KBC Participation Prospectus

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.

05/10/2026

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

Name

KBC Participation (abbreviated to 'Participation')

Legal form

Naamloze Vennootschap (limited liability company)

Date of incorporation

30 November 2005

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
Cash Plus Responsible Investing	
Commodities	
Corporate Bonds 1 Responsible Investing	
Corporate Bonds 2 Responsible Investing	
Corporate Bonds 02.2029	
Corporate Bonds 3 Responsible Investing	
Corporate Bonds 4 Responsible Investing	
Corporate Bonds Responsible Investing	
Corporate Bonds USD 1	
Enhanced Intelligence Bond Selection Responsible Investing	
Europe Financial Bond Opportunities	
Local Emerging Market Bonds	
Private Banking Active Bond Selection	
Short Term Bond Selection	

Board of Directors of the Bevek

Name	Title	Mandate
Marc Smet	Director KBC Private Banking KBC Bank & Issurance Private Banking Directorate Head Office West KBC Bank NV, Havenlaan 2, B-1080 Brussels	*Chairman*
Sara Baeten	General Manager Data Driven & Responsible Investing KBC Asset Management NV, Havenlaan 2, 1080 Brussels	*Director*
Jozef Walravens	/	*Independent Director*
Hilde Reijnaert	Head Sales Support KBC Asset Management NV, Havenlaan 2, 1080 Brussels	*Natural person to whom the executive management of the Bevek has been entrusted*
Johan Tyteca	/	*Natural person to whom the executive management of the Bevek has been entrusted*

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.

The Management Company is authorised to provide discretionary portfolio management services and may, in accordance with applicable laws, delegate the performance of such services to other entities.

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 Pension Savings Fund Defensive Responsible Investing, KBC Pension Savings Fund Responsible Investing, KBC Select Immo, LS Pure, Optimum Fund, Perspective, Plato Institutional Index Fund, Pricos SRI.

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	*Non-Executive Director*	
Katrien Mattelaer	*Non-Executive Director*	
Roland Jeanquart	*Independent Director*	
Stefan Van Riet	*Independent Director*	
Peter Andronov	*Chairman*	
Johan Lema	*President of the Executive Committee*	*Natural person to whom the executive management of the management company has been entrusted*
Frank Van de Vel	*Executive Director*	*Natural person to whom the executive management of the management company has been entrusted*
Ilse Hiergens	*Executive Director*	*Natural person to whom the executive management of the management company has been entrusted*
Jürgen Verschaeve	*Executive Director*	*Natural person to whom the executive management of the management company has been entrusted*
Timmy Van Lombergen	*Executive Director*	*Natural person to whom the executive management of the management company has been entrusted*

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

KPMG Bedrijfsrevisoren Belgium, Brussels National Airport 1K, 1930 Zaventem, represented by Kenneth Vermeire, 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* (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 Bevekwithin the usual terms;
f) Ascertains that:
    i. The assets in custody correspond with the assets stated in the acounts 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 acounts 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*.

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* (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

Forvis 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 statuary 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

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

30 April.

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 20th of July at 10 am (or in case this is day is not a business day, the next following business day) 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.

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 Cash Plus Responsible Investing, Corporate Bonds 1 Responsible Investing, Corporate Bonds 2 Responsible Investing, Corporate Bonds 3 Responsible Investing , Corporate Bonds 4 Responsible Investing, Corporate Bonds Responsible Investing, Corporate Bonds USD 1, Enhanced Intelligence Bond Selection Responsible Investing 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 **shares** and **bonds** will be lent	When lending financial instruments a **maximum of 30% of the assets under management** will be involved.	**Depending on market conditions 0–30% of the assets under management** 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: a) A credit institution; or b) An investment firm; or c) A settlement or clearing institution; or 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. 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: - Moody's (Moody's Investors Service); - S&P (Standard & Poor's, a division of the McGraw-Hill Companies); en - Fitch (Fitch Ratings). 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 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 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;
- 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* > *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* > *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* > *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 > *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* > *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 score 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 as well as internal research, where ESG stands for "Environmental, Social and Governance". The ESG risk scores 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 score (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* > 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.

Internal credit quality assessment procedure

The credit quality assessment procedure for the Cash Plus Reponsible Investing subfund is carried out by the fund manager in accordance with Articles 19, 20, 21, 22 and 23 of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

This procedure is used to assess the credit quality of money market instruments, taking into account the issuer of the instrument and the characteristics of the instrument itself. The assessment scale for the short-term credit quality risk ranges from A1+, the highest credit quality rating, to B, the lowest credit quality rating. (The full assessment scale comprises the credit quality ratings A1+, A1, A2, A3 and B. The interpretation of these ratings is described in the table below.) A short-term credit quality rating of A3 will be regarded as a negative indicator for inclusion of a money market fund in the portfolio. However, where existing positions are assigned a lower credit quality rating, these will only be maintained in portfolio with due observance of Article 7 of Commission Delegated Regulation (EU) 2018/990 of 10 April 2018 amending and supplementing Regulation (EU) 2017/1131 of the European Parliament and of the Council with regard to simple, transparent and standardised (STS) securitisations and asset-backed commercial papers (ABCPs), requirements for assets received as part of reverse repurchase agreements and credit quality assessment methodologies. A back test will be performed each year, which could result in a review of the credit quality assessment procedure applied.

The analysts of KBC Asset Management NV use a number of fundamental qualitative and quantitative data on the issuers when assigning quality ratings. Market and sector data are also taken into account. Different models may be used depending on the type of issuer concerned (companies, banks or public issuers).

Assigned credit quality ratings are reviewed at least once a year or whenever there is a material change in the fundamentals of a company and/or whenever a particular market signal suggests a possible deterioration in the credit quality rating.

Assessment scale and interpretation	
A1+	Very strong capacity to meet financial obligations.
A1	The second highest category. The counterparty has a strong capacity to meet its financial obligations.
A2	The counterparty is slightly more susceptible to the adverse effects of changes in economic or other circumstances. However, the debtor’s capacity to meet its financial obligations is adequate.
A3	The counterparty has adequate protection parameters in place. However, unfavourable or changed economic circumstances could lead to a reduction in the capacity to meet its financial obligations.
B	The counterparty is currently able to meet its financial obligations but is confronted with large and persistent uncertainties which could result in insufficient capacity to meet its financial obligations.

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: 6 150.00 EUR/year (excluding VAT) and 980 EUR/year (excluding VAT) for non-structured sub-funds These amounts can be indexed on an annual basis in accordance with the decision of the General Meeting.

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)vof 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

Not applicable.

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).

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%.

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.

Capital gains tax on financial assets
The Belgian Government has introduced a capital gains tax on financial assets through the Act of 6 April 2026 introducing a tax on capital gains on financial assets, with effect from 1 January 2026.
A capital gains tax of 10% on the price received by the shareholder minus the acquisition value will be payable on a transfer of shares of the Sicav against payment. For shares acquired before 1 January 2026, the acquisition value will be the last known net asset value of 2025.
From the taxable base, the taxable base as referred to in art. 19bis WIB 92 (tax on debt-claim return) is first deducted.
The intermediary established in Belgium who intervenes in this transaction in any way will withhold capital gains tax at the source for the benefit of residents of Belgium, unless the shareholder has opted out. When calculating the capital gain, the intermediary will not take into account any exemptions to which the shareholder is entitled or the offsetting of realised capital losses.

Shareholders subject to legal entities tax must declare realised capital gains themselves.

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): At maturity and on the Early Exercise Date (if applicable): 0% Else: 1.32% (max. 4 000 euros) DIS (distribution shares): 0%	CAP -> CAP/DIS : 1.32% (max. 4 000 EUR) 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 Bevek 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 Bevek 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 Bevek 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 Bevek at Havenlaan 2, B-1080 Brussels, Belgium.
The following documents and information are available at *www.kbc.be/kid:*
key information document, the prospectus, the most recently published annual and half-yearly reports.

For the Cash Plus Reponsible Investing subfund, the weekly transparency report containing information as referred to in Article 36 of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds may be consulted on the website www.kbc.be/fundfinder.

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*) and/or on the KBC Asset Management NV website (*www.kbc.be/nav*) 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 indicate whether the administrator(s) of benchmarks falling within any of the following categories are included in the register of authorized or registered administrators and benchmarks maintained by the European Markets and Securities Authority (the 'ESMA Register').

- a critical benchmark;
- a significant benchmark;
- a commodity benchmark listed in Annex II of the Benchmark Regulation;
- an EU Climate Transition Benchmark; or
- an EU Parisaligned Benchmark.

Currently, the following categories of benchmarks are identified:

Benchmark	**Administrator**	**Category according to Benchmark Regulation**	**Administrator Benchmark included in the ESMA Register**
N.A	N.A	N.A	N.A

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
Commodities	Between 0% and 2,00%	Bloomberg Commodity ex-Agriculture and Livestock Capped-index	Bloomberg
Corporate Bonds Responsible Investing	0,75%	iBoxx Euro Corporates - Total Return Index	S&P Global Limited
Europe Financial Bond Opportunities	1,50%	iBoxx Euro Contingent Convertibles liquid Developed Markets AT1 Index	S&P Global Limited
		iBoxx Euro Financial Subordinated Total Return Index	S&P Global Limited
Local Emerging Market Bonds	1,50%	JP Morgan Government Bond Emerging Markets GLOBAL DIVERS Composite - Total Return Index	J.P. Morgan Securities LLC
Short Term Bond Selection	0,50%	iBoxx EURO corporate BBB Rated ALL MATURITIES - Total Return Index	S&P Global Limited
		JP Morgan EMU Government Bonds Investment Grade 1-3 year Total Return Index	J.P. Morgan Securities LLC

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 (if such inclusion is required by the Benchmark Regulation);
- 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.

M. Liability

To the extent permitted by law, the legal provisions on extra-contractual liability (Book 6 "Extra-Contractual Liability" of the Civil Code) do not apply in the relationship between the investor and the Bevek and in the relationship between the investor and any auxiliary persons of the Bevek (including but not limited to the directors of the Bevek, the management company, the directors and employees of the management company).

This provision does not affect:

(i) the liability of the Bevek or the management company pursuant to this prospectus or the Law of 3 August 2012 on undertakings for collective investment meeting the conditions of Directive 2009/65/EC and undertakings for investment in debt securities (or related legislation);

(ii) the extra-contractual liability of the custodian, financial service or statutory auditor (other than the liability of their directors or employees) pursuant to Book 6 "Extra-Contractual Liability" of the Civil Code;

(iii) the liability for wilful misconduct of the Bevek, the management company or any person for whom the Bevek or management company is required to act;

(iv) the liability for a misconduct of the Bevek, the management company or any person for whom the Bevek or management company is required to act, affecting life or physical integrity.

N. Liquidity management tools

The management company / Board of Directors of the Bevek may use certain instruments to manage liquidity risk including but not limited to:

- temporarily suspending the transactions in a sub-fund (subscriptions / redemptions / switches), whether or not combined with the temporary suspension of the calculation of the net asset value, in accordance with the articles of association. This suspension is published on *www.kbc.be/investment-legal-documents*.
- temporarily and partially limiting the right of shareholders to redeem their shares, so that they may only redeem a certain portion of their shares ("*redemption gates*" – as described below);
- adjusting the net asset value of a sub fund by applying a factor that reflects liquidity costs ("*swing pricing*" – as described below);
- creating "side pockets" to separate assets whose economic or legal characteristics have changed significantly or become uncertain due to exceptional circumstances from the other assets of a sub-fund.

Redemption gates

On any Dealing Day, the Management Company is not obliged to process redemption requests in full if the total net redemptions of a sub-fund are equal to or exceed 10% of the net asset value (the "Activation Threshold"). In such a case, the Management Company may, at its discretion, apply a pro rata reduction to all redemption requests received for that Dealing Day, ensuring that the total amount redeemed corresponds at least to the level of the Activation Threshold. Any unprocessed portion of a redemption request is automatically cancelled and is not carried forward to the next Dealing Day. Shareholders are informed each time this measure is applied. In addition, the suspension measure relating to redemption requests is published on *www.kbc.be/investment-legal-documents*. For the purposes of this section, a request to convert shares from one sub-fund to another is treated as a redemption request.

Redemption gates may be applied to all sub-funds of the Bevek.

Swing pricing

A sub-fund may suffer a reduction in value, known as "dilution", when trading the underlying assets as a result of net inflows or net outflows in the relevant sub-fund. This occurs due to transaction costs and other expenses that may arise from buying or selling underlying assets and the spreads between the buying and selling prices. To mitigate this dilution effect and protect the interests of shareholders, the Management Company has implemented a partial swing-pricing mechanism, as further described below.

If, on a Dealing Day, the net transactions in a sub-fund exceed a certain activation threshold determined from time to time by the Management Company (the "Swing Threshold"), the net asset value may be adjusted by applying a factor (the "Swing Factor") that reflects liquidity costs.

The Swing Factor includes estimated explicit transaction costs and, where appropriate in light of the sub-fund's investment strategy, implicit transaction costs, including any significant market impact of purchases or sales of assets required to meet subscriptions or redemptions. These implicit transaction costs are estimated on a best-efforts basis.

On each Dealing Day with net subscriptions above the Swing Threshold, the net asset value of the sub-fund may be adjusted upwards by the Swing Factor. Conversely, on each Dealing Day with net redemptions above the Swing Threshold, the net asset value may be adjusted downwards by the Swing Factor.

In normal market conditions, the Swing Factor will not exceed 2.5% of the original net asset value for a given Dealing Day. In exceptional market conditions, such as periods of high market volatility, the Management Company may decide to increase this maximum level up to 5% to protect shareholders' interests.

Swing pricing may be applied to all sub-funds for which this mechanism is provided in the detailed description of the relevant sub-fund under 'Calculation of the net asset value' and is not aimed at addressing the specific circumstances of each individual investor transaction.

Information concerning the sub-fund Cash Plus Responsible Investing

This sub-fund has been granted a derogation to invest up to 100% of its assets in various money market instruments issued or guaranteed, separately or jointly, by the European Investment Bank, the European Stability Mechanism, Belgium, Germany, France, Italy, the Netherlands and Spain.

1. Basic details

Name

Cash Plus Responsible Investing

Date of incorporation

14 May 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 sub-fund is a standard variable net asset value money market fund ('VNAV MMF'), the aim of which is to limit the capital risk as much as possible and to offer a return in line with the interest on money-market instruments via direct or indirect investments in money market instruments and deposits. The sub-fund does not provide any capital protection or capital guarantee, nor does it offer a guaranteed return. A money market fund is not a guaranteed investment. Investing in a money market fund differs from investing in a deposit in that the value of the capital invested can vary. A money market fund does not rely on external support to guarantee its liquidity or to stabilise the net asset value per unit. Any loss on exit is borne by the investor. The sub-fund ensures that unitholders can exit on a daily basis.

Sub-fund's investment policy

Permitted asset classes

The sub-fund's investments may comprise money market instruments, units in standard or short-term money market funds, financial derivatives and liquid assets. The sub-fund shall invest no more than 10% of its assets in units of other standard or short-term money market funds.

Restrictions of the investment policy

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

Permitted derivatives transactions

Derivatives may be used solely for hedging interest rate risks specific to other investments. Only futures shall be used for this purpose.

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.

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.**

Selected strategy

The assets are invested in financial instruments denominated in euros.
The portfolio has
- a weighted average maturity ('WAM') of four months, with a maximum of six months. WAM is the average time to legal maturity, or, if shorter, until the next-interest rate adjustment to a money market rate of all of the underlying assets, reflecting the relative holdings in each asset;
- a weighted average life ('WAL') of maximum twelve months. WAL is the average time to legal maturity of all of the underlying assets, reflecting the relative holdings in each asset.

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 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 KBC Participation Cash Plus 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.
The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Cash Plus

Responsible Investing" to the prospectus.
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 governments, supranational debtors and/or agencies linked to governments by preferring governments, supranational debtors and/or agencies linked to governments with a better **ESG 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 investments in governments, supranational debtors and/or government-linked agencies that contribute to the **UN Sustainable Development Goals** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board).

More information on the investment policy for Responsible Investing funds is available at *www.kbc.be/investment-legal-documents* > Investment policy for Responsible Investing funds.

(1) ESG-score

The contribution to the integration of sustainability into policy decisions of the governments, supranational debtors and/or agencies linked to governments is measured based on an ESG 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 the following five pillars:

- 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.
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
To calculate the ESG-score at portfolio level, the weighted average of the ESG-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-score and the concrete goals of the sub-fund can be found in the 'Annex for KBC Participation Cash Plus Responsible Investing' to the prospectus.
The targets can be revised upwards or downwards.
For the part of the portfolio invested in deposits and money market instruments issued by companies, the ESG Score is not taken into account.

(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 KBC Participation Cash Plus Responsible Investing' to the prospectus.
The targets may be revised upwards or downwards.

(3) UN Sustainable Development Goals

To support sustainable development, the sub-fund commits to invest a minimum proportion of the portfolio in

governments, supranational debtors and/or agencies linked to governments that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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 KBC Participation Cash Plus 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Cash Plus 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Cash Plus 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.

Benchmark information

The fund is actively managed without referring to any benchmark.

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

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 money market instruments

The assets are primarily invested in money market instruments. Money market instruments issued by both public agencies and companies may be considered. The credit rating of the short-term money market instruments is at least A-2 short-term based on the internal credit quality assessment procedure described in 'Information concerning the Bevek - F. Information on the risk profile of the UCITS'.

The money market instruments invested in have a maximum residual term to maturity of 397 days. The remaining term to maturity may be longer if interest rates are adjusted in response to money market trends within a period of no more than 397 days. The remaining term to maturity may not, however, exceed two years.

Derogation for investments in public issuers

This sub-fund has been granted a derogation under Article 17.7 of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds to invest up to 100% of its assets in various money market instruments issued or guaranteed, separately or jointly, by:
- the European Investment Bank
- the European Stability Mechanism
- Belgium
- Germany
- France
- Italy
- the Netherlands
- Spain
insofar as the investments are made in at least six different issues of such issuers and the investment in a single issue does not exceed 30% of the assets, and provided that the money market instruments are issued in euros and meet the rating conditions of the internal credit quality assessment procedure (A1+, A1 or A2).

As soon as more than 40% of the assets are invested in money market instruments of one or more of the above issuers, investments are made in at least eight different issues of these issuers and the investment in one issue does not exceed 30% of the assets. Furthermore, such money market instruments must have an A1+ or A1 rating, based on the internal credit quality assessment procedure. The sub-fund expects to make use of this opportunity only in exceptional cases, e.g., to invest money temporarily in safe and liquid markets during times of high volatility in the financial markets.

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	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	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	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 : Highly 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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days** Refunds for orders placed through an Irish distributor are made no later than D+4 banking days

[1] 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.
[2] 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.

Cash Plus Responsible Investing - 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	BE0948240651	14 May 2008 through 27 June 2008 Settlement for value: 1 July 2008	30 June 2008	1 000 EUR
DIS (Distribution shares)	EUR	BE0948239646	14 May 2008 through 27 June 2008 Settlement for value: 1 July 2008	30 June 2008	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: max. 0.10% After the initial subscription period: max. 0.10%	-	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 0.40% Max 0.01%	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. 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.
Administration fee	0.05%	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. 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) 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.

Cash Plus Responsible Investing - Institutional B Shares

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

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	BE6258074226	7 October 2013 through 9 October 2013 Settlement for value: 14 October 2013	10 October 2013	1 063,86 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	-	-	-
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 0.40% Max 0.01%	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. 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.
Administration fee	0.05%	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. 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) 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.

Cash Plus Responsible Investing - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348047760	31 January 2024 through 15 February 2024 before 2 pm CET Settlement for value: 19 February 2024	16 February 2024	100 EUR
DIS (Distribution shares)	EUR	BE6348048776	31 January 2024 through 15 February 2024 before 2 pm CET Settlement for value: 19 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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.

Cash Plus 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 5 000 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'.

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	BE6373646676	1 June 2026 through 3 June 2026 before 2 pm CET Settlement for value: 8 June 2026	4 June 2026	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% 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 0.30% Max 0.01%	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. 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.
Administration fee	0.05%	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. 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) 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 Commodities

1. Basic details

Name

Commodities

Date of incorporation

23 January 2013

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, 4th Floor, Scotch House, 6/7 Burgh Quay, Dublin 2, D02 VK44, Ireland.

Stock exchange listing

Not applicable.

2. Investment information

Sub-fund's object

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

Sub-fund's investment policy

Permitted asset classes

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

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

Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

Permitted derivatives transactions

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

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

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

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

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

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

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

Selected strategy

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

The investment strategy is to offer a possible return linked to price trends on the broad commodities market, excluding Agriculture and Livestock. The commodity market, excluding agricultural products and livestock, consists of various categories of commodities, i.e. energy (e.g., crude oil and natural gas), industrial metals (e.g., copper and zinc) and precious metals (e.g., gold and silver).

Without prejudice to the application of the investment rules set out in the Royal Decree of 12 November 2012 on certain public collective investment undertakings, the sub-fund resolves to invest a sizeable portion of its portfolio in financial instruments whose value and/or return depends on the performance of one or more other assets which themselves do not qualify as permitted asset classes, more specifically the commodity market excluding the agricultural and livestock sectors.

By indirectly investing in the commodity market, excluding the agricultural and livestock sectors, the sensitivity of commodities to the market is reflected in the value of the sub-fund.

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

Benchmark-tracking

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

Benchmark(s) in question: The Bloomberg Commodity ex-Agriculture and Livestock Capped Index.

The Bloomberg Commodity ex-Agriculture and Livestock Capped Index is intended to provide a diversified representation of the commodities market, excluding agricultural products and livestock, and is denominated in US dollars. The sub-fund is denominated in euros. The exchange rate risk of the US dollar against the euro is not hedged. At the launch of the sub-fund, the benchmark consisted of eight different commodities (through futures contracts) whose weightings are determined according to their economic significance. The commodities are divided into three main categories, i.e. energy, precious metals and industrial metals. There are weighting restrictions on the

individual commodities that ensure that the benchmark is sufficiently diversified at all times. Due to the strategic position of petroleum in the commodity market, it is likely that it will have a weighting of more than 20% in the benchmark (but its weighting cannot exceed 35%).

The benchmark is denominated in US dollars. The sub-fund is denominated in euros. The exchange rate risk of the US dollar against the euro is not hedged.

For more detailed information on this commodity benchmark, please refer to the following website: http://www.bloombergindices.com/bloomberg-commodity-index-family/. Under 'Fact Sheets', click 'BCOM Ex-Ag & Livestock Capped Fact Sheet', where you will find general information on the benchmark, as well as information on the weights and methodology.

Method used to track the benchmark(s): synthetic replication. The assets are primarily invested in
SPV notes, other bonds and debt instruments, deposits and/or cash instruments, which are used to conclude – within the legal restrictions – swaps on a commodity index (specifically the Bloomberg Commodity ex-Agriculture and Livestock Capped Index) with one or more prime counterparties; and/or
securities linked to price movements on the commodity market, whether or not with the Bloomberg Commodity ex-Agriculture and Livestock Capped Index as the underlying asset, excluding agricultural products and livestock, specifically Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

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

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

If the benchmark changes in any way (for instance, if it is calculated by another sponsor, or if another method of calculation is used), or if the benchmark sponsor does not succeed in calculating or publishing the benchmark (even though all the information is available) the Bevek will, together with the prime counterparty or counterparties with which the swap was concluded, decide how the value of the benchmark will be determined going forward. If the benchmark is changed significantly, or if its value is no longer calculated, it can be replaced by another benchmark provided the new benchmark is representative of the commodity market excluding the agricultural and livestock sectors.

Required disclaimers for benchmark providers:

"Bloomberg" and “Bloomberg Commodity Index" are service marks of Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") and have been licensed for use for certain purposes by KBC Asset Management NV (the Licensee).
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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* > 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.

Characteristics of the bonds and 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.

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 this risk reflects the volatility of the commodity market.
Credit risk	The risk that an issuer or a counterparty will default	low	
Settlement risk	The risk that settlement of a transaction via a payment system will not take place as expected	low	
Liquidity risk	The risk that a position cannot be liquidated in a timely manner at a reasonable price	low	
Exchange or currency risk	The risk that the value of an investment will be affected by changes in exchange rates	high	since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.
Custody risk	The risk of loss of assets held in custody with a custodian or sub-custodian	low	
Concentration risk	The risk relating to a large concentration of investments in specific assets or in specific markets	high	there is a concentration of investments in commodities.
Performance risk	Risks to return	high	the level of the risk reflects the volatility of the Commodity market.
Capital risk	Risks to capital	moderate	There is no capital protection.
Flexibility risk	Inflexibility both within the product and constraints on switching to other providers	none	
Inflation risk	Risk of inflation	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 : 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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Commodities - 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	BE6246548398	23 January 2013 through 25 January 2013 before 05 pm CET Settlement for value: 30 January 2013	28 January 2013	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: 2.50% 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 1.10%	per year calculated on the basis of the average total net assets of the sub-fund. 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. KBC Fund Management Limited receives a fee from the management company of 1.10% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded. (*) 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	Max 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. 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.

Commodities - Institutional B Shares

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

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	BE6246621153	23 January 2013 through 25 January 2013 before 05 pm CET Settlement for value: 30 January 2013	28 January 2013	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	-	-	-
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 1.10%	per year calculated on the basis of the average total net assets of the sub-fund. 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. KBC Fund Management Limited receives a fee from the management company of max. 1.10% per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded. (*) 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. 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.

Commodities - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348049782	31 January 2024 through 15 February 2024 before 2 pm CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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. KBC Fund Management Limited receives a fee from the management company of per year, calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.
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. 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 Corporate Bonds 1 Responsible Investing

1. Basic details

Name

Corporate Bonds 1 Responsible Investing

Date of incorporation

27 March 2025

Life

Limited to 26 March 2027

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 sub-fund's main objective is to offer shareholders the highest possible yield through direct or indirect investment in negotiable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested, directly or indirectly via financial instruments with a parallel evolution, mainly in bonds and debt instruments.

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 has a maturity date. The sub-fund will invest in bonds and debt instruments denominated in EUR following a buy-and-hold strategy.

- At the start of the sub-fund, investments will be made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date.
- During the life of the sub-fund, funds derived from maturing or sold bonds, coupons received or subscriptions made after the initial subscription period will preferably be invested in corporate bonds. However, these funds may also be held as cash or invested in government bonds or money market instruments until the sub-fund's maturity date. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date, except for government bonds for which the maturity date may be up to 6 months beyond the sub-fund's maturity date.

* The sub-fund may invest in callable bonds: these are bonds that may be redeemed early by the issuer. Such bonds have an expected maturity date, i.e. the time at which they are expected to be redeemed early. The expected maturity date will always be before the sub-fund's maturity date. Callable bonds that are not redeemed against expectations before the sub-fund's maturity date will be sold before the sub-fund's maturity date.

The manager may deviate from the buy-and-hold strategy by selling or replacing instruments in exceptional cases, for example when the expected evolution of credit risk is unfavorable.

The sub-fund offers no guaranteed return. The investor bears the full risk of this portfolio of bonds and debt instruments.

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 KBC Participation Corporate Bonds 1 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.

The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Corporate Bonds 1 Responsible Investing" to the prospectus.

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** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > 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, and based on

internal research as well.

- 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 KBC Participation Corporate Bonds 1 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 KBC Participation Corporate Bonds 1 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (‘the European Green Bond Standard’) will be considered bonds financing green and/or social projects. 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 KBC Participation Corporate Bonds 1 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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 KBC Participation Corporate Bonds 1 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as "sustainable investments". 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Corporate Bonds 1 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Corporate Bonds 1 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.
The responsible character is guaranteed by the aforementioned Responsible Investing methodology.

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.

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Maturity

26 March 2027 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in euros and issued by companies, governments, supranational institutions and government agencies, although the allocation may change over time:

• When launched, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies that have received a rating of at least BBB+/ Baa1 for long-term debt or A2/F2/P2 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
o non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given a rating of at least BBB+/ Baa1 for long-term debt or A2/F2/P2 for short-term debt by at least one of those agencies.

• During the life of the sub-fund, funds derived from matured bonds or coupons received are held as cash until the sub-fund matures, or invested in:
o bonds and debt instruments issued by companies that have received a rating of at least BBB+/ Baa1 for long-term debt or A2/F2/P2 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
o bonds and debt instruments issued by governments that have received a rating of at least BBB+/ Baa1 for long-term debt or A2/F2/P2 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
o government bonds issued in local currency or non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given a rating of at least BBB+/ Baa1 for long-term debt or A2/F2/P2 for short-term debt by at least one of those agencies, and/or
o money market instruments issued by entities that have an investment grade rating** (at least A3/F3/P3 for short-term debt) from at least one of the above rating agencies.

** Investment grade rating. A bond's rating indicates the probability of an investor actually receiving the proposed payments of interest and capital. Standard and Poor's and Fitch express their ratings in the form of letters on a scale from AAA to D, Moody's expresses its ratings in the form of letters and figures on a scale from Aaa to C; a bond with an AAA rating (S&P and Fitch) or Aaa (Moody's) rating carries the highest possible probability that an investor will receive the proposed payments of interest and capital. Bonds with an investment grade rating have a long-term rating of BBB- (S&P and Fitch) or Baa3 (Moody's) or higher.

*** Subordinated bonds are subordinate to the company's other debts if the issuer concerned goes bankrupt, i.e. the company's other debts are paid first and only then – assuming there is any capital left – are the holders of subordinated bonds repaid in full or in part. Holders of subordinated bonds do have priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund. The above rating obligations apply at the time of purchase. Should the rating fall after purchase, the fund manager does not have to sell the bond.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an BBB+ rating or better, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds 1 Responsible Investing - 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	BE6360487035	27 March 2025 through 7 April 2025 before 2 pm CET Settlement for value: 10 April 2025	8 April 2025	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% 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 0.50%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 1 Responsible Investing - Corporate Shares

There is a minimum subscription value of 250 000 EUR (both during as well as after the initial subscription period).

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	BE6360488041	27 March 2025 through 7 April 2025 before 2 pm CET Settlement for value: 10 April 2025	8 April 2025	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% 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 0.40%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 1 Responsible Investing - Corporate Wealth Management, Wealth & Institutional Office Shares

There is a minimum subscription value of 1 000 000 EUR (both during as well as after the initial subscription period).
This share class is reserved for investors who are clients of KBC Bank's Wealth Management segment (criteria: *www.kbc.be/wealth*), CBC Banque's Wealth Centre segment (criteria: *www.cbc.be/centre-wealth*) or CBC Banque's Institutional Centre segment (criteria: *www.cbc.be/centre-institutionnels*) and who have concluded a General Service Agreement with KBC Bank or CBC Banque.
The investors have to 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	BE6360493090	27 March 2025 through 7 April 2025 before 2 pm CET Settlement for value: 10 April 2025	8 April 2025	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% 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 0.30%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Corporate Bonds 2 Responsible Investing

1. Basic details

Name

Corporate Bonds 2 Responsible Investing

Date of incorporation

8 September 2025

Life

Limited to 19 October 2029

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 object of the sub-fund is to generate the highest possible return for its shareholders through direct or indirect investments in transferable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested directly or indirectly through correlated financial instruments, primarily in bonds and debt instruments.

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 has a maturity date. It will invest in euro-denominated bonds and debt instruments in accordance with a buy-and-hold strategy.

• When the sub-fund is launched, investments are made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date.
• During the life of the sub-fund, any funds derived from matured bonds, sold bonds or coupons received will be invested preferably in corporate bonds. However, these funds can also be held as cash until the sub-fund matures, or invested in government bonds or money market instruments. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund.

* The sub-fund may invest in callable bonds, i.e. bonds that can be redeemed by the issuer before they reach maturity. Such bonds have an expected maturity date, namely the time when they are expected to be redeemed early. In any case, the expected maturity date will be prior to the sub-fund's maturity date. Callable bonds that – contrary to expectation – are not redeemed prior to the sub-fund's maturity date will be sold prior to that date.

In exceptional cases, the fund manager may deviate from the buy-and-hold strategy by selling or replacing instruments if, for example, the credit risk is expected to deteriorate.

The sub-fund does not offer a guaranteed return. Investors bear the full risk of this portfolio of bonds and debt instruments.

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 KBC Participation Corporate Bonds 2 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.

The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Corporate Bonds 2 Responsible Investing" to the prospectus.

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** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > 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, and based on

internal research as well.

- 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 KBC Participation Corporate Bonds 2 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 KBC Participation Corporate Bonds 2 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (‘the European Green Bond Standard’) will be considered bonds financing green and/or social projects. 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 KBC Participation Corporate Bonds 2 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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 KBC Participation Corporate Bonds 2 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as "sustainable investments". 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Corporate Bonds 2 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Corporate Bonds 2 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.
Responsibility is ensured by the responsible investment methodology mentioned above

Required disclaimers for benchmark providers:

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Maturity

19 October 2029 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in euros and issued by companies, governments, supranational institutions and government agencies, although the allocation may change over time:

• When launched, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating** by at least one of those agencies.

• During the life of the sub-fund, funds derived from matured bonds or coupons received are held as cash until the sub-fund matures, or invested in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o bonds and debt instruments issued by governments that have received an investment grade rating** (at least BBB-/Baa3 for long-term debt or 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
o government bonds issued in local currency or non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating by at least one of those agencies, and/or
o money market instruments issued by entities that have an investment grade rating** (at least A3/F3/P3 for short-term debt) from at least one of the above rating agencies

** Investment grade rating. A bond's rating indicates the probability of an investor actually receiving the proposed payments of interest and capital. Standard and Poor's and Fitch express their ratings in the form of letters on a scale from AAA to D, Moody's expresses its ratings in the form of letters and figures on a scale from Aaa to C; a bond with an AAA rating (S&P and Fitch) or Aaa (Moody's) rating carries the highest possible probability that an investor will receive the proposed payments of interest and capital. Bonds with an investment grade rating have a long-term rating of BBB- (S&P and Fitch) or Baa3 (Moody's) or higher.

*** Subordinated bonds are subordinate to the company's other debts if the issuer concerned goes bankrupt, i.e. the company's other debts are paid first and only then – assuming there is any capital left – are the holders of subordinated bonds repaid in full or in part. Holders of subordinated bonds do have priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund. The above rating obligations apply at the time of purchase. Should the rating fall after purchase, the fund manager does not have to sell the bond.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an investmentgrade rating, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds 2 Responsible Investing - 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	BE6366475745	8 September 2025 through 20 October 2025 before 2 pm CET Settlement for value: 23 October 2025	21 October 2025	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% 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 0.50%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 2 Responsible Investing - Corporate Shares

There is a minimum subscription value of 250 000 EUR (both during as well as after the initial subscription period).

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	BE6366474730	8 September 2025 through 20 October 2025 before 2 pm CET Settlement for value: 23 October 2025	21 October 2025	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% 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 0.40%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 2 Responsible Investing - Corporate Wealth Management, Wealth & Institutional Office Shares

There is a minimum subscription value of 1 000 000 EUR (both during as well as after the initial subscription period).
This share class is reserved for investors who are clients of KBC Bank's Wealth Management segment (criteria: *www.kbc.be/wealth*), CBC Banque's Wealth Centre segment (criteria: *www.cbc.be/centre-wealth*) or CBC Banque's Institutional Centre segment (criteria: *www.cbc.be/centre-institutionnels*) and who have concluded a General Service Agreement with KBC Bank or CBC Banque.
The investors have to 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	BE6366473724	8 September 2025 through 20 October 2025 before 2 pm CET Settlement for value: 23 October 2025	21 October 2025	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% 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 0.30%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Corporate Bonds 02.2029

1. Basic details

Name

Corporate Bonds 02.2029

Date of incorporation

15 January 2024

Life

Limited to 28 February 2029

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 sub-fund's main objective is to offer shareholders the highest possible yield through direct or indirect investment in negotiable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested, directly or indirectly via financial instruments with a parallel evolution, mainly in bonds and debt instruments.

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 has a maturity date. The sub-fund will invest in bonds and debt instruments denominated in EUR following a buy-and-hold strategy.

- At the start of the sub-fund, investments will be made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date.
- During the life of the sub-fund, funds derived from maturing or sold bonds, coupons received or subscriptions made after the initial subscription period will preferably be invested in corporate bonds. However, these funds may also be held as cash or invested in government bonds or money market instruments until the sub-fund's maturity date. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date, except for government bonds for which the maturity date may be up to 6 months beyond the sub-fund's maturity date.

* The sub-fund may invest in callable bonds: these are bonds that may be redeemed early by the issuer. Such bonds have an expected maturity date, i.e. the time at which they are expected to be redeemed early. The expected maturity date will always be before the sub-fund's maturity date. Callable bonds that are not redeemed against expectations before the sub-fund's maturity date will be sold before the sub-fund's maturity date.

The manager may deviate from the buy-and-hold strategy by selling or replacing instruments in exceptional cases, for example when the expected evolution of credit risk is unfavorable.

The sub-fund offers no guaranteed return. The investor bears the full risk of this portfolio of bonds and debt instruments.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.

Maturity

28 February 2029 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in EUR and issued by corporations, governments, supranational institutions and government agencies, although the allocation may change over time:

- At inception, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies, which have an investment grade rating (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o Unsubordinated corporate bonds*, which do not have a credit rating from the above rating agencies but whose issuer has an investment grade rating from at least 1 of the above rating agencies.

- During the life of the sub-fund, funds derived from maturing bonds, coupons received or subscriptions after the initial subscription period until the maturity of the sub-fund will be held as cash or invested in:
o bonds and debt instruments issued by companies, which have an investment grade rating (at least BBB-/ Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o bonds and debt instruments, issued by governments, that have an investment grade rating (at least BBB-/ Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o government bonds issued in local currency or senior corporate bonds* that do not have a credit rating from the above rating agencies but whose issuer has an investment grade rating from at least 1 of the above rating agencies, and/or
o money market instruments whose issuer has an investment grade rating (at least A3/F3/P3 for short-term debt) from at least 1 of the above rating agencies.

* subordinated bonds are, in the event of the bankruptcy of the issuer concerned, subordinated to the other debts of the company: first, the other debts of the company are paid off, then and only if capital remains, the holders of the subordinated bonds are repaid in full or in part; however, the holder of the subordinated bond has priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be before the sub-fund's maturity date, except for government bonds for which the maturity date may be up to 6 months beyond the sub-fund's maturity date. The above rating obligations apply at the time of purchase. If the rating falls after purchase, the manager is not obliged to sell the bond.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an investmentgrade rating, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	low	
Inflation risk	Risk of inflation	moderate	there is no protection against an increase of the inflation.
Environmental factors	Uncertainty regarding the immutability of environmental factors, such as the tax regime	low	

Risk profile of the typical investor

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

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

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds 02.2029 - 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	BE6347705251	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 February 2024	100 EUR
DIS (Distribution shares)	EUR	BE6347707273	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 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'

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: 1.25% 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	0.70% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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. 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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 02.2029 - Corporate Shares

There is a minimum subscription value of 250 000 EUR (both during as well as after the initial subscription period).

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	BE6347708289	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 February 2024	100 EUR
DIS (Distribution shares)	EUR	BE6347709295	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 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'

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% 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	0.40%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 02.2029 - Corporate Wealth Office shares

There is a minimum subscription value of 1 000 000 EUR (both during as well as after the initial subscription period).

This share class is reserved for investors who are clients of KBC Bank's Wealth Office segment (criteria: *www.kbc.be/wealth*) or CBC Banque's Wealth Centre segment (criteria: *www.cbc.be/centre-wealth*) and who have concluded a General Service Agreement with KBC Bank or CBC Banque.
The investors have to 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	BE6347710301	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 February 2024	100 EUR
DIS (Distribution shares)	EUR	BE6347711317	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 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'

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% 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	0.30%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 02.2029 - 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'.

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	BE6347712323	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 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'

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% 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	0.25%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 02.2029 - 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 5 000 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'.

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	BE6347713339	15 January 2024 through 9 February 2024 before 2 pm CET Settlement for value: 14 February 2024	12 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'

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% 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	0.25%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Corporate Bonds 3 Responsible Investing

1. Basic details

Name

Corporate Bonds 3 Responsible Investing

Date of incorporation

9 February 2026

Life

Limited to 28 February 2030

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 object of the sub-fund is to generate the highest possible return for its shareholders through direct or indirect investments in transferable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested directly or indirectly through correlated financial instruments, primarily in bonds and debt instruments.

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 has a maturity date. It will invest in euro-denominated bonds and debt instruments in accordance with a buy-and-hold strategy.

• When the sub-fund is launched, investments are made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date.
• During the life of the sub-fund, any funds derived from matured bonds, sold bonds or coupons received will be invested preferably in corporate bonds. However, these funds can also be held as cash until the sub-fund matures, or invested in government bonds or money market instruments. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund.

* The sub-fund may invest in callable bonds, i.e. bonds that can be redeemed by the issuer before they reach maturity. Such bonds have an expected maturity date, namely the time when they are expected to be redeemed early. In any case, the expected maturity date will be prior to the sub-fund's maturity date. Callable bonds that – contrary to expectation – are not redeemed prior to the sub-fund's maturity date will be sold prior to that date.

In exceptional cases, the fund manager may deviate from the buy-and-hold strategy by selling or replacing instruments if, for example, the credit risk is expected to deteriorate.

The sub-fund does not offer a guaranteed return. Investors bear the full risk of this portfolio of bonds and debt instruments.

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 KBC Participation Corporate Bonds 3 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.

The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Corporate Bonds 3 Responsible Investing " to the prospectus.

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** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > 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, and based on internal research as well.

- 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 KBC Participation Corporate Bonds 3 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 KBC Participation Corporate Bonds 3 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ('the European Green Bond Standard') will be considered bonds financing green and/or social projects. 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 KBC Participation Corporate Bonds 3 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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 KBC Participation Corporate Bonds 3 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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.

More information on the EU Taxonomy Framework can be found in the ‘Annex for KBC Participation Corporate Bonds 3 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Corporate Bonds 3 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.
Responsibility is ensured by the responsible investment methodology mentioned above.

Required disclaimers for benchmark providers:

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Maturity

28 February 2030 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in euros and issued by companies, governments, supranational institutions and government agencies, although the allocation may change over time:

• When launched, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating** by at least one of those agencies.

• During the life of the sub-fund, funds derived from matured bonds or coupons received are held as cash until the sub-fund matures, or invested in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o bonds and debt instruments issued by governments that have received an investment grade rating** (at least BBB-/Baa3 for long-term debt or 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
o government bonds issued in local currency or non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating by at least one of those agencies, and/or
o money market instruments issued by entities that have an investment grade rating** (at least A3/F3/P3 for short-term debt) from at least one of the above rating agencies

** Investment grade rating. A bond's rating indicates the probability of an investor actually receiving the proposed payments of interest and capital. Standard and Poor's and Fitch express their ratings in the form of letters on a scale from AAA to D, Moody's expresses its ratings in the form of letters and figures on a scale from Aaa to C; a bond with an AAA rating (S&P and Fitch) or Aaa (Moody's) rating carries the highest possible probability that an investor will receive the proposed payments of interest and capital. Bonds with an investment grade rating have a long-term rating of BBB- (S&P and Fitch) or Baa3 (Moody's) or higher.

*** Subordinated bonds are subordinate to the company's other debts if the issuer concerned goes bankrupt, i.e. the company's other debts are paid first and only then – assuming there is any capital left – are the holders of subordinated bonds repaid in full or in part. Holders of subordinated bonds do have priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund. The above rating obligations apply at the time of purchase. Should the rating fall after purchase, the fund manager does not have to sell the bond.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an investmentgrade rating, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds 3 Responsible Investing - 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	BE6370387092	9 February 2026 through 16 March 2026 before 2 pm CET Settlement for value: 19 March 2026	17 March 2026	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% 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 0.50%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 3 Responsible Investing - Corporate Shares

There is a minimum subscription value of 250 000 EUR (both during as well as after the initial subscription period).

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	BE6370389114	9 February 2026 through 16 March 2026 before 2 pm CET Settlement for value: 19 March 2026	17 March 2026	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% 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 0.40%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 3 Responsible Investing - Corporate Wealth Management, Wealth & Institutional Office Shares

There is a minimum subscription value of 1 000 000 EUR (both during as well as after the initial subscription period).
This share class is reserved for investors who are clients of KBC Bank's Wealth Management segment (criteria: *www.kbc.be/wealth*), CBC Banque's Wealth Centre segment (criteria: *www.cbc.be/centre-wealth*) or CBC Banque's Institutional Centre segment (criteria: *www.cbc.be/centre-institutionnels*) and who have concluded a General Service Agreement with KBC Bank or CBC Banque.
The investors have to 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	BE6370388108	9 February 2026 through 16 March 2026 before 2 pm CET Settlement for value: 19 March 2026	17 March 2026	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% 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 0.30%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Corporate Bonds 4 Responsible Investing

1. Basic details

Name

Corporate Bonds 4 Responsible Investing

Date of incorporation

5 October 2026

Life

Limited to 31 October 2030

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 object of the sub-fund is to generate the highest possible return for its shareholders through direct or indirect investments in transferable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested directly or indirectly through correlated financial instruments, primarily in bonds and debt instruments.

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 has a maturity date. It will invest in euro-denominated bonds and debt instruments in accordance with a buy-and-hold strategy.

• When the sub-fund is launched, investments are made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date.
• During the life of the sub-fund, any funds derived from matured bonds, sold bonds or coupons received will be invested preferably in corporate bonds. However, these funds can also be held as cash until the sub-fund matures, or invested in government bonds or money market instruments. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund.

* The sub-fund may invest in callable bonds, i.e. bonds that can be redeemed by the issuer before they reach maturity. Such bonds have an expected maturity date, namely the time when they are expected to be redeemed early. In any case, the expected maturity date will be prior to the sub-fund's maturity date. Callable bonds that – contrary to expectation – are not redeemed prior to the sub-fund's maturity date will be sold prior to that date.

In exceptional cases, the fund manager may deviate from the buy-and-hold strategy by selling or replacing instruments if, for example, the credit risk is expected to deteriorate.

The sub-fund does not offer a guaranteed return. Investors bear the full risk of this portfolio of bonds and debt instruments.

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 KBC Participation Corporate Bonds 4 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.

The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Corporate Bonds 4 Responsible Investing" to the prospectus.

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** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > 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, and based on internal research as well.

- 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 KBC Participation Corporate Bonds 4 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 KBC Participation Corporate Bonds 4 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ('the European Green Bond Standard') will be considered bonds financing green and/or social projects. 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 KBC Participation Corporate Bonds 4 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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 KBC Participation Corporate Bonds 4 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as "sustainable investments". 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Corporate Bonds 4 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Corporate Bonds 4 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.
Responsibility is ensured by the responsible investment methodology mentioned above.

Required disclaimers for benchmark providers:

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Maturity

31 October 2030 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in euros and issued by companies, governments, supranational institutions and government agencies, although the allocation may change over time:

• When launched, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating** by at least one of those agencies.

• During the life of the sub-fund, funds derived from matured bonds or coupons received are held as cash until the sub-fund matures, or invested in:
o bonds and debt instruments issued by companies that have received an investment grade rating** (at least BBB-/ Baa3 for long-term debt or 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
o bonds and debt instruments issued by governments that have received an investment grade rating** (at least BBB-/Baa3 for long-term debt or 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
o government bonds issued in local currency or non-subordinated corporate bonds*** that have not been rated by the above rating agencies but where the issuer has been given an investment grade rating by at least one of those agencies, and/or
o money market instruments issued by entities that have an investment grade rating** (at least A3/F3/P3 for short-term debt) from at least one of the above rating agencies

** Investment grade rating. A bond's rating indicates the probability of an investor actually receiving the proposed payments of interest and capital. Standard and Poor's and Fitch express their ratings in the form of letters on a scale from AAA to D, Moody's expresses its ratings in the form of letters and figures on a scale from Aaa to C; a bond with an AAA rating (S&P and Fitch) or Aaa (Moody's) rating carries the highest possible probability that an investor will receive the proposed payments of interest and capital. Bonds with an investment grade rating have a long-term rating of BBB- (S&P and Fitch) or Baa3 (Moody's) or higher.

*** Subordinated bonds are subordinate to the company's other debts if the issuer concerned goes bankrupt, i.e. the company's other debts are paid first and only then – assuming there is any capital left – are the holders of subordinated bonds repaid in full or in part. Holders of subordinated bonds do have priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be prior to the sub-fund's maturity date, except for government bonds whose maturity date may be up to six months after that of the sub-fund. The above rating obligations apply at the time of purchase. Should the rating fall after purchase, the fund manager does not have to sell the bond.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an investmentgrade rating, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds 4 Responsible Investing - 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	BE6376232342	5 October 2026 through 16 November 2026 before 2 pm CET Settlement for value: 19 November 2026	17 November 2026	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% 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 0.50%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 4 Responsible Investing - Corporate Shares

There is a minimum subscription value of 250 000 EUR (both during as well as after the initial subscription period).

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	BE6376234363	5 October 2026 through 16 November 2026 before 2 pm CET Settlement for value: 19 November 2026	17 November 2026	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% 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 0.40%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds 4 Responsible Investing - Corporate Wealth Management, Wealth & Institutional Office Shares

There is a minimum subscription value of 1 000 000 EUR (both during as well as after the initial subscription period).
This share class is reserved for investors who are clients of KBC Bank's Wealth Management segment (criteria: *www.kbc.be/wealth*), CBC Banque's Wealth Centre segment (criteria: *www.cbc.be/centre-wealth*) or CBC Banque's Institutional Centre segment (criteria: *www.cbc.be/centre-institutionnels*) and who have concluded a General Service Agreement with KBC Bank or CBC Banque.
The investors have to 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	BE6376233357	5 October 2026 through 16 November 2026 before 2 pm CET Settlement for value: 19 November 2026	17 November 2026	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% 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 0.30%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Corporate Bonds Responsible Investing

1. Basic details

Name

Corporate Bonds Responsible Investing

Date of incorporation

18 November 2011

Life

Unlimited

Delegation of the management of the investment portfolio

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

Stock exchange listing

Not applicable.

2. Investment information

Sub-fund's object

The main object of this sub-fund is to generate the highest possible return for its unitholders 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.
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

At least two thirds of the total amount will be invested in euro-denominated corporate bonds. Insofar as non-euro-denominated assets are invested in, the exchange rate risk in respect of the euro must be hedged to at least 95%.

The sub-fund can conclude Credit Default Swaps on indices (such as ITraxx and CDX) both to carry out the investments objectives and to cover the credit risk. The total exposure resulting from the protection sold or purchased may not exceed 25% of the assets.

The investment decisions are taken based on macroeconomic and commercial criteria by the manager.

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 companies 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 KBC Participation Corporate Bonds 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.

The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Corporate Bonds Responsible Investing" to the prospectus.

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 companies by preferring companies with a better **ESG risk score**, where ESG stands for 'Environmental, Social and Governance', and

(2) promote climate change mitigation, by preferring companies 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 companies contributing to the achievement of the **UN Sustainable Development Goals** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > Investment policy for Responsible Investing funds.

If investments were to be made in instruments issued by governments, supranational debtors and/or government-linked agencies, these entities must meet the negative screening requirements listed above.

(1) ESG-risk score

The contribution to the integration of sustainability into policy decisions of the companies 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 company against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- 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, and based on internal research as well.

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

The ESG score of the portfolio for companies is compared to following benchmark: iBoxx Euro Corporates - Total Return Index.

More information on the ESG-risk score and the concrete goals of the sub-fund can be found in the 'Annex for KBC Participation Corporate Bonds 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 companies, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective

does not apply to companies for which data is not available.

The contribution of companies to climate change mitigation is measured based on their greenhouse gas intensity. Greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD).

A trajectory of -50% by 2030 versus the iBoxx Euro Corporates - Total Return Index in 2019 is followed

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for KBC Participation Corporate Bonds 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ('the European Green Bond Standard') will be considered bonds financing green and/or social projects. 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 KBC Participation Corporate Bonds 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 commits to invest a minimum proportion of the portfolio in companies that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

To support sustainable development, the sub-fund can invest part of its portfolio in companies that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives. Instruments of companies that meet these requirements are designated as "sustainable investments," according to Article 2.17 of the SFDR.

Instruments of companies that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR.

In addition, KBC Asset Management NV can award the "sustainable development" label to instruments of companies, on the advice of the Responsible Investing Advisory Board. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR.

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 KBC Participation Corporate Bonds 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as "sustainable investments". 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Corporate Bonds 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* > General exclusion policy for conventional and Responsible Investing funds and *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* > 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 KBC Participation Corporate Bonds 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.

Benchmark information

The fund is actively managed with reference to the following benchmark: iBoxx Euro Corporates - 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.

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 0.75%. 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.

Required disclaimers for benchmark providers:

Neither S&P Global, its Affiliates nor any third party data provider makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. Neither S&P Global, its Affiliates nor any data provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the S&P Global data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. S&P Global has no obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently

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Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments issued by companies, governments, supranational institutions and public agencies.

The sub-fund invests directly and/or indirectly 100% of its assets in bonds and debt instruments
- in bonds and debt instrument 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.

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.

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	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 the product will be partly invested in less liquid bonds, there is a risk that a position cannot be sold in a timely manner at a reasonable price.
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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Corporate Bonds Responsible Investing - 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	BE6300931050	23 January 2018 through 24 January 2018 before 2 pm CET Settlement for value: 29 January 2018	25 January 2018	1 000 EUR
DIS (Distribution shares)	EUR	BE6300933072	23 January 2018 through 24 January 2018 before 2 pm CET Settlement for value: 29 January 2018	25 January 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 2.50% 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 1.25% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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. 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.
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. 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) 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.

Corporate Bonds Responsible Investing - Classic Shares UBB

This share class is reserved for trading within the financial institution stated in the name of the share class. There is a minimum subscription value of 20 000 EUR (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

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	BE6374065017	23 June 2026 through 26 June 2026 before 2 pm CET Settlement for value: 1 July 2026	29 June 2026	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: 1.50% After the initial subscription period: 1.50%	-	A trading commission that is equal to the one applicable when buying into the new sub-fund
Administrative charges	-	-	-
Amount to cover the costs of the purchase/sale of assets	-	-	The appropriate amount covering these costs for the sub-funds concerned
Amount to discourage sales within one month of purchase	-	Max 5.00% for the sub-fund	Max 5.00% for the sub-fund
Stock market tax	see the 'Information concerning the Bevek - H. Tax treatment'		

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

Fee for managing the investment portfolio	Max 0.95%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Corporate Bonds 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'.

A unitholder that fails to meet this requirement but that was a holder of units of this share class on 22 January 2018 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 22 January 2018.

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	BE6222648014	21 November 2011 through 25 November 2011 before 2 pm CET Settlement for value: 30 November 2011	28 November 2011	1 000 EUR
DIS (Distribution shares)	EUR	BE6222650036	21 November 2011 through 25 November 2011 before 2 pm CET Settlement for value: 30 November 2011	28 November 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 2.50% 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 0.35% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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. 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.
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. 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) 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.

Corporate Bonds Responsible Investing - Institutional B Shares

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

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	BE6222649020	21 November 2011 through 25 November 2011 before 2 pm CET Settlement for value: 30 November 2011	28 November 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	-	-	-
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 1.25%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Corporate Bonds Responsible Investing - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348050798	31 January 2024 through 15 February 2024 before 2 pm CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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.

Corporate Bonds 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 10000 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'.

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	BE6275358404	27 January 2015 before 2 pm CET Settlement for value: 30 January 2015	28 January 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	During the initial subscription period: 2.50% 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 0.35% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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. 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.
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. 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) 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 Corporate Bonds USD 1

1. Basic details

Name

Corporate Bonds USD 1

Date of incorporation

8 September 2025

Life

Limited to 22 October 2027

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 sub-fund's main objective is to offer shareholders the highest possible yield through direct or indirect investment in negotiable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets are invested, directly or indirectly via financial instruments with a parallel evolution, mainly in bonds and debt instruments.

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 has a maturity date. The sub-fund will invest in bonds and debt instruments denominated in USD following a buy-and-hold strategy.

- At the start of the sub-fund, investments will be made in bonds or debt instruments issued by companies. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date.
- During the life of the sub-fund, funds derived from maturing or sold bonds, coupons received or subscriptions made after the initial subscription period will preferably be invested in corporate bonds. However, these funds may also be held as cash or invested in government bonds or money market instruments until the sub-fund's maturity date. The maturity date of these instruments (or the expected maturity date in the case of callable bonds*) will be before the sub-fund's maturity date, except for government bonds for which the maturity date may be up to 6 months beyond the sub-fund's maturity date.

* The sub-fund may invest in callable bonds: these are bonds that may be redeemed early by the issuer. Such bonds have an expected maturity date, i.e. the time at which they are expected to be redeemed early. The expected maturity date will always be before the sub-fund's maturity date. Callable bonds that are not redeemed against expectations before the sub-fund's maturity date will be sold before the sub-fund's maturity date.

The manager may deviate from the buy-and-hold strategy by selling or replacing instruments in exceptional cases, for example when the expected evolution of credit risk is unfavorable.

The sub-fund offers no guaranteed return. The investor bears the full risk of this portfolio of bonds and debt instruments.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The sub-fund is actively managed without reference to a benchmark.

Maturity

22 October 2027 (Payment at the latest on D+5 banking days with a value date of D+1 banking day)

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments denominated in USD and issued by corporations, governments, supranational institutions and government agencies, although the allocation may change over time:

- At inception, the sub-fund invests 100% of the assets invested in bonds and debt instruments in:
o bonds and debt instruments issued by companies, which have an investment grade rating (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o Unsubordinated corporate bonds*, which do not have a credit rating from the above rating agencies but whose issuer has an investment grade rating from at least 1 of the above rating agencies.

- During the life of the sub-fund, funds derived from maturing bonds, coupons received or subscriptions after the initial subscription period until the maturity of the sub-fund will be held as cash or invested in:
o bonds and debt instruments issued by companies, which have an investment grade rating (at least BBB-/ Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o bonds and debt instruments, issued by governments, that have an investment grade rating (at least BBB-/ Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
o government bonds issued in local currency or senior corporate bonds* that do not have a credit rating from the above rating agencies but whose issuer has an investment grade rating from at least 1 of the above rating agencies, and/or
o money market instruments whose issuer has an investment grade rating (at least A3/F3/P3 for short-term debt) from at least 1 of the above rating agencies.

* subordinated bonds are, in the event of the bankruptcy of the issuer concerned, subordinated to the other debts of the company: first, the other debts of the company are paid off, then and only if capital remains, the holders of the subordinated bonds are repaid in full or in part; however, the holder of the subordinated bond has priority over the shareholders of the issuer concerned.

The maturity date (or expected maturity date in the case of callable bonds) will always be before the sub-fund's maturity date, except for government bonds for which the maturity date may be up to 6 months beyond the sub-fund's maturity date. The above rating obligations apply at the time of purchase. If the rating falls after purchase, the manager is not obliged to sell the bond.

General strategy for hedging the exchange rate risk

The exchange rate risk is not hedged.

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	high	Although at start of the fund, the assets will be fully invested in bonds with an investmentgrade rating, it is possible that there is exposure to bonds with a lower level of creditworthiness for instance due to downgrades. There is no restriction on the proportion invested in subinvestmentgrade bonds. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	high	since there will be partly invested in less liquid bonds, there is a risk a position cannot be sold in a timely manner at a reasonable price. The fund may invest in bonds with a final maturity date which is later than the maturity date of the fund. This entails a price risk when the bonds need to be sold by the maturity date of the fund.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

The Board of Directors may decide to refuse orders given during the initial subscription period and not to market the sub-fund. This may occur, for example, due to a limited number of subscriptions during the initial subscription period (less than 25 000 000 EUR) or due to significant adverse market developments (non-exhaustive list).

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.

Corporate Bonds USD 1 - 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)	USD	BE6366499018	8 September 2025 through 20 October 2025 before 2 pm CET Settlement for value: 23 October 2025	21 October 2025	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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Corporate Bonds USD 1 - Corporate Shares

There is a minimum subscription value of 250 000 USD (both during as well as after the initial subscription period).

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)	USD	BE6366500021	8 September 2025 through 20 October 2025 before 2 pm CET Settlement for value: 23 October 2025	21 October 2025	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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Information concerning the sub-fund Enhanced Intelligence Bond Selection Responsible Investing

1. Basic details

Name

Enhanced Intelligence Bond Selection Responsible Investing

Date of incorporation

2 December 2024

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 sub-fund's main objective is to offer shareholders the highest possible yield through direct or indirect investmentin negotiable securities. This is reflected in the pursuit of capital gains and income. To this end, the assets areinvested, directly or indirectly via financial instruments with a parallel evolution, mainly 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.

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 principally in corporate bonds.
The sub-fund invests exclusively in instruments denominated in EUR.

The sub-fund may enter into Credit Default Swaps on indices (such as ITraxx and CDX), both to pursue investment objectives and to hedge credit risk. The total exposure resulting from the purchased or sold hedging instruments may not exceed 25% of the assets.

The selection of corporate bonds within the sub-fund is based on quantitative criteria using publicly available information including, but not limited to, company accounting data and technical bond market data such as price trends and volatility. In addition, sentiment data can also be used.

Sentiment data can include data expressing market participants' views about a particular company, including through research papers and data provided by third parties.

These criteria are incorporated in a specific model designed by KBC Asset Management, which applies various techniques drawn from artificial intelligence (including machine learning), to analyse a long and broad history of financial data. KBC Asset Management may rely on an external entity for certain model calculations.

The term ‘artificial intelligence’ refers to human-designed systems which, given a complex objective, operate in the physical or digital world by observing their environment, interpreting the structured or unstructured data collected, analysing the knowledge derived from this data and deciding on the best action(s) (according to predefined parameters) to achieve the given objective.

Machine learning is an artificial intelligence application in which computer systems use algorithms and statistical models to learn to carry out specific tasks without needing explicit instructions and to solve problems which cannot be precisely formulated, and for which a logical reasoning ability is required.

The basic assumption of this model is that financial markets are not always fully efficient, and that bond prices do not always accurately reflect the fundamental value of these instruments, but that this fundamental value can be estimated provided sufficient information is available and this information can be processed efficiently. Information on fundamental value can be obtained using criteria drawn from a range of data sources, such as economic and financial data from bond and equity markets, sentiment data and technical data (e.g. momentum indicators). It is also assumed that bond prices tend towards their fundamental value over time. However, the way they do this depends on the prevailing cycle in the market structure and its impact on the criteria built into the model.

The model created by KBC Asset Management processes the information on the fundamental value of bonds and combines the different criteria into a final scoring system. The model estimates a relative score for each bond on a

regular basis, evaluating bonds in the investment universe relative to each other. Bonds with a better score are given a relatively greater weight in the sub-fund's portfolio compared to their weight in the sub-fund's benchmark, while bonds with a poorer score are assigned a relatively lower weight compared to their weight in the benchmark. The overall objective of the model is to optimise expected portfolio returns based on these scores. When constructing the portfolio, the model takes into account the credit sensitivity of the bonds in addition to the scores.

Adequate diversification is ensured in line with relevant regulatory and risk constraints. The portfolio composition suggested by the model is reviewed by the fund manager and adjusted where necessary to take into account the requirement that corporate bonds should be traded in specific nominal quantities.

However, the manager may decide at any time not to follow the models, or to follow them only partially.
Human intervention is more likely in exceptional circumstances.

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 companies 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 KBC Participation Enhanced Intelligence Bond Selection 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.

In addition, the exclusions set out in Article 12(1)(a) to (g) of Delegated Regulation (EU) 2020/1818 ("Exclusions for Paris Agreement-aligned EU benchmarks") are respected by this sub-fund.
The sub-fund complies with the European Securities and Markets Authority (ESMA) guidelines on fund names using ESG or sustainability-related terms.

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* > Exclusion policy for Responsible Investing funds.

The application of these policies means that:

- issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, agricultural commodities or the mining of thermal coal, among others.
- The sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as specified in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons, but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

This screening also ensures that issuers who seriously violate fundamental principles of environmental protection, social responsibility and good governance, among others, are excluded from the sub-fund's investment universe.

More information regarding the specific exclusions can also be found in the "Annex for KBC Participation Enhanced Intelligence Bond Selection Responsible Investing" to the prospectus.

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 companies by preferring companies with a better **ESG risk score**, where ESG stands for 'Environmental, Social and Governance', and

(2) promote climate change mitigation, by preferring companies 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 companies contributing to the achievement of the **UN Sustainable Development Goals** (plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board) (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* > Investment policy for Responsible Investing funds.

If investments were to be made in instruments issued by governments, supranational debtors and/or government-linked agencies, these entities must meet the negative screening requirements listed above.

(1) ESG-risk score

The contribution to the integration of sustainability into policy decisions of the companies 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 company against a series of ESG criteria which are grounded to the extent possible against objective measures. The main factors underpinning the ESG criteria are:

- 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, and based on internal research as well.

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

The ESG score of the portfolio for companies is compared to following benchmark: iBoxx Euro Corporates - Total Return Index.

More information on the ESG-risk score and the concrete goals of the sub-fund can be found in the 'Annex for KBC Participation Enhanced Intelligence Bond Selection 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 companies, with the goal of meeting a predetermined greenhouse gas intensity target covers at least 90% of the portfolio. The objective does not apply to companies for which data is not available.

The contribution of companies to climate change mitigation is measured based on their greenhouse gas intensity. Greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent), divided by revenues (in mln USD).

A trajectory of -50% by 2030 versus the iBoxx Euro Corporates - Total Return Index in 2019 is followed

More information on Greenhouse Gas Intensity and the concrete goals of the sub-fund can be found in the 'Annex for KBC Participation Enhanced Intelligence Bond Selection 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. In addition, bonds that comply with Regulation (EU) 2023/2631 of the European Parliament and of the council of 22 November 2023 on European Green Bonds an optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds ('the European Green Bond Standard') will be considered bonds financing green and/or social projects. 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 KBC Participation Enhanced Intelligence Bond Selection 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 commits to invest a minimum proportion of the portfolio in companies that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

To support sustainable development, the sub-fund can invest part of its portfolio in companies that contribute to the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives. Instruments of companies that meet these requirements are designated as "sustainable investments," according to Article 2.17 of the SFDR.

Instruments of companies that meet these requirements are designated as "sustainable investments," according to Article 2(17) SFDR.

In addition, KBC Asset Management NV can award the "sustainable development" label to instruments of companies, on the advice of the Responsible Investing Advisory Board. In that case, these investments shall also qualify as "sustainable investments," according to Article 2(17) SFDR.

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 KBC Participation Enhanced Intelligence Bond Selection 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 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.

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.

Non-financial companies are considered to contribute to sustainable development if at least 20% of sales are aligned to the EU Taxonomy Framework based on Trucost data. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as "sustainable investments". 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.

More information on the EU Taxonomy Framework can be found in the 'Annex for KBC Participation Enhanced Intelligence Bond Selection 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* > General exclusion policy for conventional and Responsible Investing funds and *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 > 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 KBC Participation Enhanced Intelligence Bond Selection 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.

Benchmark information

The fund is actively managed with reference to the following benchmark: iBoxx Euro Corporates - 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.

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 0.75%. 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.

Required disclaimers for benchmark providers:

Neither S&P Global, its Affiliates nor any third party data provider makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. Neither S&P Global, its Affiliates nor any data provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the S&P Global data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. S&P Global has no obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes Inaccurate. Without limiting the foregoing, S&P Global, its Affiliates, or any third party data provider shall have no liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, In respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein. Copyright© 2016, S&P Global Limited.

Characteristics of the bonds and debt instruments

The sub-fund invests in bonds and debt instruments issued by corporations, governments, supranational institutions and government agencies.

The sub-fund invests directly and/or indirectly 100% of the assets invested in bonds and debt instruments
- in bonds and debt instruments that have an investment grade rating (at least BBB-/Baa3 for long-term debt, A3/F3/P3 for short-term debt) from at least 1 of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings, and/or
- in government bonds issued in EUR or senior corporate bonds* that do not have a credit rating from the above rating agencies but whose issuer has an investment grade rating from at least 1 of the above rating agencies

All maturities are considered in the selection of bonds and debt instruments.

*Subordinated bonds are, in the event of the bankruptcy of the issuer concerned, subordinated to the other debts of the company: first, the other debts of the company are repaid, then and only if capital remains, the holders of the subordinated bonds are repaid in full or in part; however, the holder of the subordinated bond has priority over the shareholders of the issuer concerned.

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	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 the product will be partly invested in less liquid bonds, there is a risk that a position cannot be sold in a timely manner at a reasonable price.
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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.
[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Enhanced Intelligence Bond Selection Responsible Investing - 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	BE6355095439	2 December 2024 through 6 December 2024 before 2 pm CET Settlement for value: 11 December 2024	9 December 2024	100 EUR
DIS (Distribution shares)	EUR	BE6355098466	2 December 2024 through 6 December 2024 before 2 pm CET Settlement for value: 11 December 2024	9 December 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'

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: 2.50% 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 0.95%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.03%	of the net assets of the sub-fund per year.

Enhanced Intelligence Bond Selection Responsible Investing - Institutional B Shares

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

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	BE6355091396	2 December 2024 through 6 December 2024 before 2 pm CET Settlement for value: 11 December 2024	9 December 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'

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	-	-	-
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 0.95%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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 Europe Financial Bond Opportunities

1. Basic details

Name

Europe Financial Bond Opportunities

Date of incorporation

29 August 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 object of this sub-fund is to generate the highest possible return for its unitholders 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 and debt instruments.

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 will invest mainly in Tier 1, Additional Tier 1, Tier 2 and/or Tier 3 bonds and debt instruments as issued by European financial institutions. This includes contingent convertible bonds ('cocos').
Tier 1, Additional Tier 1, Tier 2 and/or Tier 3 bonds and debt instruments are subordinated financial instruments that, in the event of the issuer's insolvency, rank below bonds and debt instruments that are not characterised by such subordination. The sub-fund can invest a maximum of 50% of its assets in contingent convertible bonds, a hybrid form of debt instrument which combines features of both capital instruments and debt instruments.
These Tier 1, Additional Tier 1, Tier 2 and Tier 3 bonds and debt instruments are subject to the provisions of Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, seeking to avert the insolvency of issuers that have got into financial problems by bolstering shareholder equity, including by delaying or cancelling a coupon payment, a maturity extension, full or partial conversion into equities or applying an impairment charge to the instrument to the extent of all or part of its carrying value (described as a bail-in in Directive 2014/59/EU). The process of thus reinforcing shareholder equity, especially in the case of contingent convertible bonds, may be automatically provided in the issue terms and conditions or may be decided on for all Tier 1, Additional Tier 1, Tier 2 and Tier 3 debt instruments by the issuer or regulator. By virtue of these features, Tier 1, Additional Tier 1, Tier 2 and Tier 3 debt instruments manifest a significantly greater risk profile than do regular bonds; as a result, investors can incur losses on investments in such instruments even before the issuer's insolvency is ordered.
The subordinated bonds and debt instruments in which the sub-fund invests are denominated in euros or in other currencies; in the latter case, they must be hedged against potential exchange-rate fluctuations in respect of the euro.
The investment portfolio may include shares. The sub-fund may only hold shares where it does so consequent upon the conversion into equity of contingent convertible bonds or subordinated bonds and debt instruments.
For further information regarding the aforementioned subordinated bonds and debt instruments and contingent convertible bonds, please refer to the section 'Characteristics of the bonds and debt instruments'.
Contrary to the above strategy, normal judicious management of the investment portfolio may cause the manager of the sub-fund to take action to anticipate extreme market conditions and it may, consequently, invest the sub-fund's entire assets in government bonds, commercial paper, deposits or cash, providing always that the portion comprising deposits and/or cash may not represent more than 50% of the assets. Judgement of such care in the exercise of its management is based on such information as is available to the manager at the time of its investment decision. In this connection, the sub-fund offers no capital protection.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The fund is actively managed with reference to the following benchmark: 30% iBoxx Euro Contingent Convertibles liquid Developed Markets AT1 Index, 70% iBoxx Euro Financial Subordinated 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.

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 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.

Required disclaimers for benchmark providers:

Neither S&P Global, its Affiliates nor any third party data provider makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. Neither S&P Global, its Affiliates nor any data provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the S&P Global data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. S&P Global has no obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes Inaccurate. Without limiting the foregoing, S&P Global, its Affiliates, or any third party data provider shall have no liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, In respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein. Copyright© 2016, S&P Global Limited.

Characteristics of the bonds and debt instruments

The sub-fund invests primarily in subordinated bonds and debt instruments and/or contingent convertible bonds issued by European financial institutions. Subordinated bonds and debt instruments offer a considerably higher investment return than that available on other bonds and debt instruments. In the event of the relevant issuer's insolvency a subordinated bond or debt instrument is subordinate to the company's other debts: the company's other debts are paid off first; only then, assuming there is any capital remaining, are the holders of the subordinated bond or debt instrument reimbursed in full or in part; holders of the subordinated bond or debt instrument do, however, take precedence over the relevant issuer's shareholders. The subordinated bonds and debt instruments in which the sub-fund invests can comprise both bonds and debt instruments belonging to Tier 1, including Additional Tier 1, Tier 2 and/or Tier 3 capital of the European financial institution, as well as senior non-preferred bonds/debt instruments.

(Additional) Tier 1 subordinated debt instruments belong to the core capital of the issuing financial institution. Holders of Tier 1 subordinated debt instruments are ranked equally with holders of preferred shares or participation certificates and have rights that are subordinated to any Tier 2, Tier 3 or senior preferred bonds/debt instruments that have been issued.
Tier 2 subordinated debt instruments do not form part of the financial institution's core capital but its supplementary capital. Holders of Tier 2 subordinated debt instruments are ranked below holders of Tier 3 and senior preferred bonds/debt instruments.
Tier 3 bonds/debt instruments are bonds/debt instruments that rank above Tier 1 and Tier 2 bonds/debt instruments and below senior preferred bonds/debt instruments.

Their subordinated character means that the bonds and debt instruments in which the sub-fund invests can be subject to the provisions of Directive 2014/59/EU of the European Parliament and Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) no. 1093/2010 and (EU) no. 648/2012 of the European Parliament and Council (hereinafter the 'Bank Recovery and Resolution Directive' or 'BRRD'), as well as any further regulatory initiatives concerning the treatment of subordinated bonds and debt instruments. Application of the aforementioned Directive and its incorporation in the national law to which the issuer is subject could mean that the subordinated bonds and debt instruments in which the sub-fund invests become the object of recovery and/or resolution measures in respect of the issuing financial institution. These recovery and/or resolution measures might comprise, amongst others, extending the maturity, delay or cancelling a coupon payment and full or partial conversion into equities or applying an impairment charge to the bonds and debt instruments ('bail-in' on application of BRRD). In consequence of these measures, it is possible that an investment in subordinated bonds and debt instruments issued by a European financial institution might lose some or all of its value even before any insolvency is declared.

The bonds in which the sub-fund invests can include contingent convertible bonds (cocos). These bonds qualify in view of the fact that they are hybrid instruments with characteristics of both capital and debt instruments and offer higher anticipated returns, but also entail addition risks, such as:
- Risk of non-payment of the coupon: the issuer of the contingent convertible bond in which the sub-fund invests can have the discretionary power to decide not to pay the coupon on the contingent convertible bond;
- Risk of a 'trigger event' occurring: if the issuer's capital ratio has fallen below a certain level and/or by a decision of the supervisory authority, the bonds can be converted into equities or else written down either fully or in part. In this event, the sub-fund can suffer losses on the investment in contingent convertible bonds before the financial institution's shareholders, if a write-down of the contingent convertible bonds should occur prior to the financial institution's insolvency.
- Maturity risk: contingent convertible bonds might be perpetual bonds, which can only be redeemed on the predetermined call dates. Redemption on the call date depends on the discretionary power of decision of the issuer.

Specific reference is made to the description of the risks under 'Sub-fund's risk profile'.

Given the subordinated character of the investments, the sub-fund can invest directly or indirectly up to 100% of its assets in bonds and/or debt instruments with a credit rating below investment grade rating (lower than BBB-/Baa3 long-term debt and 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.

Up to 25% of the assets in the portfolio may be invested in bonds and/or debt instruments to which none of the aforementioned agencies have given a rating.

Should the sub-fund manager exercise its prerogative to invest up to 100% of the sub-fund's assets in government bonds, commercial paper, deposits and/or cash, the portion of the assets invested in government bonds and/or commercial paper will be made up of 100% of instruments with an investment grade rating by at least one of the rating agencies mentioned above and/or government bonds issued in local currency which do not have a credit rating by 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.

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

Volatility of the net asset value

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

3. Risk

Sub-fund's risk profile

Investors must take note of the specific risk factors set out below, the description of the risks given under the heading 'Information concerning the Bevek - F.Information on the risk profile of the UCITS', and the '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 value of bond funds is especially sensitive to changes in interest rates, since the interest rate on these bonds is fixed in advance and does not go up when market rates increase. Moreover, subordinated bonds and cocos are more susceptible to volatility than bonds that are not subordinated.
Credit risk	The risk that an issuer or a counterparty will default	high	the sub-fund mainly invests in subordinated bonds and in debt instruments and/or cocos. In an insolvency, these will only be compensated after the other creditors' claims have been met. In addition, investments in cocos, subordinated bonds and debt instruments from European financial institutions can lose all or some of their value prior to insolvency. Furthermore, a significant portion could be invested in bonds with a low credit rating. Consequently there is a significant risk of an issuer no longer being able to meet its obligations. 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	high	because part of the investment is in less liquid bonds like subordinated bonds and cocos, the risk exists of not being able to dispose of a position for a fitting price in due time that a position.
Exchange or currency risk	The risk that the value of an investment will be affected by changes in exchange rates	none	
Custody risk	The risk of loss of assets held in custody with a custodian or sub-custodian	low	

Concentration risk	The risk relating to a large concentration of investments in specific assets or in specific markets	moderate	the sub-fund's investments focus on the European financial sector.
Performance risk	Risks to return	high	The value of bond funds is especially sensitive to changes in interest rates, since the interest rate on these bonds is fixed in advance and does not go up when market rates increase. Moreover, subordinated bonds and cocos are more susceptible to volatility than bonds that are not subordinated.
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 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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Europe Financial Bond Opportunities - 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	BE0948394250	1 September 2008 through 26 September 2008 Settlement for value: 1 October 2008	29 September 2008	500 EUR
DIS (Distribution shares)	EUR	BE0948393245	1 September 2008 through 26 September 2008 Settlement for value: 1 October 2008	29 September 2008	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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 2.50% 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 1.00%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Europe Financial Bond Opportunities - Institutional B Shares

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

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	BE6228930754	24 November 2011 Settlement for value: 29 November 2011	25 November 2011	583,67 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	-	-	-
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 1.00%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Europe Financial Bond Opportunities - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348053826	31 January 2024 through 15 February 2024 before 2 pm CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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 Local Emerging Market Bonds

This sub-fund has been granted a derogation to invest up to 100% of its assets in securities or money market instruments International Bank for Reconstruction and Development (Wereldbank: www.worldbank.org), European Investment Bank (Europese Investeringsbank: www.eib.org), Kreditanstalt für Wiederaufbau (www.kfw.de).

1. Basic details

Name

Local Emerging Market Bonds

Date of incorporation

6 February 2013

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 object of this sub-fund is to generate the highest possible return for its unitholders 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 and/or debt instruments.

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

At least two thirds of sub-fund's total assets are invested in bonds or debt instruments issued by emerging market issuers or denominated in a currency in circulation in the emerging markets. The emerging markets display a lower level of economic development than Western Europe. Consequently, investments in such bonds and debt instruments are accompanied by higher-than-average economic and credit risks.

The remaining third of the assets shall be invested in assets as defined under 'Permitted asset classes'.

The investor bears the full risk for this portfolio of bonds and debt instruments. This means, amongst other things, that the return and/or the redemption price is determined not only by movements in the interest rate and the credit risk of the bonds and debt instruments, but also by changes in the value of the currency of the bonds and debt instruments against the euro. Exchange rate risks are not, therefore, systematically hedged.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The fund is actively managed with reference to the following benchmark: JP Morgan Government Bond Emerging Markets GLOBAL DIVERS Composite - 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.

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 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.

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 companies, governments, supranational institutions and public agencies.

Given the characteristics of emerging markets, the sub-fund may invest directly and/or indirectly up to 100% of its assets:
- in bonds and debt instruments with a credit rating below investment grade rating and/or;
- in bonds and debt instruments whose issuer has a credit rating below investment grade rating.

Below investment grade rating means a rating below BBB-/Baa3 for long-term debt or A3/F3/P3 for short-term debt issued by at least of the following rating agencies: Moody's Investors Service, Standard & Poor's or Fitch Ratings.

No more than 10% of the sub-fund's assets may be invested in bonds and debt instruments that have no credit rating from the aforementioned agencies and whose issuer also lacks a credit rating from one of the aforementioned rating agencies.

All maturities are taken into consideration in the selection of bonds and debt instruments.
The sub-fund may invest both in bonds and/or debt instruments denominated in local currencies in circulation in emerging markets and in bonds and/or debts instruments denominated in euros, pounds sterling, Japanese yen, Swiss francs or US dollars.

Derogation for investments in public issuers

The sub-fund has been granted a derogation to invest up to 100% of its assets in various issues of securities and money-market instruments issued or guaranteed by a Member State of the European Economic Area (EEA), by its local authorities, by a state that is not a member of the EEA, or by public international institutions in which one or more Member States of the European Economic Area participate, insofar as the investments are made in at least six such issues and the investment in a single issue does not exceed 30% of the assets.
The sub-fund can invest more than 35% of its assets in the securities or money market instruments of :

- the International Bank for Reconstruction and Development (World Bank: www.worldbank.org);
- the European Investment Bank (European Investment Bank: www.eib.org);
- Kreditanstalt für Wiederaufbau (www.kfw.de).

Investments in bonds and/or debt instruments issued by these institutions typically have a better credit quality compared with bonds and/or debt instruments of issuers in emerging countries. The manager will use this opportunity to protect the client by investing more defensively if the client so desires.

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 portfolio and the exchange rate risk in relation to the euro.
Credit risk	The risk that an issuer or a counterparty will default	high	a substantial part of the assets can be invested in bonds with a lower level of creditworthiness. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	moderate	since the product will be partly invested in less liquid bonds, there is a risk that a position cannot be sold in a timely manner at a reasonable price.
Exchange or currency risk	The risk that the value of an investment will be affected by changes in exchange rates	high	since there are investments in securities that are denominated in currencies other than the Euro, there is a considerable chance that the value of an investment will be affected by movements in exchange rates.
Custody risk	The risk of loss of assets held in custody with a custodian or sub-custodian	low	
Concentration risk	The risk relating to a large concentration of investments in specific assets or in specific markets	low	
Performance risk	Risks to return	moderate	the level of the risk reflects the interest rate sensitivity of the bonds in the portfolio 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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 6 am CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 6 am CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 6 am CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Local Emerging Market Bonds - 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	BE6248515668	7 February 2013 through 4 March 2013 before 05 pm CET Settlement for value: 7 March 2013	5 March 2013	1 000 EUR
DIS (Distribution shares)	EUR	BE6248518696	7 February 2013 through 4 March 2013 before 05 pm CET Settlement for value: 7 March 2013	5 March 2013	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: 2.50% 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 1.20%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Local Emerging Market Bonds - 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 10000 EUR (both during as well as after the initial subscription period). If it appears that the shares of this share class are held by persons other than authorized, these shares will be converted at no cost (except taxes) into shares of the share class 'Classic Shares'.

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	BE6248521724	7 February 2013 through 4 March 2013 before 05 pm CET Settlement for value: 7 March 2013	5 March 2013	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	-	-	-
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 1.20%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

Local Emerging Market Bonds - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348055847	31 January 2024 through 15 February 2024 before 6 am CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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.

Local Emerging Market Bonds - 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 5 000 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'.

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	BE6248519702	7 February 2013 through 4 March 2013 before 05 pm CET Settlement for value: 7 March 2013	5 March 2013	1 000 EUR
DIS (Distribution shares)	EUR	BE6248520718	7 February 2013 through 4 March 2013 before 05 pm CET Settlement for value: 7 March 2013	5 March 2013	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: 2.50% 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 0.50%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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 Bond Selection

This sub-fund has been granted a derogation to invest up to 100% of its assets in securities or money market instruments issued or guaranteed by Belgium, subareas or local authorities, the Netherlands, Germany, France, Austria and the United States.

1. Basic details

Name

Private Banking Active Bond Selection

Date of incorporation

28 September 2012

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 object of this 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. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in bonds or in money market instruments.

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 shall invest at least 90% in bonds and/or money market instruments and/or debt instruments and/or deposits.
The sub-fund can conclude Credit Default Swaps on indices (such as ITraxx and CDX) both to carry out the investments objectives and to cover the credit risk.
The total exposure resulting from the protection sold or purchased may not exceed 50% of the assets.
The remaining 10% of the assets shall be invested in assets as defined under 'Permitted asset classes'.
The assets may be invested in both euros and other currencies. The actual exposure to other currencies will not exceed 50%, thanks to the hedging of the foreign exchange risk.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The fund is actively managed without referring to any benchmark.

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. The longer the term of a bond or debt instrument, the greater the impact that rising interest rates will have on the intrinsic value of the bond or debt instrument. When there is a threat of higher interest rates, derivative products (such as interest rate futures and/or interest rate swaps) may be used to render the total term to maturity of the portfolio(**) of bonds and debt instruments negative (up to -2 years), so that rising interest rates will then have a positive impact on the net asset value of the total portfolio.

*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.

** The term of the portfolio is a good yardstick for measuring the sensitivity of the value of the portfolio to interest rate movements. If the total term to maturity is positive, the portfolio will fall in value when rates rise, and vice versa. The term is expressed in years. Generally speaking, sensitivity to interest rates increases the longer the term to maturity of the portfolio.

Derogation for investments in public issuers

The sub-fund has been granted a derogation to invest up to 100% of its assets in various issues of securities and money market instruments that are issued or guaranteed by a Member State of the European Economic Area, by its local authorities, by a state that is not a Member State of the European Economic Area, or by public international institutions in which one or more Member States of the European Economic Area participate, insofar as the investments are made in at least six such issues and the investment in a single issue does not exceed 30% of the assets. The sub-fund can invest more than 35% of its assets in securities or money market instruments issued in
– the Belgian State or its regional governments or local authorities(*)
– the Netherlands
– Germany
– France
– Austria
– the United States
(*) Under regional governments and local authorities, the municipalities and provinces, the Flemish Region, the Walloon Region, etc. will be taken into consideration.
The sub-fund expects to make use of this opportunity only in exceptional cases, e.g., to invest money temporarily in safe and liquid markets during times of great anxiety in the financial markets. Consequently, the sub-fund will only use this derogation for the above names if (at the time of derogation) they have a long-term rating of at least AA/Aa2 from at least one of the following rating agencies: (Moody's (Moody's Investors Service), S&P (Standard & Poor's, a Division of the McGraw-Hill Companies, Fitch (Fitch Ratings)). Moreover, the sub-fund will always be invested in securities from at least eight different issues at such times.

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 portfolio and the exchange rate risk in relation to the euro.
Credit risk	The risk that an issuer or a counterparty will default	high	a substantial part of the assets can be invested in bonds with a lower level of creditworthiness. Consequently there is a significant risk that an issuer can no longer meet its obligations. 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	moderate	since the product will be partly invested in less liquid bonds, there is a risk that a position cannot be sold in a timely manner at a reasonable price.
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 interest rate sensitivity of the bonds in the portfolio 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 : 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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

Publication of the net asset value

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

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

5. Types of shares and fees and charges

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

Dividend payment

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

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

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

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

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

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

Private Banking Active Bond Selection - 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	BE6243135215	1 October 2012 through 5 November 2012 before 2 pm CET Settlement for value: 8 November 2012	6 November 2012	1 000 EUR
DIS (Distribution shares)	EUR	BE6243137237	1 October 2012 through 5 November 2012 before 2 pm CET Settlement for value: 8 November 2012	6 November 2012	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: 1.00% 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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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. 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.
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. 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) 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.

Private Banking Active Bond Selection - Institutional B Shares

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

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	BE6294992803	22 May 2017 through 23 May 2017 before 2 pm CET Settlement for value: 30 May 2017	24 May 2017	1 113,47 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	-	-	-
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 1.25%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) such as the regulator's fees, the cost of publication and any marketing costs	0.01%	of the net assets of the sub-fund per year.

Private Banking Active Bond Selection - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348063924	31 January 2024 through 15 February 2024 before 2 pm CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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 Short Term Bond Selection

This sub-fund has been granted a derogation to invest up to 100% of its assets in securities or money market instruments issued or guaranteed by Belgium, subareas or local authorities, the Netherlands, Germany, France, Austria and the United States.

1. Basic details

Name

Short Term Bond Selection

Date of incorporation

2 January 2017

Life

Unlimited

Delegation of the management of the investment portfolio

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

Stock exchange listing

Not applicable.

2. Investment information

Sub-fund's object

The main object of this sub-fund is to generate the highest possible return for its unitholders 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 and/or debt instruments.

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 will invest primarily in bonds and/or money market instruments and/or debt instruments and/or cash, whereby the average remaining term to maturity of the portfolio will generally have a duration of one to three years.

All maturities are taken into consideration when selecting the bonds and debt instruments. The longer the term of a bond or debt instrument, the greater the impact that rising interest rates will have on the intrinsic value of the bond or debt instrument. Through the use of derivatives (such as interest rate futures and/or interest rate swaps), the total duration of the portfolio of bonds and debt instruments can be rendered negative (up to -2 years) if an interest rate increase is looming, so that rising interest rates can have a positive impact on the intrinsic value of the total portfolio.
The bonds and debt instruments invested in may be issued by both companies and governments.
The fund may invest in non-euro-denominated bonds. At least 97% of the portfolio must be hedged against the euro at all times.

(*) The duration of the portfolio is a good yardstick for measuring the sensitivity of the value of the portfolio to interest rate movements. If the total duration is positive, the portfolio will fall in value when rates rise, and vice versa. The duration is expressed in years. Generally speaking, sensitivity to interest rates increases the longer the duration of the portfolio.

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* > General exclusion policy for conventional and 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* > 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.

Benchmark information

The fund is actively managed with reference to the following benchmark: 50% iBoxx EURO corporate BBB Rated ALL MATURITIES - Total Return Index, 50% JP Morgan EMU Government Bonds Investment Grade 1-3 year 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.

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 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.

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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 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 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.

Derogation for investments in public issuers

The sub-fund has been granted a derogation to invest up to 100% of its assets in various issues of securities and money market instruments that are issued or guaranteed by a Member State of the European Economic Area, by its local authorities, by a state that is not a Member State of the European Economic Area, or by public international institutions in which one or more Member States of the European Economic Area participate, insofar as the investments are made in at least six such issues and the investment in a single issue does not exceed 30% of the assets. The sub-fund can invest more than 35% of its assets in securities or money market instruments issued in
– the Belgian State or its regional governments or local authorities(*)
– the Netherlands
– Germany
– France
– Austria
– the United States
(*) Under regional governments and local authorities, the municipalities and provinces, the Flemish Region, the Walloon Region, etc. will be taken into consideration.
The sub-fund expects to make use of this opportunity only in exceptional cases, e.g., to invest money temporarily in safe and liquid markets during times of great anxiety in the financial markets. Consequently, the sub-fund will only use this derogation for the above names if (at the time of derogation) they have a long-term rating of at least AA/Aa2 from at least one of the following rating agencies: (Moody's (Moody's Investors Service), S&P (Standard & Poor's, a Division of the McGraw-Hill Companies, Fitch (Fitch Ratings)).
Moreover, the sub-fund will always be invested in securities from at least eight different issues at such times.

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	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	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	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*.

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[1] **Date of published net asset value**	**Date the net asset value is calculated**	**Actual values used**	**Date of payment or repayment of the orders**
D (every banking day [2] at 2 pm CET) also referred to as 'Dealing Day'	**D+1 banking day**	**D** if maximum 20% of the actual values are already known on D (every banking day [2] at 2 pm CET) **D+1** if more than 20% of the actual values are already known on D (every banking day [2] at 2 pm CET)	**D+3 banking days**

[1] 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.

[2] 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. Swing pricing may be applied as described in the 'Information concerning the Bevek – N. Liquidity management tools' section.

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.

Short Term Bond Selection - 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*
DIS (Distribution shares)	EUR	BE6314469600	1 July 2019 through 15 July 2019 before 2 pm CET Settlement for value: 18 July 2019	16 July 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: 1.25% After the initial subscription period: 1.25%	-	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 0.50% Max 0.01%	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. 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.
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. 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) 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.

Short Term Bond Selection - Corporate Shares

There is a minimum subscription value of 200 000 EUR (both during as well as after the initial subscription period).

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	BE6291514949	2 January 2017 through 9 January 2017 before 2 pm CET Settlement for value: 12 January 2017	10 January 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	-	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 0.45% Max 0.01%	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. 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.
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. 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) 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.

Short Term Bond Selection - 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 (except a discretionary management agreement 'Core Satellite'), 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[1]. 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[2]. 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".

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	BE6348064930	31 January 2024 through 15 February 2024 before 2 pm CET 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'

[1] These are collective investment undertakings managed by KBC Asset Management NV or by another company associated with this management company.
[2] 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***

	Subscription	*Redemption*	*Switching between subfunds*
Trading fee	During the initial subscription period: 0.00% 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	-
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% Max 0.01%	per year calculated on the basis of the average total net assets of the sub-fund. 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.
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. 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) 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.

Short Term Bond Selection - 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 5 000 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'.

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	BE6291515953	2 January 2017 through 9 January 2017 before 2 pm CET Settlement for value: 12 January 2017	10 January 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	-	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 0.30% Max 0.01%	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. 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.
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. 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) 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.

Short Term Bond Selection - K&H Classic Shares

This share class is reserved for trading within the financial institution stated in the name of the 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	BE6362018796	15 April 2025 through 16 April 2025 before 2 pm CET Settlement for value: 23 April 2025	17 April 2025	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: 1.25% After the initial subscription period: 1.25%	-	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%	per year calculated on the basis of the average total net assets of the sub-fund. 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. (*) 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.
	Max 0.01%	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.
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. 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) 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.

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:
KBC Participation Cash Plus Responsible Investing

Legal entity identifier (LEI):
549300J0II7EWMEVAZ34

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-Taxonomy** 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 25.00% 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 25.00% of its assets in economic activities that contribute to the achievement of social objectives (i.e. 'sustainable investments'). The minimum proportion assets promoting

environmental and social characteristics of this sub-fund is 85.00%.

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 governments, supranational debtors and/or agencies linked to governments by preferring governments, supranational debtors and/or agencies linked to governments with a better ESG 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 investments in governments, supranational debtors and/ or agencies linked to governments contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

The concrete objectives of the sub-fund are:

	Objective
Instruments issued by companies	
Greenhouse gas Intensity	15% better than the following benchmark: iBoxx Euro Corporates - Total Return Index.
Instruments issued by governments, supranational debtors and/or agencies linked to governments	
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
Minimum % Sustainable Investments	A minimum of 25.00% of sustainable investments. The sustainable investments for this sub-fund will consist of investments in governments, supranational debtors and/or agencies linked to governments contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.
Minimum % of sustainable investments with a social objective	25.00%
Minimum % of assets promoting E/S characteristics	85.00%
Other specific objectives	Investments in instruments issued by companies should qualify as 'assets that promote environmental and/or social characteristics'.

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 Corporates - 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-score

The contribution to the integration of sustainability into policy decisions of the governments, supranational debtors and/or agencies linked to governments is measured based on 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:

- 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.

This list of factors underpinning the ESG criteria is 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

To calculate the ESG-score at portfolio level, the weighted average of the ESG-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 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-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?'.

For the part of the portfolio invested in deposits and money market instruments issued by companies, the ESG Score is not taken into account.

(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 CO2 equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO2 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, as well as internal research. 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.

For companies, the sub-fund targets a 15% improvement over the greenhouse gas intensity score of the following benchmark: iBoxx Euro Corporates - Total Return Index.

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 could be 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. The territorial emissions and emissions related to imports are based on data from Trucost, as well as internal research.. 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 could be 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index). 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 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 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 commits to invest a minimum proportion of the portfolio in governments, supranational debtors and/or government-linked agencies that contribute to the achievement of the UN Sustainable Development Goals. The UN Sustainable Development Goals include both social and environmental objectives.

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, KBC Asset Management NV can also award the “sustainable development” label to instruments, on the advice of the Responsible Investing Advisory Board.

However, the awarding of the 'sustainable development' label by KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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.

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

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, KBC Asset Management NV can award the 'sustainable development' label to instruments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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.

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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Cash Plus 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 social objectives (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 Cash Plus Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 governments, supranational debtors and/or government-linked agencies by preferring governments, supranational debtors and/or government-linked agencies with a better ESG 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 governments, supranational debtors and/or government-linked agencies that contribute to the UN Sustainable Development Goals.

More information on the concrete objectives applicable to this sub-fund regarding ESG score, greenhouse gas intensity and the sustainable investments 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 or internal research, 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 soecific assets.

The sub-fund may invest in money market instruments, deposits, units in standard money market funds or short-term money market funds, financial derivatives and liquid assets.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 85.00% 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'.

Corporate positions that pass the negative screening and that have at least a +2 Net Alignment Score on one of the first 15 UN Sustainable Development Goals at MSCI, as well as (term) deposits of which the counterparties pass the negative screening and that have at least a +2 Net Alignment Score on one of the first 15 UN Sustainable Development Goals at MSCI, are also considered as 'assets promoting environmental and social characteristics'.

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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 15.00% 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 Cash Plus 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 25.00% of the assets in ‘sustainable investments’ with a social objective as defined by art. 2(17) SFDR.

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 instruments that are classified as "sustainable" by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

In addition, non-financial 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. Companies that have at least 20% of their revenues aligned with the UN Sustainable Development Goals are also considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred

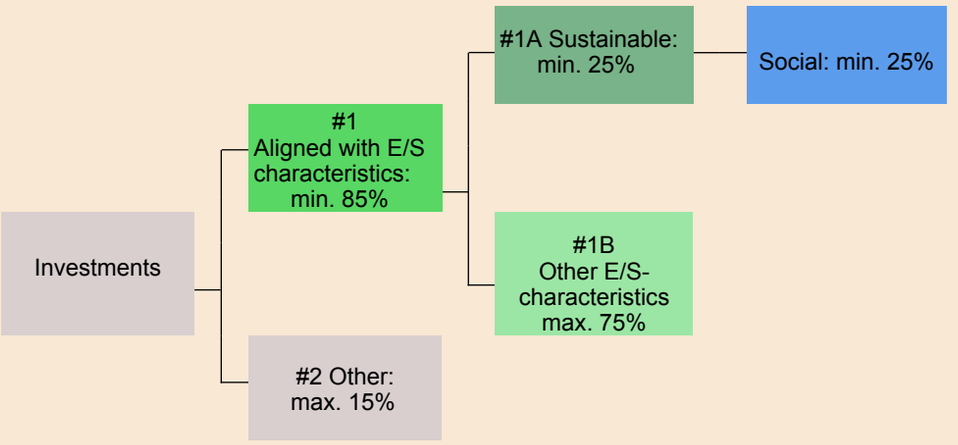
to as "sustainable investments," according to art. 2(17) SFDR. More information on the percentage in the portfolio that was considered "sustainable investments with an environmental objective aligned with the EU Taxonomy Framework" based on this criterion during the reporting period, can be found in the annual reports for this sub-fund. 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 Cash Plus 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[1]?

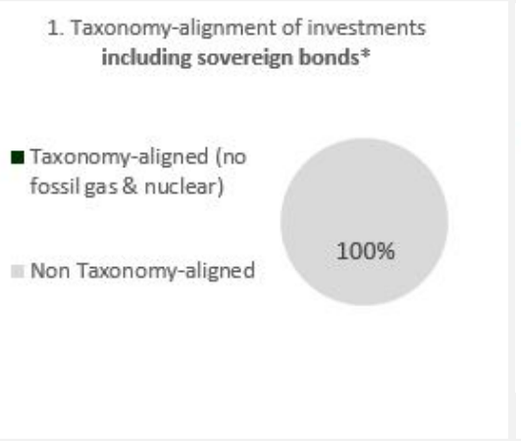
☐ Yes

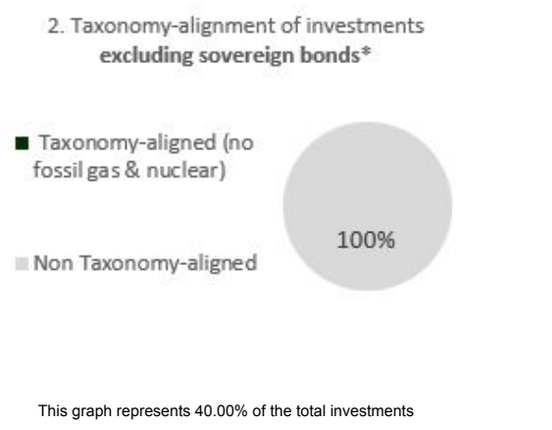
☐ in fossil gas ☐ in nuclear energy

☒ No

(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.





This graph represents 40.00% 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

The sub-fund commits to invest at least 25.00% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund does not commit to invest a minimum share thereof in instruments with an environmental objective that are not aligned with the EU Taxonomy. Therefore, the

an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU-Taxonomy.

minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is thus 0%.

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 25.00%.



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 Cash Plus 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 companies the benchmark iBoxx Euro Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index) 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* > KBC Participation Cash Plus 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:
KBC Participation Corporate Bonds 1 Responsible Investing

Legal entity identifier (LEI):
875500UZ492RGK25TQ61

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Instruments issued by governments, supranational debtors and/or agencies linked to governments	
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
Bonds financing green and/or social projects	A minimum of 15% 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.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	1.00%
Minimum % of sustainable investments with a social objective	1.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	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 Corporates - 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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 1 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 CO2 equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO2 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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 1 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 could be 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. The territorial emissions and emissions related to imports are based on data from Trucost, as well as internal research.. 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 could be 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index). 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board.

However, the awarding of the 'sustainable development' label by KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled ‘sustainable investments’ as defines 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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Corporate Bonds 1 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 Corporate Bonds 1 Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 or internal research, 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 soecific 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 Corporate Bonds 1 Responsible Investing”.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Corporate Bonds 1 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 22.50% 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 sum of investments with an ecological objective that do not qualify as ecologically sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage

of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

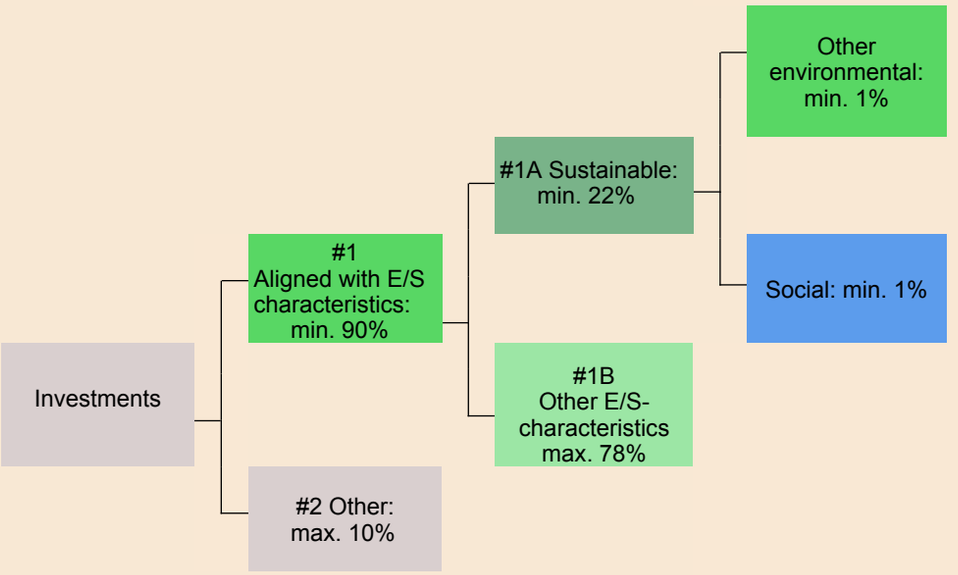
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Corporate Bonds 1 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*[(1)]?

☐ Yes

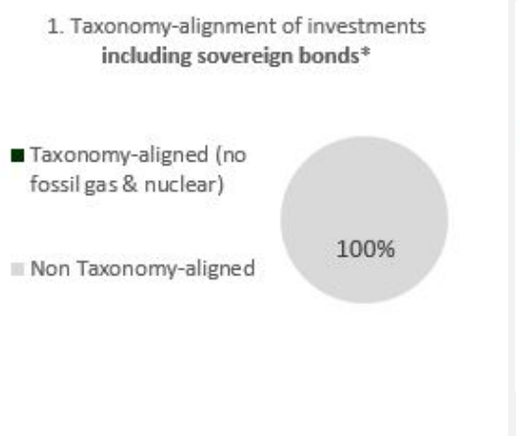
☐ in fossil gas ☐ in nuclear energy

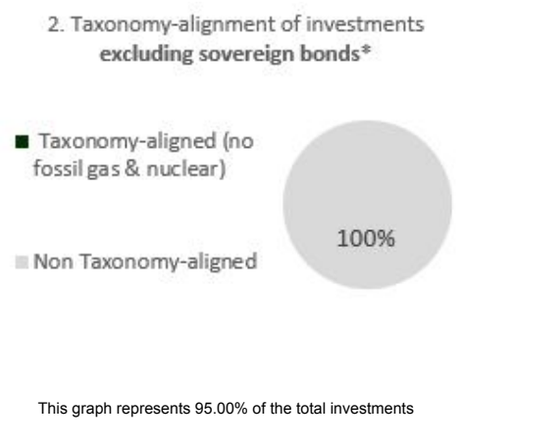
☒ No

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 Green bonds complying with the European Green Bond Standard are also considered as aligned with the EU Taxonomy Framework. 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.

(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.





This graph represents 95.00% 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 22.50% 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 achieve investment objectives and 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 Corporate Bonds 1 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index) 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* > KBC Participation Corporate Bonds 1 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:
KBC Participation Corporate Bonds 2 Responsible Investing

Legal entity identifier (LEI):
875500PERVK0QLQL1G37

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Instruments issued by governments, supranational debtors and/or agencies linked to governments	
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
Bonds financing green and/or social projects	A minimum of 15% 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.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	1.00%
Minimum % of sustainable investments with a social objective	1.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	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 Corporates - 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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 2 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 CO2 equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO2 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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 2 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 could be 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. The territorial emissions and emissions related to imports are based on data from Trucost, as well as internal research.. 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 could be 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index). 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board.

However, the awarding of the 'sustainable development' label by KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled ‘sustainable investments’ as defines 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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No



What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Corporate Bonds 2 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 Corporate Bonds 2 Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 or internal research, 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 soecific 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 Corporate Bonds 2 Responsible Investing”.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Corporate Bonds 2 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 22.50% 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 sum of investments with an ecological objective that do not qualify as ecologically sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage

of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

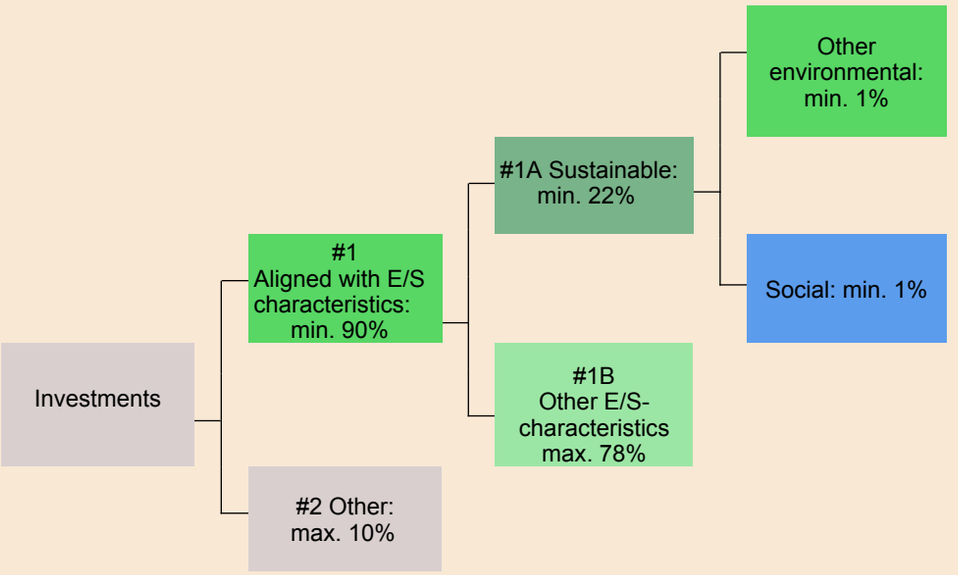
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Corporate Bonds 2 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*[(1)]?

☐ Yes

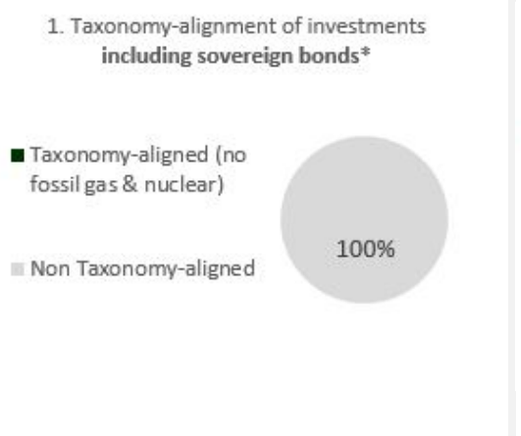
☐ in fossil gas ☐ in nuclear energy

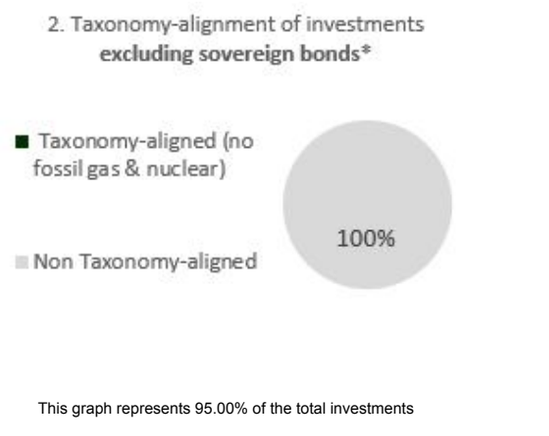
☒ No

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 Green bonds complying with the European Green Bond Standard are also considered as aligned with the EU Taxonomy Framework. 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.

(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.





This graph represents 95.00% 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 22.50% 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 achieve investment objectives and 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 Corporate Bonds 2 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index) 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* > KBC Participation Corporate Bonds 2 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:
KBC Participation Corporate Bonds 3 Responsible Investing

Legal entity identifier (LEI):
875500SK5VHCF2T06O36

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Instruments issued by governments, supranational debtors and/or agencies linked to governments	
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
Bonds financing green and/or social projects	A minimum of 15% 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.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	1.00%
Minimum % of sustainable investments with a social objective	1.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	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 Corporates - 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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 3 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 CO2 equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO2 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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 3 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 could be 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. The territorial emissions and emissions related to imports are based on data from Trucost. 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 could be 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index). 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board.

However, the awarding of the 'sustainable development' label by KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled ‘sustainable investments’ as defines 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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

issuers involved in certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as, controversial weapons, nuclear weapons, agricultural commodities, or fossil fuels, among others.
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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Corporate Bonds 3 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 Corporate Bonds 3 Responsible Investing ’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 or internal research, 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 soecific 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 Corporate Bonds 3 Responsible Investing ".

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Corporate Bonds 3 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 22.50% 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 sum of investments with an ecological objective that do not qualify as ecologically sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

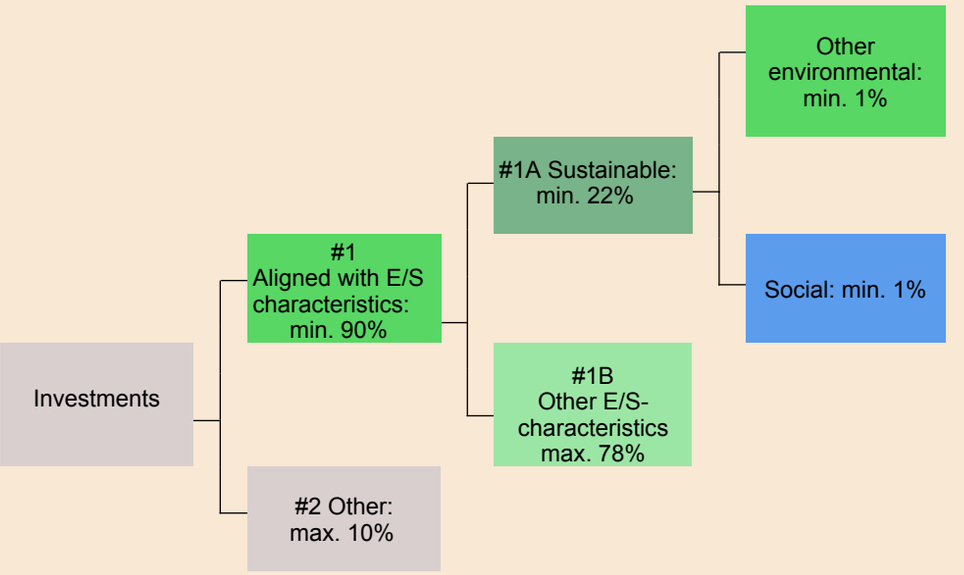
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Corporate Bonds 3 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[(1)]?

☐ Yes

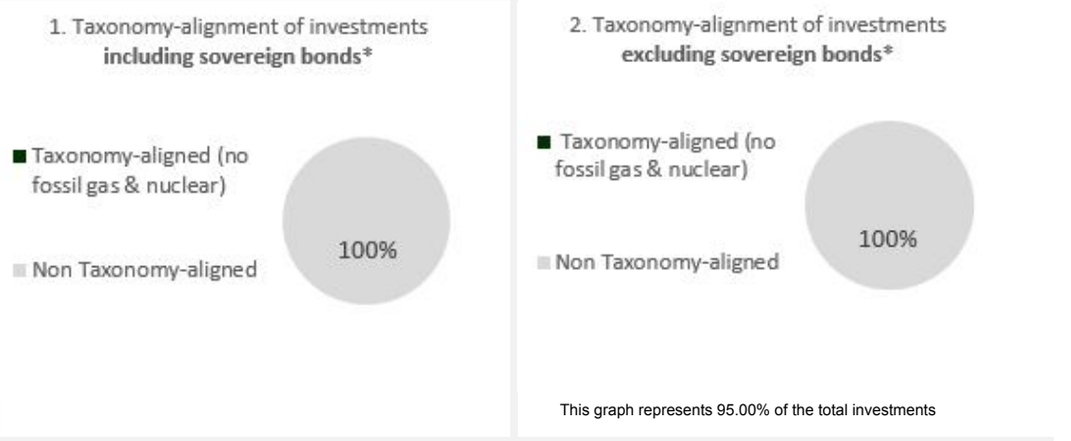
☐ in fossil gas ☐ in nuclear energy

☒ 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. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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.

(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 22.50% 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 achieve investment objectives and 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 Corporate Bonds 3 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index) 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* > KBC Participation Corporate Bonds 3 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:
KBC Participation Corporate Bonds 4 Responsible Investing

Legal entity identifier (LEI):
875500KXZZ7KGQJP7753

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Instruments issued by governments, supranational debtors and/or agencies linked to governments	
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).
Bonds financing green and/or social projects	A minimum of 15% 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.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	1.00%
Minimum % of sustainable investments with a social objective	1.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	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 Corporates - 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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 4 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index).

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 CO2 equivalent) divided by revenues (in million USD). For countries, it is defined as greenhouse gas emissions (in tonnes CO2 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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds 4 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 could be 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. The territorial emissions and emissions related to imports are based on data from Trucost, as well as internal research.. 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 could be 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index). 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, KBC Asset Management NV can award the "sustainable development" label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board.

However, the awarding of the 'sustainable development' label by KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies and governments, on the advice of the Responsible Investing Advisory Board. 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 KBC Asset Management NV to instruments of governments on the advice of the Responsible Investing Advisory Board 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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled ‘sustainable investments’ as defines 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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Corporate Bonds 4 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 Corporate Bonds 4 Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 or internal research, 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 soecific 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 Corporate Bonds 4 Responsible Investing”.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Corporate Bonds 4 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 22.50% 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 sum of investments with an environmental objective that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage

of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

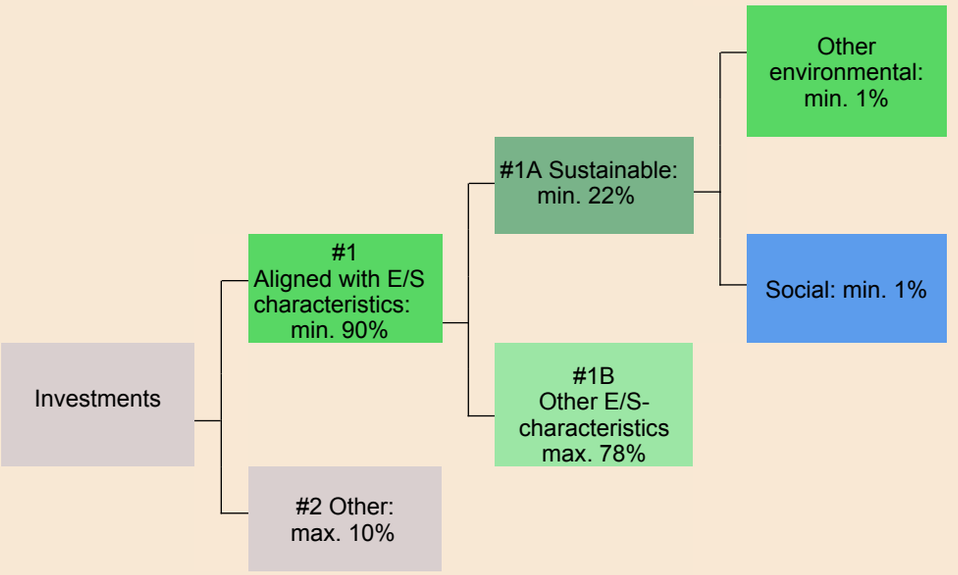
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Corporate Bonds 4 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*[(1)]?

☐ Yes

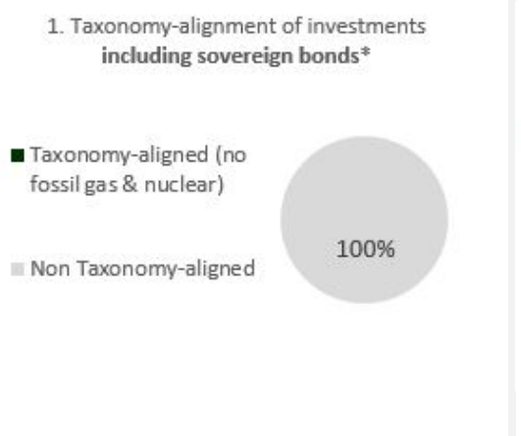
☐ in fossil gas ☐ in nuclear energy

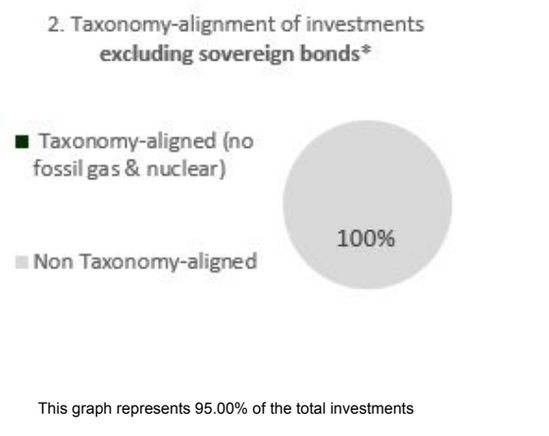
☒ No

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. Green bonds complying with the European Green Bond Standard are also considered as aligned with the EU Taxonomy Framework. 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.

(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.





This graph represents 95.00% 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 22.50% 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 achieve investment objectives and 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 Corporate Bonds 4 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 Corporates - 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 Index and 33% emerging markets: J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR Index) 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* > KBC Participation Corporate Bonds 4 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:
KBC Participation Corporate Bonds Responsible Investing

Legal entity identifier (LEI):
549300XVKVUOOVHB2Y55

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 companies by preferring companies with a better ESG riskscore;
- promotes climate change mitigation by preferring companies 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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	5.00%
Minimum % of sustainable investments with a social objective	5.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	If investments were to be made in instruments issued by governments, supranational debtors and/or government-linked agencies, these entities must meet the negative screening requirements as described in this annex and the prospectus under title 'Information concerning the sub-fund Corporate Bonds Responsible Investing'.

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 Corporates - Total Return Index 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?

(1) Indicators related to the ESG-risk score

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product

The contribution to the integration of sustainability into policy decisions of the companies is measured based on an ESG risk score. This score represents the aggregated performance assessment of a given company with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- 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

are attained.

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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds Responsible Investing'.

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 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.

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 companies 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 companies 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 companies to climate change mitigation is measured based on their greenhouse gas intensity. Greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent) divided by revenues (in million USD).

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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Corporate Bonds Responsible Investing'.

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 could be 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.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies 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 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 a part of its portfolio in companies 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.

In addition, KBC Asset Management NV can award the "sustainable development" label to instruments of companies, on the advice of the Responsible Investing Advisory Board.

(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 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.

In addition, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies, on the advice of the Responsible Investing Advisory Board. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

(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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled 'sustainable investments' as defines 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

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.

decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and antibribery matters.

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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Corporate Bonds 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 companies 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 Corporate Bonds Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 companies by preferring companies with a better ESG risk score and promote climate change mitigation, by preferring companies 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 companies 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 or internal research, 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 soecific 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 Corporate Bonds Responsible Investing”.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% of the assets in assets that promote environmental or social characteristics.

Corporate 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Corporate Bonds 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 22.50% of the assets in ‘sustainable investments’ as defined by art. 2(17) SFDR. The sub-fund shall invest a minimum of 5.00% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and a minimum of 5.00% in sustainable investments with a social objective. The sum of investments with an ecological objective that do not qualify as ecologically sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

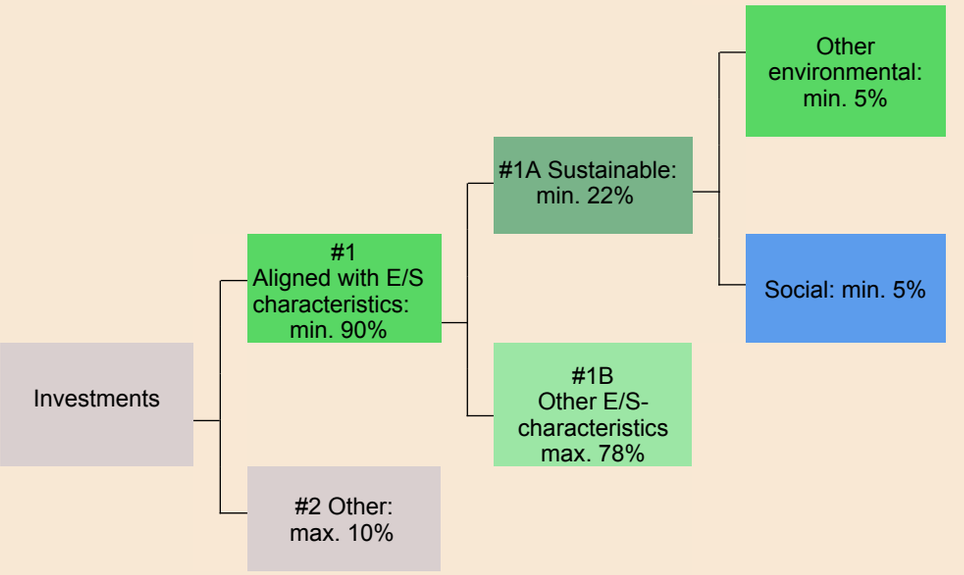
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Corporate Bonds 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[(1)]?

☐ Yes

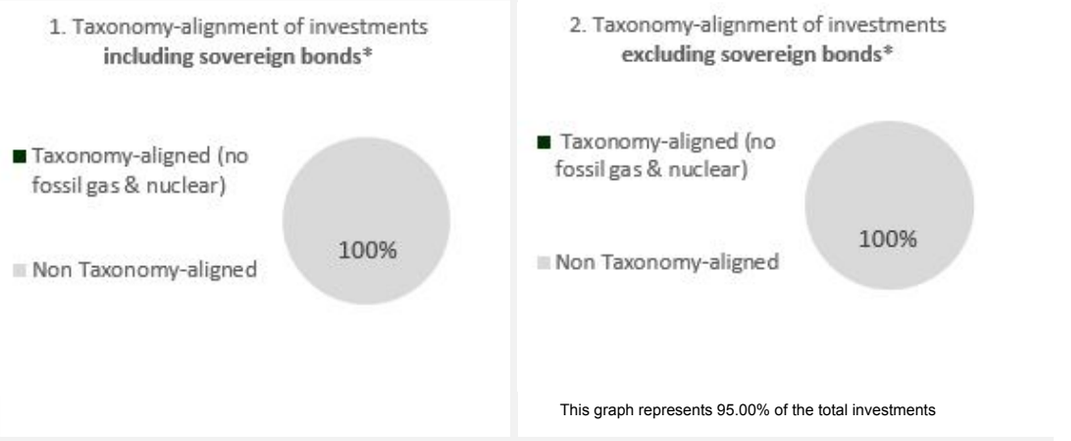
☐ in fossil gas ☐ in nuclear energy

☒ 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 Green bonds complying with the European Green Bond Standard are also considered as aligned with the EU Taxonomy Framework. 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.

(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 22.50% in sustainable investments as defined by art. 2(17) SFDR. The sub-fund commits to invest a minimum of 5.00% 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 5.00%.

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 achieve investment objectives and 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 Corporate Bonds 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 Corporates - Total Return Index 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* > KBC Participation Corporate Bonds 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:
KBC Participation Enhanced Intelligence Bond Selection Responsible Investing

Legal entity identifier (LEI):
875500Z2TE5ACEDQFS11

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-Taxonomy** 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 22.50% 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 22.50% 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 90.00%.

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 companies by preferring companies with a better ESG riskscore;
- promotes climate change mitigation by preferring companies 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 (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

  However, no binding minimum percentage has been set for this latter category (ii), 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
Instruments issued by companies	
ESG risk score	Better than the following benchmark: iBoxx Euro Corporates - 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 Corporates - Total Return Index and a reduction of 50% by 2030 based on the following benchmark: iBoxx Euro Corporates - 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 15% of corporate bonds invested in should qualify as bonds financing green and/or social projects.
Minimum % Sustainable Investments	A minimum of 22.50% of sustainable investments. The sustainable investments for this sub-fund will consist of (i) bonds financing green and/or social projects and (ii) investments in issuers contributing to the achievement of the UN Sustainable Development Goals plus instruments that have been awarded the 'sustainable development' label by KBC Asset Management NV on the advice of the Responsible Investing Advisory Board. However, no binding minimum percentage has been set for the latter category (ii).
Minimum % sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	1.00%
Minimum % of sustainable investments with a social objective	1.00%
Minimum % of assets promoting E/S characteristics	90.00%
Other specific objectives	If investments were to be made in instruments issued by governments, supranational debtors and/or government-linked agencies, these entities must meet the negative screening requirements as described in this annex and the prospectus under title 'Information concerning the sub-fund Enhanced Intelligence Bond Selection Responsible Investing'.

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 Corporates - Total Return Index 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?

(1) Indicators related to the ESG-risk score

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product

The contribution to the integration of sustainability into policy decisions of the companies is measured based on an ESG risk score. This score represents the aggregated performance assessment of a given company with respect to general environmental, social and governance themes. The main factors underpinning the ESG criteria are:

- 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

are attained.

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, as well as internal research.

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 Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Enhanced Intelligence Bond Selection Responsible Investing'.

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 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.

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 companies 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 companies 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 companies to climate change mitigation is measured based on their greenhouse gas intensity. Greenhouse gas intensity is defined as absolute greenhouse gas emissions (in tonnes CO2 equivalent) divided by revenues (in million USD).

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, as well as internal research. 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 Corporates - Total Return Index and a reduction of 50% by 2030 compared to the benchmark iBoxx Euro Corporates - Total Return Index as described in the prospectus under the heading 'Information regarding the sub-fund Enhanced Intelligence Bond Selection Responsible Investing'.

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 could be 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.

Greenhouse gas intensity targets are monitored and evaluated annually. The targets can be revised upwards or downwards. For example, if companies 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 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 a part of its portfolio in companies 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.

In addition, KBC Asset Management NV can award the "sustainable development" label to instruments of companies, on the advice of the Responsible Investing Advisory Board.

(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 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.

In addition, KBC Asset Management NV can award the 'sustainable development' label to instruments of companies, on the advice of the Responsible Investing Advisory Board. In that case, these investments shall also qualify as "sustainable investments" as defined by article 2(17) SFDR.

(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. In addition, bonds that comply with the European Green Bond Standard will be considered bonds financing green and/or social projects. Instruments that meet these requirements are labelled 'sustainable investments' as defines 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

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.

investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti corruption and antibribery matters.

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 certain activities are excluded from the sub-fund's investment universe. A distinction can be made between issuers that are excluded if they exceed a certain turnover threshold in relation to specific activities, such as conventional weapons, fur and special leather, tobacco, gambling or adult entertainment, and those that are excluded outright because they are involved in specific activities, such as controversial weapons, nuclear weapons, agricultural commodities, or the mining of thermal coal, among others.
- the sub-fund may nevertheless invest in companies involved in conventional weapons and/or nuclear weapons that exceed certain turnover thresholds, provided they are included on the whitelist as stated in the policy. The whitelist is a list drawn up by KBC Group and includes companies involved in conventional weapons and/or nuclear weapons but which are nevertheless deemed acceptable as investments within funds that invest responsibly, taking into account factors such as the proportion of arms sales to non-NATO countries and a possible involvement in human rights controversies related to armed conflict.

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.

More information regarding the different exclusions and the applicable turnover thresholds can be found at *www.kbc.be/investment-legal-documents* > Exclusion policy for Responsible Investing funds.

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 or internal research.

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.

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 at *www.kbc.com/en/corporate-sustainability/setting-rules-and-policies* > KBC Group's rules and policies > Our sustainability policies > Human rights commitment > Human Rights Policy.

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 annex.

The information on principal adverse impacts on sustainability factors can also be found in the annual report for this sub-fund.

☐ No

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The general investment strategy of the sub-fund is described in section 2. 'Investment information' under title “Information concerning the sub-fund Enhanced Intelligence Bond Selection 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 companies 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 Enhanced Intelligence Bond Selection Responsible Investing’.

Moreover, automatic checks happen in the system that manages investments, constantly ensuring that investments are made only in issuers complying with eligible responsible investment universes.

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 companies by preferring companies with a better ESG risk score and promote climate change mitigation, by preferring companies 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 companies 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 or internal research, 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 soecific 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 Enhanced Intelligence Bond Selection Responsible Investing”.

Within these categories of eligible assets, the sub-fund fund aims to invest at least 90.00% of the assets in assets that promote environmental or social characteristics.

Corporate 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* > Investment policy for Responsible Investing funds.

Consequently, the sub-fund will invest a maximum of 10.00% 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 achieve investment objectives and 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 Enhanced Intelligence Bond Selection 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 22.50% 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 sum of investments with an ecological objective that do not qualify as ecologically sustainable within the meaning of the EU Taxonomy and investments in socially sustainable investments do not necessarily need to be equal to the overall sustainable investment objective in accordance with Article 2(17) SFDR. In the management of the sub-fund, no specific focus is placed on environmentally sustainable investments that do not qualify as environmentally sustainable within the meaning of the EU Taxonomy or socially sustainable investments. The percentages are set so that investments can be made freely within both categories, provided that the overall percentage of sustainable investments in accordance with Article 2(17) SFDR of 22.50% is always respected.

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 KBC Asset Management NV on the advice of the Responsible Investing Advisory Board.

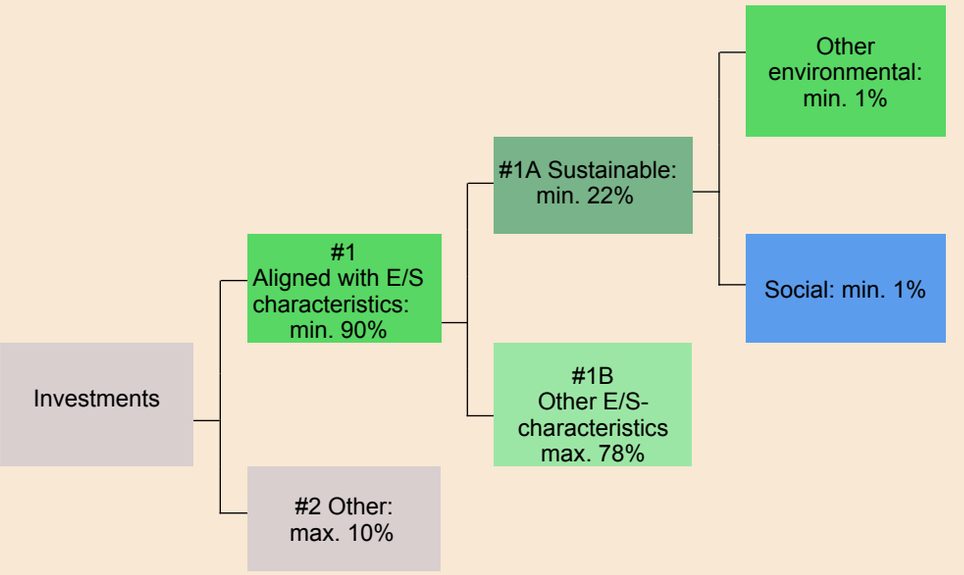
In addition, non-financial companies that have at least 20% of their revenues aligned with the EU Taxonomy Framework according to data from Trucost, are considered to contribute to sustainable development. For companies in the financial sector, a different methodology applies. For credit institutions, the alignment with the EU Taxonomy Framework is based on the Green Asset Ratio, while for other financial companies the alignment with the EU Taxonomy Framework is based on the alignment of their investment portfolios. Instruments of companies that meet these requirements are referred to as "sustainable investments," according to art. 2(17) SFDR. Green bonds complying with the European Green Bond Standard are also considered aligned with the EU Taxonomy Framework and are referred to as “sustainable investments”. 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. 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 achieve investment objectives and 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 Enhanced Intelligence Bond Selection 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[(1)]?

☐ Yes

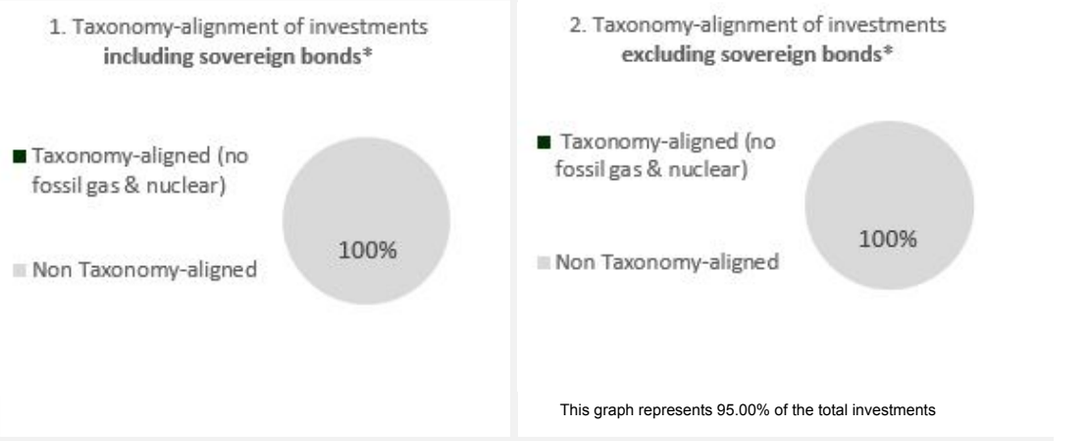
☐ in fossil gas ☐ in nuclear energy

☒ 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 Green bonds complying with the European Green Bond Standard are also considered as aligned with the EU Taxonomy Framework. 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.

(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 22.50% 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 achieve investment objectives and 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 Enhanced Intelligence Bond Selection 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 Corporates - Total Return Index 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* > KBC Participation Enhanced Intelligence Bond Selection Responsible Investing