments, supranational debtors and/or government-linked agencies.

The number of tonnes of greenhouse gas emitted by a company is the sum of:

- the direct greenhouse gas emissions resulting from the company's own activities (scope 1); and
- the indirect greenhouse gas emissions resulting from the generation of purchased electricity (scope 2).

The indirect greenhouse gas emissions resulting from the activities of suppliers and customers, for example (scope 3), are not included in the sum as this scope 3 data largely depends on assumptions and is not disclosed by companies. Greenhouse gas intensity calculations are based on data sourced from Trucost. Within the sub-fund, the greenhouse gas intensity score based on scope 1 and scope 2 emissions is assigned to at least 90% of the companies in the sub-fund.

The sub-fund's target in terms of greenhouse gas intensity is assessed on two targets whereby the most strict of the two will determine the target applied: 15% better than the benchmark iBoxx Euro Corporate bonds Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporate bonds Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Strategisch Obligatiedepot Responsible Investing' at the end of 2019.

An immediate reduction of 30% is implemented for 2019, followed by a 3% reduction on an annual basis. The portfolio's weighted average will be assessed against that trajectory. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. This calculation does not take technical items such as cash and derivatives into account, and companies without data are also excluded. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The companies for which no data is available are included in the negative screening and given an overall ESG risk rating. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this target trajectory. In that case the investment solution will be adapted to meet the trajectory again within a time frame that takes into account the client's best interest.

The number of tonnes of greenhouse gas emitted by a country is the sum of:

- the greenhouse gas emissions resulting from the domestic production of goods and services for domestic consumption and for export; and
- the greenhouse gas emissions resulting from the import of goods and services, back to the country of origin.

KBC Asset Management NV takes a broad approach to a government as a regulator of all economic activities within its territory. KBC Asset Management NV measures territorial emissions and emissions related to imports, as reported by PRIMAP. PRIMAP's dataset combines several published datasets into a comprehensive set of greenhouse gas emission trajectories. GDP figures in millions of USD are based on data of the International Monetary Fund (IMF). The greenhouse gas intensity score is assigned to at least 90% of the assets in the sub-fund, excluding cash, derivatives and countries without data. Greenhouse gas intensity at the portfolio level is calculated based on the weighted average of the greenhouse gas intensity of the positions in the sub-fund. The weights used in the calculation depend on the size of the positions in the sub-fund, rescaled for the items without data. The countries for which no data is available are included in the negative screening and given an overall ESG rating.

For government bonds, the sub-fund targets a 25% improvement on the current greenhouse gas intensity score of the reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR). This improvement is dependent on the regional allocation, determined by the benchmark. External circumstances such as market movements and updates of data regarding the greenhouse gas intensity can lead to investment solutions not meeting this objective. In that case the investment solution will be adapted to meet the objective again within a time frame that takes into account the client's best interest.

For supranational bonds, the Responsible Investing research team will assign a greenhouse gas intensity score that is a weighted average of member states, with weightings determined by voting power, paid-in capital or percentage of population.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies and/or countries do not show sufficient progress in reducing their greenhouse gas intensity and if this cannot be compensated for through portfolio optimisation, KBC Asset Management NV may be forced to adjust the target upwards. It is also possible that at some point the greenhouse gas intensity will reach a lower level much faster than expected. When companies and/or countries make very good progress in terms of greenhouse gas intensity, KBC Asset Management NV wants to be able to follow that acceleration in the portfolio. In that case the target can be adjusted downwards.

### **(3) Indicators related to the UN Sustainable Development Goals**

To support sustainable development, the sub-fund can invest part of its portfolio in issuers that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Governments are assessed on the five pillars as described in the ESG score, which contain indicators that can be linked to the 17 UN Sustainable Development Goals. If a government scores sufficiently well on one of these pillars and not significantly poor on the other pillars, the bonds of this government and its sub-governments and agencies are considered to be instruments that contribute to UN Sustainable Development Goals.

In order to be considered as contributing to the UN Sustainable Development Goals, a country should meet the following two conditions:

- The country is aligned with the ESG criteria: it has a score of at least 80 for one of the five pillars and does not score lower than 50 for any of the other pillars;
- The country is not excluded: it does not rank among the 50% most controversial regimes AND it does meet the criteria on respecting the sustainable principles AND it does not rank among the 10% worst scoring countries of the universe.

Supranational government bonds are considered to contribute to the UN Sustainable Development Goals if either of the following criteria is met:

- at least half of its members contribute to the UN Sustainable Development Goals (weighted by voting power/full paid-in capital/percentage of population (in order of availability)).
- the mission statement of the supranational institution has a sustainable objective and less than half of its members fall in the worst-scoring half of the screening for controversial regimes.

In addition, the Responsible Investing Advisory Board can award the "sustainable development" label to instruments of companies and governments.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

### **(4) Indicators related to bonds to finance green and/or social projects**

To promote the transition to a more sustainable world, the sub-fund commits to invest a minimum portion of the portfolio in bonds to finance green and/or social projects. More information on the sub-fund's concrete objectives can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

The targets are checked and evaluated annually. The targets can be revised upwards or downwards. The minimum percentage of bonds to finance green and/or social projects may be revised to take into account any stricter requirements that KBC Asset Management NV wishes to impose on the sub-fund. Therefore, the revision will depend on the future development of the responsible investment strategy, but also on the progress made by companies/countries with regard to sustainability.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

## **(1) UN Sustainable Development Goals**

Companies are considered to contribute to sustainable development when at least 20% of the revenues are linked to the UN Sustainable Development Goals. Instruments of these companies are designated as "sustainable investments". The activities of the companies are assessed on multiple sustainable themes that can be linked to the UN Sustainable Development Goals.

Instruments of governments, supranational debtors and/or government-linked agencies that contribute to the UN's sustainable development goals in accordance with what is explained in the section "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?" of this appendix also qualify as "sustainable investments".

In addition, the Responsible Investing Advisory Board can award the 'sustainable development' label to instruments of companies and governments. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

However, the awarding of the 'sustainable development' label by the Responsible Investing Advisory Board to instruments of governments is very exceptional. The possibility of deviating from the outcomes of the internal KBC country model is mainly intended for countries that just meet or just fall short of the requirements, with the aim of avoiding that countries that would 'leapfrog' the bar over the years (i.e. borderline sustainable or not sustainable or permitted) would have to be in and then out of the investment universe each time, and this in order to avoid transaction costs.

## **(2) Bonds financing green and/or social projects**

To encourage the transition to a more sustainable world, the sub-fund commits to invest a minimum proportion of the portfolio in bonds financing green and/or social projects. More information about the concrete objectives of the sub-fund can be found in the summary table in the section 'What environmental and/or social characteristics are promoted by this financial product?'.

Bonds whose proceeds will be used exclusively to finance (a combination of) green and social projects that are aligned with the International Capital Market Association (ICMA) Green Bond Principles and Social Bond Principles on the Use of Proceeds are considered bonds financing green and/or social projects. Compliance with these principles is verified by an external party. Instruments that meet these requirements are labelled 'sustainable investments' as defined by article 2(17) SFDR.



### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and bribery matters.

The sustainable investments that the sub-fund partially intends to make do not cause significant harm to the sustainable investment objective due to negative screening.

The sub-fund takes into account all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 through the negative screening.

The negative screening entails the advance exclusion from the responsible investment universe by the sub-fund of issuers that do not align with the exclusion policies.

The application of these policies means that issuers involved in activities such as fossil fuels, the tobacco industry, arms, gambling and adult entertainment are excluded from the sub-fund's investment universe. Investments in financial instruments linked to livestock and food prices are also excluded. All companies that derive at least 5% of their revenues from the production or 10% of their revenues from the sale of fur or special leather, are excluded. The negative screening also ensures that issuers based in countries that encourage unfair tax practices, that seriously violate fundamental principles of environmental protection, social responsibility and good governance (through the normative screening, through a poor ESG risk rating, due to involvement in unsustainable countries by not meeting the sustainability criteria and controversial regimes, due to severe controversies related to water emissions, pollution or waste and gender diversity and due to high or severe controversies in the context of activities that have a negative impact on biodiversity and for which insufficient measures are taken to reduce their impact) are excluded from the sub-fund's investment universe.

These negative screening principles are not exhaustive and may be modified on the advice of the Responsible Investing Advisory Board.

-----How have the indicators for adverse impacts on sustainability factors been taken into account?

Through the exclusion policy for responsible investment funds, and in particular through the normative screening and ESG risk assessment, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288, are taken into account for instruments issued by companies. The sub-fund does not invest in companies that seriously violate the Principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. All companies involved in serious controversies related to environmental, social or good governance issues are excluded as well. Also excluded are companies with an ESG risk rating of more than 40 according to data provider Sustainalytics.

For investments in instruments issued by countries, all indicators for the principal adverse impacts of the investment decisions on sustainability factors as listed in Table 1 of Annex 1 of the Delegated Regulation 2022/1288 as well as the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 are taken into account by excluding countries belonging to the worst 10% according to the ESG rating model, and by excluding countries that do not comply with the sustainability criteria and are exposed to controversial regimes.

On top of the normative screening and the ESG risk assessment, using the positive selection methodology regarding greenhouse gas intensity and the exclusions in the exclusion policy for responsible investment funds, the following indicators for adverse impacts on sustainability factors are also taken into account as follows for all investments of this sub-fund:

- **Indicator 3:** greenhouse gas ('GHG') intensity of investee companies is taken into account through the greenhouse gas intensity reduction target for companies.
- **Indicator 4:** exposure to companies active in the fossil fuel sector is taken into account as the sub-fund does not invest in companies that are active in the fossil fuel sector.
- **Indicator 7:** Activities negatively affecting biodiversity-sensitive areas are taken into account as the sub-fund does not invest in companies that have high or severe controversies related to Land Use and Biodiversity as well as companies with activities that have a negative impact on biodiversity and that don't take sufficient measures to reduce their impact.
- **Indicator 10:** Violations of the United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is taken into account as the sub-fund does not invest in companies that seriously violate UNGC principles or OECD guidelines.
- **Indicator 14:** exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is taken into account as the sub-fund does not invest in companies that are active in controversial weapons.
- **Indicator 15:** GHG intensity of investee countries is taken into account through the greenhouse gas intensity reduction target for sovereign related investments.
- **Indicator 16:** Investee countries subject to social violations is taken into account as the sub-fund does not invest in (i) countries not complying with the sustainability criteria, and (ii) countries exposed to controversial regimes. More information can be found in the Exclusion policy for responsible investment funds.

In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through the Proxy Voting and Engagement Policy of KBC Asset Management NV.

A complete overview of the indicators for adverse impacts on sustainability factors that the sub-fund can take into account is included in Annex 1 of Delegated Regulation (EU) 2022/1288.

-----How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Companies seriously violating the basic good practices in terms of environmental, social and governance issues, as assessed by the UN Global Compact Principles, are excluded from the sub-fund. The United Nations Global Compact has formulated ten guiding sustainability principles regarding human rights, labour, environment and anti-corruption which are part of the internal screening. In addition, KBC Asset Management NV assesses the companies' involvement in violations of the International Labour Organization's (ILO) Conventions, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

The sub-fund commits to respect the letter and the spirit of the United Nations Universal Declaration of Human Rights; the principles concerning fundamental rights in the eight International Labour Organisation core conventions as set out in the Declaration on Fundamental Principles and Rights at Work; the UN Declaration on the Rights of Indigenous Peoples; the UK Modern Slavery Act and other international and regional human rights treaties containing internationally recognised standards by which the business sector must abide.

KBC Asset Management NV assesses all companies on the 'Human Rights List' of KBC Group as well as all companies meeting the criteria below:

- a high or severe controversy score related to Human Rights, for subindustries for which Human Rights are considered a high or severe risk.
- a severe controversy score related to Human Rights, for all other subindustries.

Based on this assessment, appropriate measures are taken, ranging from engagement with the companies concerned to selling positions. More information on the Policy on Human Rights can be found on the KBC Asset Management NV website.

More information on negative screening can be found in the section on "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective" of this annex.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The principal adverse impacts on sustainability factors are explicitly taken into account for all investments of the sub-fund through the exclusion policies applied. In addition, the principal adverse impacts on sustainability factors are implicitly taken into account through KBC Asset Management NV's proxy voting and engagement policies.

More information on the principal adverse impacts on sustainability factors can be found under the section "How have the indicators for adverse impacts on sustainability factors been taken into account?" of this appendix.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund, published after 1 January 2023.



No



The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title "Information concerning the sub-fund Strategisch Obligatiedepot Responsible Investing" of the prospectus.

Within the constraints described in the general investment strategy, the sub-fund pursues (directly or indirectly) responsible investment objectives based on a dualistic approach: a negative screening and a positive selection methodology.

More information regarding the negative screening and positive selection methodology can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?' and the section 'What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?' of this annex.

The sub-fund promotes a combination of environmental and/or social characteristics and, even



though it does not have sustainable investments as an objective, it shall invest a minimum proportion of its assets in economic activities that contribute to the achievement of (i.e. 'sustainable investments').

The issuers in which it invests must follow good governance practices.

It cannot be ruled out that very limited investments may be made temporarily in assets that no longer contribute to achieving environmental or social objectives promoted by the sub-fund.

Among other things, this can be due to external circumstances, erroneous data, corporate events, and updates to the screening criteria. In these cases, the assets concerned will be replaced with more appropriate assets as quickly as possible, always taking into account the sole interest of the investor. More information can be found in the prospectus under possible exceptions as described in section 2. Investment information of title 'Information concerning the sub-fund Strategisch Obligatiedepot Responsible Investing'.

In addition, compliance of the eligible responsible universes is ensured at all times through the use of compliance rules enforced in the front office system.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The negative screening and positive selection methodology are the binding elements in the selection of investments to achieve each of the environmental or social characteristics promoted by the sub-fund.

**Negative screening**

The end result of this negative screening procedure is that the sub-fund excludes issuers in advance from the Responsible Investment universe which fall foul of the exclusion policies that apply to this sub-fund.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.

**The positive selection methodology**

The sub-fund will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG (risk)score and promote climate change mitigation, by preferring issuers with lower greenhouse gas intensity, with the goal of meeting a predetermined greenhouse gas intensity target. The sub-fund will also support sustainable development, by including issuers that contribute to the UN Sustainable Development Goals and by encouraging the transition to a more sustainable world via bonds financing green and/or social projects.

More information on the concrete objectives applicable to this sub-fund regarding ESG (risk) score, greenhouse gas intensity, sustainable investments and bonds financing green and/or social projects can be found in the overview table under section 'What environmental and/or social characteristics are promoted by this financial product?'.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the abovementioned investment strategy.

**What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The four principles regarding good governance practices, i.e. i) sound management structures, ii) employee relations, iii) remuneration of staff and iv) tax compliance, are taken into account in the negative screening, whereby the sub-fund excludes issuers that violate the exclusion policies. In addition to excluding issuers involved in certain activities, this screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance are excluded through the assessment of controversies and by evaluating companies based in countries that encourage unfair tax practices.

Private issuers are assigned an ESG risk score. The indicators used in this assessment vary depending on the company's subsector, but good governance is always taken into account. Companies with an ESG risk score higher than 40, based on data from the data provider Sustainalytics, are excluded. Ad-hoc exclusions or deviations can be applied to certain companies on the advice of the Responsible Investing Advisory Board.

More information on the negative screening can be found in the section 'How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?'.



## What is the asset allocation planned for this financial product?

**Asset allocation**  
describes the  
share of  
investments  
in  
specific assets.

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 in the prospectus under title "Information concerning the sub-fund Strategisch Obligatiedepot Responsible Investing".

Within these categories of eligible assets, the sub-fund aims to invest at least 80.00% of the assets in assets that promote environmental or social characteristics.

Corporate and sovereign investments in issuers passing the negative screening and contributing to at least one specific positive selection Responsible Investing methodology are considered as 'assets promoting environmental and social characteristics'.

(Term) deposits are classified as 'promoting environmental and social characteristics' if the counterparties pass the exclusion policy for conventional and Responsible Investing funds and the exclusion policy for Responsible Investing funds, and are net aligned with at least one of the first fifteen UN Sustainable Development Goals. These counterparties are net aligned with the first 15 UN Sustainable Development Goals if they have at least one +2 Net Alignment Score on any of the first 15 SDGs at MSCI.

More information on the MSCI Net Alignment Score can be found in the investment policy for Responsible Investing funds which is available on [www.kbc.be/investment-legal-documents](http://www.kbc.be/investment-legal-documents) > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 20.00% of its assets in technical investments, such as liquidities and derivatives, and assets in which the sub-fund temporarily invests following a scheduled update of the eligible universe that determines which assets promote environmental and/or social characteristics, for which there are no environmental or social safeguards. The sub-fund may hold or invest in these types of assets to achieve its investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks.

Derivatives are used to hedge risks as specified in title 'Permitted derivative transactions' as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Strategisch Obligatiedepot Responsible Investing".

Investments in derivatives are not used to promote environmental or social characteristics and also will not affect them.

In addition, the sub-fund commits to invest at least 20.00% of the assets in 'sustainable investments' as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 1.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 1.00% in sustainable investments with a social objective.

The objective with respect to sustainable investments for this sub-fund is equal to the sum of investments that are considered "sustainable" based on the published methodology on contributing to the achievement of the UN Sustainable Development Goals, plus investments in bonds that can be considered as bonds to finance green and/or social projects, plus instruments that are classified as "sustainable" by the Responsible Investing Advisory Board.

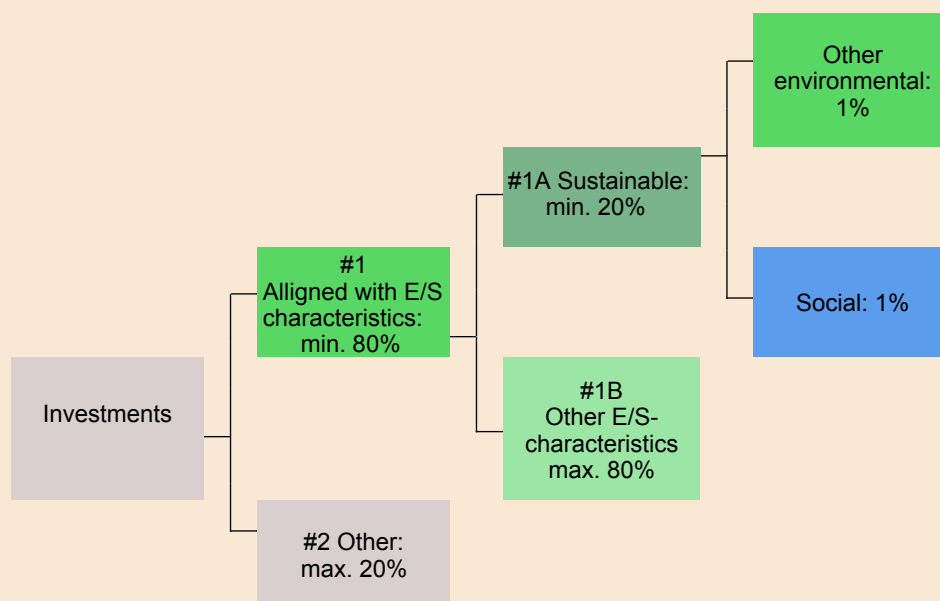
In addition, companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund, published after 1 January 2024. More information can also be found in the section 'What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?.'

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies.

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product;

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S-characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Investments in derivatives are not used to attain the environmental or social characteristics promoted by the sub-fund and will not affect them.

Derivatives are used to hedge risks as specified in the permitted derivatives transactions as described in the prospectus in section 2. Investment information under the heading "Information concerning the sub-fund Strategisch Obligationedepot Responsible Investing".



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. The minimum proportion of investments in environmentally sustainable economic activities within the meaning of the EU Taxonomy is 0.00%.

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

☐ Yes

☐ in fossil gas

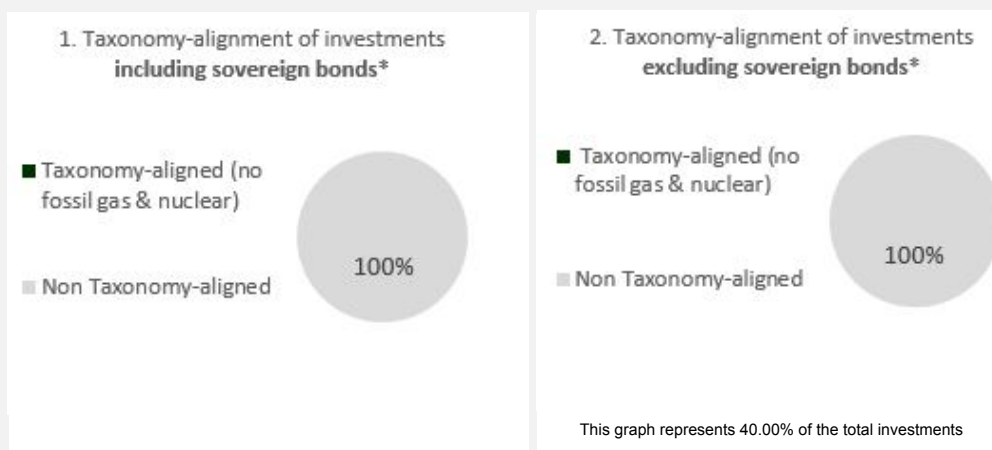
☐ in nuclear energy

☒ No

The sub-fund shall not invest a minimum proportion of its assets in environmentally sustainable economic activities within the meaning of the EU Taxonomy Framework. However, through investments in companies exposure is possible in activities that comply with the EU Taxonomy based on data from Trucost, including the fossil gas and/or nuclear sectors, through bonds financing green projects. More information on the percentage of the portfolio invested during the reporting period for this sub-fund in activities in the fossil gas and/or nuclear sectors that comply with the EU taxonomy can be found in the annual reports for this sub-fund, published after 1 January 2024.

(1) Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**\*\*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consists of all sovereign exposures.

\*\* The proportion of total investments excluding government bonds refers to expected exposure and is for illustrative purposes only. This proportion may vary over time.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

The sub-fund commits to invest at least 20.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 1.00% thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy.

Asset managers depend on available sustainability data relating to their investee companies. There is currently a lack of sustainability data available. This has created the risk that investment funds currently report a very low percentage of investments that comply with the EU Taxonomy.



### What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 1.00%.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are technical investments such as liquidities and derivatives that are not part of the screening methodology. The sub-fund may hold or invest in these types of assets to achieve investment objectives, to diversify the portfolio, for liquidity management purposes and to hedge risks. Investments in derivatives are not used to promote environmental or social characteristics and will not affect them.

Derivatives are used to hedge risks as specified in the title "Permitted Derivative Transactions" as described in the prospectus under section 2. Investment information of title "Information concerning the sub-fund Strategisch Obligatiedepot Responsible Investing".

For the investments under "#2 Other" there are no environmental or social minimum safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by this sub-fund.

For investments issued by companies the benchmark iBoxx Euro Corporate bonds - Total Return Index is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

For investments in instruments issued by governments, supranational debtors and/or government-linked agencies, the described reference portfolio of global government bonds (composed of the following benchmarks: 67% developed markets: J.P. Morgan GBI Global Unhedged EUR and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR) is used as a basis for comparison, to compare certain ESG characteristics promoted by the sub-fund.

### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.

### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

### How does the designated index differ from a relevant broad market index?

Not applicable.

### Where can the methodology used for the calculation of the designated index be found?

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** [www.kbc.be/SRD](http://www.kbc.be/SRD) > Horizon Strategisch Obligatiedepot Responsible Investing